

THE
RISE
OF THE
COMMUNITY BUILDERS

*The American Real Estate Industry
and
Urban Land Planning*

MARC A. WEISS



NEW YORK
Columbia University Press
1987

The Columbia History of Urban Life

Kenneth T. Jackson, General Editor

Deborah Dash Moore. <i>At Home in America: Second Generation New York Jews.</i>	1981
Edward K. Spann. <i>The New Metropolis: New York City, 1840-1857.</i>	1981
Matthew Edel, Elliott D. Sclar, and Daniel Luria. <i>Shaky Palaces: Homeownership and Social Mobility in Boston's Suburbanization.</i>	1984
Steven J. Ross. <i>Workers on the Edge: Work, Leisure, and Politics in Industrializing Cincinnati, 1788-1890.</i>	1985
R. J. R. Kirkby. <i>Urbanization in China: Town and Country in a Developing Economy, 1941-2000 A.D.</i>	1985
Andrew Lees. <i>Cities Perceived: Urban Society in European and American Thought, 1820-1940.</i>	1985
Judith Ann Trolander. <i>Professionalism and Social Change: From the Settlement House Movement to the Present.</i>	1987
Marc A. Weiss. <i>The Rise of the Community Builders: The American Real Estate Industry and Urban Land Planning.</i>	1987

CONTENTS

	<i>Acknowledgments</i>	ix
	<i>Prologue</i>	xiii
CHAPTER ONE	BUILDING COMMUNITIES	1
CHAPTER TWO	The RISE of the COMMUNITY BUILDERS	17
CHAPTER THREE	COMMUNITY BUILDERS and URBAN PLANNERS	53
CHAPTER FOUR	The LOS ANGELES REALTY BOARD and ZONING	79
CHAPTER FIVE	The CALIFORNIA REAL ESTATE ASSOCIATION and SUBDIVISION REGULATIONS	107
CHAPTER SIX	COMMUNITY BUILDERS and the FEDERAL HOUSING ADMINISTRATION	141
CONCLUSION	MODERNIZING the REAL ESTATE INDUSTRY	159
	<i>Notes</i>	163
	<i>Index</i>	223

zoning, and the California Real Estate Association and subdivision regulations. These case studies reveal that the community builders were not entirely satisfied with the apparatus of urban land planning agencies that they had helped create during the 1910s, 1920s, and early 1930s. While they continued to support planning in general, they often were opposed to particular proposals, decisions, and laws. They also encountered a great deal of conflict not just with planners and public officials, but with colleagues and competitors from within the ranks of the real estate industry. As a consequence of this dissatisfaction, community builders began searching for alternative and additional vehicles of land-use control, including stricter and more extensive private restrictions, establishment of newly incorporated suburban government jurisdictions and of metropolitan-wide regional planning agencies, and support for real estate business regulation in place of planning commission authority.

Chapter 6 documents the successful completion of this search for a better source of control through the powerful national intervention in the mid-1930s of the Federal Housing Administration (FHA). FHA, in close alliance with the large community builders and the major real estate lending institutions, imposed standardized land planning requirements on private subdividers and state and local governments. By 1940 FHA's influential Land Planning Division was fully implementing a set of public-private planning goals that had been the basic suburban housing development agenda of community builders and urban planners for three decades. The creation of the modern residential subdivision, best symbolized in the 1950s by the Levittowns and Park Forests, was essentially accomplished by the late 1930s.²⁸

CHAPTER TWO

THE RISE OF THE COMMUNITY BUILDERS

Introduction

IN 1913, the California State Realty Federation (CSRF) published the following advertisement for prospective clients:

At the present time there are three distinct classes of men engaged in the Real Estate business in California, which for the sake of argument we will class as follows: First, GOOD; second, INDIFFERENT; third, BAD.

THE FIRST CLASS is composed of old, reliable firms whose reputation for fair, square dealing has long been established; men who conduct their operations along the lines of honorable, legitimate business methods; property owners and taxpayers themselves vitally interested in building up their own communities; men of affairs who contribute to the support of churches, schools, chambers of commerce and all other progressive civic institutions. They are as much interested in your future welfare as you are yourself. Most of these are members of the California State Realty Federation and display the above seal in their offices.

THE SECOND CLASS is composed of that body of Real Estate men who go into the business solely for the money that's in it—many of them new arrivals in the State, who operate along the lines of speculation, who buy and sell without regard to any established board rates of commission, and who, while operating in many cases in magnificently furnished (rented) offices, are no more interested in the upbuilding of the community in which they operate than the veriest stranger. While many of this class may be doing business within the letter of the law, their methods are not endorsed by the California State Realty Federation.

THE THIRD CLASS is composed of what is known as the "curb-

stoner"—the real estate broker with his office in his hat. He has no regular place of business, but is always on the street looking for prospective customers. He hangs around the depot and watches for the stranger, or on the sidewalk in front of some well-advertised firm. His only asset is a slick tongue and he catches many a "sucker" and sells him a worthless piece of land. He always has a "bargain" that may look good to you on the surface, but generally has a flaw in the title or some other defect that you do not discover until too late. The California State Realty Federation has introduced a bill in the present Legislature to put this class of men out of business.¹

The California State Realty Federation (CSRF), founded in 1905, was one of the oldest and largest state associations of local realty board members. At the time the ad appeared, the CSRF was at the peak of its pre-World War I strength, with 26 local boards and approximately one thousand members.² Two years later, in the face of a depression in residential real estate brought on by the War, the State Federation nearly dissolved, as did many of the smaller local boards. The struggle of the "First Class" firms continued unabated, however. A real estate sales licensing bill passed each biannual session of the California Legislature beginning in 1913, and was signed by the governor in 1917 to inaugurate the first state Real Estate License Law in the U.S. In that year, the CSRF changed its name to the California Real Estate Association (CREA), which in the 1920s became a powerful voice for state regulation of the real estate industry.³

This chapter examines the structural transformation of American urban development that spawned the "First Class" real estate firm as a central node of a much broader network of entrepreneurial institutions in real estate finance and insurance, land subdividing and development, construction, and property management. As brokers, the "First Class," joined in the 1920s by elements of the "Second Class," organized into local real estate boards and state associations and a national association as mechanisms designed to reduce competition within their highly competitive industry and to rationalize and standardize economic relationships more favorable to the larger realty dealers. The goals of the "Realtors," as the board and association members called themselves, included: (1) expanding the share of the total dollar volume of real estate transactions handled on a commission and fee basis by the brokerage industry; (2) stabilizing the wide "boom-bust" sales activity and price cycles that often under-

mined investor and consumer confidence in real estate purchase; and (3) improving the pattern of urban land-use and quality of development to increase the attractiveness, security, and growth potential of real estate investment.

Goal #3 constituted the core program of what was often referred to as "scientific city planning." Certain members of the real estate boards and associations, particularly the brokerage firms that specialized in direct large-scale land subdividing for residential development, were frequently strong supporters and even leaders in the movement to establish local planning commissions to guide public improvements and regulate private land-use. This group of real estate executives I call "community builders." The fight for urban planning was an integral part of their local, state, and national battle with the "curbstoners," and was also a source of conflict among their fellow realtors.

The community builders began as land subdividers and evolved into homebuilders between 1890 and 1940, particularly during the 1930s with the encouragement and assistance of the Federal Housing Administration. While some large subdividers and many operative builders were not members of real estate boards, the Home Builders and Subdividers Division of the National Association of Real Estate Boards (NAREB) was the main organizational framework within which most of the community builders operated during the 1920s and 1930s. On the vital public issues of land planning and regulation for development of the urban periphery, the leading residential subdividers inside NAREB were more active and influential lobbyists than any other organized group from the entire real estate industry. They also played an important role both as allies and adversaries of professional city planners. In the pages that follow, I will describe and analyze the changing pattern of economic and political relationships between the community builders and the curbstoners.

The Competitive Environment

Real estate brokerage is essentially a sales-oriented service in which a broker acts as agent for a principal in arranging the selling, purchasing, or leasing of real property, including facilitating the completion of a sometimes complicated set of related legal and financial transactions. The

bulk of standard brokerage income has generally derived from commissions as a percent of the sales price paid by the selling owner when the agent sells a property on the owner's behalf. Income also derives from arranging rental leases, managing property for an owner, appraising property, selling property insurance, arranging and servicing property loans, and a whole range of other activities, but sales commissions have always been the bread-and-butter of the average brokerage business. The broker gets his or her name by being the agent who represents the property owner (or seeker, but mostly owners); this differentiates her or him from sales personnel ("salesmen"), who are employed by brokers, generally on a commission basis, to help the broker sell property. Realty clients pay their commissions directly to brokers, not to salesmen; sales personnel are paid by the broker.⁴

While some form of brokerage has probably always existed, real estate brokerage in eighteenth- and nineteenth-century America was not so nearly widespread an occupation as it subsequently became. Most people one hundred or more years ago bought and sold or leased real estate for speculation, investment, production, or consumption, directly on their "own account." The wealthy often employed middlemen or agents in various phases of land transactions, but most other property owners acted as their own trading representatives. A large number of new realty agents first emerged most prominently in connection with the expansion of interstate railroads and later with the growth of intra- and interurban transit companies. These railway corporations platted, subdivided, and promoted the sale of vast tracts of rural and urban land to international and interregional migrants. Real estate agents employed by these transportation concerns helped promote the initial land sales, although the subsequent resale market frequently reverted back to direct "own account" transactions between owners and purchasers (assuming there was a genuine resale market rather than a speculative collapse).⁵

The largest and most stable of the more modern version of urban realty brokers grew up with the advance of urban technology in the latter third of the nineteenth century. These real estate leaders were closely allied with the major transport companies, utilities, and other large landholders and residential subdivider/developers, as well as with the newly formed giant corporations that were changing the face of the fastest-growing cities with the advent of the downtown headquarters "skyscraper."⁶

With the increasing pace of urbanization and the tremendous mobility and constant turnover of the urban population, the volume of metropolitan real estate sales transactions both for vacant lots and for existing buildings grew rapidly, providing vast opportunities for realty agents to earn commissions by seeking out prospective purchasers among the anonymous city populace.⁷ This new source of income and employment in realty sales mushroomed in the 1880s and early 90s, but there were several serious problems with its potential long-run growth and success.⁸

The first set of problems applied to the buyers and sellers who dealt with the agents. The industry had total ease of entry. It required no capital to enter—anyone could call him or herself a real estate "agent."⁹ Since all but the most sophisticated and professional buyers and sellers entered the market only very infrequently in any single geographic area, they were often quite unfamiliar with the salesmen, sales techniques, laws, prices, customs, and even the physical property over which they were bargaining. Thus they might be easy prey to unscrupulous real estate operators, who could engage in substantial misrepresentation and even outright fraud and then simply "fly by night," free of the business constraints that reputation imposed in a more closed community setting. Since buyers and sellers were legitimately uncertain as to which realty agents and proposed deals to trust, the real estate market periodically suffered from halting fluctuations that in times of falling prices could escalate to panic levels of disinvestment and "no confidence."¹⁰

The second set of problems belonged to the brokers. Given that there were so many other sales agents in business, how could a broker wholeheartedly pursue the sale of a property when the commission could so easily be lost to a competing agent working to sell the same property, or when the owner might play off a number of agents against one another and then sell the property "independently" and refuse to pay any commission? How could a broker charge a reasonable fee when he or she was so vulnerable to being undercut by a "curbstoner"? Given the general level of mistrust, how could an honest broker engage in fair practices without being out-competed by less scrupulous rivals, and how could such a reputable dealer distinguish both the firm and the industry as being sources of reliable and trustworthy service? Was there a way for brokers to share market information without sacrificing deals? Could realty agents work together to enhance the quality of real estate development

in the community, as a more long-range strategy for expanding sales opportunities and increasing property values?¹¹

That the ultracompetitive situation caused serious problems for the larger brokers can easily be gleaned from this admonition published in the *San Francisco Real Estate Board Bulletin* in 1918, urging its members to "COOPERATE WITH YOUR FELLOW BROKERS AND BOOST."

If the client of another office makes a purchase and asks for your opinion, don't tell him he has been robbed, that you could have sold him the same piece or a better one for less money. Don't boost one part of town by knocking another. Real Estate is a commodity the sale of which depends largely on confidence in values, future prospects and the broker's expert advice. How can we build up a Real Estate Market, if, for every broker who through hard work and sincere optimism effects a sale, there arise a dozen knocking, disloyal malcontents who impugn the buyer's sanity, the broker's honesty, the value or prospective value of the property?¹²

For some of the more prosperous and ambitious realty brokerage firms in a number of the fastest-growing cities (particularly in the midwest and far west), the answer to the various sets of competitive problems lay in the formation of an industry trade association. Such an association would act as an informal cartel to standardize transaction procedures, reduce competition both within the association and especially from without, encourage cooperation among members, enhance the public image of brokerage and of real estate investment, and act as a lobby to win needed institutional changes from other private industry sectors and from different levels of government. The primary vehicles for achieving these aims were the local real estate boards, the state associations of local board members, and the National Association of Real Estate Boards (NAREB), founded by 19 local boards and one state association (California) in 1908.¹³

The initial agenda of NAREB was articulated by its executive secretary during its first year of operation:

1. Organize in some way that will give a rating of men who handle real estate, "something similar to Dunn's or Bradstreet's, but a moral rating not a financial rating."
2. Have some sort of sign to be displayed on every member's office wall showing membership in the National Association of Real Estate Boards.

3. Secure uniform state laws as to deeds, mortgages, and real estate contracts.
4. Establish exclusive agency. "Exclusive agency would revolutionize our whole business." Local exchanges told him this was hard to do. Members said that owners wouldn't agree to it. Nevertheless, urged Halsey, "if we can say to owners you must sell through some one man or you cannot sell through any of the members of this board, we can make it stick."¹⁴

The first big debate in NAREB was over the issue of whether a broker was an entrepreneur in the sense of being a dealer and speculator in real estate, or whether brokers were professional fiduciaries, akin to lawyers who represent a client's interest subject to strict rules to avoid conflicts of interest. NAREB essentially opted for the latter approach, which constituted the beginnings of the "professionalization" of realty brokerage. Probably the key step was taken in 1915 when the national conference in Los Angeles agreed that

An agent has no right to sell his own property to his client, or himself buy a property from a client who is paying him a commission for his services as agent, unless he has his client's full knowledge and consent. Nor is it permissible for a broker in the employ and pay of one of the parties to make a deal to take compensation from the other party to the transaction without the knowledge and consent of each.¹⁵

Once the local real estate boards firmly decided upon the notion of providing a service as a fiduciary agent rather than competitive self-dealing or double-dealing, the way was then clear to push for the major structural changes that have made the modern brokerage profession possible, namely "exclusive" agency made legally binding by written contracts, the multiple listing system, and standard fixed commissions with clear and enforceable guidelines among realty agents for splitting commissions. The exclusive agency provision and the standard commissions introduced the elements of monopoly the brokers felt they needed in order to ensure adequate remuneration for their efforts; the multiple listing system and the cooperative commission arrangements organized the real estate market such that the elements of monopoly also expanded rather than contracted the range of service and market coverage that a client could receive from any one particular agent. Brokers could now

share market information and even sales efforts without undercutting each other or risking loss of compensation.¹⁶

The principal means that the local boards used to pursue the above-outlined institutional rationalization was by exercising a form of collective market differentiation and market power. Members of local boards were advertised by the board and advertised themselves individually as being part of a select, elite group. After 1916, all members of NAREB, and *only* members of NAREB, were legally entitled to use the new brand name of "Realtor." To deal with a "Realtor," a client was generally asked to agree to exclusive agency, written contracts, and standard commissions and fees, and in exchange would receive the advantages of multiple listing of the property through a wide network of active and reputable agents.¹⁷

The image of a "Realtor" was further reinforced by NAREB's promulgation of a Realtor's Code of Ethics, beginning in 1913. The Code of Ethics created internal rules for enforcing relations between realtors in order to put substantial teeth behind the new cooperative arrangements. A realtor who failed to obey the rules could be fined, censured, or even expelled from the board, in which case he could no longer call himself a "Realtor" and would be denied access to the economically advantageous Multiple Listing Service. The Code also contained standards of fair practice for dealing with clients and with the general public, such that a client or citizen could file a complaint to the local board, whose Grievance and Arbitration Committee would presumably investigate and take punitive or corrective action where appropriate. Realtors' willingness to act as monitors of honest business behavior served to enhance their reputation vis-à-vis their numerous agent-competitors, to help exorcise what they saw as a "curbstone" mentality from their increasingly professionalized approach. Since most of the realtors, as local board members, were in fact a select group of the more prosperous and well-established metropolitan firms, the Code of Ethics and the "Realtor" name became self-fulfilling prophecies both of structural change in the industry and of the concomitant rise in economic and cultural respectability.¹⁸

Being a select group, however, had both positive and negative aspects. The positive side was that the realtors managed to successfully differentiate their own image from that of the run-of-the-mill ("Second Class") agent and particularly from the "curbstoner." The negative side was that

there were still hundreds of thousands of these other dealers in the U.S. busily seeking after and brokering realty transactions, inflicting a great deal of competitive impact on the real estate industry's image, on its cost and price structure, on supply and demand, and on physical urban development patterns and practices.

The privately administered Code of Ethics could only be used to discipline a small portion of the total number of full- and part-time realty dealers. Even the worst sanction that could be applied under the Code was expulsion from NAREB, which still allowed the presumably guilty broker to continue to engage in disapproved business methods. To solve this dilemma, NAREB members turned to state governments for assistance. They demanded that all real estate brokers and sales agents be licensed and regulated by state authority.¹⁹

Beginning in 1913, when the California Real Estate License Bill passed the legislature but was vetoed by Governor Hiram Johnson, realtors waged a vigorous campaign for state licensing. By 1919 California, Michigan, and Oregon had license laws on the books. A decade later 27 states were enforcing regulatory real estate licensing procedures covering approximately 115,000 brokers and 150,000 salesmen.²⁰

The various state license laws all required registration for a modest fee, complete with personal references and sometimes with an entrance examination and/or the posting of a performance bond. The fees covered the administrative costs of the real estate commissions or licensing boards that were newly established in most states to enforce the license laws. These state agencies were generally empowered to investigate citizen complaints and to suspend, deny, and revoke licenses. In some cases and states, licensing boards could require certain forms of public disclosure of financial information in connection with real estate transactions, could issue cease-and-desist orders to block sales, and order that refunds be paid to aggrieved purchasers and clients. Many states also required prospective licensees to fulfill certain educational requirements and to pass written examinations. A few states even utilized a portion of the license fees to fund college-level real estate education and research.²¹

The professed goal of many of the "First Class" realty dealers was to use licensing both to regulate industry behavior and to eliminate and exclude the bulk of existing and potential agents from the real estate profession. The leading realtor-advocates of licensing wished to make the

registration process expensive to the applicant, to require stringent educational and other qualifications for acceptance into the field, and to make enforcement against abuse swift, strict, and certain. In no state were any of these conditions ever realized. However, it is probably fair to say that licensing did act as a very mild deterrent to entry into the business, as well as helping to curb some of the worst abuses. The state secretary of the California Real Estate Association in 1928 expressed both the modest reality and his fervent hope:

The ratio of brokers to population is steadily falling under the present laws. . . . The writer foresees the day when a real estate broker's license will be on par with a seat on the stock exchange, or Wall Street. The prices may never reach from \$50,000 to \$300,000 a seat, but surely in their evolution, the real estate men will inevitably see that to handle other people's money, they should put up financial security with the State. This, to the writer's mind, is inevitable, if the business is to ultimately approach the standing of banking or medicine, and is run on a scientific basis.

A hit-or-miss policy in modern business life is destined to be crushed out under the law of the survival of the fittest, the educated and the financially responsible.²²

The hoped-for transformation was never so dramatic as the largest of the "First Class" brokers envisioned, probably because the average realtor still operated on a scale that by overall U.S. industrial or commercial standards was considered a very small enterprise. Nevertheless, the advent of licensing represented another important manifestation of the major structural shift that was occurring, and NAREB rose to prominence partly as a result of its leading role in the licensing crusade. In nearly every state, the local real estate boards and state associations were a key lobbying force behind state legislative and executive actions.²³

Licensing was seen quite explicitly by many government officials and NAREB supporters as a method of imposing the Code of Ethics on the multitudes of non-"Realtor" brokers and salesmen. Many of the state agencies established to enforce license laws were directly controlled and administered by real estate board leaders from their respective states; in some cases the license laws expressly mandated such control. The connection between state licensing and NAREB was so close that in 1924 NAREB, a distinctly nongovernmental body, organized the National As-

sociation of Real Estate License Law Officials. This body met annually as part of NAREB's own national conference to exchange ideas between realtors and public officials about extension and enforcement of state license laws.²⁴

One need only look at some relevant numbers to understand the inordinate influence of the realtors on state real estate regulation in relation to the overwhelming majority of those being regulated. In California, for example, the California Real Estate Association had 70 members in early 1920. Total local board membership statewide, including the flagship Los Angeles Realty Board, was approximately 400. And yet in 1920, the California Real Estate Department issued licenses for 30,000 brokers and saleswomen and men, many of whom "were bitterly opposed to the Act and sought every opportunity to discredit it."²⁵ Most issues of the department's *California Real Estate Directory-Bulletin* contained proceedings from the CREA annual convention or other statements by leading realtors. All licensed brokers in the state received copies of CREA publications. The state real estate commissioner, a well-known realtor, openly promoted local real estate board and CREA membership among the state's licensees. By 1927 the number of licensees in California reached 68,000, and CREA membership had climbed to a prosperous 5,000. Perhaps it is reasonable to say of California's license law that "with its passage organization of the State real estate business became possible by the Realtors."²⁶

Another illustration of the close relationship between NAREB's leadership and state regulation of the real estate business came in the 1930s when the Nebraska legislature wrote the entire text of the Code of Ethics into the state license law. Later on a number of other states followed suit.²⁷

The fact that real estate board members were generally larger in business size than the typical real estate broker was confirmed by two major national surveys conducted in the mid-1930s. The first was a 1933 survey of NAREB members. This survey, compiled for the U.S. National Recovery Administration (NRA), covered all 10,641 active NAREB members, representing a dramatic Depression-induced decline of nearly 16,000 from the peak membership year of 1926.²⁸ The second survey, of 36,137 real estate agencies and brokerage offices, was undertaken in 1936 by the U.S. Bureau of the Census. The latter survey took place

under somewhat improved economic circumstances for the real estate industry. It established that California was the leading state in the number of real estate offices, and New York state was first in total real estate employment, and in brokerage income.²⁹

The Census Bureau analysis stated that "many proprietors reported no paid employees whatsoever, and many others represent one-man establishments except for the services of a single clerical employee."³⁰ The average number of clerical and sales employees per establishment in the Census study, including proprietors and executives, was 1.3. Among NAREB members, however, the average number of office executive, clerical, and sales workers per business was 3.4.³¹

An additional finding of the NAREB survey was that for the larger brokers that engaged in property management, the 2,400 who engaged in office and business property management employed an average of 5.5 workers directly related to this function, and the 1,900 NAREB members engaging in apartment building management employed an average of 6.3 workers. These figures cannot be compared to the Census survey, however, because the latter study did not report data on direct employment in property management.³²

NAREB Influence in Washington, D.C.

NAREB's rise to prominence as a national organization and its strong role in federal policymaking began in 1917 with the advent of U.S. entry into World War I. Headed during the war years by Los Angeles realtor Colonel William May Garland, NAREB actively assisted the federal government in appraising and acquiring property and facilitating new construction. Many leading realtors were instrumental in creating the Real Estate Division of the U.S. Housing Corporation (USHC). This Division established a special federal mortgage loan program to stimulate private construction of moderate-cost housing for war workers, supplementing the government housing construction program of the USHC directed by city planner F. L. Olmsted, Jr.³³

With the accession of Herbert Hoover as secretary of commerce in 1921, NAREB became an important and highly favored trade association working closely with the Commerce Department's newly created

Division of Building and Housing, as well as with other federal agencies. By the early 1930s NAREB was a major presence at the U.S. President's Conference on Home Building and Home Ownership in 1931 and a key national lobbying force behind the creation of the Federal Home Loan Bank System, the Federal Housing Administration, and a number of additional federal policies and programs.³⁴

The most visible symbol of the realtor's national power came in 1933, when the National Recovery Administration (NRA) was promulgating restrictive federal codes of "Fair Competition" for every substantial industry in the country. In September of 1933, NAREB submitted to the NRA proposed codes for the "Real Estate Business," separated into five distinct components: (1) "Real Estate and Insurance Brokerage Business"; (2) "Real Estate and Building Management Business"; (3) "Real Estate Mortgage Business"; (4) "Land Development and Home Building Business"; and (5) "Real Estate Appraising Business."³⁵ In its cover letter accompanying the proposed codes, NAREB's president and its Code Committee chairman stated:

Real Estate has frequently been estimated to comprise at least one half of our national wealth. In spite of its importance, however, real-estate methods are generally unstandardized. The National Association of Real Estate Boards is the only articulate nation-wide body representing real estate in all of its branches. The Association believes that a great opportunity exists at this time to standardize and coordinate the work it is doing and the work that is being done by several other national associations covering important but restricted fields, such as the National Association of Building Owners and Managers, Mortgage Bankers Association of America, the National Association of Apartment House Owners, and others.

Because of lack of coordination, there has not been sufficient planning with respect to the production of improvements and their adjustment to current needs. As a consequence we have periods of feast and famine. Lack of coordination has also produced costs that are frequently excessive and that are an obstacle to home ownership. The present crisis offers an opportunity for the major interests and activities in the real-estate field to work together for more intelligent development of sites, better planning and construction, sounder financing methods, and more productive management.³⁶

The first of the NAREB codes officially approved by the NRA was for the "Real Estate Brokerage Industry," in April of 1934. This code re-

quired *all* "Members of the Industry" to register with the Code Authority and to pay a registration fee to finance the administration of the Code Authority, which was the NRA-designated national code enforcement body for the particular industry. The Real Estate Brokerage Code specified that the national Code Authority would consist of 11 voting members, 8 of whom must be appointed by NAREB. It further stated that local code control boards would be created to aid in enforcing the new industrial law. The Code mandated that these local code boards would be established by local real estate boards, or, where no realty board existed, by NAREB. The section of the Code on Trade Practice Rules enumerated "methods of unfair competition" that would be considered illegal violations of the NRA Code if practiced by any registered Member of the Industry (any unregistered broker would automatically be in violation), subject to fines and imprisonment. Not surprisingly, the 18 Trade Practice Rules were quite similar to the Realtor's Code of Ethics.³⁷

Linkages and Institutional Transformation

The fact that NAREB drafted the proposed five NRA codes for "real estate in all of its branches" was a sign of the increasing institutional interconnectedness that had been spawned in the real estate industry during the preceding three decades. The largest of the brokers now stood near the center of a broad network of economic actors shaping the development process.³⁸ (See table 2.1.)

Having first organized a trade association and licensing laws to secure strong market power within real estate brokerage, the large brokers enhanced this power through their central position as an integrating force in the increasingly complex institutional process of urban land development. Many of the larger brokers and builders became "developers," providing the service of managing and linking together the various stages of transforming parcels of unimproved land, from the initial subdividing process through the construction of improvements to the selling and renting of the completed structures. These stages became increasingly integrated in each decade from the 1900s to the 1930s; however, even when the stages were disconnected by transfer of ownership, large real estate brokers were often involved in each different stage of ownership

TABLE 2.1
The American Real Estate Industry, 1890–1940

Brokers and Sales Agents
Renting and Leasing Agents
Building and Property Managers
Appraisers
Operative Builders
Contractors and Subcontractors
Equipment, Materials, and Appliance Manufacturers and Suppliers
Subdividers and Land Developers
Transportation and Utility Companies
Architects and Civil Engineers and Landscape Architects
Lawyers and Accountants
Fire and Property Insurance Companies
Title Insurance and Trust Companies
Commercial Banks
Life Insurance Companies
Mutual Savings Banks
Building and Loan Associations (Savings and Loans)
Mortgage Companies (Mortgage Bankers)

transaction. The new production-oriented broker-developers went one step further, actually coordinating multiple activities and involvement of financial institutions and insurance companies, contractors and subcontractors, architects and engineers, and other key actors in the development process. The overall institutional changes in land development practices that led to greater control by substantial private firms and public agencies also enhanced the central position of the biggest real estate broker-developers, the leaders of NAREB's Home Builders and Subdividers Division—the community builders.³⁹

Finance

The single most important institutional change in urban property development after 1900 was in the area of real estate finance. Up to the late nineteenth century the vast bulk of real estate transactions were financed either directly from personal savings or through small loans informally arranged through relatives, friends, or very small local lenders.

By the early twentieth century this situation was dramatically shifting. Both the proportion of real estate transactions financed through mortgage debt and the proportion of mortgage debt held by financial institutions were rapidly rising. Property acquisitions often carried multiple mortgages on them. Commercial banks, mutual savings banks, life insurance companies, and savings and loan associations all significantly expanded their mortgage lending. The average length and the loan-to-value ratio of first mortgages began increasing, and self-amortizing repayment schedules grew in usage. In the 1920s, mortgage bonds appeared as a major new source of financing, and mortgage guarantee insurance and secondary mortgage markets also grew in importance.⁴⁰

In 1923, the U.S. Census reported that the number of mortgaged homes (as opposed to debt-free) nationwide had increased by 43 percent between 1890 and 1920, with a steady upward trend in the intervening years. The actual number of existing home mortgages grew by 350 percent during these 30 years, with the amount of debt increasing six-fold to six billion dollars.⁴¹ The Census survey was taken in a real estate depression year, 1920, and before the unprecedented expansion of mortgage lending that dwarfed all previous statistical peaks, with the total residential mortgage debt more than tripling between 1920 and 1930.⁴² This Census study, prepared by economist Richard T. Ely, also revealed that mortgage financing, which in 1890 was confined mainly to upper-income purchasers, had by 1920 extended to smaller, lower-priced, middle-income housing, symbolizing another key change in institutional real estate development patterns.⁴³ The revolutionary rise in higher loan-to-value debt financing for residential realty, often ascribed to the post-World War II era, clearly began in the early decades of this century.

Between 1850 and 1900 a national urban network of all of the main types of modern financial institutions took shape. After 1900, substantial growth in institutional mortgage debtholding occurred, foreshadowing the floodtide of real estate lending during the 1920s boom. For example, the institutional share of residential mortgage debt increased from 49.5 percent in 1896 to 66 percent by 1912.⁴⁴

Savings and loan associations, originally called "Building and Loan," first experienced dramatic growth in the 1880s. After the depression of 1893, they settled down to a more modest growth rate.⁴⁵ By the 1920s, however, "S&Ls" had emerged as the top mortgage lender among all

competing financial institutions, particularly in 1-4 family residential dwellings.⁴⁶ To illustrate the scale of institutional growth, in 1893 the total number of properties mortgaged by S&Ls in the previous 31 years was just over 300,000. Yet in just 10 years, between 1920 and 1930, savings and loans mortgaged 4.35 million properties, totaling more than 15 billion dollars in loans.⁴⁷ Acknowledgment of their growing role in real estate finance reached national headlines in 1932 when President Hoover and Congress created the Federal Home Loan Bank System.⁴⁸

Prior to the 1920s, mutual savings banks were the largest residential mortgage lenders, and their lending activities also steadily increased in the post-1900 period.⁴⁹ The main reason for their declining relative share of total institutional lending was their concentration primarily in just one region of the country, the northeast. Within that region, however, they exercised considerable influence on real estate market activity.⁵⁰

State-chartered commercial banks were among the oldest of institutional mortgage lenders, dating back well into the nineteenth century. The rise of commercial banks as major mortgage lenders did not begin until the early twentieth century, when the Federal Reserve Act of 1913 and a key amendment passed in 1916 paved the way for federally chartered commercial bank involvement. National bank real estate lending was further expanded with the passage of the McFadden Act in 1927, and again through the creation of the Federal Housing Administration (FHA) in the 1930s.⁵¹

Life insurance companies in 1900 were the third largest institutional residential mortgage lenders after mutual savings banks and savings and loans.⁵² As a percentage of their own total assets, however, life insurance companies have traditionally been very heavily involved in mortgage investment, more than any other financial intermediary except savings and loan associations. Dating from the 1860s, anywhere from one-quarter to one-half of the total U.S. life insurance company portfolio has consisted of real estate mortgage loans, with another major portfolio segment invested in direct real estate ownership.⁵³ Life insurance holdings of mortgages grew enormously during the 1920s. The larger companies played a particularly important role in handling the big commercial and industrial mortgages, and in creating and standardizing the national mortgage market for lending on residential property.⁵⁴

Mortgage companies, also known as mortgage bankers, were yet an-

other key financial innovation to grow in institutional status during the early twentieth century. In a sense these companies were engaged in mortgage brokerage, as they basically acted as intermediaries between prospective borrowers and prospective lenders. They would originate loans, both first mortgages and especially second or junior mortgages, and then sell them to financial institutions or investors, often continuing to manage the loan and receiving a fee for this service.⁵⁵ This institutional arrangement was a vital forerunner of the secondary mortgage market that reached national fruition with the establishment of the Federal National Mortgage Association (FNMA) during the 1930s.⁵⁶ Perhaps a related development to mortgage banking in the 1920s was the growth of mortgage bond houses, who sold securities to investors backed by real estate mortgages. The main difference was that mortgage bankers sold individual mortgages mostly to financial institutions, whereas the bond brokers sold mortgage-backed securities primarily to individuals.⁵⁷

Realtors were vitally interested and in many cases intimately involved in promoting the expansion of financial institutions into real estate lending. Since realty brokers' primary source of income came from earning commissions from the sale of real property for clients, the brokers were anxious to pursue any means of widening the market for their product. Availability of financing became increasingly important with the changing pattern of realty transactions beginning in the 1880s. The organization by NAREB of a separate Mortgage and Finance Division in 1923 was a recognition of this crucial connection.⁵⁸

Many of the larger real estate brokers were actively engaged in financial operations both as agents of other institutions and as lenders for their own institutions. The most common form of involvement was as an agent. Reputable brokers would steer prospective borrowers to financial institutions with which they had ongoing relationships and receive a percentage fee from the value of every mortgage loan they successfully "brokered." In some cases, they were officially authorized to initiate certain types of mortgage loans for these institutions. Many of the major life insurance companies maintained "correspondent" relationships with realtors in various cities.⁵⁹

In addition, the bigger realty brokers generally had their own "Mortgage and Loan" departments to make, sell, and service loans. Some real-

tors would spin off separate mortgage companies to expand their business in the area of financing, usually as a supplement but occasionally as an alternative to brokerage. Such an orientation explains the very close connection between NAREB and the Mortgage Bankers Association of America (MBAA), which was founded in 1914. The Mortgage and Finance Division of NAREB wrote the proposed NRA code for the "Real Estate Mortgage Business" in conjunction with the MBAA.⁶⁰

Moreover, beginning in the early twentieth century major real estate brokers often directly controlled, or were very closely associated with directing, local financial institutions. As Leo Grebler has pointed out, "realtors, for example, have sometimes controlled savings and loan associations or country banks to such an extent as to make them adjuncts to their operations."⁶¹ Economist Herbert Simpson, writing about the role of financing in the tremendous wave of suburban land speculation during the 1920s, underscores this growing link between realty brokers and financial institutions:

A particularly ominous development was the expansion of the banking system itself for the specific purpose of financing real estate promotion and development. Real estate interests dominated the policies of many banks, and thousands of new banks were organized and chartered for the specific purpose of providing the credit facilities for proposed real estate promotions. The greater proportion of these were state banks and trust companies, many of them located in the outlying sections of the larger cities or in suburban regions not fully occupied by older and more established banking institutions.⁶²

Another indication of the substantial difference between the average small realty broker and the larger realtor was in the area of real estate finance. The U.S. Census of Business reported for 1936 that of the 36,137 real estate agencies surveyed, the average income from "placing of loans and mortgages" was just 5.8 percent of average total income.⁶³ For the 10,641 realtors surveyed by NAREB in 1933, income from negotiating, renewing, and servicing mortgages was significantly higher than the Census figures both in average dollar amounts and as a percentage of total income. Thus the realtors were much more involved in financing and earned more from doing so. About one-fourth of the NAREB members surveyed were heavily engaged in mortgage brokering, and 190 of the

NAREB members maintained simultaneous membership in the Mortgage Bankers Association of America.⁶⁴

Insurance

The selling of property insurance (fire and casualty) overlapped significantly with the growth of the modern realty brokerage industry. The majority of brokers, both large and small, generally sold some form of property insurance on a commission basis.⁶⁵ In this case their paying client was an insurance company. During the latter decades of the nineteenth century, with the explosion of high-density city-building, fire insurance sales entered a period of rapid expansion. Many of the large realtors maintained strong ties to the big fire insurance companies and their local agents. The Los Angeles Realty Board, for example, created in 1903 a local association of fire insurance agents, using the Realty Board's office and staff.⁶⁶

According to the 1933 NAREB survey of its members, realtors engaged in a larger number of business transactions selling property insurance policies than they did in selling real estate. The Census of Real Estate Agencies and Brokerage Offices found that 60 percent of all realty offices were actively engaged in selling property insurance in 1936. As a consequence of this strong link, NAREB maintained good relations with the National Association of Insurance Agents, an organization founded in 1898 to represent fire and casualty insurance firms.⁶⁷

A closely related link in the transformation of the property development industry was the rise of title insurance and trust companies. Real estate lawyers led the effort to organize private title abstract companies in the late nineteenth century in order to rationalize and coordinate the burgeoning and expensive title search process. Once good abstracting services were established, the financial intervention of title insurance soon followed. The creation of title insurance played a critical role in facilitating and standardizing real estate transactions: transfer of title at once became safer for the purchaser and easier for buyers, sellers, and brokers. Adding the trustee function, the holding of deeds in trust for property owners, further improved the reliability and efficient organization of realty transactions.⁶⁸

In most large metropolitan areas title insurance and trust companies held oligopoly or even monopoly status, and exercised a great deal of economic and political power in the real estate field. Prominent real estate brokerage firms often were closely connected to the title companies. The American Title Association, organized during the national "Panic" of 1907, worked together with NAREB leaders on many issues of mutual concern. The California Land Title Association and the California Real Estate Association went a step further, sharing their magazine, *California Real Estate*.⁶⁹

Property Management

Big real estate brokerage firms generally handled sales, leasing, and management for large-scale landowners and property developers. In some cases the major downtown realtors developed and owned their own office buildings with one floor as headquarters and the rest of the space for lease. This entrepreneurial role was in addition to their acting as agents for other central business district property owners. Many of NAREB's leaders were closely intertwined with the members of the National Association of Building Owners and Managers (NABOM), founded in 1908. NABOM, whose monthly magazine was called *Skyscraper Management*, was a strong lobby for the urban land-use interests of large downtown corporations and office building developers and investors. Particularly when real estate boards were located in sizable central cities, there usually was a contingent of realtors who worked together with the local building owners and managers organization on issues of common concern.⁷⁰

Real estate board members also acted as brokers for major land-extensive owner-developers on the outskirts of the spreading metropolitan areas. These included most significantly the electric urban transit companies, but also involved other large private utilities owners, newspaper publishers, manufacturing and mining corporations, railroad companies, and major agricultural interests. Periodically there existed much common ground between the realtors and these more powerful economic institutions regarding the adoption of public and private policies to stimulate urbanization and urban property development.⁷¹

Builders

Builders, like real estate agents, were very numerous, and most of them operated on a very small scale with few if any regular employees. The majority of general contractors and special trade subcontractors were actually building trades journeymen who moved back and forth between hiring construction crews and working on them. The bulk of building construction work performed was done under contract. Even in the area of housebuilding, contract construction executed by small local contractors and subcontractors was the norm. Owner-built homes were more common than housing built on speculation for direct sale.⁷²

Estimates of the total number of contractors and subcontractors active during any one year in the latter 1920s ranged from 140,000 to 200,000. Disparities in scale of operations between big and small were quite substantial. The U.S. Census reported for 1929 that the top twenty percent of contractors and subcontractors averaged more than \$200,000 worth of annual business, whereas the remaining 80 percent averaged less than \$9,000.⁷³ Of firms in all branches of building and nonbuilding construction, residential building, particularly housebuilding, ranked at the lowest end of the average scale of operations. The U.S. Bureau of Labor Statistics calculated in 1938 that even in the largest cities, the typical housebuilder constructed less than four houses a year, with most building only one or two per year. Very few firms built more than 10 houses annually.⁷⁴

Building contractors and subcontractors engaging in large-scale construction generally did so under contract, with payment by the purchaser of the construction services. The profit on construction work was assured regardless of the ultimate economic fate of the building once completed. Often large commercial office buildings, hotels, apartment buildings, and other facilities were built on speculation for sale or lease, but the speculators were real estate promoters, financiers, and investors, not building contractors. Operative or operating builders, also known as speculative or merchant builders, were very much the minority breed within the construction industry. These were builders who constructed buildings for their own account, as owners rather than under contract, in order to sell the completed building or lease space in it for a profit. Among the high volume builders in 1929 (the top 20 percent), the U.S. Census deter-

mined that only 2.5 percent were "operative builders."⁷⁵ These were the cream of their trade, occasionally venturing to erect office or apartment buildings, but generally concentrating on speculative homebuilding. Many smaller individuals and firms in the construction trades periodically built one or several dwelling units on speculation for sale, but few engaged in operative building on a sustained year-round basis. With the exception of construction equipment and materials manufacturers and distributors, the "construction industry," meaning contractors, sold services, not products.

Who sold the products? Real estate dealers did so, either as brokers for an owner-client, or directly for their own account. In the process of production that led to new building construction, a broker might sell a piece of land to an investor, who would then contract with a builder to erect a structure, and then engage a realty broker to either sell the completed building, or lease the building space and manage the property. Alternatively, a broker would sell land to a user-purchaser who would then contract with a builder to construct a facility for the purchaser's direct consumption. The broker might also help arrange mortgage financing for the purchaser, for an additional fee. In another common scenario, a speculative builder would buy land from a broker acting as agent for a subdivider or lot owner. The builder would then construct one or several houses on the land, and then hire a broker on commission to sell the house or houses. Larger merchant builders who constructed groups of houses on a more sustained basis often made special arrangements with brokers for selling their properties at a flat fee or commission rate somewhat less than the standard rate for an individual sale. Excepting such large-scale homebuilding operations, the typical relationship between operative builders and real estate brokers and salesmen was as follows:

A builder may employ licensed real estate salesmen on a weekly salary basis or on a fee basis at less than 5 percent, but broker members of real estate boards have fixed the fee at 5 percent of the value. Nevertheless, in the transactions connected with one final sale a real estate broker may obtain even more than this share of the value. For instance, he may negotiate the sale of the land, for which he receives a 5-percent fee, and later, when the houses are built, he may negotiate their sale, for which he receives another 5-percent fee. Moreover, he may act as mortgage broker in obtain-

ing the financing and receive three-fourths of 1 percent on the amount of the mortgage. Thus the real-estate business obtains a fairly large share of the total housing price.⁷⁶

The untypical, but more important relationship, was that the larger merchant builders were primarily real estate dealers, and only secondarily general building contractors. In some cases, building materials manufacturers also engaged in merchant housebuilding in order to test, model, publicize, and market their materials. Most of the time, however, the large operative builders were first and foremost real estate firms. The 1930 census reported that "Many real estate firms act" as "operative or speculative builders."⁷⁷ They made their profits off the sale or lease of land and buildings, and not off the construction of buildings per se. Construction services as general contractors were performed "at cost" to themselves, simply as an adjunct to the principal business of real estate promotion. The U.S. Census study aptly characterized this duality:

As a general rule, he was not in the construction business to make a profit, and the contract value which he put upon his buildings was approximately what actually cost him to build them. He had, as it were, two edges to his sword, and the one which cut profits out of the sale or actual operation of his buildings was the sharper of the two.⁷⁸

Land Subdividers

With the increasing spread of urbanization and suburbanization made possible by transportation and utility improvements and the expansion of urban employment opportunities, many real estate entrepreneurs entered the subdivision business beginning in the 1870s and 1880s. Subdividers would purchase multiple acreage of undeveloped agricultural land at the fringe of the growing city, and "subdivide" the land into allotments or building lots for individual purchase. These lots were sold either directly to prospective owner-residents, or to speculators interested in profitable resale, or to operative builders.⁷⁹

Subdivision quality varied enormously. Many subdivisions consisted of no more than a few stakes in the ground, an ungraded road, an unrecorded plat, and a defective title. Others were elaborately landscaped with

full streets and utilities already installed. Mostly unimproved subdivisions (though with clear title) were the typical variety up to and including the 1920s. Public improvements came after sales, through special tax assessments on the new lot owners. The more ambitious, larger-scale, and less speculative-minded subdividers distinguished themselves as being genuine land "developers" by contracting for extensive engineering and landscaping improvements. Despite this form of development, however, they usually erected few if any buildings on the subdivided land prior to commencing lot sales.⁸⁰

Real estate brokerage firms were involved with subdividers in two different ways. First, brokers and salesmen sold subdivision lots, on either a commission fee or salary basis, for subdividers. Second, many brokers were themselves subdividers, buying tracts of land and selling subdivided lots for their own account, or subdividing and selling land by contract with the landowners. Lot purchasers, if they were either speculative builders or nonspeculative consumers, usually made their own arrangements for erecting dwellings or other structures on their lots. Occasionally the brokers or the broker-subdividers directly assisted the purchasers in arranging for financing contract construction on the lot. This assistance would be provided for an additional fee. The primary business of the subdivider was selling the lots, and not contracting for building construction either before or after land sales.⁸¹

Subdivision sales to the middle classes became more widespread in the early twentieth century, and particularly in the 1920s, when subdividers essentially entered the financing business by selling lots on land contract with 10 to 20 percent down and the rest due in monthly installment payments.⁸² Realtor-subdivider William E. Harmon of New York is generally credited as being a pioneer of land contract installment selling. Harmon's ideas for mass production and sales of residential subdivision lots also included increased land planning to rationalize the development costs and enhance the marketability of large-scale subdivisions. His favorite design feature was the dedication of subdivision acreage for parks and recreation areas, which he claimed always boosted sales prices and profits, despite the added costs.⁸³

During the 1920s and 1930s, some of the larger subdividers began evolving into merchant builders, putting up homes directly for sale with the lots, rather than on contract after lots were sold. The initial impetus

for this change was the competition for lot sales due to the tremendous oversupply of subdivision lots in most urban areas by the mid-1920s. A few of the large-scale subdividers had earlier moved into the homebuilding field, especially in the Midwest, and these real estate dealers discovered that combination lot-house sales were more stable, profitable, and marketable than pure lot sales. Once the speculative subdivision resale boom had collapsed by the late 1920s, other subdividers with sufficient capital or credit began to follow suit.⁸⁴

The transformation from broker to land subdivider to homebuilder as an economically integrated community builder was already evident by the latter half of the 1920s. The following testimony, given before the U.S. Temporary National Economic Committee in 1939, clearly delineates the structural transition from subdivider to subdivider-homebuilder:

MR. DAWSON: My name is Allen H. Dawson, and I live in Glenview, Ill.

MR. O'CONNELL: And your business—

MR. DAWSON: And I am a partner in the firm of Smith and Dawson. We are developers and builders of homes.

MR. O'CONNELL: You are builders and developers of real estate properties?

MR. DAWSON: Yes.

MR. O'CONNELL: How long have you been in this business?

MR. DAWSON: Why, we originally went into the business about 1926 and we were more then in the selling of the vacant land up until about 5 or 6 years ago; we didn't do an awful lot in the construction end of it, and when it became so difficult we couldn't sell the land we started building homes.

MR. O'CONNELL: Prior to 1928 had you had practical experience in the construction business?

MR. DAWSON: No; I didn't have any experience before that time.

MR. O'CONNELL: Since you have been in business I take it that you have developed a number of subdivisions, so to speak?

MR. DAWSON: Yes; we have developed approximately 1,500 acres of land and we sell—we formerly sold anywhere from 2 to 5 acres of ground and now we sell about an acre of land with each house, and we find that that is plenty of land for the average home owner to buy.

MR. O'CONNELL: Speaking at the present time, do you only sell improved lots, that is improved by construction of homes, or do you also sell subdivided land unimproved?

MR. DAWSON: We sell both and if we weren't able to sell the land and make a profit on the land in addition to what we are making on each

house sale, why I don't think we could stay in business. It takes that additional profit of the additional land sales to make it work out for us.

MR. O'CONNELL: Have you any particular development under way at the present time?

MR. DAWSON: Yes; we have one development located north of Chicago; it is about 22 miles from the center of Chicago and that comprises about 300 acres of land. We started that approximately 3 years ago; the first year or so we didn't do an awful lot with it until we were able to get F.H.A. loans, and we were able to do that and have now between 140 and 150 homes there.

MR. O'CONNELL: When you say you started about 3 years ago you mean you bought the land about that time?

MR. DAWSON: We bought the land and cut it up in acre tracts and subdivided it in that form.⁸⁵

Within the field of land subdividing, many of the larger subdividers also ran brokerage firms and belonged to NAREB. In addition, major realtors who were not themselves subdividers usually acted as selling agents for many large-scale landowners and subdivider-developers. At the other end of the spectrum, many of the smaller subdividers were precisely the type of "curbstoners" that real estate board members strongly disdained. Subdivision sales practices often produced the worst and most widespread examples of public fraud and abuse within the entire real estate business.⁸⁶

The majority of real estate board members were general brokers who sold subdivision lots as agents but did not engage in direct subdividing. The majority of subdividers, many of whom were not licensed brokers or salesmen, did not belong to real estate boards. But the largest of the subdivider-brokers were realtors. Frequently these subdividers were leaders of the local boards because their firms tended to be better capitalized and have higher incomes than their fellow realtors. For the same reason, many of the big subdividers were leaders in the state associations and in NAREB.⁸⁷

The 1933 NAREB survey revealed that 60 percent of the members engaged in a "general brokerage business," whereas the remaining 40 percent specialized in particular aspects of the business, from mortgage brokering to appraising, or maintaining exclusive listings of only industrial or commercial property. Of the specialists, 12 percent were subdividers and 10 percent were homebuilders, with considerable overlap be-

tween the two categories. This group was a subset of a broader group of major commercial, residential, and industrial property developers, that are today simply called "big developers." Their leadership as broker-developers in NAREB was a very important force from 1908 onward.⁸⁸

In 1923 NAREB created several special divisions starting with a Brokers Division, which represented the majority of local board membership. The other seven membership divisions were: Appraisal, Cooperative Apartment, Farm Lands, Home Builders and Subdividers, Industrial Property, Mortgage and Finance, and Property Management. The second largest of all the divisions was the Home Builders and Subdividers Division.⁸⁹

NAREB's Home Builders and Subdividers Division was the principal, indeed the only, organized voice for the homebuilding industry in the U.S. That this voice should come from real estate firms is striking testimony to the transformation within real estate development and residential building patterns that was then taking place. When the National Recovery Administration in 1935 published a list of 68 trade associations representing "The Construction Industry," NAREB was the only representative listed for homebuilding.⁹⁰ Seven years later, NAREB's 105 large-scale residential developers spun off their Home Builders and Subdividers Division and created a new independent organization, the National Association of Home Builders (NAHB). Most of the nation's 10,000 home builders at that time operated on a very small scale, building only a few scattered houses per year. By contrast, the big realtor-subdividers were more than home builders: they were community builders.⁹¹

Community Builders

In his classic book, *Production of New Housing*, Leo Grebler states that

research on the operative builder must take account of the great variety of types of entrepreneurs and activities covered by this term. They range from the fly-by-night operator, who takes an occasional fling at housing production, to the large-scale "community builder" who develops integrated communities with specially designed street patterns and commercial and other facilities.⁹²

The community builders were subdividers who changed the nature of American land development during the early decades of the twentieth century. They did this initially by taking very large tracts of land and slowly improving them, section by section, for lot sales and home construction. Strict long-term deed restrictions were imposed on all lot and home purchasers, establishing uniform building lines, front and side yards, standards for lot coverage and building size, minimum housing standards and construction costs, non-Caucasian racial exclusion, and other features. Extensive landscaping and tree planting were emphasized to accentuate the natural topography and beauty. Public thoroughfares included curved streets, cul-de-sacs, and wide boulevards and parkways. Often special areas were set aside for retail and office buildings, apartments, parks and recreation facilities, churches, and schools. Private utilities and public improvements were coordinated as much as possible with present and future plans for subdivision development and expansion.⁹³

Prior to the 1940s, the market for most "community builder" subdivisions was high-income. In the post-World War II era, many of the features of community building were extended to developments for middle-income homebuyers. The phrases "community builder" and "community building" were current among real estate board members during the 1910s and 1920s, either in connection with discussions of city planning or in directly referring to large-scale private subdividing and residential land development. A particular slant on this definition pertained to the establishment of whole new residential suburbs, which might or might not also contain commercial or industrial districts. In 1927 several city planning enthusiasts in Los Angeles began publishing a magazine called *The Community Builder*, which was strongly supported by the California Real Estate Association (CREA).⁹⁴

In 1944 the Urban Land Institute (ULI), a small NAREB spin-off organization, established an elite 27-member Community Builders' Council, and three years later ULI published the first edition of *The Community Builders Handbook*.⁹⁵ The Chairman of ULI's Community Builders' Council in 1944 was a man who 20 years earlier was a leader of NAREB's Home Builders and Subdividers Division, and 40 years earlier, as a Harvard-educated "young turk" in the real estate profession, had taken the lead in establishing both the image and the principles of the modern community builder. Jesse Clyde Nichols, real estate broker and developer of the spa-

cious Country Club District of Kansas City, Missouri, first achieved national prominence by delivering a landmark speech to the 1912 NAREB convention in Louisville, Kentucky. Calling his address "Real Estate Subdivisions: The Best Manner of Handling Them," Nichols described in detail his six years of innovative experience in developing what was then more than 1,000 acres of exclusive residential property. He challenged the prevailing assumptions of the subdivision trade regarding such shibboleths as cost minimization and sales philosophy. His was a much grander, more long term, and, he asserted, ultimately more profitable vision:

The best manner of subdividing land should not necessarily mean the quickest sale. The destiny and growth of your town is largely affected by the foresight of the man who subdivides the land upon which you live. The most efficient manner of platting land should be the plan which gives the greatest value and security to every purchaser, adds the greatest amount of value and beauty to the city as a whole, yet produces a big profit to the man who plats the land. To follow this method, one must have supreme imaginative confidence in his city and its future.⁹⁶

Not all of the big subdivision developments produced by community builders were as beautifully designed as the Country Club District, nor were they all aimed at large-lot upper-income residential homebuyers.⁹⁷ The unifying feature of the community builders was the very substantial scale of development, the control of large parcels of land by a single developer, the use of deed restrictions and other legal instruments to reinforce that control, the ability to win cooperation from private utilities and public agencies and to utilize this cooperation to best development advantage, the degree of long-term planning, and the level of integration of the brokerage function with financing, insuring, and building operations.

A preeminent example of a community builder operating at as big a scale as J. C. Nichols but less "high-grade" in marketing and development strategies was Harry H. Culver. Culver was a Los Angeles realtor who bought a 200-acre barley field for a down payment of \$3,000 in 1912 and turned it into Culver City, a fast-growing Los Angeles suburb by the early 1920s, best known as the headquarters of the MGM motion picture studios. Culver City was fairly conventionally platted and built

up with smaller lots and much more modest dwellings than neighboring developments such as Beverly Hills. Culver's ambitious development philosophy certainly qualified him as a charter member of NAREB's Home Builders and Subdividers Division. In addition to heading his own real estate brokerage and development firm, Harry H. Culver & Company, "a \$2,000,000 corporation" (in 1926), Culver was president of the substantial Pacific Building and Loan Association (a Los Angeles S&L), vice-president of the still larger Pacific-Southwest Trust and Savings Bank, and director of the Lincoln Mortgage Company. He was also president of four separate neighborhood associations in Culver City, each designed to control enforcement and extension of deed restrictions and establishment of special street and other public improvement benefit assessment districts for the major Culver subdivisions. His concerns about good transportation access in and through Culver City led him to serve on both of the major highway and traffic commissions for Los Angeles. Finally, Harry Culver held the realtors' "Triple Crown": president of the CREA in 1926, president of the Los Angeles Realty Board in 1927, and president of NAREB in 1929.⁹⁸

By the late 1920s many community builders began to see that they could enhance the marketability of their subdivision property if they erected houses on at least a portion of the available lots. One major subdivider who pioneered in the homebuilding field was Irving B. Hiatt, a realtor who had built 7,500 homes in Toledo, Ohio, by the time he became president of NAREB in 1922.⁹⁹ Subdivider-homebuilders played a very significant leadership role in NAREB from its founding, despite the fact that they were a numerical minority in an organization consisting predominantly of nonsubdivider brokerage firms.

Indeed, from the time that the Home Builders and Subdividers Division was established in 1923, 8 out of the next 11 NAREB presidents were subdividers of community builder status. When the subdivision bubble burst in 1926 and the crisis of slow lot sales and falling lot prices precipitated the structural transformation of subdividing into homebuilding, the Home Builders and Subdividers Division provided national leadership in the area of housing and land planning policy, lobbying and providing guidance to the federal, state, and local governments. Officers of the Division headed NAREB as presidents for 7 consecutive years,

from 1928 through 1934. The last of these presidents, Hugh Potter, developer of River Oaks in Houston, Texas, was a founder of the ULI Community Builders' Council a decade later.¹⁰⁰

Conflicts Within NAREB Between Brokers and Community Builders

A significant conflict existed within the ranks of the realtors, between those brokers who engaged in a general brokerage business or specialized in other aspects of real estate, and those brokers who specialized in large-scale subdividing and homebuilding. Real estate board membership was separated into three categories: active members, who could vote and hold office and who essentially ran the board; associate members, who were primarily salesmen or other employees of the active member firms; and affiliated members, who were prominent bankers, lawyers, and other nonbrokers with a close interest in the real estate field.¹⁰¹

Active real estate board members were required to be principals or owners of local firms at least partly engaged in a currently active realty brokerage business (defined as selling, renting, or managing real estate for others) or mortgage brokerage business (defined as loaning money on real estate for others). Brokerage firms that specialized in large-scale subdividing and homebuilding were a distinct minority within local real estate boards, though they also were among the biggest, most prestigious, and highest income of the member firms, comparable to the largest of the firms that specialized in downtown property management. Sometimes the same firms specialized in both types of development and management.

Not all large subdividers were real estate brokers, and hence did not belong to local boards or NAREB except as affiliated members. In fact, for a time in the 1920s there was a separate trade association for community builders, the National Conference of Subdividers, headed by J. C. Nichols. Nichols was also a broker and a long-time leader of the Kansas City Real Estate Board and a very influential executive officer and director of NAREB, but some of the other leading subdividers did not have this dual distinction. Even though most of them were active bro-

kers, the differentiation in business emphasis meant that the Home Builders and Subdividers Division of NAREB constituted a kind of "special interest group" somewhat distinct from the mainstream majority ranks of the realtor-brokers, and this distinction was very important where urban planning was concerned.¹⁰²

On the general brokers side, the typical realtor was an enthusiastic booster of urban planning and land-use regulation, mostly beginning around 1914 and particularly during the early 1920s. Zoning restrictions and civic improvements were the areas of greatest interest to most brokers, some of whom were strictly focused on commercial or industrial property or on the central business district, and most of whom dealt primarily with selling, renting, and managing many scattered individual buildings and vacant lots in certain built-up neighborhoods. Their chief concern was with maintaining and increasing the immediate market value of their own listed products that they sold on commission, the liquidity and marketability of their listed properties. Except in the cases where brokers specialized in long-term leasing and management of commercial or industrial properties, or in brokering mortgages, the general real estate brokerage business attitude was extremely short-term in time horizon. Brokerage income depended primarily on commissions and fees, and it increased only through faster turnover and higher sales prices.

Realtors regarded zoning and city planning as one of the most important ways to "protect and serve the commodity in which Realtors deal."¹⁰³ They believed that the main value of planning was its ability to boost property values and liquidity by stimulating the demand for real estate as an attractive and safe investment. "Speculation" rather than development or purchase for use was considered acceptable and even popular with many brokers, so long as it promoted more frequent sales at rising prices. Zoning and city planning were not seen as being opposed to "speculation" per se, but simply another vital public tool for stimulating current and future demand.

Homebuilders and subdividers, unlike brokers, were concerned not just with selling the commodity but also with producing it. Thus they had a much greater orientation toward issues concerning the *supply* of factors in real estate production, and not just in the factors affecting the market demand for the sales product. Large-scale subdivider-developers viewed

urban land-use planning as a means of rationalizing the cost of land and building development and of protecting their own considerable direct investment over the necessary period of years required to realize their full return. Certainly they desired a salable product and therefore wanted also to protect the purchaser's investment in order to expand market demand. Yet they had an equally clear-cut interest in private and public methods of supplying a greater amount of needed and good-quality improvements at a more efficient, lower cost per unit of sales product. This explains the strong focus on rationalizing the development process itself, a debate in which community builders and financial institutions led and the brokerage industry followed. Planners shared the orientation of the large-scale subdividers toward issues of improving the quality of the actual development product and rationalizing the coordinated public-private investment process in land development to produce better housing at less total cost. This shared orientation explains why urban planners generally maintained much better personal, professional, and political relations with community builders than with realtors in general.

The outlook of the large subdivider as a producer of a huge and indivisible commodity was well expressed by Edward H. Bouton, realtor and developer of two of the most famous community builder subdivisions, Roland Park in Baltimore and Forest Hills Gardens in New York. In a speech to the National Conference on City Planning in 1916, Bouton outlined the community builder's need for zoning, subdivision regulations, and comprehensive public planning of urban expansion:

I refer to the necessity that usually exists in a high-class development of controlling a large area of land in order that a general plan and proper restrictions may be extended over the whole region.

We, land developers, are manufacturers; our raw material is the acre tract, the finished product is the building lot. We differ from other manufacturers in this, that an ordinary manufacturer, who buys a year's supply of raw material in advance, is considered provident. In order to protect a neighborhood we deliberately provide raw material for ten years or more in advance and we have to carry that burden. To my mind, this necessity for carrying large investments in land far in advance of their needs is the fundamental financial difficulty that confronts those engaged in the better type of development. . . . If our municipalities could be given power to district the city, so that protection could be afforded the various neighbor-

hoods in advance of their actual development, the advantages resulting from the judicious exercise of such a power would extend over the whole city.¹⁰⁴

Large subdividers differed from realtor-brokers in the length of their time commitment to a single real estate production process and also in the breadth of land coverage of that process. Realtor-brokers listed and sold many individual properties, usually concentrated only in certain neighboring parts of the metropolis, but nonetheless spatially and financially disconnected from one another. This explains their willingness to manipulate zoning on a very property-individualized basis, frequently attempting to rezone or "spot zone" specific parcels on single blocks or even single lots. Planners often decried this seemingly contradictory attitude, particularly of smaller brokers and developers, of on the one hand supporting zoning restrictions in general and on the other hand being willing to undermine zoning's effectiveness in order to manipulate present and future values for any particular property.

Community builders, by virtue of developing vast contiguous parcels of land, were much more likely to assume the broader and more generalized land-use perspective advocated by planners. The public manipulations these subdividers engaged in, of course, also took place on a much grander scale, yet even that aspect of their business behavior served to enhance their strong interest in promoting and controlling public planning as a vital adjunct to their own private production process. Since the big subdividers actually engaged in extensive land planning and employed numerous landscape architects, civil engineers, architects, and lawyers in the process, they shared more of a genuine common interest with the planning professionals in the principles and methods of cost-saving and quality-enhancing land development practices. Sometimes the subdividers were really kindred land-planning professionals, in the sense that they developed the land for a commission or fee on behalf of a major landowner, rather than owning the land themselves. This was true of realtors such as Edward Bouton and Duncan McDuffie. The longer-term perspective and concern with stabilization of future property values and future liquidity was shared by mortgage lenders; and property insurance companies shared the perspective on the future quality and stability of development. Brokers, who lived or died on current sales commissions, were structurally more divided in their interests and loyalties with regard

to land-use planning and regulation. The key differences were: (1) length of payback period; and (2) degree of concern with the costs of production, and stability and quality of the product.

Conclusion

This chapter has outlined the structural transformation of the real estate industry, which established the institutional context for the emergence in this century of a new sector of large residential subdivision developers. With the advent of FHA mortgage insurance and the FHA Land Planning Division in the mid-1930s, many land subdividers also became large-scale developers of suburban single-family housing. By surveying the real estate industry "in all of its branches," this chapter points clearly to the central role of the community builders from the Home Builders and Subdividers Division of NAREB, who provided powerful leadership in both public and private sector debates on the principles and applications of urban land planning and land-use regulation techniques.

CHAPTER THREE

COMMUNITY BUILDERS AND URBAN PLANNERS

Introduction

IN this chapter I detail the involvement of community builders in creating and implementing a national urban planning agenda. Working in cooperation with professional planners, leading real estate developers formulated standards and goals for private and public forms of land-use regulation and land planning. These goals defined the types of intervention, restrictions, and assistance necessary to develop fully improved, well-planned, large-scale, modern residential subdivisions.

"To Develop the New Sections of Our City"

During the initial phases of the city planning movement, from the early 1900s to 1914, realtors generally did not play a leading role. The reason for this secondary involvement is that the first phase, called the "City Beautiful" period, was very narrowly focused on refurbishing the downtowns of most cities by constructing civic centers and by making major thoroughfare improvements. Other plan elements varied from city to city, although frequently increased parklands were also proposed.¹

The principal backers of these downtown-oriented plans were the largest owners of real estate in the central city, and those whose retail and

commercial businesses depended on strengthening the downtown's accessibility and "image." Typically the city's biggest corporations with office headquarters in the central business district, plus the main daily newspaper publishers and the principal department store and hotel owners, constituted the key business support for "City Beautiful" plans. Realtors who routinely sold, leased, and managed substantial amounts of downtown property for their major clients were also involved, but since their clients were often much wealthier and more politically potent, the local real estate boards usually followed the planning crusade rather than leading it.²

Once public regulation of private land-use became the top issue in planning, however, real estate boards leaped from the shadows to the forefront. With the single exception of New York City's zoning resolution, which was designed primarily to remedy the real estate conflict in Manhattan, zoning in all other municipalities was much more strongly stimulated by a desire to regulate residential expansion than to facilitate central business district restoration. The further from the downtown one got, the more important the realtor's role became. In Chicago, for example, the Real Estate Board played a minor part in initiating and promoting the famous 1909 Burnham Plan, which was sponsored by the corporate Commercial Club. The 1923 Zoning Ordinance, on the other hand, was passed almost entirely as a result of the realtors' strenuous lobbying efforts. The Chicago Real Estate Board wrote the bill and shepherded it through the political terrain, such that Everett Hughes in his classic sociological study maintained that the Board was "the real father" of Chicago zoning. Similar relationships between realty boards and local land-use regulation were repeated in most U.S. cities during this period.³

Beginning in 1914, the attention of city planning began to shift dramatically away from the downtown and onto the peripheral growth of metropolitan areas. Debate over proposed public improvements moved from civic centers to major streets and highways. Moreover, an additional vital element was added to the universe of planning discourse: regulation, coordination, and planning of *private* land-use through zoning laws and public review of subdivision plats. As metropolitan decentralization and suburbanization raised the curtain on a new scene in American urban history, community builders began moving to the center of the stage. Thomas Ingersoll, executive secretary of the National As-

sociation of Real Estate Boards (NAREB), explained the new involvement of subdividers in planning to the National Conference on City Planning in 1917:

Four or five years ago it was difficult to get the interest of real estate men in city planning, and I think the reason for this was that the idea they had was city re-planning, which has been thoroughly explained by your very capable and interesting secretary, my good friend Flavel Shurtleff, who told us that the real meaning of city planning is to develop the new sections of our city along the right lines.⁴

The City Planning Committee of NAREB formed in 1914 was composed entirely of brokers whose primary interest was in land development, residential subdividing, and homebuilding. Just as the big downtown realtors were naturally interested in the issue of "re-planning," the community builders were understandably very enthusiastic about developing "the new sections" of the city along "the right lines." As they saw things, they were the people who were actually carrying out this important task. What they hoped planning experts and the planning movement could provide them with was (1) public recognition of their contribution to community building; (2) scientific advice as to how to develop better subdivisions and communities; (3) government legal and financial assistance to help them plan and develop their subdivisions more cost-effectively and protect and enhance their considerable financial investment. In short, they hoped that planning and planners could both widen the market for subdivided land and make their long-term market prospects more secure and predictable.⁵

A 1914 article on the "Science of City Planning" in the official magazine of the California Real Estate Association (CREA) explained the brokers' interest, the subdividers' interest, and the special focus on planning for *new* development:

There is no class of people in the business world who should take a more active interest in the science of city planning than the real estate fraternity. Every precept, every theory of that science contains a lesson for the man who sells or buys real estate. And its value is still more great to those who promote projects connected with subdivision of property or the opening of new towns.

City-planning is meant to make a city or town a more pleasant, convenient, healthy and attractive place in which to live. Once the ideas to this

end are carried out, there is no difficulty in making them plain to the prospective buyer of property. The merits of a scientific town stand out all over it. It is so apparently superior to the old-fashioned community laid out more or less at random and left to itself to grow, that even the man of the least practical ideas can see for himself the great advantages of living and owning property in the scientifically planned community.

The theory of city-planning has taken a firm hold upon the ideas of the real estate promoters of our own State. Some of the communities being planned and developed at the present time are models of the new science.⁶

Once the ideas of city planning began to spread in the public's imagination, the large subdividers started to present themselves as the true guardians of a community's down-to-earth planning efforts through their role as private land developers. The chairman of CREA's Subdividers and Homebuilders Division, a leading southern California subdivider who sat on the Pasadena City Planning Commission and later chaired the advisory committee on subdivision controls for the California State Senate, summarized this perspective quite succinctly: "The subdivider is the practical city planner. The actual working out of a city plan lies largely in the hands of the subdivider. He is creating the city of the future on the outskirts of the city of today."⁷

Among the majority of the larger subdividers, the bandwagon for city planning did not proceed apace until well into the 1920s. During the pre-World War I period, however, a relatively small band of community builders took up the cause of private and public land-use regulation and planning as a serious issue. Beginning in 1914, a group of community builders from NAREB's City Planning Committee exchanged ideas with the landscape architects, civil engineers, architects, and lawyers who predominated in the National Conference on City Planning (NCCP), founded in 1909. Together, these community builders and the NCCP activists worked to promote planning legislation among other entrepreneurs in the real estate industry, to the general public, and within state and local governments.⁸

Many realtor-subdividers were familiar with the leading planning consultants, particularly the landscape architects such as Frederick Law Olmsted, Jr., and John Nolen. These and other consultants had traveled the continent preparing "City Beautiful" plans for a wide range of cities and towns, and had also worked as designers or advisors to a number of

the larger real estate developers. In turn, the planning consultants were well aware of what they considered to be the best in modern community design by "progressive" subdividers, such as the ones named by John Nolen in his landmark 1916 article, "Real Estate and City Planning":

Not only has the developer of the Country Club District of Kansas City practiced his own preaching, but the advantages of good planning have been recognized and applied particularly in the last two or three years by subdividers in all parts of the country: on the east coast, in Roland Park out of Baltimore, and in Forest Hills Gardens, the Russell Sage Foundation development on Long Island, N.Y.; in the south, by the Stephens Company, of Charlotte, N.C., and in the steel city of Fairfield, Ala., one of the developments of the Jemison Company, of Birmingham; in Ohio, by the E. H. Close Company of Toledo, the Kissell Companies, of Springfield, the King Thompson Company, of Columbus, and in the Ottawa Heights development, of Cleveland; in Indiana, by the Wildwood Builders, of Ft. Wayne; on the west coast, in St. Francis Wood, developed by the Mason-McDuffie Company, of San Francisco, and at Atascadero, a new made-to-order city in Southern California. And this is only a partial list.⁹

Not surprisingly, the real estate broker-developers of Nolen's most admired subdivisions were among the planning consultants' closest allies in the drive for public acceptance of land-use regulations. Four of these community builders were included in the 52 founding charter members of the American City Planning Institute (later the American Institute of Planners) in 1917: (1) J. C. Nichols, developer of the Country Club District; (2) Edward H. Bouton, developer of Roland Park and Forest Hills Gardens; (3) Robert Jemison, Jr., the deep south's largest developer, who became president of NAREB in 1926; and (4) Lee J. Ninde, head of Wildwood Builders, who as president of the Indiana State Association of Real Estate Exchanges in 1916 launched a new organization called the Indiana State Campaign for City Planning to lobby for planning legislation at the state and local levels.¹⁰

Other community builders active in promoting land-use planning during the pre-1920 years were as follows: three of NAREB's first presidents, Alexander Taylor of Cleveland (1910), Samuel Thorpe of Minneapolis (1911), and Henry Haas of Pittsburgh (1916); Paul Harsch, vice-

president of the E. H. Close Company of Toledo, developer of Ottawa Hills, "a perfect example of City Planning" according to a 1916 advertisement; King Thompson of Columbus; Harry Kissell, an Ohio community builder who served as NAREB president in 1931; Fred Smith, a leading Minneapolis subdivider and homebuilder; and Duncan McDuffie, developer of California's first restricted subdivision, St. Francis Wood (1912), and other large subdivisions in the San Francisco Bay Area. McDuffie was the founding vice-president in 1914 of the California Conference on City Planning, a statewide lobbying group for planning legislation, and he also initiated and headed the first city planning commission in Berkeley, California, beginning in 1914.¹¹

Edward Bouton, by virtue of his connection with the Russell Sage Foundation, actively participated in the National Conference on City Planning (NCCP) from its first year, 1909. Broader cooperation between community builders and city planners at the national level began in earnest during 1912 and 1913, when larger numbers of subdividers and realtors started attending national planning conferences. In 1913 J. C. Nichols joined the General Committee of the NCCP, and the following year the conference initiated a major national study of "The Best Methods of Land Subdivision," directed by John Nolen and Ernest P. Goodrich. NAREB's newly formed City Planning Committee, headed by Lee Ninde and including Edward Bouton, Paul Harsch, Robert Jemison, Jr., Duncan McDuffie, J. C. Nichols, and King Thompson, worked closely with the planners in encouraging this research agenda. Presentation and discussion of the study was the major topic at the 1915 National Conference on City Planning in Detroit. This also was the first year that several realtors were featured as speakers at the annual planning conference.¹²

The focus on land subdivision and the scheduling of prominent realtors as speakers continued for the 1916 and 1917 NCCP conferences. By 1916 no less than 10 realtors, including NAREB President Henry Haas, sat on the NCCP General Committee. The following year J. C. Nichols headed the Committee on General Arrangements for the 1917 NCCP conference, held in his hometown of Kansas City. When the ACPI was formed at that conference, both Nichols and Ninde were elected to its first Board of Governors. Private subdividing and residential construc-

tion slowed to a standstill after America's entry into World War I in April of 1917, but national public cooperation between planners and community builders reached new heights through the medium of the land development and homebuilding for war workers orchestrated by the U.S. Housing Corporation and the Emergency Fleet Corporation. NAREB and ACPI leaders worked together on these efforts more closely than any previous joint activity, and the legacy of this cooperation continued on in the 1920s under the auspices of Herbert Hoover and the U.S. Department of Commerce.¹³

During 1917 and 1918 J. C. Nichols headed NAREB's War Service Board, and leading realtors including NAREB President William May Garland, Irving Hiatt, Samuel Thorpe, Alexander Taylor, and Henry Haas worked for war agencies on real estate appraising, acquisition, and development. ACPI member and future NAREB President Robert Jemison, Jr., directed housing and land development for the Housing Division of the Emergency Fleet Corporation. When the United States Housing Corporation (USHC) was created in June 1918, several NAREB leaders served as officers and directors of the corporation, and ran its Real Estate Division, which provided subsidized financing for private residential developers building "priority" war worker housing.¹⁴

Frederick Law Olmsted, Jr., directed the United States Housing Corporation's Town Planning Division. Olmsted's well-known landscape architecture firm had previously planned private subdivisions for E. H. Bouton, Duncan McDuffie, and several other community builders in NAREB. The USHC's Town Planning Division built a number of public residential subdivisions for war workers, as well as assisting in the private efforts. John Nolen, George Ford, Ernest Goodrich, Henry Hubbard, Charles Cheney, Stephen Child, and Arthur Shurtleff were among the many urban planners who worked on USHC projects. In his 1919 presidential address to the National Conference on City Planning, F. L. Olmsted, Jr., argued strongly for greater cooperation between private subdividers and local government through the establishment of city zoning and subdivision regulations and planning. Olmsted concluded from his development experience with the USHC that large subdividers needed public assistance in planning for the provision of infrastructure and services while land was still being platted, prior to sales and development:

It has been fully established that a well located school and playground, or even a site for the same, definitely fixed and known to be embraced in the program for school authorities, adds to the value of all the remaining land in the territory to be served by the school more than the value of the land withdrawn for the purpose, just as a local park of suitable size, location and character, and of which the proper public maintenance is reasonably assured, adds more to the value of the remaining land in the residential area which it serves than the value of the land withdrawn to create it.

Enlightened realtors who are engaged in the legitimate business of producing and selling what the ultimate consumer wants, for the best price that a satisfactory article will bring, know these things, and act accordingly when circumstances are favorable. The speculative subdivider who seeks his profit in selling to suckers, themselves largely speculators on a small scale, like Wall Street lambs, or who relies for his profit more on abstract skill in salesmanship than on the inherent value of what he offers, generally does not.

But even the thoroughly legitimate and thoroughly enlightened realtor whose subdivision is considerably less than will support a school and playground, or a local park, cannot afford to contribute land for the whole thing largely for the benefit of other subdivisions. He can perhaps afford to do somewhat more than his share but not much more.¹⁵

Timing of the New Cooperation

The reasons for the emergence of subdivision planning as a field of common interest between NAREB and NCCP beginning in 1914 were three-fold: (1) technological changes, particularly in transportation, utility, and construction improvements; (2) market competition and institutional changes in the scale and private control of urban land development; (3) the inadequacy of the existing public legal and governmental framework to respond to these changes.

The transformation of American urban development utilizing the combination of automobiles and commuter trains was only in its infancy at that time. The previous wave of residential decentralization, already proceeding for several decades prior to 1914, was based on electric transit as the primary mode of urban transportation. The need for subdivisions to closely surround traction lines dictated a continuously compact form of urban development. Many property owners believed that urban middle-income residential subdivisions would eventually be engulfed by high-

density congestion and possible transition to commercial or industrial land uses. Those far-sighted developers and planners who rejected the pattern of past development experience in favor of a new model were just beginning to work together to search for new legal, financial, and institutional forms to adapt to what they saw as changing times.¹⁶

Edward Bassett's remarks during the subdivision discussion at the 1915 National Conference on City Planning illustrate the novelty of this search for new answers:

In the law office with which I am connected we make a good many first mortgages to small builders in the Borough of Queens, and during the last six months I have heard from at least ten builders who usually construct houses on lots of about 20 to 30 feet in width and 100 feet in depth. Now they want wider lots in order to leave a space for automobiles between the houses. They tell me that if this is not done it hurts in the selling of the house. These houses sell for \$3800 to \$4500. You cannot make a building lot much under 100 feet in depth and still provide a living place for a small household with the conveniences that seem to be coming in the future, reckoning as one of these conveniences, the low priced automobile, which seems to be taking the place of the summer vacation for many families of moderate means.¹⁷

Redesign of building lots was only one aspect of the many changes in land subdividing contemplated at the dawning of the modern suburban era. A much more important issue was the redesign of street patterns in the newer areas, as well as replanning and rebuilding of streets in older areas. Streets and the increased need for coordination of the public and private roles in their platting, development, and maintenance started becoming a concern of the community builders in the 1910 decade, though it did not become a general public issue until the mid-1920s.

Key to all discussion of changes in private subdividing and public planning were two concepts: (1) spatial separation, and (2) permanency of land and building use. Technological innovations were making it increasingly possible to lower urban densities and spread the various working and living spaces over a wide metropolitan area. This separation could only be sustained, however, if there were some means of stabilizing land uses such that urban physical investment would have a longer and more predictable life. "Building for permanency" would allow differential clas-

sification and development of varying lot sizes, street sizes, infrastructures, utility load capacities, building sizes, and building types. Further, construction could proceed without the costly intrusion of constant public and private reconstruction that was then so common a feature of urban growth.

Real estate subdividers were already working on private means of stabilizing development through the use of deed restrictions, and planners were assisting them in these efforts. Both developers and planners were becoming increasingly interested in public restrictions through zoning and subdivision controls, and public planning, to supplement their private efforts. Discussions of the possibility for public "districting," or zoning, were a vital element of the NAREB-NCCP-ACPI cooperation.¹⁸

A second important reason for the timing of the growing interest by real estate entrepreneurs in "the best methods of land subdivision" was the general weakening of the urban real estate market beginning in 1914, simultaneous with a heightened competition for the sale of "the best deals" in suburban residence property. The coming of the Great War in Europe significantly slowed foreign immigration to U.S. cities, increased U.S. agricultural exports and farm prosperity which considerably slowed U.S. rural-to-urban migration, and drove up interest rates and shifted debt and equity capital from urban real estate development to foreign loans and related industrial and commercial investments. The net effect of all this was to cause a major urban real estate recession. Demand for subdivision lots and construction of new residential dwellings fell off substantially after 1913.¹⁹

At the same time, the growth of aesthetic consciousness from the "City Beautiful" campaigns, the increasing availability of private automobiles for upper- and middle-income purchasers, the public acceptance of deed restrictions in property ownership, the expansion of urban transit lines, and other factors combined to stimulate a nonspeculative market for suburban residential building lots in relatively new and well-planned subdivisions. Developers who could offer a complete package of futuristic improvements, attractive surroundings, and deed-restricted exclusivity could beat out their competition and sell higher-priced lots and homes much faster, thus saving on the burden of excessive carrying charges and avoiding the curse of low profits. The time was right for existing community builders, would-be large-scale residential subdividers, operative home-

builders, and real estate brokers who previously sold or desired to sell higher-grade suburban residence property to focus their collective attention on "scientific city planning."

The official magazine of the California Real Estate Association, reporting on the real estate recession that hit that state beginning in 1914, noted the one remaining bright spot in a generally declining market. First the bad news:

In common with other sections of the country, following the readjustment of business conditions made necessary by the war, the demand for property diminished. This condition was more noticeable here, probably than in other localities owing to the briskness of trade previously.

Then the good news:

Residence lots have formed a large part of the business of the real estate men. . . . Country property in small tracts, usually one acre, have been the salvation of the dealers in both selling and exchanges.²⁰

This induced the Los Angeles Realty Board and the Los Angeles Chamber of Commerce to initiate a massive promotional campaign of noon-hour downtown lectures for office workers, with the goal of

educating the city lot owner to the possibilities of a home surrounded by a small piece of ground. The talks are illustrated with slides and are designed to inform the office man, the clerk, the mechanic and urban dweller generally how he may reduce the cost of living and even add to the family income by working two hours a day in growing things on a fifty-foot lot.²¹

King Thompson, who sold lots and homes to a relatively high-income clientele, was a Columbus, Ohio, community builder and NAREB leader. In 1915 Thompson told the NCCP that good planning, including curved streets, was the key to gaining a competitive sales edge in what was clearly a buyer's market for subdivision lots:

During the past six months the sale of lots in ordinary straight street subdivisions has been very slow, and I believe the measure of success which has come to us would have been impossible if we had not had the inspiration of the Columbus city plan and if we had not in accordance with

that plan laid out a subdivision which will afford the people of Columbus not only better access to the city, but more beautiful drives and more park space. We have planned out streets and thoroughfares to anticipate the needs of future generations and we have added as much beautification as possible, always being careful not to interfere with the main purpose of streets, that of conveying traffic.

I believe that with facts and figures I can demonstrate to any hard-headed subdivider that beautification pays in dollars and cents. I believe that I can go further and say that if local conditions are met, a plan of beautification and a scientific study of streets and thoroughfares are indispensable to success. I think I would not as soon attempt to build a house without the services of an architect as I would lay out a subdivision without the help of a landscape architect.²²

Defining an Agenda for Public Action

In 1916 J. C. Nichols delivered a major address to the National Conference on City Planning that rivaled in importance his well-known NAREB speech four years earlier. The 1916 talk, "Financial Effect of Good Planning in Land Subdivision," outlined the broad contours of the urban land planning agenda that would accompany and help foster the emerging transformation in the institutional processes of urban land development. His speech clearly underscored the crucial interconnection between the changing nature of residential development and the creation of land-use regulations and planning agencies in American cities. It also described the basis of cooperation between community builders and city planners from the developer's viewpoint, a similar task to that performed by John Nolen in his very important article, "Real Estate and City Planning," which presented the planner's perspective on the same issues.²³

J. C. Nichols began his address with a complaint and a lament. The complaint was that "Eighty to ninety percent of our city property is covered with residence districts, and yet ninety percent of the discussion in city planning conventions I have attended is directed to traction problems and downtown development."²⁴ His own participation and that of other community builders helped to considerably change the latter percentage.

The lament was that in order for community builders to successfully develop a large subdivision, the amount of land they needed to control

and the length of time it took to sell all the parcels imposed huge financing problems on the subdivider, despite the profitability of individual lot sales. Nichols pointed out that the true community builder must take a long-term approach to development of a very big tract of land, and yet time is his enemy in being able to financially afford to hold onto the land. By rejecting the method of selling cheap unrestricted speculative lots for quick turnover, the developer exposed himself to the financial risk of not being able to sell high-quality restricted lots rapidly enough to stay afloat for the long haul.

Nichols then listed the various ways that good planning, including deed restrictions, attracted greater amounts of longer-term and higher loan-to-value mortgage lending from banks and insurance companies, saved money in land development costs (particularly on street layout), and generally brought much higher and more enduring property values and sales prices. "But this private planning must have municipal aid," he insisted. "Now, how in the world can the private developer, without municipal assistance, expect his property to succeed, if he is to work with unregulated development all around him?"²⁵

The solution for Nichols was quite clear: public regulation of all private development. Subdivision controls would establish different classes of property development in different locations (as part of a master plan) and then ensure that a new high-grade subdivision in an undeveloped area would eventually be ringed by like-minded neighbors, what Nichols called "the cumulative effect." "The constant effort of the operator is to try to get surroundings that are entirely congenial to what he has placed upon his property, and to do that successfully we absolutely must have municipal control of the surroundings on the adjoining lot."²⁶

In addition to the control of new subdividing, Nichols called for continuing municipal regulation of building use, size, land coverage, and setback, or what was called districting or zoning. Zoning would classify each type of development and make future development stable and predictable at any given building site. He extolled the ability of private deed restrictions to create monopoly value and hence extra profits for the developer, and asserted that public restrictions could achieve similar results:

Now, if in developing our subdivisions, we can limit the quantity of certain classes of property, if we can create the feeling that we have a monop-

oly of that class of property around a little plaza or square, if we give the prospective buyer notice that if he doesn't buy that property today somebody else will buy all that is left of it tomorrow, we are assisting in the sale of that property, and the man that has it won't give it up except at an advanced price, and we can raise the prices of the adjoining property.²⁷

Finally, Nichols argued that the developer needed municipal assistance in aligning his subdivision with future plans for extension of major streets and highways, as well as the placement or extension of public parks and recreation land, schools, utilities, and the entire range of municipal improvements and services. In the next two decades this notion of coordination-based regulation between public and private development was to become the central logic of land-use planning for urban expansion: (1) the comprehensive land-use plan, (2) the capital improvements budget, (3) the Official Map of public land reservations for future uses, and (4) the staff planning agency to work with the subdivider to correlate public and private development plans and establish rules for accepting dedications of prospective streets, parks, and other land from private subdividers for public development and maintenance. Nichols also stated that community builders needed the same type of coordination-based cooperation from other key private concerns including financial institutions, street railway companies, and churches.

The essential thrust of Nichols' comments was a community builder's manifesto on the need for local government planning. He advocated a public-private partnership in the preparation and execution of private urban land development at a level of resource commitment and regulatory intervention much greater than had been applied by American local government since colonial times. If "progressive" meant to stand for drastic change, then John Nolen's description of Nichols and his colleagues on NAREB's City Planning Committee was certainly appropriate. Nichols concluded his address with a plea for the assistance of city planners in implementing this new approach:

I believe that the work the subdivision men have done in this country has been, in a certain degree, the foster mother of the city planning movement. The fact that we have struggled along for many years with practically no cooperation and are beginning to make it win, has given the city planners courage to look at the city as a whole, in the same way we have looked at our own subdivision.

Now, with this cooperation that we have given you, we want you city planners to again realize that a great part of your work of city planning turns on how to help us make our land increase in value rapidly enough for us to afford to do the best things in city planning, and make them permanent, and mark up our prices to enable us to meet our carrying charges.²⁸

The needs described by J. C. Nichols and the policy tools which formed the basis of the planning response—Master Plan, Official Map, zoning map and laws, set-back requirements, subdivision map filing regulations and planning agency review, capital budget—defined the direction taken by both the community builders and the planners in modern U.S. city planning's first big decade, the 1920s. At first the focus was on establishing zoning laws. In 1921, Secretary of Commerce Herbert Hoover appointed an Advisory Committee on Zoning, which published *A Standard State Zoning Enabling Act* in 1924, and later in 1928, as the renamed Advisory Committee on City Planning and Zoning, published *A Standard City Planning Enabling Act*. Together these two documents outlined the basic principles for state and local governments to follow in implementing the comprehensive urban land-use planning agenda. Many state legislatures adopted one or both of the model enabling acts almost verbatim. NAREB President (1922) and community builder Irving B. Hiatt served on both Advisory Committees, along with nine men closely associated with the newly emerging city planning profession: attorneys Edward Bassett and Alfred Bettman, landscape architect F. L. Olmsted, Jr., civil engineers Charles Ball, Morris Knowles, and Nelson P. Lewis, housing specialists John Ihlder and Lawrence Veiller, and good government publicist J. Horace McFarland (Knowles and Ihlder both represented the Chamber of Commerce of the United States).²⁹

In 1931 President Hoover's Conference on Home Building and Home Ownership expanded the public urban land planning agenda by detailing the means by which the federal government, in association with financial institutions, building products manufacturers, utilities, and trade associations from various branches of the real estate and construction industries, could help speed the transition from subdividing to homebuilding as a large-scale, standardized, modernized, and economically integrated sector of production. Community builders were prominent participants

in the Conference, and "community building" as a goal was very highly valued in the conference recommendations.³⁰

Three years later, Thomas Adams, who had directed the New York Regional Plan, codified and summarized the best planning knowledge to date in *The Design of Residential Areas*. In the mid-1930s the federally owned greenbelt towns furthered the state-of-the-art in public community building that had previously been explored by the U.S. Housing Corporation. The private Radburn, New Jersey, experiment of the late 1920s, "a town for the motor age," as well as various development efforts by innovative subdividers, also broke new ground in establishing better planning standards. The last and in many ways the most effective step in tying the entire planning package together came through the federal rationalization of housing development and financing initiated by the FHA in the mid-1930s. FHA's Land Planning Division played a crucial role in institutionalizing as part of the housing tract development process the very forms of "municipal assistance" and regulatory intervention that J. C. Nichols had called for in his 1916 NCCP speech. The FHA's Land Planning Division was originally headed by Seward Mott, who became executive director of the Urban Land Institute (ULI) in 1944, the same year that ULI organized the Community Builders' Council with J. C. Nichols as chairman. One of Seward Mott's first major actions at ULI was to coedit and publish *The Community Builders Handbook*.³¹

Deed Restrictions—Private Innovation Preceding Public Planning

When J. C. Nichols called the subdivision work of the early community builders "the foster mother of the city planning movement," his statement may have been considered far too self-congratulatory by professional planning consultants, but it was essentially correct. Indeed, planning consultant and former NCCP President George Ford corroborated this line of reasoning in a 1925 speech to NAREB's Home Builders and Subdividers Division when he opined that "It is the Realtor subdivider who is really planning our cities today, who is the actual city planner in practice."³²

Neither Nichols nor Ford meant to claim that subdividers *per se* were "city planners" simply because they platted undeveloped land into salable lots. Rather, their point was that the most innovative of the large subdividers were working out "on the ground" the newest and most advanced principles and techniques of urban land planning. More specifically, they acted as pioneers in developing the physical design standards and establishing and improving the first widely used mechanism for asserting long-term control of large parcels of urban land owned by many small private owners: deed restrictions.³³

The initial step in the long march toward achieving "public control of private real estate," as the planners called it, was attaining a measure of private control. Deed restrictions legitimized the idea that private owners should surrender some of their individual property rights for the common good, including their own. By 1914, it was becoming clear that the rising land values of deed-restricted property demonstrated that it was quite beneficial for individual private owners to participate in collective land-use control, and that many prospective land purchasers, builders, and occupants understood and appreciated its advantages. As J. C. Nichols noted in his 1912 NAREB talk: "In the early time (1906–1908) I was afraid to suggest building restrictions; now I cannot sell a lot without them."³⁴

Deed restrictions did more than legitimate the concept of land-use control, however. They also were the principal vehicle by which subdividers and technicians tested and refined the methods of modern land-use planning. In this important activity the community builders led the economic charge, but received a great deal of guidance and assistance from leading landscape architects, civil engineers, architects, and other professionals. The finest designers frequently were the planners of the best deed-restricted private subdivisions. For example, F. L. Olmsted (Sr.) and Calvert Vaux laid out Riverside, Illinois, the Chicago residential suburb that set the early and long-held standard for excellence of planning and for the creative use of deed restrictions. Riverside, platted in 1869, served as the inspiration and example for Roland Park in the 1890s, landscaped by F. L. Olmsted, Sr. and Jr., and for the 1911 design of Forest Hills Gardens by F. L. Olmsted, Jr., and Grosvenor Atterbury. Forest Hills, owned by the Russell Sage Foundation, was developed by realtor and community builder E. H. Bouton, developer-president of the

Roland Park Company. In the planning of the Country Club District, modeled to a certain extent on Roland Park, J. C. Nichols utilized the services of noted landscape architect S. Herbert Hare.

Duncan McDuffie employed landscape architects F. L. Olmsted, Jr., and John Olmsted, and California beaux arts architects John Galen Howard and Louis Mullgardt, to design elements of St. Francis Wood in 1912. John Nolen designed both Kingsport, Tennessee, and Mariemont, Ohio, just after the end of World War I. F. L. Olmsted, Jr., and Charles Cheney designed Palos Verdes Estates in 1923. Clarence Stein and Henry Wright planned Radburn for developer Alexander Bing in the late 1920s. The list goes on.³⁵ The key point is that all of these land development plans and many other similar efforts were implemented by private developers using deed restrictions as their only effective means of retaining control in executing the plan once the lots were subdivided and sold to individual private owners. John Nolen emphasized their importance as a planning tool in 1916:

The principle of restriction in the subdivision and use of land is well understood in the United States and very frequently applied. In fact, it is so well understood and so highly valued that it is most often applied in a thoroughgoing way by the real estate operator himself in his own interest. The restrictions placed upon a purchaser in the conveyance of a plot of land often include a long list of the kinds of business which are classified as nuisances, and which may not be established or maintained upon the property; regulation as to stables and garages; fences and walls; set back of buildings from streets and from lot lines; minimum cost of buildings; easements and rights of way for public utilities; and in some cases, even the approval of plans and specifications of buildings including their nature, shape, kind, height, material, color scheme and location; also the grading plans of the plot to be built upon. These restrictions, or, as some operators happily term them, "safeguards," are often placed for a period of twenty-five years or more with the right of renewal subject to the assent of the owners.³⁶

Community builders worked together with planners to privately establish the framework for most major aspects of what later became public planning—building restrictions; classification and separation of land uses; integrated planning and design of streets, blocks, and lots, such as the "superblock"; planning and design of open space between buildings and

within and between subdivisions; uniform set-backs; advance reservation and dedication of subdivision land for public use—the list is long and covers a wide range of applications of zoning and subdivision regulations and urban design and engineering. Even on the commercial side, the basic concept of the modern suburban shopping center was first developed by J. C. Nichols and widely introduced as a new innovation in residential subdivision planning by community builders.³⁷ The paramount importance of private development deed restrictions as the model and precursor of public land-use regulation is highlighted by New York City Assessor Lawson Purdy in explaining why the 1916 New York zoning law was understood and supported by real estate developers, brokers, lenders, insurers, and appraisers:

I sat in the room where the hearing was going on, and my associates asked me to attempt to reply. There were many men engaged in the real estate business there. They were all familiar with that with which you are so familiar here, the practice of real estate developers of putting restrictive covenants in the deeds which they gave to purchasers, not to decrease the value of the thing they had to sell, but to protect the buyer and to enhance the value of the thing they had to sell. And I attempted briefly to answer the objections that these regulations would reduce the value of real estate by saying that for two years the Commission that had been appointed, after very careful consideration, which was composed of men familiar with real estate conditions in the city of New York, some of them professional developers of real estate and others of them representing great lending institutions (and by the way, all of the lending institutions of New York City substantially approved the regulations that were adopted by the Board of Estimate); I said such a commission has done that for the city of New York which every private developer attempts to do by restrictive covenants which he himself puts in the deed he gives to prospective buyers; it has attempted to impose regulations on the city of New York which will enhance the value of the land of the city and conserve the value of the buildings. And I believe they have done that with success.³⁸

Members of the real estate business community understood that private restrictions were no panacea and could not substitute for public regulation. J. C. Nichols made this point quite forcefully in his 1916 speech to the National Conference on City Planning. Seven problematic issues rendered private restrictions inadequate: (1) They were difficult to establish once land was subdivided and sold to diverse owners. Thus they

could only be easily applied to new subdivisions, and not in already built-up areas. (2) They were often difficult to enforce through the civil courts. Property owners could not depend on their future effectiveness with any certainty. (3) They generally were only considered to be legally enforceable for a limited period of years, at which point the restrictions would completely expire and the area would be officially unprotected. (4) They were very inflexible. Once written into the original deeds, they were extremely difficult to change, even where new and unforeseen conditions clearly warranted certain modifications. (5) They only applied to whatever size parcel of land could be controlled by a single owner or subdivider. All land surrounding a restricted subdivision could remain unrestricted, subjecting the subdivision's border areas to the threat of encirclement by "undesirable" uses. (6) Even where deed restrictions were applied to a number of tracts, each subdivider used a different standard, leaving a complete lack of uniformity between each private effort. (7) In addition to the lack of coordination between privately restricted and unrestricted land uses, restricted subdivisions were not at all coordinated with public land uses and future public land-use plans.³⁹

Leading subdividers and realtors advocated public planning to overcome the deficiencies of private restrictions and to supplement their strengths. Without the visible precedent of private planning efforts by community builders and their advisers and allies within the city planning profession, the establishment of public land-use regulations would no doubt have taken longer to accomplish and the newly created public planning agencies would have been far less knowledgeable in their initial attempts to set reasonable standards for urban land development.

The Community Builders and the Standard Planning Act

Just as the initial cooperation between NAREB's City Planning Committee and the National Conference on City Planning beginning in 1914 had helped set the planning agenda for the early 1920s, a renewed and more extensive cooperative effort commenced ten years later that produced one of the most important planning documents of the decade: *A Standard City Planning Enabling Act* (1928). The immediate stimulus

for such realtor-planner dialogue was the subdivision crisis of the mid-1920s.

The massive urban population increase in the 1920s in many metropolitan areas combined with a period of relative prosperity and rising real incomes stimulated a subdivision boom in the early 1920s that quickly took on the character of a speculative frenzy. By 1923 there were already many warning signs that the house of cards of "shoestring" purchases and leveraged credit would soon come crashing down, and the level of complaints and horror stories of investors being swindled began to accelerate sharply. In some cities lot prices and sales activity were already leveling off or declining. By 1926 activity had peaked nearly everywhere and the long and steep descent into bankruptcy, foreclosure, default, and "frozen assets" was commencing. The capstone event was the collapse of the notorious and highly publicized Florida land boom, in which enough land (some of it underwater) had been subdivided to house the entire U.S. population. Florida's boom began faltering in the fall of 1925 and by the fall of 1926 was in full-scale decline, sending shock waves through the nation's financial and real estate markets.⁴⁰

The Home Builders and Subdividers Division of NAREB took organized action for the first time at the June 1925 NAREB convention in Detroit when it voted to establish a Committee on Subdivision Control in Metropolitan Areas. Irenaeus Shuler, the chairman of NAREB's Home Builders and Subdividers Division and of the new Committee on Subdivision Control, had invited the professional city planners of the American City Planning Institute (ACPI) to come to Detroit and discuss subdivision control with the realtors. As a result of these discussions, the ACPI set up its own Committee on Subdivision Control to work together with NAREB in hopes of defining a consensus position. Shuler strongly criticized the inadequacy of existing planning efforts in addressing the problems of large residential subdividers. He said that "city planning as practiced in America has had to do mainly with the built-up areas. In all of our cities most of the efforts along this line have been devoted to correction of mistakes of the past."⁴¹

Irenaeus Shuler had earlier conducted a study for NAREB on regional subdivision control in 24 U.S. cities, concluding that the planning of future street extensions was now required for the entire metropolitan area, and that new subdivisions should be regulated according to a "mas-

ter plan" to assure uniformity of street width, grade, and alignment and to provide for proper drainage, water and sewer systems, and other utilities. Arguing that poor street systems in urban areas "have retarded city growth and have necessarily kept down land values," the study concluded that "the advent of the automobile has brought a new emphasis on the need of regional rather than merely city planning."⁴²

The spirit in which even the largest and most prosperous realtor-subdividers took action, however, was highly defensive. Shuler told his more than one thousand colleagues assembled in the Detroit convention hall that the "successful subdivider" had actually pioneered the methods of private control through deed restrictions, large-scale land planning and construction of improvements, arranging purchaser financing, and home-building—in short, the complete development of communities. "If these things were always done with reasonable thought and care, values would be created and maintained and there would be much less need for public or civic control of the subdivision of land."⁴³ However, he continued, "private control has its limitations," and any standards promulgated through the 20,000 members of NAREB "can only extend to the voluntary adoption of its individual members" at best, and not at all to the "many other men . . . engaged in the subdivision of land who take no part in the affairs of this or similar organizations."⁴⁴ Shuler warned his fellow realtors that the level of subdivision crisis was heading to a point that some public action would eventually be necessary: "I realize the viewpoint of the subdivider who objects to control over the subdivision of land, on the ground that it may become burdensome, and the operation of such control might be placed in the hands of political agents. Public demand, however, will bring about this condition sooner or later, unless the subdivider himself devises means of reasonable control. We all realize there are some subdividers who will not exercise proper private control."⁴⁵

N. P. Dodge, the chairman of the Committee on Legislation, reinforced Shuler's comments with a report which endorsed some form of public subdivision regulation, but only if planning boards "are composed of experienced Realtors in good standing, or at least a majority of the board is made up of such men." Otherwise there is a "danger of over-regulation" if planning commissions are "composed of inexperienced men and women" who might have "unreasonable and extreme views."⁴⁶

Dodge urged that control of subdivisions be exercised countywide,

"for nearly all new platting is outside the city limits." He listed three main purposes of plat control: (1) that the subdivider be required to connect up with existing or proposed streets, (2) that the streets be improved to permanent grade before lots are sold, or a bond posted to guarantee that streets will be improved within a reasonable time, and (3) that a minimum lot size be required, to prohibit the selling of "lots of such small dimensions as to constitute a fraud by misleading the buyer concerning the cheapness of the lot." In these three recommendations we see the three key motivations of the real estate industry for subdivision regulation: (1) *coordination*, (2) *design and engineering*, and (3) *control*.⁴⁷

The NAREB committee and the ACPI committee deliberated for the next two years, with the realtors coming to a tentative agreement on principles at their June 1926 convention in Tulsa, and a final position was hammered out and approved by the NAREB Board of Directors at a business meeting, appropriately located in Miami, Florida, in January 1927. (See exhibit 3.1 at the end of this chapter.) The planners evidently were somewhat unhappy with the document, as it took them another four months and one additional meeting with NAREB leaders before the ACPI approved the report in May 1927. The statement of principles was identical from both committees, though the ACPI changed some of the text of the preamble, the most interesting change being that the realtors stated that planning should not be so "idealistic" as to "destroy real property values," whereas the planners stated that planning should not be so "idealistic" as to "destroy all real property values." The one issue on which there seemed to be genuine controversy was the question of whether subdividers should be required to dedicate a certain portion of their land to parks and open space without public compensation. At least some planners were in favor of this, but the realtors wanted voluntary dedication of small parks and public acquisition of larger park lands as determined by a master plan for the broad urban area.⁴⁸

The NAREB-ACPI joint statement in 1927 was so influential that it formed the basis of the U.S. Department of Commerce's *A Standard City Planning Enabling Act*. In this document the Commerce Department recommended to state governments that they pass enabling legislation, using the Standard Act as a model, to facilitate local and metropolitan land-use planning and regulation in all 48 states. A key section of the suggested planning enabling act dealt with subdivision control. The

Standard Act formed the basis of most state and local subdivision control and planning legislation for the next several decades.⁴⁹

The work of NAREB's Homebuilders and Subdividers Division in initiating the joint statement with ACPI, and in encouraging the spread of what many realtors called "the Hoover Act," is often forgotten in the current canons of American city planning history. Perhaps a measure of the importance of this initiative can be gleaned from Edward Bassett's comment in the following story.

When the National Conference on City Planning held its annual convention in St. Petersburg, Florida, in the spring of 1926, one of the key issues on the agenda was a progress report of the joint ACPI-NAREB discussions on subdivision regulations. The NCCP delegates were welcomed by the president of the Florida State Association of Real Estate Boards, who, not surprisingly, given the real estate crisis brewing down there, announced that his State Association was "considering the promotion of legislation to regulate and control subdivisions." Edward M. Bassett, a member of the U.S. Department of Commerce Advisory Committee on City Planning and Zoning, and a leader of the city planning profession, stated enthusiastically after hearing the subdivision committee progress report: "I prophesy that some of us in this room today will look back upon this St. Petersburg Conference as being almost the first groping after lawful methods to bring about comprehensive planning."⁵⁰

Conclusion

In this chapter I have demonstrated the fundamental basis for cooperation between the community builders and the urban planners in achieving certain goals of mutual importance to both groups. For the community builders, these goals were shaped by the changing institutional nature of the real estate industry, as I have explained in chapter 2, and by cyclical economic crises. The planners' goals were formulated according to cultural conceptions of good city form, design, and living standards. In the following two chapters, I will describe the conflict that emerged between developers and planners within the context of this cooperative framework.

EXHIBIT 3.1 NAREB-ACPI JOINT STATEMENT ON SUBDIVISION CONTROL, 1927 RECOMMENDATIONS

We therefore recommend the following:

- First:* That State Planning Enabling Acts should be enacted, delegating to cities and other political subdivisions the authority to prepare general plans and to approve subdivisions.
- Second:* That under the authority of such an Enabling Act a master plan should be prepared for the area of control, showing the location of main thoroughfares, recommendations for open spaces and designating land areas for specific uses.
- Third:* That the control of the platting of subdivisions should be authorized under the act and this control exercised by the local planning commission.
- Fourth:* That the planning commission should be an appointive, non-political board, serving without compensation, and the members should hold no other municipal office, excepting that certain legislative or representative officials should be ex-officio members of the commission.
- Fifth:* That the master plan and the control exercised should extend out beyond the municipal limits into the nonmunicipal territory which will sooner or later be developed as a portion of the city. This control to be developed in accordance with a Regional Plan in cooperation with the adjoining territorial governments.
- Sixth:* That the planning commission be authorized to adopt regulations providing for the location, continuity and width of streets, to safeguard travel, prevent congestion and provide proper drainage. Such regulations to include, where and when practicable, the minimum size and area of building lots and the extent to which street improvements, such as water and sewer provisions should be made before approval of plats. In some states bonds are required from the land owner, guaranteeing the installation of these improvements. This seems to be practicable.
- Seventh:* The general requirements for principal public parks and recreational spaces and sites of public buildings should be included as a part of the master plan. Where a land owner has submitted a plat of his land and the authorities have designated

in it such a principal public park, recreational space or public building site as part of the master plan, the municipality should take prompt steps to acquire such land, or failing so to do, should act upon the plat, so that the owner can make use of his property. The subdividers should be encouraged to provide small private recreational parks.

State Enabling Acts, as recommended in the foregoing, should be broad in their authority. The extent to which this authority shall be accepted and exercised by each municipality will remain for local determination. It is also the work of the local real estate boards, chambers of commerce, and other civic organizations to advance and support local ordinances, putting into effect the purposes to be accomplished under the authority of State Enabling Acts. The city officials in whom is vested the power to appoint members of the planning commission, if supported by public opinion and by civic organizations, will see that a capable planning commission is provided to carry on this important work.

Signed: for the National Association of Real Estate Boards:

Irenaeus Shuler, Omaha
(Chairman, Committee on Subdivision Control in Metropolitan Areas)
J. C. Nichols, Kansas City
J. J. Hurst, Baltimore
R. G. Lambrecht, Detroit
Guy S. Greene, Detroit
Robert Jemison, Jr., Birmingham (President, 1926)
Nathan Upham, Duluth (Advisory Board of Past Presidents)
Arthur M. Suor, Buffalo

Signed: for the American City Planning Institute:

Morris Knowles
(Chairman, Committee on Subdivision Control)
Jacob L. Crane
T. Glenn Phillips
Irving C. Root
Lawrence Veiller
Robert Whitten
Frank B. Williams

SOURCE: "Subdivision Control," *Annals of Real Estate Practice, Volume III, Home Building and Subdividing* (Chicago: National Association of Real Estate Boards, 1927), pp. 332-34; "Subdivision Control," *Planning Problems of Town, City, and Region* (Philadelphia: William F. Fell, 1927), pp. 200-1.

CHAPTER FOUR

THE LOS ANGELES REALTY BOARD AND ZONING

Introduction

FROM ITS INITIAL GROWTH spurt during the boom of 1887, Los Angeles has done everything in a big way. The leaders of the Los Angeles Realty Board, ardent supporters of the city's extensive public works projects and nationwide promotional campaigns, were full participants in this sense of bigness. Perhaps also because much of the land around Los Angeles was still in single ownership as huge Spanish ranches, land subdividing and residential development were undertaken by community builders on a very large scale. These developers fully understood the need for planned infrastructure to support their realty projects, and they were quite willing to utilize government for such purposes.

In the dream of creating a prosperous homeowners' paradise, the southern California community builders' positive view of government action translated into a major push for strict land-use regulations. The Los Angeles Realty Board played an important role in establishing America's first citywide use-zoning law in 1908, and leaders of the Board fought in the 1920s to strengthen and extend the powers of zoning. The community builders who governed the Realty Board even hired their own professional city planning consultant in 1920 to write a new zoning law for the Los Angeles City Council.

The community builders lost as many battles as they won in their zoning crusade. To begin with, the Realty Board was divided over the issue, with many members wanting to use zoning to *promote* property specula-

tion and higher density commercial or residential development, not to *protect* sprawling partially developed areas for future development as neighborhoods of single-family houses. Secondly, the vast army of small-scale realty dealers, builders, and property owners who fervently believed in the Los Angeles promise of perpetual real estate "boom" were bitterly opposed to strict land-use controls. Thirdly, many members of the Los Angeles City Council were responsive to the speculative fever and manipulated the zoning categories accordingly.

Responding to both internal and external opposition, the community builders on the Realty Board engaged in three strategies: (1) They searched for political power to strengthen their cause both with city officials and with other property owners. Through the Federal Housing Administration and its mortgage insurance program, the community builders found a sympathetic agency that was willing and able to force long-desired changes in land planning and regulation onto the local public and private sectors. (2) They established tough, enforceable deed restrictions as a fairly reliable method of controlling large, newly subdivided residential and commercial developments. (3) They helped create separate suburban jurisdictions and resisted their annexation to Los Angeles. To the community builders, these smaller municipalities were generally more dependable and cooperative in their implementation of land-use regulations. In addition, the Realty Board helped create the Los Angeles County Regional Planning Commission, to facilitate suburban growth and circumvent the need for involvement by the City of Los Angeles in land-use regulation, infrastructure and service provision, and property taxation. These strategies were all formulated in response to the early controversies over city zoning in Los Angeles. This chapter provides an overview of the conflict and the compromises.

Pioneers of American Land-Use Zoning

Los Angeles business and civic leaders acquired a justly deserved reputation in the early twentieth century as aggressive boosters of an arid, semitropical area that possessed no natural advantages save two: a lovely climate and attractive landscape. The efforts to make up these deficiencies in infrastructure—water supply, harbor, railways and transit, energy—are

well known. Equally as noteworthy are the massive advertising campaigns to market Los Angeles as a haven of the "good life" in order to sell real estate to tourists and homeseekers. Because the beauty of the surroundings and the luxuriance of the lifestyle were such an important part of the sales pitch, which was carefully targeted to the middle and upper classes of the rural and urban American east and middle west, public action to preserve physical image was a key element of the growth and sales strategy of the real estate sector.¹ From its inception in 1903, the Los Angeles Realty Board expended considerable energy on public and private action to clean up vacant lots (of which there were still many left over from the collapsed boom of 1887), protect tourists from street hawkers, limit the height of buildings (a 1906 charter amendment created a 150-foot maximum), and promote "public art" including civic centers, parks, and boulevards as recommended by Charles Mulford Robinson in his 1909 report to the Municipal Art Commission.²

One of the most important initiatives to maintain and market Los Angeles' physical beauty was the creation of zoning laws. Los Angeles led the nation in regulating private land-use under the municipal police power by establishing the first major use-zoning law of any American city, a full eight years before the famous New York City ordinance. On September 14, 1908, the Los Angeles City Council passed the "Residence District Ordinance," mapping out three large areas of the city within which:

It shall be unlawful for any person, firm or corporation to erect, establish, maintain or carry on . . . any stone crusher, rolling mill, machine shop, planing mill, carpet beating establishment, public laundry or wash-house, fire works factory, soap factory or any other works or factory where power other than animal power is used to operate, or in the operation of same, or any hay barn, wood yard or lumber yard.³

On the same date the City Council passed a companion "Industrial District Ordinance" defining the areas in which the above prohibited activities would be permitted, subject to certain fire regulations.⁴ The "Residence District Ordinance" not only prohibited new businesses from operating in the residential districts, but it also applied retroactively. An existing business could be forced to vacate its current location, without compensation, under the terms of the 1908 law.

Los Angeles created America's first use-zoning law during a period when the Realty Board and the local real estate industry were suffering from the aftereffects of the national "Panic" of 1907 and the subsequent collapse of the city's recent real estate boom. The long drought of Los Angeles realty sales after the frenzied 1888 real estate debacle had finally turned into steady, sustained sales growth beginning in 1901, culminating in a speculative boom during 1906. The post-Panic slide turned 1908 into an uneasy year for the realty business, the worst year in the Los Angeles Realty Board's brief history. Since subdividing and selling suburban-style residence property was still a lucrative area of business for the larger realtors, and because there already was a substantial political constituency of prosperous homeowners among the city's growing population, land-use regulation was quickly identified as an important vehicle for strengthening Los Angeles' most appealing selling point.⁵

The case for public planning was articulated by Dana Bartlett in his 1907 book *The Better City*: "Climate has a cash value. . . . As the Greater City comes nearer to its realization, the leaders in social thought are more and more determined that it shall be a city of homes, and therefore a city without slums."⁶ Accordingly, civic and business leaders promoted Charles Mulford Robinson's plan for "The City Beautiful," and the landmark "Residence District Ordinance." The rationale for this 1908 zoning innovation was explained by Los Angeles City Prosecutor Ray Nimmo in a 1913 article entitled "Accomplishing the Segregation of Industries":

There is a well-defined movement in many of the European cities toward industrial segregation, but, until recently, no American city has attempted to execute this plan of civic improvement. This has been a subject of municipal legislation generally considered impossible to treat of, and it was left to the city of Los Angeles first to undertake a plan for the separation of its homes from its works and factories. In this city by the western sea, situated as it is, in the heart of the Southern California Riviera, there have gradually developed extensive and beautiful residence districts traversed by miles of smoothly paved streets and embellished with a wealth of trees and flowers. *The business enterprise of real estate operators*, combined with the civic pride and home life of the people of Los Angeles, have given the city a deserved reputation for its ideal residence conditions.

Accordingly, the preservation of these conditions has been considered a matter of paramount necessity. (emphasis added)⁷

Industrial segregation under the 1908 law also provoked opposition from some groups. The *Los Angeles Times*, for example, editorialized in 1909 against the new zoning law, fearing that it would be an obstacle to the city's industrial growth. The editorial particularly objected to the retroactive provision in the ordinance. The *Times* did not advocate that zoning be eliminated, however, only that it be modified. The editorial supported the basic principle that industries should be barred from operating in "exclusively residential districts."⁸ Since the owners and publishers of the *Times* were among the largest real estate developers in southern California and members of the Los Angeles Realty Board, it appears that the conflict over whether the future of the city was to be "the Riviera of the nation" or "the Detroit of the West" included a consensus among business and civic leaders that zoning would be an important part of that future.⁹

Legal authority for Los Angeles public regulation of private land-use in 1908 came from two sources, both deriving from the local government's police power authority to control "nuisances" in the interest of "the immediate preservation of the public peace, health, and safety."¹⁰ The first source was the legal precedent of previously upheld regulation and prohibition of certain industrial activities publicly considered to be injurious to nearby citizens. In fact, the idea of establishing "residence districts" in Los Angeles was the direct outgrowth of earlier "industrial districts" that had been created during the preceding two decades to limit and control certain fire hazards.¹¹ In accord with this tradition, the industrial portion of the 1908 zoning law was officially labeled "An ordinance creating the Office of Fire Marshal and prescribing his powers and duties."¹² Los Angeles already had laws on the books restricting the location of oil-well drilling, the manufacture and storage of inflammable and explosive substances, carpet beating, gas works, and beef slaughterhouses and tanneries.¹³

The second source of legal precedent was also derived from "nuisance" law, but contained a very different social purpose—racial and ethnic segregation. W. L. Pollard, well-known city planning attorney for the Los Angeles Realty Board and the California Real Estate Association, stated the issue clearly: "It may sound foreign to our general ideas of the background of zoning, yet racial hatred played no small part in bringing to

the front some of the early districting ordinances which were sustained by the United States Supreme Court, thus giving us our first important zoning decisions."¹⁴ In California during the 1880s, San Francisco, Modesto, and several other cities passed laws restricting the location of hand laundries. The reason for these restrictions was that hand laundries in these cities were primarily owned and operated by Chinese immigrants. Thus laundry regulation was a clear-cut proxy for Chinese exclusion from certain "Caucasian" neighborhoods.¹⁵

Numerous California court decisions upheld the legal validity of these anti-Chinese zoning laws. The broad scope of the legal permission granted in the Hang Kie, Yick Wo, and similar court decisions also helped facilitate local police power regulation of other "social nuisances," in addition to hand laundries and washhouses, such as bars, liquor stores, and dance halls. Restrictions of this type were applied by Los Angeles prior to 1908.¹⁶ Recognition of the purpose of zoning as stabilizing and enhancing the value of real estate had already been legally acknowledged by the California Supreme Court in the 1886 Yick Wo decision, when the Court ruled that a laundry could be legally prohibited from locating in a particular area because it "depreciates the value of property."¹⁷

Los Angeles' zoning laws created seven Industrial Districts, primarily along the Los Angeles River and the various freight railroad lines that coursed through the city's eastern, central, and southern areas.¹⁸ Most of the remaining built-up portions of the city were placed in the Residence Districts, with "residence exceptions" spotted throughout these districts. These numerous "exceptions," an early form of zoning variance, included undertaking districts, cow districts, cemetery districts, motion picture districts, billboard districts, and poultry slaughterhouse districts, to name but a few. Anything that was legally excluded from the residence districts could be included by the City Council through the creation of an "exception." By 1915 there were nearly 100 "residence exceptions," ranging from a large section of the central business district to a single city lot.¹⁹

After 1908 the Los Angeles City Council continued to pass districting legislation of four basic types: (1) to create "exceptions," (2) to change the boundaries of existing districts, (3) to add new legal requirements and restrictions to the 1908 laws, (4) to create new districts covering areas of the city left untouched by previous legislation. The latter task posed a continuous problem for the City Council because the corporate

boundaries of Los Angeles were rapidly expanding during these years through frequent annexations. Most of the territory being added to the city was very sparsely developed, and normally was placed in a Residence District, with some "exceptions." One of these areas, the little town of Colegrove which was annexed to the city in 1910, became the center of a bitter zoning controversy ten years later under its new name, the Wilshire District.²⁰

In describing the passage of the Residence District Ordinance in 1908, Ray Nimmo stated:

A few years before it was considered that the Constitutions of the state and the nation had raised insuperable barriers to any project embracing the prohibition of industrial expansion, but the zealous eye of the Los Angeles home-builder watched the approach of business activities with alarm, and necessity became the mother of legal invention.²¹

California's courts wholeheartedly approved of this new legal invention, upholding the Los Angeles zoning laws in three separate decisions between 1911 and 1913, involving city prohibition of the location of a Chinese-owned hand laundry, a lumber yard, and a brick yard. The case of the brick yard was the most controversial, as it invoked the retroactive feature of the zoning law. The owner, Mr. Hadachek, was forced by the city to abandon his current location in a Residence District and move to an Industrial District, at his own expense. The fact that he had owned the land and building and had been operating the brick yard prior to 1908 was not considered sufficient to merit an "exception." Both the California and U.S. Supreme Courts affirmed the Los Angeles zoning laws in the Hadachek litigation.²² These decisions cleared away the constitutional obstacles to the adoption of zoning laws in cities throughout California and the nation.²³ In the preparation of New York's 1916 zoning law, the 1908 Los Angeles law and the 1915 U.S. Supreme Court Hadachek decision were cited by New York zoning supporters as key legal precedents.²⁴

In California the Los Angeles zoning model spread rapidly once the legality was clearly upheld by the California Supreme Court in its 1913 Hadachek decision.²⁵ Particularly after the real estate market became depressed beginning in 1914, many California realty boards and city coun-

cils turned to Los Angeles-style districting laws as a method of stimulating residential sales and development. Between 1913 and 1917, Redondo Beach, Oakland, Pasadena, San Mateo, Burlingame, Turlock, Piedmont, and Sacramento were among the cities and towns adopting some form of districting ordinance.²⁶ Despite the Hadachek decision, or perhaps because of the controversy surrounding it, many of these laws were not retroactive. After 1917, the influence of New York's law and more fine-grained zoning ordinances in Berkeley, Alameda, Palo Alto, and other cities helped create a new California fashion in land-use regulation that rendered the 1908 Los Angeles ordinance somewhat obsolete.²⁷ In the pre-1917 period, however, Los Angeles zoning was the state and national model. For example, Oakland's 1914 law was definitely based on Los Angeles' "industrial" and "residence" districts. The zoning legislation was introduced by Mayor Frank Mott, past president of the Oakland Real Estate Board and the California State Realty Federation. At an Oakland City Council debate in 1914, Mayor Mott explained

the protective nature of the proposed industrial zone ordinance, which is aimed at the inclusion of all industries within definite areas for the protection of people who desire their homes to be located far from the annoyances of shops and factories. He said that there are at least 10,000 acres of land in the city available for industrial purposes, and that it is desirable to keep manufacturing plants segregated from homes. The ordinance was prepared by (Deputy City Attorney) Earle and is taken with few modifications from the Los Angeles ordinance, which has been sustained by the Supreme Court.²⁸

The Battle for a New Zoning Law

The passage of Los Angeles zoning laws in 1908 clearly reflected a strong push by the Los Angeles Realty Board to reassure prospective lenders and purchasers that the city would continue to be a spacious residential paradise of fine homes and quiet, clean surroundings. The success of this growth strategy was reflected in the statistics on Los Angeles' economy, which revealed a growing population both much wealthier than the national average and much more concentrated in professional, service, and other white collar occupations than most large cities.²⁹ Also in

contrast to some fast-growing urban areas, the housing stock consisted mostly of detached homes, although, despite the homeownership sales pitch, many of these houses were occupied by tenants.³⁰

The 1908 zoning ordinance was applied on a highly selective basis. In some cases property owners could petition the City Council to protect a certain area from an "undesirable" use that was threatening to move in; in the Hadachek case, they even forced an existing business to move out. But the blanket nature of the law over such vast territory meant that the City Council was constantly creating "exceptions" for a whole variety of land uses that could not be kept too far away from the residential portions of the city, such as specially created "public garage districts" needed to accommodate Los Angeles' growing automobile culture. Given that one of the city's biggest industries was real estate sales and development, including related sectors such as finance, insurance, and manufacturing of building materials, the City Council was just as likely to allow exceptions to "encroach" as it was to take action to "protect." In addition, the original districting ordinance did not distinguish between detached homes, apartment houses, hotels, movie theaters, commercial offices, or retail stores, which were legally permitted to exist side by side in the residence districts. Judged by the standards of deed-restricted subdivisions, which were already establishing the latest trends in modern suburban living, the residence district ordinance was very weak and ineffective.³¹

During the period when Los Angeles' pioneering districting law was making its way through the higher courts, establishing legal history and gaining national recognition, the real estate market in Los Angeles went through another cycle of growth and stagnation. Real estate sales and construction activity rose from 1910 through 1913, fed by burgeoning immigration of "native white homeseekers."³² But the realty market started declining when the population influx and capital availability both dried up with the beginnings of World War I. The national depression of 1914 and 1915 hurt Los Angeles considerably. Many workers left the area in search of industrial employment elsewhere. The Los Angeles tourist industry was notably hard hit from 1914 to 1919, and the huge real estate and construction sector stagnated. Population growth, while slowed from its dizzying pace, continued, however, and the strongest element of real estate market demand was in large lots and luxury homes on the outer fringe of the city. This pattern of growth reinforced the viewpoint of the

Los Angeles Realty Board's leaders, who wanted to establish stronger public land-use regulations to protect these subdivisions from unwelcome neighbors.³³

During the worst years of Los Angeles' real estate depression the Realty Board membership dwindled considerably. The remaining members congratulated each other on simply being able to stay financially solvent.³⁴ In the summer of 1916 the Los Angeles Realty Board formed a committee of their most distinguished leaders to "call the attention of the Banks to the injury they were doing the real estate business" by refusing to make loans and by "advising their clients not to make loans on real estate or to purchase same at the prevailing prices."³⁵ During 1917 and 1918, the years in which the United States government entered the War, residential and commercial construction slowed to a standstill as the rising costs and shrinking availability of building materials and labor and lack of real estate financing converged to form a nearly impassable bottleneck. Residential rents started rising in this period due to growing population and employment, combined with the wartime embargo on residential construction. The value of unimproved urban property, however, fell sharply. Indeed, with little possibility for building, the market for vacant lots was nearly frozen.³⁶

The situation began to change with the end of the War. Tourism resumed in 1919, and demand for housing picked up considerably. Lack of financing and rapid inflation of building materials prices created a situation where demand considerably outran existing supply. Tourists went back east after winter excursions to Los Angeles complaining of a severe housing shortage. The Realty Board blamed the financial institutions for holding back the supply of mortgage funds, stating that "there is an unsatisfactory and illiberal condition existing in this city between sources of supply and those who would like to develop and improve their property." They pleaded with bankers to provide more mortgage loans at lower interest, "to encourage home-builders generally."³⁷

As the year went on, building activity did improve for year-round residences, although the housing situation for tourists as the 1920 winter season approached was still very tight. Tourist accommodations were in such short supply that the Hotel Keepers' Association wanted the Los Angeles booster agencies to tone down their advertising in the east and midwest in order to avoid a repeat of 1919, when the hotel room crisis

gave Los Angeles tourism a bad reputation. The Los Angeles Realty Board strongly opposed such timidity on the part of the Hotel Keepers, and enlisted the major newspapers, the Apartment House Association, and other organizations in a publicity campaign to dispel any rumors that short-term or long-term housing was unavailable in Los Angeles. According to the Realty Board, the tourist influx was of critical importance to the business of selling property in Los Angeles: "From the real estate man's point of view there must be an increasing number of homeseekers and tourists to purchase and occupy the new homes that are built and will continue to be built during the summer."³⁸ Realty agents would be waiting at the train stations with convincing sales arguments for the potential purchaser.

Building permits were on the upswing after 1919 but most of the new housing was being built for the upper-income population. Apartments and low-cost bungalows were still at a premium, and thus for workers the housing shortage of 1919 and 1920 was still a serious problem, and rents were rising rapidly. Pressure began to build for the Los Angeles City Council to pass a rent control ordinance. The Realty Board, denying the existence of any "rent-gouging," was unalterably opposed to rent controls. As an alternative, the Realty Board, with the Chamber of Commerce and the *Los Angeles Times*, launched a campaign to "Own Your Own Home," urging bankers "to loan more freely in order to encourage the wage-laborers to build and own their own homes and to encourage home-builders generally."³⁹ The Realty Board also formed, together with the Los Angeles Chamber of Commerce and the Merchants and Manufacturers Association, a Fair Rent Committee to investigate charges of "alleged exorbitant rents" and to get favorable publicity about the housing situation in the city.⁴⁰

The "Own Your Own Home" message against rent control was largely rhetorical. But the "Own Your Own Home" campaign to attract many more prosperous tourists and year-round residents was a matter of economic survival for a real estate industry that had been through five or six years of relatively hard times.⁴¹ For some of the large downtown brokers and the residential community builders in the Los Angeles Realty Board, a vital aspect of this economic growth strategy was the passage of a new zoning ordinance.⁴²

Many Realty Board members desired to replace the 1908 residential

district ordinance with a new comprehensive zoning law for four principal reasons. First, they wanted to preserve Los Angeles' image as an expanding enclave of luxury homes and estates. Land on the western side of the city had been partially developed with expensive detached homes, and some key Realty Board leaders, particularly the big residential subdividers, hoped to protect the existing areas and maintain the wider west side as the sphere of middle- to upper-income residential growth. Due to extensive land speculation during the previous 30 to 40 years, however, much of this land had already been subdivided and was not subject to any enforceable, long-running deed restrictions. As the building slump began to abate in 1919, certain well-known realtors and community builders from the Los Angeles Realty Board mobilized to halt what they saw as an imminent invasion of the west side by apartments, stores, warehouses, and small factories.⁴³ The residential district ordinance was not considered to be adequate protection; a new zoning law was required that would zone the entire area for exclusive single-family residential use. On the other hand, a number of west side brokers in the Realty Board, eager to earn commissions and sell frozen properties after the long sales downturn, opposed any zoning initiative that would constrict their ability to unload listed properties, regardless of the intended use.⁴⁴

The second reason, intimately related to the first, was that the most powerful Realty Board members wanted to maintain the downtown commercial district as the primary office and retail center of Los Angeles. The Realty Board was dominated by the largest of the downtown commercial realtors, and they greatly feared the potential impacts of commercial decentralization on central city land values. Their fears were well grounded: the share of Los Angeles' retail trade conducted in the central business district declined from 75 to 25 percent during the 1920s.⁴⁵ In 1919, when the downtown was still preeminent, the major commercial realtors hoped to use a new zoning ordinance to stem the tide of outlying commercial growth at the downtown's expense. They hoped that by zoning the entire west side exclusively for single-family residential use, except for a modest amount of neighborhood commercial uses at some of the main traffic intersections, the wealthy residents would be forced to continue shopping downtown and professionals would continue to occupy office space in the city's center.

The third reason was that Los Angeles had fallen behind as the na-

tion's pacesetter with regard to city zoning. Advances made by New York, Berkeley, St. Louis, Portland, and other cities, plus the passage of the zoning enabling act by the California Legislature in 1917, and the city's U.S. Supreme Court victory in the *Hadachek* case⁴⁶ convinced the Realty Board leaders that future zoning laws in Los Angeles should strictly separate residential, commercial, and industrial land uses in a much more systematic fashion than the 1908 ordinance. Realty Board members feared that Los Angeles would suffer in its promotional campaigns to attract real estate investors and consumers in the absence of the most up-to-date zoning regulations. In order to compete successfully with its local and national rivals, Los Angeles had to enhance its reputation as America's best planned and best regulated city.⁴⁷

Fourth, having suffered through several depression years and watching Los Angeles largely excluded from the war-induced industrial growth, some real estate and business interests were concerned to expand Los Angeles' manufacturing base and year-round employment opportunities, decreasing the heavy dependence on tourism. Development of the harbor, highways, hydroelectric power, labor immigration, and other key factors had made industrial growth possible in Los Angeles, particularly in clothing, building materials, food processing, consumer durables, oil refining, and several other sectors.⁴⁸ Many manufacturing corporations who were considering the establishment of branch plants in Los Angeles were reportedly concerned about the existing zoning system. They felt that the piecemeal nature of the districting ordinances combined with the retroactive feature subjected potential industrial companies to uncertainty as to their ability to remain at a given location free from harassment and residential encroachment. From 1908 through 1919 the attention in Los Angeles zoning had been on keeping undesirable nuisances away from housing. The Chamber of Commerce now sought to reassure outside capital that through passage of a new law industrially zoned land would be better serviced and protected.⁴⁹ Some members of the Realty Board concurred with this approach. Others, especially large residential brokers and subdividers devoted to promoting Los Angeles as America's "Riviera," feared that industrial growth strategies might hurt the market for high-income housing and related commercial developments.

The issue that precipitated the Realty Board's campaign to pass a new zoning law was the threatened invasion of the west side's Wilshire and

West Lake residential neighborhoods by a clothing factory and a warehouse in the spring of 1919. Under the Residence District Ordinance the City Council generally required that a property owner desiring a "residence exception" on a particular site must first gather petition signatures from 20 percent of the neighboring property owners in support of the proposed change. Since so much of the land on the west side was vacant and owned by speculators, small investors, lenders, or realty agents, all of whom were seriously hurt by the decline in property values which had become severe in 1917 and 1918, many of these property owners were glad to sign a petition that could stimulate sales interest and new construction of any sort. Intensive uses, if they could drive up the rents and sales prices of nearby land parcels, were particularly welcome.⁵⁰ The property owners requesting building permits for the clothing factory and the warehouse were able to get the required signatures and present their petitions to the City Council.

Realty Board leaders, many of whose brokerage firms specialized in handling downtown commercial properties and elegant west side residential subdivisions, mobilized to oppose the petitions.⁵¹ This particular coalition of prominent Los Angeles realtors not only demanded that the City Council vote to deny the two petitions for residence "exceptions," but that a new zoning law be immediately passed that would restrict virtually the entire west side of the city for exclusive single-family residential use. On May 29, 1919, the Realty Board's Governing Committee took its first major step in fighting the battle for west side zoning by appointing a special committee "to urge the adoption of suitable ordinances to protect residential sections of the City from the erection of warehouses, factories, etc., and to protest in the name of this organization against any movement to create industrial districts, or otherwise to commercialize those parts of the city now devoted exclusively to homes."⁵²

In June 1919, the Realty Board went public with its opposition to the petitions and managed to forestall City Council action.⁵³ The Realty Board also joined a Chamber of Commerce committee to prepare a new zoning law.⁵⁴ The Chamber was particularly concerned that adequate areas be zoned for industry. In early 1920 the Los Angeles City Club hosted a conference in which representatives of the Chamber of Commerce, Realty Board, the local chapter of the American Institute of Architects (AIA), and other organizations recommended that a City Planning Commission

be officially created in order to zone Los Angeles.⁵⁵ In March 1920, the City Council voted to create such a Commission. The Realty Board, Chamber of Commerce, Fire Insurance Exchange, and a number of other business groups were well represented among the 51 city planning commissioners appointed by the mayor.⁵⁶

With the gradual thawing of the real estate market in 1920 and the substantial increase in applications for building permits, considerations of proposed zoning changes quickly reached a stage of acute conflict. Differing groups of property owners on the west side alternately presented petitions, staged protests, and filed lawsuits as they vied for support from the City Council, some desiring to exclude apartments, some desiring to exclude stores, and others desiring to sell, build, and own or rent space in these controversial structures. In certain cases the City Council voted under the 1908 law to create new or uphold existing residential districts, in other cases granting "exceptions" and allowing for alternative developments and uses. Arguments raged within and between neighborhoods and organizations. The Realty Board, with the support of the Chamber of Commerce and the chairman of the new City Planning Commission, formed its own private committee to come up with a zoning plan for the city.⁵⁷

Serious conflicts soon emerged, however, from within the Realty Board's own membership. When the Realty Board's Governing Committee proposed in May 1920 that the City Council immediately enact an emergency ordinance limiting almost the entire west side to single-family residences until a new zoning law could be enacted, some of the Realty Board's own members, "dealers in Wilshire District property," "protested against the proposed ordinance, stating that it was injuring their business" and "interfering with improvements contemplated by their clients."⁵⁸ The protesting realtors were generally smaller west side brokers battling against the big downtown brokers and the large-scale residential subdividers who dominated the Realty Board's Governing Committee. The Governing Committee wanted single-family residential zoning for the entire west side. The opposing realtors, who formed an organization called the Wilshire Improvement Association, wanted commercial development on all the main streets and higher density commercial and residential uses permitted in the Wilshire area.

Faced with this internal revolt, the Realty Board's Governing Com-

mittee quickly withdrew their proposal for an emergency zoning ordinance, "until such time as a scientific survey by a recognized City Planning expert can be made and a proposed ordinance or ordinances submitted to the City Council embodying the findings of such expert."⁵⁹ One month later the Realty Board sent an urgent telegram to Charles H. Cheney to come to Los Angeles. He was to be their expert.⁶⁰

Charles Cheney arrived in Los Angeles in July 1920 with a reputation not only as a zoning expert, but as a strong advocate of the creation of exclusive single-family residence districts to encourage homeownership and property investment. He was wedded to the notion that Los Angeles should remain a city of large and small houses, and was strenuously opposed to apartment buildings.⁶¹ Cheney hurriedly met with the zoning committees of the Realty Board, City Planning Commission, and City Council, and with a group of Wilshire District property owners which included the president, vice-president, and treasurer of the Los Angeles Realty Board and other leading realtors.⁶² Despite his flurry of meetings, Cheney studiously avoided speaking with opponents of the Realty Board's zoning proposal.

Within a week of his arrival, Cheney delivered to the Realty Board's Governing Committee his completed "scientific" zoning report. Cheney's report addressed some of the objections of the Wilshire realtors who had protested the earlier Realty Board proposal. His recommendations, while mainly zoning the whole area for single-family residential use, did include several commercial zones on some of the major thoroughfares.⁶³ The Realty Board immediately presented Cheney's report to the City Council with a great deal of publicity, urging quick adoption by the Council.⁶⁴ The Board also suggested that the City Planning Commission hire Cheney as a consultant to zone the entire city.⁶⁵ The City Planning Commission agreed, and recommended that the City Council appropriate the funds to hire Cheney.⁶⁶ "The Realty Board was entirely satisfied with the services Mr. Cheney rendered in his survey of the Wilshire District," stated City Planning Commission Executive Committee member and Realty Board Vice-President Frank Ryan in his report to the City Council, "and we believe the Council should make effective its work by employing the services of an expert city planner."⁶⁷ Other business and civic leaders supported the hiring of Cheney, including the author of the 1908 zoning law, Judge Albert Lee Stephens, who spoke of the

need to maintain Los Angeles' "enviable prestige of being the most desirable home city in America."⁶⁸

In the months that followed, the zoning battle escalated as the Los Angeles Board of Public Works began to deny building permits to various proposed structures under the terms of the district ordinances. Attorneys for property owners argued that businesses had a right to expand to the west of downtown and that the new restrictions granted an artificial monopoly to the existing businesses and thus were clearly discriminatory. Legal actions and public protests were initiated by all sides in this dispute.⁶⁹ As a concession to this strong opposition, the City Council declined to appropriate funds to hire Charles Cheney, explaining that City Planning Commission Secretary Gordon Whitnall was capable of conducting the necessary zoning surveys, with the help of the City Engineer's Office.⁷⁰ The City Council also failed to adopt the Realty Board's Wilshire District zoning proposal due to vigorous opposition from Wilshire property owners and realty agents.⁷¹ In the fall of 1920, the Realty Board and the Chamber of Commerce, concerned lest Los Angeles' reputation as a well-run city be tarnished by the controversy, joined forces again to push zoning forward.⁷² Gordon Whitnall announced in October that the City Planning Commission would soon hold hearings to zone first Wilshire, then Hollywood, and eventually the entire city.⁷³

It took another year before the Los Angeles City Council finally adopted the new zoning ordinance in October 1921.⁷⁴ The pressure of the depression which had set in across the nation the previous spring provided the final push.⁷⁵ All sides felt that the passage of a zoning law would remove some of the uncertainty hanging over property investment, with the issue still to be decided into which zone would properties be placed. The Realty Board, reflecting increasing nervousness, had escalated their advertising campaign in the spring of 1921, to "Own Your Own Home *and Build Now*."⁷⁶ They also played a key role in establishing the All-Year Club to boost the city's economic fortunes by promoting both tourism and permanent population growth.⁷⁷

The Los Angeles Realty Board won a significant victory with the passage of the new zoning law. The old residential district classification was now split into two separate zoning designations: an "A" Zone for single-family houses, and a "B" Zone for all other residential uses. The "C" Zone was for business or commercial uses, "D" Zone for "non-obnox-

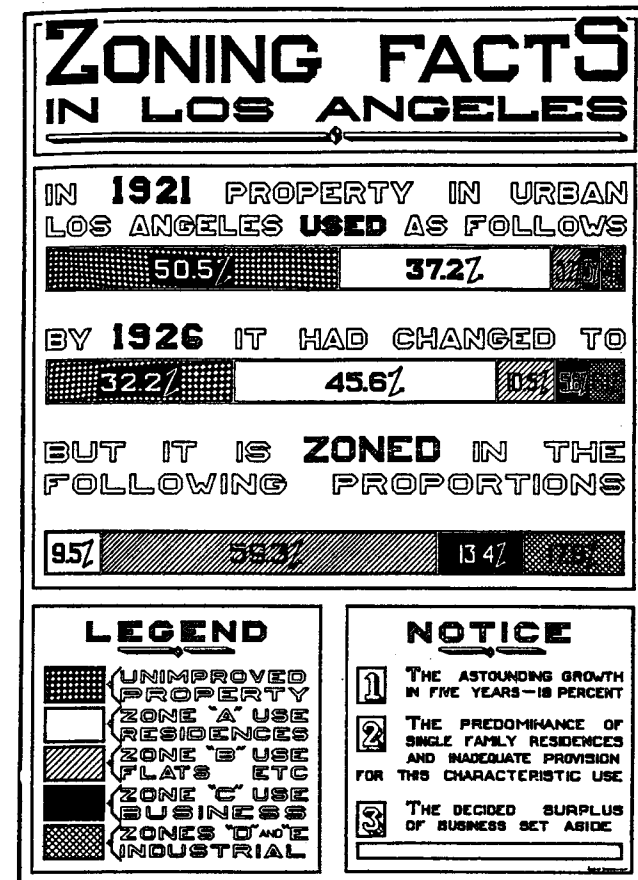
ious" industry, and the "E" Zone was unrestricted. When the City Council passed the new zone law it also adopted actual zoning maps for five districts. Because Los Angeles was so huge, the City Planning Commission left 36 districts unmapped. These districts were to be covered under the old residential district ordinance until such time as the Council approved new zoning maps.⁷⁸

Four of the five maps were for the Hollywood, East Hollywood, Wilshire, and West Lake sections, the very areas that had been the scene of the biggest controversies regarding the protection of these neighborhoods as "high-class residential districts." If one studies the maps, the surprising fact is how little of the land was placed in the "A" Zone. Except for some fairly well-developed deed-restricted areas of large, expensive homes, most of the interior land was placed in the "B" Zone and almost all of the major street frontage was zoned "C." The other district maps later adopted by the City Council consisted largely of industrial areas zoned "D" and "E," and residential areas zoned entirely for "B" and "C" uses. By the end of the decade the City of Los Angeles had 600 miles of street frontage zoned commercial ("C"), estimated to be more than enough land and building space to serve a population of 14 million people. The actual population in 1930 was 1.2 million. Many more miles were zoned for apartments and multiple dwellings (see chart 4.1).⁷⁹

Los Angeles had once again established itself as a zoning pioneer by becoming the first large American city to create a separate category restricted solely to the construction and occupancy of single-family detached houses. Many of zoning's backers, the Realty Board among them, saw the legal fight to establish the validity of this type of land-use restriction as the most important goal behind the passage of the new law. The goal was accomplished within a few years when the California Supreme Court upheld the validity of this form of police power regulation in the Miller case in 1925, and the U.S. Supreme Court later concurred.⁸⁰

The Realty Board and its allies, including the Chamber of Commerce, paid a price for this victory. To begin with, they did not succeed in holding back the tide of commercial decentralization; if anything, zoning in practice may have helped accelerate it. They also did not succeed in legally excluding housing from industrial zones, which became a source of irritation to manufacturers as the decade wore on. And while they won the battle for single-family zones and managed to help preserve a

CHART 4.1
RESULTS OF THE LOS ANGELES "USE OF PROPERTY"
SURVEY, 1926



The above chart refers to the approximate two hundred square miles of urbanly developed Los Angeles that has been zoned for use since 1921. The remaining two hundred and fifty square miles of outlying areas now in process of being zoned are being given the advantage of previous experience.

The "13.4%" of "business" does not include the "downtown" area, which is found in the "17.8%" of "industrial." If the "business" occupancy in "industrial" classification were added to the "13.4%" it would bring the latter up to about 20%.

SOURCE: Gordon Whitnall, "Supply and Demand in Business Zoning," *The Community Builder*, I, 3, February 1928, p. 15.

few key residential enclaves, they failed utterly at zoning more than a small portion of the city in this category. In fact, it took more than two decades, after the Federal Housing Administration had significantly changed the rules of the game, before a majority of Los Angeles land was zoned "A" (by this time it was called "R-1"). As Huber Smutz, Los Angeles' longtime Zoning Administrator, observed about the compromise that led to the passage of the 1921 zoning law: "It was either a proposition of zoning the rabid speculator's property for the purpose for which he was holding it or having no zoning at all and hence no protection for residential districts."⁸¹

Perhaps this outcome is less surprising when one considers that for all its political power, economic resources, and media access, the Los Angeles Realty Board represented the interests of only a small minority of all the economic and political actors within the real estate business. In 1921 the Realty Board had fewer than 200 members, consisting of the oldest and largest real estate brokerage firms in Los Angeles, with the most employees and capital and the closest ties to builders, architects, engineers, subdividers, commercial developers, insurance companies, and financial institutions.⁸² Real estate sales, however, was a highly competitive field with very easy entry and huge numbers of participants, especially in Los Angeles during the 1920s. Compared to other business sectors, such as the leading firms in finance, insurance, utilities, manufacturing, motion pictures, or oil, even the largest brokerage firms were fairly small-scale. The competitors of the Realty Board brokerage firms, though much tinier in size, were a great deal more numerous. In the fall of 1921 there were more than 1,200 real estate offices in Los Angeles and more than 33,000 people officially licensed to sell real estate.⁸³ Some of these salespeople worked for one of the nearly 200 Realty Board firms, but the overwhelming majority either worked for smaller brokers or for themselves. Real estate sales, speculation, and development was one of Los Angeles' largest industries in the 1920s, employing or self-employing a major portion of the working-age population on either a full- or part-time basis.⁸⁴

Given this context, the "rabid speculator" who at first balked at zoning soon found it to be a very congenial ally, particularly as a tool for speculating in the purchase and sale of one or more of the hundreds of thousands of vacant lots that were rapidly being subdivided throughout the

decade. As William Munro explained in 1931, zoning became the ultimate promotional device, a form of government-subsidized free advertising.⁸⁵ Vacant property zoned for "business" or "apartments" automatically took on added value as the purchaser either envisioned developing the land for an income-intensive use or of quickly passing it off to another more willing buyer for a substantially higher sales price:

Zoning, however, quickly became popular. Hardly anything else in municipal administration has had so rapid a spread in the cities of the United States during the past fifteen years. And one of the principal reasons can be found in the fact that real estate agents and promoters throughout the country got behind the movement. They saw in it an opportunity to boom their business. With a city entirely zoned, they could assure purchasers of residential property that their neighborhoods would never be encroached upon by business, while on the other hand, zoning would give business property a touch of monopoly value. Accordingly the signs went up on vacant lots: "Zoned for business," or "Zoned for apartments," with the definite implication that such action on the part of the public authorities had resulted in giving the property a higher and more assured value than it would otherwise have.⁸⁶

Zoning, by regulating the uses of a property, affected the income that could be derived from property. Unlike deed restrictions, however, zoning classifications and regulations could easily be changed by a majority vote of the City Council. Real estate values could therefore be manipulated by acquiring property with one zoning designation and having it changed to another, or by selling property with the implied promise that its current zoning designation could be changed. Throughout the decade of the 1920s, the Los Angeles City Planning Commission spent more than 80 percent of its time processing applications for zoning changes and exceptions. The great majority of them were granted. In some cases the City Planning Commission opposed a zoning change and was overruled by the City Council, but in most cases both bodies were amenable to all manner of pressure for accommodation. In built-up residential areas, people could occasionally be mobilized to successfully resist zoning changes, but since so much of Los Angeles was newly subdivided and sparsely developed the use of zoning as an aid to real estate promotion and speculation generally prevailed.⁸⁷

Realty Board members were no less likely to seek individual zoning

changes when it suited their client's interests. Since they were more able to exert power in the enactment of the initial maps, however, and were concerned to maintain stability and predictability in realty investment, they probably had less recourse to seeking zoning adjustments than the smaller speculators. Nevertheless, the manipulation of zoning could work just as easily to the benefit of the large developer as to the seller of an individual lot. A. W. Ross, through his enormous influence with the City Council and ownership of a few key parcels on a stretch of Wilshire Boulevard zoned entirely for single-family houses, was able to develop the "Miracle Mile" commercial strip to the exclusion of all competitors. His simple device was to get Council "spot zoning" changes from "A" to "C" every time he acquired one or more lots, while blocking efforts by anyone else to get zoning changes. Thus, without initially owning all the land, he succeeded in obtaining some of the vacant lots at "single-family" prices and then selling or leasing for a unified commercial development over which he exercised considerable control—thanks to zoning.⁸⁸

In the battle for the Wilshire District, the Realty Board's governors were allied with the Chamber of Commerce, Merchants and Manufacturers Association, and Building Owners and Managers Association in combatting the decentralization of retail trade and commercial office space. These groups sponsored two ballot initiatives in 1924 and 1926 to halt the westward spread of commercial development along the Wilshire corridor. The 1924 referendum was soundly defeated. Two years later the downtown realtor-business coalition won the vote, but lost the zoning battle in the next four years through City Council "spot rezoning" of west Wilshire.⁸⁹

In 1920 a Realty Board zoning committee, headed by Board president Otis A. Vickery, a leading downtown realtor, issued a statement that "We are in hearty accord with the protection of Wilshire Boulevard as one of the greatest show drives and thoroughfares of the city, and pledge ourselves to maintain it permanently as a residence district."⁹⁰ At the same time, however, many of the Realty Board's own members were strongly opposed to such a strategy and saw great potential and profit in developing Wilshire Boulevard as a magnificent suburban office and retail street for a wealthy west side clientele that no longer wished to travel all the way downtown. During the debate over Charles Cheney's zoning plan, one Wilshire District realtor asked the City Council to abolish the

two-month-old Planning Commission and save the "needless expense."⁹¹ The idea of zoning as *protection* (stabilizing of existing land-use patterns) was in direct conflict with the appeal of zoning as *promotion* (facilitating speculation, turnover, and changing patterns of land development). Both sides saw in public planning and zoning the possibility of controlling market competition and neighborhood externalities; but most of Los Angeles' numerous real estate operators were dealing with scattered lots in nearby locations, whereas the Realty Board leaders had a much larger vision of the degree of competition and the amount of territory they wished to control.

While the core of the exclusive single-family areas received protection under the Los Angeles zoning law, most of the major community builders operating in the high-income residential market adopted a strategy of subdividing in newer areas of the city using very strict deed restrictions, such as the Janss Company's development of Westwood Village, or in going outside the city limits to unincorporated areas or suburban municipalities where the local government was more amenable to the right kind of zoning. Beverly Hills, which successfully fought against annexation by Los Angeles, is a well-known example of the latter.⁹²

The speculator's or curbstoner's notion that zoning should maximize property values at each individual location contradicted in practice the community builder's idea that through strict segregation and predictable public control of all specific land uses, zoning would maximize aggregate land values, and stabilize values at each location, but would not maximize values everywhere. The basis for zoning was, as the Los Angeles Realty Board told the City Council in 1920, "the greatest good to the greatest number."⁹³ Demonstrable losses might even be suffered by some property owners, which is why the legal battle to justify zoning as a reasonable exercise of the police power lent such critical importance to the contribution of "scientific city planning."

"Overzoning" and Land Economics: The Realty Board's Rezoning Campaign

An outstanding example of the advancement of city planning as "an exact science," to use Gordon Whitnall's phrase, was the 1926 Use of

Property Survey by the Los Angeles City Planning Commission.⁹⁴ (See chart 4.1.) The results of this survey were used as the opening volley in a political conflict concerning the extent to which Los Angeles was "overzoned." The concept of "overzoning" abandoned the legal justification for zoning as local government protection of the health, safety, and morals of the population. Instead, zoning was seen by both realtors and planners as "an exercise in land economics."⁹⁵ Gordon Whitnall defined zoning in 1926 "as a means that has been devised for furthering the highest utility of property and encouraging in the extreme the maximum development of that property."⁹⁶ "Overzoning," in Whitnall's opinion, stood in the way of this goal:

Because of our over-doing a certain type of classification we fly right into the face of the eventualities of the law of supply and demand. Lack of proper zoning has made your investment a drug upon the market by reason of uncertainty. So, by giving substantially more of one classification to your city than is necessary for a given community, you create a degree of uncertainty which is sometimes spoken of by saying "the property is frozen." But zoning properly done and recognizing ratios of use will easily stabilize and encourage investment and development. That, if for no other reason, justifies zoning.⁹⁷

During the speculative boom in Los Angeles from 1922 to 1924, nearly 4,000 new subdivisions were staked out and opened for sale.⁹⁸ A great number of people were buying lots in anticipation of selling for huge gains within a matter of weeks, and any zoning that could help push up the asking price was very much in demand. The two most favored categories were "B" and "C," income-producing uses of rental apartments and commercial structures. By 1924, however, as Whitnall put it, "the speculative gas seems to have been squeezed from the balloon."⁹⁹ In the mid-1920s one could travel for miles through Los Angeles and see occasional stores interspersed with acres of vacant lots growing weeds. In the interior between the major streets, one generally saw a sparse collection of small houses lived in by speculative lot owners, run-down rental houses, and more acres of weeded lots.¹⁰⁰ As the decade wore on, the real estate business began to thin its ranks as the effects of the realty recession spread.¹⁰¹

In the context of declining sales, the Los Angeles Realty Board launched

a major campaign for "scientific" zoning and against "overzoning." In 1926 the Realty Board president was George Coffin, who as president of the Hollywood Chamber of Commerce fought to prevent the existing commercial center of the district from being eclipsed by new businesses springing up along nearby thoroughfares. The Realty Board under Coffin's leadership played a key role in inducing the City Planning Commission to undertake the Use of Property Survey. Coffin also led a publicity campaign on the economic effects of improper zoning which was echoed by a number of other Realty Board leaders in the ensuing decade.¹⁰² Coffin's criticisms were sharp, as the following quote suggests:

It was a wise man who said, "You cannot make a silk purse out of a sow's ear." Neither can you make business property out of subdividers' illusions, deed restrictions, or zoning classifications. Sound economic forces create the relatively limited frontage of any city which can profitably be devoted to business use. Unfortunately, most of the so-called business frontage was born of the wedlock between ignorance and speculation, and the naked miles of vacant lots along our arteries of travel are mute testimony to an economic waste of such proportions that the imagination is startled at the farce of perpetuating this needless waste into the eternity of to-morrow.

I regret to state that much criticism must be directly charged to the greed of the property owners themselves, whether subdividers of large areas or individual lot owners, whose demands upon the authorities and the pressure used to enforce these demands have been of such magnitude as to force the dedicating of otherwise usable frontages to eternal wastage by improper zone classification, thus making it possible during an active real-estate market to exploit such land, pocket the false value created by the establishment of a business zone, and depart leaving a trail of depleted residential value in their wake.¹⁰³

George Coffin initiated a two-pronged strategy by the Realty Board in attacking "overzoning." The first prong was to campaign for rezoning. This meant readjusting zoning categories to "unfreeze" properties in order to stimulate new sales and development, and to raise the value of existing built-up property in the older areas of the city. Coffin argued that the city's privately owned land should be rezoned "according to a comprehensive plan." "Scientific city planning," using the new principles of land economics, would be the best method of stimulating the overall

real estate market. Gordon Whitnall acknowledged the political impact of the Realty Board's campaign for rezoning:

That these conclusions are not purely theoretical is evidenced not alone by the actual studies that have been made, but is now being revealed with increasing frequency by the self-initiated moves on the part of property owners requesting that their heretofore "frozen" properties be "thawed" out by lending to it such protection as results from a reclassification into a zone use for which there is a demand and which, when so zoned, will have the protection of law with the consequent encouragement to immediate development.¹⁰⁴

With the onset of the Great Depression and the virtual collapse of real estate activity, the Realty Board finally succeeded in overcoming the opposition to its rezoning proposal.¹⁰⁵ In 1930 the City Council adopted a new zoning ordinance. The new law added several use categories. The City Planning Commission was given responsibility to prepare a plan for rezoning major portions of Los Angeles. The new ordinance stated, however, that the City Council could only change a zoning designation to a more restrictive category if property owners representing 65 percent of the frontage signed a petition requesting the change. This requirement was put into the new ordinance at the insistence of the Realty Board, whose members were afraid that the City Council might eliminate *too much* land zoned for commercial use or for apartments.¹⁰⁶

The second prong of the Realty Board's attack against "overzoning" was to argue for the reform of zoning administration. Beginning with George Coffin, a succession of Realty Board leaders consistently denounced the Planning Commission for not doing any "planning" and the City Council for being "corrupt" and for subjecting zoning to "politics."¹⁰⁷ In both cases the point of the criticism was that the Planning Commission and City Council were placing too much land in the wrong zoning category from the Realty Board's perspective, and that they were allowing too many and too frequent zoning changes. The latter included "spot zoning," in which small parcels or even a single lot were placed in a different and incompatible zone category with respect to the rest of the block or district.¹⁰⁸ At times the rhetorical flourishes became quite heated, as in this denunciation by the Realty Board's planning and zoning attorney, W. L. Pollard:

Political control of planning is a curse which has fastened itself upon conditions in Southern California. Planning as it is generally known in Los Angeles consists of zoning. There never was a subject more politically ridden or more politically controlled or more politically perverted than the administration of zoning in the city of Los Angeles.¹⁰⁹

The primary purpose of the Realty Board's denunciation of "politics" was to use their own considerable political influence to reduce the ease with which the smaller realty dealers, business proprietors, and property owners could get zoning exceptions and amendments through the City Council by "greasing" the appropriate palms of politicians and officials or simply by mobilizing some electoral pressure on individual City Council members. The new 1930 zoning law spelled out some required administrative procedures for the City Planning Commission designed to standardize the process of conducting investigations, holding hearings, and granting or denying zoning variances and changing zoning classifications.¹¹⁰ The Realty Board had for some time desired to create some form of Board of Appeals to deal with zoning variances, and thus allow the Planning Commission to do more "planning" and remove some temptation from the City Council to engage in less "corruption."¹¹¹ With the indictment of several councilmen and planning commissioners in the late 1930s on charges of operating a zoning variance racket, and the election of a new reform mayor in 1938, a civil service office of zoning administration and a Board of Zoning Appeals were established in 1941.¹¹² A new World War II-induced real estate boom was about to commence in Los Angeles, and the Realty Board was poised to enter into a new round of zoning controversies.

Conclusion

The longstanding Los Angeles love affair with single-family housing set in beautiful surroundings is intimately tied to the history of its zoning laws designed to separate business and industry from home "districts." The community builders of the Los Angeles Realty Board played a major role both in promoting the city's early and innovative zoning laws and in establishing new standards of private land development and private

restrictions to further foster the suburban trend. Despite many obstacles during the 1920s boom, such as mixed uses and densities in the inner city and excessive and poor-quality subdividing on the urban fringe, by the 1940s boom the FHA had helped the Realty Board's community builders tip the balance such that fully developed and well-planned "neighborhood units" of owner-occupied houses became a reality for moderate-income workers and their families, and not just for the wealthy estate owners of the southern California "Riviera."

CHAPTER FIVE

THE CALIFORNIA
REAL ESTATE ASSOCIATION
AND
SUBDIVISION REGULATIONS

Introduction

THIS CASE STUDY OF the California Real Estate Association (CREA) and subdivision regulations clearly demonstrates the important distinction between the three types of public-private planning for residential subdivision development: (1) *coordination*, (2) *design and engineering*, (3) *control*. Large community builders and smaller subdividers within CREA found common agreement on the need for coordinated public planning of traffic arteries and a host of other key elements of urban land-use and infrastructure development. They considered this form of public planning as a technical information service to help guide them in projecting market demand and development costs and thus enable them to create more profitable subdivisions. CREA actively promoted city and county planning expressly to make this service more effective and widely available.

The other two forms of planning created a greater degree of controversy. Community builders supported minimum design and engineering standards as a means of limiting competition from smaller subdividers, stabilizing market demand and realty values, and upgrading development standards. Many large developers were already utilizing deed restrictions that were far more drastic than anything the public sector might require.

On race restrictions, see Clemer *Only: the Supreme Court, the NAACP, and the Restrictive Covenants* (University of California Press, 1959); Thomas Lee Philpott (New York: Oxford University Press, 1978), ch. 8; Charles S. Johnson, *People vs. Property* (Nashville: Fisk University Press, 1967); Charles S. Johnson, *Forbidden Neighbors* (New York: Harper, 1965).

19. Barbara J. Flint, "Zoning Legislation: A Social and Physical History, 1910-1940" (Ph.D. dissertation, University of Chicago, 1977), p. 215. On the national zoning and "rezoning," in addition to the many references in chapter 4, see also Harland Bartholomew, *Urban Land Use* (University Press, 1932); Coleman Woodbury, "The Size of Cities in the Chicago Metropolitan Region," and Orman Woodbury, "Area Requirements of Cities in the Region of Chicago," *Land and Public Utility Economics*, 4, 1, February 1928, and the important *Proceedings of the National Zoning Conference* 12-14, 1937 (Washington, D.C.: National Resources Planning Board, 1937) (Washington, D.C.: National Resources Planning Board document on zoning from this period, cited in chapter 4, *Zoning in the United States*, *Annals of the American Academy of Social Science*, 155, II, May 1931).

20. On Berkeley's zoning law, "Urban Land Developers and the Origins of Zoning Laws," *Berkeley Planning Journal*, III, 1, 1986.

21. On FHA, see chapter 6.

22. For background, see chapter 4.

23. On regional planning in the Hubbard and Hubbard, *Our Cities*. On California, including County Regional Planning Commission, see chapter 5. Also see, "The Development of County Planning in California," *Journal of Political Science*, University of California, Berkeley.

24. Fred E. Reed, "Real Estate Progress," *City Planning*, 4, 3, July 1928, p. 208.

25. Hubbard and Hubbard, *The annual California Conferences on City Planning*, see chapter 4.

26. For historical background, see Hubbard, *Our Cities*; Robert A. Walker, *The Planning Function* (Chicago: University of Chicago Press, 1950); Russell Vagstad and the Planning Profession (Washington, D.C.: American Planning Association, 1967); Mel Scott, *American City Planning Since 1890* (Berkeley: University Press, 1969); John W. Reps, *The Making of Urban and City Planning in the United States* (Princeton: Princeton University Press, 1964); A. Krueckeberg, ed., *The American Planner* (New York: Oxford University Press, 1964); *Introduction to Planning History in the United States*, N.J.: Center for Urban Policy Research, 1983); Laurence Talbot, *Development of American*

City Planning," in Frank S. So, ed., *The Practice of Local Government Planning* (Washington, D.C.: International City Management Association, 1979); Peter Marcuse, "Housing in Early City Planning," *Journal of Urban History*, 6, 2, February 1980; Eugenie L. Birch, "Advancing the Art and Science of Planning: Planners and their Organizations, 1909-1980," *Journal of the American Planning Association*, 46, 1, January 1980; David A. Johnson and Daniel Schaffer, eds., "Symposium: Learning from the Past—The History of Planning," *Journal of the American Planning Association*, 51, 2, Spring 1985; M. Christine Boyer, *Dreaming the Rational City* (Cambridge: MIT Press, 1983); Richard E. Foglesong, *Planning the Capitalist City* (Princeton: Princeton University Press, 1986).

27. See Pearl Janet Davies, *Real Estate in American History* (Washington, D.C.: Public Affairs Press, 1958); Garnett Laidlaw Eskew, *Of Land and Men: The Birth and Growth of an Idea* (Washington, D.C.: Urban Land Institute, 1959); Michael Sumichrast and Sara A. Frankel, *Profile of the Builder and His Industry* (Washington, D.C.: National Association of Home Builders, 1970); Joseph B. Mason, *History of Housing in the U.S., 1930-1980* (Houston: Gulf, 1982).

28. For a good summary of this accomplishment, see Joseph Laronge, "The Subdivider of Today and Tomorrow," *Journal of Land and Public Utility Economics*, 18, 3, August 1942. On Park Forest, see William H. Whyte, Jr., *The Organization Man* (New York: Simon and Schuster, 1956), part 7.

2. THE RISE OF THE COMMUNITY BUILDERS

1. *Real Estate*, II, 9, June 1913, p. 240.

2. *Ibid.*, II, 10, July 1913, p. 292.

3. C. W. Taylor, "History of the California Real Estate Association" (Los Angeles, unpublished manuscript in the library of the California Association of Realtors, 1955).

4. Frederick E. Case, *Real Estate Brokerage* (Englewood Cliffs: Prentice-Hall, 1965); Sherman J. Maisel and Albert H. Schaaf, *Characteristics and Performance of Real Estate Brokers and Salesmen in California*, Research Report Number 9, Real Estate Research Program (Berkeley: Bureau of Business and Economic Research, University of California, October 1956).

5. Peter Wolf, *Land in America* (New York: Pantheon, 1981); Aaron M. Sakolski, *The Great American Land Bubble* (New York: Harper, 1932); Charles N. Glaab and A. Theodore Brown, *A History of Urban America* (New York: Macmillan, 1983).

6. Record and Guide, *A History of Real Estate, Building and Architecture in New York City* (New York: The Real Estate Record Association, 1898); Richard M. Hurd, *Principles of City Land Values* (New York: Record and Guide, 1903); Stanley L. McMichael and Robert F. Bingham, *City Growth and Values* (Cleveland: The Stanley McMichael Publishing Organization, 1923); Helen C. Monchow, "Finding a Base-Year for the Study of Urban Problems," *The Journal of*

Land and Public Utility Economics, V, 3, August 1929; Eugene Rachlis and John E. Marqusee, *The Land Lords* (New York: Random House, 1963); Richard A. Walker, "The Transformation of Urban Structure in the Nineteenth Century and the Beginnings of Suburbanization," in Kevin R. Cox, ed., *Urbanization and Conflict in Market Societies* (Chicago: Maaroufa Press, 1978); Raymond A. Mohl, *The New City: Urban America in the Industrial Age, 1860-1920* (Arlington Heights, Ill.: Harlan Davidson, 1985); David R. Goldfield and Blaine A. Brownell, *Urban America: From Downtown to No Town* (Boston: Houghton Mifflin 1979); Kenneth T. Jackson, *Crabgrass Frontier: The Suburbanization of the United States* (New York: Oxford University Press, 1985).

7. Adna Ferrin Weber, *The Growth of Cities in the Nineteenth Century* (New York: MacMillan, 1899); Ernest M. Fisher, *Real Estate Subdividing Activity and Population Growth in Nine Urban Areas*, Michigan Business Studies, I, 9 (Ann Arbor: School of Business Administration, University of Michigan, July 1928); Manuel Gottlieb, *Long Swings in Urban Development* (New York: National Bureau of Economic Research, 1976).

8. Pearl Janet Davies, *Real Estate in American History* (Washington, D.C.: Public Affairs Press, 1958), pp. 36-52.

9. A leading California real estate broker and government official stated in the 1930s, "Prior to the creation of the State Real Estate Department, it was common practice for a man who was a total failure in all other lines of endeavor, to go into the real estate business. The result was that a large number of people called themselves real estate agents, who were totally unfit, either by training or experience, to assume the serious responsibility of advising others how to invest their money in real estate." J. Mortimer Clark, "Subdivision Control Under the California Real Estate Act," in Harrison R. Baker, ed., *Subdivision Principles and Practices* (Los Angeles: California Real Estate Association, 1936), p. 52.

10. Discussing one such crisis period, urban planner Charles Cheney declared: "Suspicion of real estate as an investment, on the part of the general public, has been prevalent since the panic of 1907. Tabulations of the losses incurred in the various cities of this country and Canada are only beginning to be available, but sufficient evidence exists to show that a number of the main causes of suspicion and uncertainty can be removed." *California Real Estate*, IX, 4, January 1928, p. 24.

11. Pearl Davies, *Real Estate*, pp. 55-56.

12. *San Francisco Real Estate Board Bulletin*, IV, 2, February 15, 1918, p. 2. The highly competitive real estate market was characterized by frequent and extreme cyclical fluctuations. The classic work on real estate cycles is Homer Hoyt, *One Hundred Years of Land Values in Chicago* (Chicago: University of Chicago Press, 1933). Research into the nature and timing of real estate cycles covers a wide area of statistical information. Since the latter part of the 1920s a fairly substantial body of literature has been published based on research analyzing the pattern of real estate cycles in the U.S. Prior to the advent of academic research, newspapers and periodicals, industry trade journals, business information companies such as

F. W. Dodge or S. W. Straus, and public agencies all routinely documented the ups and downs of the real estate business. Indexes were created to numerically record the monthly and annual variations in sales prices for various types of property, volume of realty transactions and deeds recorded, value and number of building permits, new construction starts, the number of subdivision plats recorded and the number of new subdivision lots, rent levels, assessed valuation of real property, amount of new mortgage lending, number of mortgage foreclosures, prices of building materials, cost of construction labor, and other statistical time series. Four broad categories of data are discernible: (1) realty transactions; (2) new construction; (3) new subdividing; and (4) debt financing. In each case both the volume and value were calculated where possible. See Homer Hoyt, *Prices of Building Materials*, War Industries Board Price Bulletin No. 6 (Washington, D.C.: U.S. Government Printing Office, 1919); John H. Cover, "Building Permits as a Basis for Analyzing Building Activity," *Journal of the American Statistical Association*, XXVII, 177A, Supplement, March 1932; Corrington Gill, "Construction Statistics," *Journal of the American Statistical Association*, XXVII, 181, March 1933; Roy Wenzlick, "The Problem of Analyzing Local Real Estate Cycles," *Journal of the American Statistical Association*, XXVIII, 181A, Supplement, March 1933; John R. Riggleman, "Building Cycles in the United States, 1875-1932," *Journal of the American Statistical Association*, XXVIII, 182, June 1933; U.S. National Recovery Administration, *Chronological History of the Construction Industry, 1920 to 1934*, mimeo, Division of Research and Planning, 1934; William H. Newman, *The Building Industry and Business Cycles*, Studies in Business Administration, V, 4 (Chicago: University of Chicago Press, 1935); Roy Wenzlick, *The Coming Boom in Real Estate* (New York: Simon & Schuster, 1936); Lowell J. Chawner, "Economic Factors Related to Residential Building," *Annals of the American Academy of Political and Social Science*, 190, March 1937; Clarence D. Long, Jr., *Building Cycles and the Theory of Investment* (Princeton: Princeton University Press, 1940); David L. Wickens, *Residential Real Estate* (New York: National Bureau of Economic Research, 1941); Walter Isard, "A Neglected Cycle: The Transport-Building Cycle," *The Review of Economic Statistics*, XXIV, 4, November 1942; Arthur F. Burns and Wesley C. Mitchell, *Measuring Business Cycles* (New York: National Bureau of Economic Research, 1946), pp. 418-27; Miles L. Colean and Robinson Newcomb, *Stabilizing Construction: The Record and the Potential* (New York: McGraw-Hill, 1952); Leo Grebler, David M. Blank, and Louis Winnick, *Capital Formation in Residential Real Estate* (Princeton: Princeton University Press, 1956); Alvin H. Hansen, *Business Cycles and National Income* (New York: Norton, 1964), pp. 39-52; Manuel Gottlieb, *Long Swings*; Alan Rabinowitz, *The Real Estate Gamble* (New York: AMACOM, 1980); Leo Grebler and Leland S. Burns, "Construction Cycles in the United States Since World War II," *Journal of the American Real Estate and Urban Economics Association*, 10, 2, Summer 1982. On cycles in subdividing activity, see note 40 in chapter 3.

13. NAREB was originally called the National Association of Real Estate Exchanges, but changed its name to "Boards" in 1916. Pearl Davies, *Real Estate*, pp.

56-62. For a detailed analysis of one local board that parallels the NAREB experience, see Everett Cherrington Hughes, *The Chicago Real Estate Board: The Growth of an Institution* (Chicago: The Society for Social Research of the University of Chicago, 1931). For an excellent history of a trade association in another industry (cotton textiles), see Louis Galambos, *Competition and Cooperation: The Emergence of a National Trade Association* (Baltimore: Johns Hopkins University Press, 1966); for general background, see Robert F. Himmelberg, *The Origins of the National Recovery Administration: Business, Government, and the Trade Association Issue, 1921-1933* (New York: Fordham University Press, 1976); and Thomas K. McCraw, ed., *Regulation in Perspective: Historical Essays* (Cambridge: Harvard University Press, 1981).

14. Pearl Davies, *Real Estate*, pp. 63-64.

15. *Ibid.*, p. 102.

16. *Ibid.*, pp. 114-15; Herbert U. Nelson, *The Administration of Real Estate Boards* (New York: MacMillan, 1925), pp. 126-43, 219-32; Michael Terence Carney, "Real Estate Brokerage Commission Rates: Price Fixing in Home Brokerage" (Ph.D. diss., Department of Economics, University of California at Los Angeles, 1981), pp. 4-28.

17. Pearl Davies, *Real Estate*, pp. 110-14. In 1917 the newly-appointed Realtor Committee of the Los Angeles Realty Board concluded that "the use of the title 'Realtor'—rather than 'Real Estate Broker,' or 'Real Estate Operator,' or 'Real Estate Agent'—or such, would, in itself, tend to a certain distinction, and might prove advantageous to those who are entitled to style themselves, 'Realtors.'" See letter from D. F. McGarry to the Governing Committee of the Los Angeles Realty Board, June 19, 1917, p. 1; C. N. Chadbourn, the Minneapolis realtor who invented the word, noted in 1924 that "Babbitt, the hero of Sinclair Lewis' latest novel, is a Realtor who is fairly well described by the author in conformity with the above definition. Babbitt is a prominent member of the local board and of the state association, and the definition is as accurate as one would expect in a book written in the ironic vein of the author of *Main Street*." *California Real Estate*, IV, 5, February 1924, p. 44; Sinclair Lewis, *Babbitt* (New York: Harcourt Brace, 1922), ch. 13.

18. Pearl Davies, *Real Estate*, pp. 97-103; Herbert Nelson, *Administration*, pp. 167-75, 203-9.

19. Pearl Davies, *Real Estate*, pp. 103-10; 164-65.

20. "Summary of the Proceedings of the States Council," *Annals of Real Estate Practice* (Chicago: National Association of Real Estate Boards, 1930), p. 763. Approximately 20 percent of all the licensed brokers and salesmen in the U.S. were in the state of California in 1930, and earlier percentages were even higher. See *California Real Estate Directory-Bulletin*, XI, 1 (Sacramento: California State Printing Office, 1930).

21. A. D. Theobald, "Real Estate License Laws in Theory and Practice," *Journal of Land and Public Utility Economics*, VII, 1, February 1931; Joseph K. Brittain, "Real Estate License Laws, Report of the President," *Annals of Real*

Estate Practice, I, General Real Estate Topics (Chicago: National Association of Real Estate Boards, 1925); Glenn D. Willaman, "Real Estate License Law and Enforcement," *Annals of Real Estate Practice* (Chicago: National Association of Real Estate Boards, 1928); Nathan William MacChesney, *The Principles of Real Estate Law* (New York: MacMillan, 1927); N. B. Nelson, *Law of Real Estate Brokerage* (New York: Prentice-Hall, 1928).

22. *California Real Estate*, VIII, 8, May 1928, p. 34.

23. "The organized real estate groups have on the whole favored the general principles of real estate license laws." A. D. Theobald, "License Laws," p. 19.

24. "Meeting of National Association of License Law Officials," *Annals of Real Estate Practice*, I, General Real Estate Topics (Chicago: National Association of Real Estate Boards, 1925), pp. 299-396.

25. C. W. Taylor, "History," ch. 7, p. 1; *California Real Estate*, IV, 1, October 1923, p. 42.

26. C. W. Taylor, "History," ch. 7, pp. 1, 9; on licensing figures and CREA convention proceedings, see successive volumes of the *California Real Estate Directory-Bulletin* (on CREA 1927 membership, see VIII, 2, supplement, September 15, 1927, p. 442); For the history of one large California realty brokerage firm, see Jo Ann L. Levy, *Behind the Western Skyline: Coldwell Banker, The First 75 Years* (Los Angeles: Coldwell Banker, 1981).

27. Pearl Davies, *Real Estate*, p. 104.

28. *Survey of Real Estate Business* (Chicago: National Association of Real Estate Boards, August 1933), p. 1.

29. *Real Estate Agencies and Brokerage Offices*, 1935 Census of Business, U.S. Department of Commerce (Washington, D.C.: U.S. Government Printing Office, 1937), Table I, pp. 1-4. (I am using data from the 1930s because it is the best early data available. This is true for several other sections of this chapter. The organization of the real estate and homebuilding industry did not make an impact on social science data collection by government agencies, business trade associations, or university researchers until the latter half of the 1920s.) On NAREB membership, see *California Real Estate*, VII, 5, February 1927, p. 17.

30. *Ibid.*, p. vi.

31. *Ibid.*, p. 1; *Survey*, pp. 3-4.

32. NAREB, *Survey*, p. 4; U.S. Census, *Real Estate*, p. iii.

33. Pearl Davies, *Real Estate*, pp. 128-37. The chairman of NAREB's War Service Board was J.C. Nichols of Kansas City. See letter from NAREB President William May Garland to Los Angeles Realty Board, May 9, 1919. See also chapter 3.

34. William Lindus Cody Wheaton, "The Evolution of Federal Housing Programs" (Ph.D. diss., Department of Political Science, University of Chicago, 1953); Pearl Davies, *Real Estate*, pp. 172-88.

35. U.S. National Recovery Administration, *Proposed Code for the Real Estate Business*, Code Number 392, submitted by the National Association of Real Estate Boards, August 30, 1933 (Washington, D.C.: U.S. Government Printing Office,

1933). On the NRA, see Ellis W. Hawley, *The New Deal and the Problem of Monopoly: A Study in Economic Ambivalence* (Princeton: Princeton University Press, 1966); Louis Galambos, *Competition*; Robert Himmelberg, *Origins*.

36. *Ibid.*, p. v (Letter of Transmittal).

37. U.S. National Recovery Administration, *Code of Fair Competition for the Real Estate Brokerage Industry*, Approved Code Number 392, as approved on April 9, 1934 (Washington, D.C.: U.S. Government Printing Office, 1934), pp. 259-71.

38. Blake Snyder, ed., *Real Estate Handbook* (New York: McGraw-Hill, 1925); Ernest M. Fisher, *Principles of Real Estate Practice* (New York: MacMillan, 1923); *idem*, *Advanced Principles of Real Estate Practice* (New York: MacMillan, 1930); Philip A. Benson and Nelson L. North, *Real Estate Principles and Practices* (New York: Prentice-Hall, 1922); John B. Spilker, *Real Estate Business as a Profession* (Cincinnati: Stewart Kidd, 1923); Felix Isman, *Real Estate In All Its Branches* (New York: D. Appleton, 1926); Albert G. Hinman and Herbert B. Dorau, *Real Estate Merchandising* (Chicago and New York: A. W. Shaw, 1926); Herbert B. Dorau and Albert G. Hinman, *Urban Land Economics* (New York: MacMillan, 1928); Arthur M. Weimer and Homer Hoyt, *Principles of Urban Real Estate* (New York: Ronald Press, 1939); Charles Abrams, *Revolution in Land* (New York: Harper, 1939); Frederick Morrison Babcock, *The Appraisal of Real Estate* (New York: MacMillan, 1924); Karl Scholz, ed., *Real Estate Problems, Annals of the American Academy of Political and Social Science*, 148, I, March 1930; Richard U. Ratcliff, *Urban Land Economics* (New York: McGraw-Hill, 1949); Paul F. Wendt, *Real Estate Appraisal* (New York: Henry Holt, 1956); Michael Doucet and John Weaver, "The North American Shelter Business, 1860-1920: A Study of a Canadian Real Estate and Property Management Agency," *Business History Review*, 58, Summer 1984.

39. *Ibid.*; see successive annual papers of the Home Builders and Subdividers Division conferences in NAREB, *Annals of Real Estate Practice*, *passim*.

40. Robert F. Bingham and Elmore L. Andrews, *Financing Real Estate* (Cleveland: Stanley McMichael, 1924); Grebler, Blank and Winnick, *Capital*; Raymond W. Goldsmith, *Financial Intermediaries in the American Economy Since 1900* (Princeton: Princeton University Press, 1958); J. E. Morton, *Urban Mortgage Lending: Comparative Markets and Experience* (Princeton: Princeton University Press, 1956); John H. Gray and George W. Terborgh, *First Mortgages in Urban Real Estate Finance* (Washington, D.C.: The Brookings Institution, 1929); Samuel N. Reep, *Second Mortgages and Land Contracts in Real Estate Financing* (New York: Prentice-Hall, 1928); William N. Loucks, *The Philadelphia Plan of Home Financing* (Chicago: Institute for Research in Land Economics and Public Utilities, 1929); A. D. Theobald, *Financial Aspects of Subdivision Development* (Chicago: Institute for Economic Research, 1930); John M. Gries and James Ford, eds., *Home Finance and Taxation*, (Washington, D.C.: The National Capital Press, 1932); *idem*, *Home Ownership, Income and Types of Dwellings* (Washington, D.C.: The National Capital Press, 1932); David L. Wickens, *Financial Survey of Urban Housing*, U.S. Department of Commerce (Washington, D.C.: U.S. Government Printing Office, 1937); Ernest M. Fisher, *Urban Real Estate Markets: Characteris-*

tics and Financing (New York: National Bureau of Economic Research, 1951); Alan Rabinowitz, *Real Estate Gamble*.

41. Bureau of the Census, *Mortgages on Homes*, U.S. Department of Commerce (Washington, D.C.: U.S. Government Printing Office, 1923), pp. 41-45.

42. Grebler, Blank and Winnick, *Capital*, p. 163.

43. *Ibid.*, p. 441; U.S. Census, *Mortgages*, pp. 46, 120-21.

44. Grebler, Blank and Winnick, *Capital*, p. 192.

45. Morton Bodfish and A.D. Theobald, *Savings and Loan Principles* (New York: Prentice-Hall, 1938), pp. 49-57; H. Morton Bodfish, ed., *History of Building and Loan in the United States* (Chicago: United States Building and Loan League, 1931).

46. J. E. Morton, *Urban*, p. 37; Horace F. Clark and Frank A. Chase, *Elements of the Modern Building and Loan Associations* (New York: MacMillan, 1925); H. Morton Bodfish, *Money Lending Practices of Building and Loan Associations in Ohio* (Columbus: Ohio State University Press, 1927); Wilfred George Donley, "An Analysis of Building and Loan Associations in California, 1920-1935" (Ph.D. diss., Department of Economics, University of California, Berkeley, 1937); Grebler, Blank and Winnick, *Capital*, pp. 197, 203-4; Raymond Goldsmith, *Financial*, pp. 176-77.

47. Bodfish and Theobald, *Savings*, p. 58.

48. William Wheaton, "Evolution," pp. 8-37; Gries and Ford, *Home Finance*, pp. 98-101.

49. Grebler, Blank and Winnick, *Capital*, pp. 195-99.

50. John Lintner, *Mutual Savings Banks in the Savings and Mortgage Markets* (Boston: Harvard University Press, 1948).

51. Carl F. Behrens, *Commercial Bank Activities in Urban Mortgage Financing* (New York: National Bureau of Economic Research, 1952); Grebler, Blank and Winnick, *Capital*, pp. 197, 201-3; American Institute of Banking, *Home Mortgage Lending* (New York: American Bankers Association, 1938); on NAREB lobbying for federal banking laws to permit and encourage real estate lending, see Pearl Davies, *Real Estate*, pp. 87-95, 139-43, 157-59, 172-80; William Wheaton, *Evolution*.

52. Grebler, Blank and Winnick, *Capital*, p. 197.

53. R. J. Saulnier, *Urban Mortgage Lending by Life Insurance Companies* (New York: National Bureau of Economic Research, 1950), pp. 9-15.

54. *Ibid.*; Harold J. Hoffich, "The Investments of Life Insurance Companies Since 1906" (Ph.D. diss., Department of Economics, University of California, Berkeley, 1933); Lester E. Wurfel, "Life Insurance Service as Reflected in Mortgage Loans," *Annals of Real Estate Practice*, IV, Real Estate Finance, (Chicago: National Association of Real Estate Boards, 1926); Arthur J. Mertzke, "Mortgage Investments of Life Insurance Companies, 1915-1928," *Annals of Real Estate Practice* (Chicago: National Association of Real Estate Boards, 1929); Grebler, Blank and Winnick, *Capital*, pp. 199-201.

55. Elias Henry Wrenn, Jr., "Charting the Organization of the Mortgage and Loan Department," and Louis Kahn, "Records of the Loan Department," in

Annals of Real Estate Practice, IV, Chicago: National Association of Real Estate Boards, Safe Mortgage Banking," *Annals of Real Estate Practice*, V, Chicago: National Association of Real Estate Boards, Second Mortgages; Grebler, Blank and Winnick, *Capital*, pp.

56. Pearl Davies, *Real Estate*,

57. Mortgage bonds were a cumulative real estate boom in large office and apartment built of the 1920s. Most of the bonds defaulted during the 1930s and caused real estate mortgage bond dealers to disappear for more than 40 years. According to Leo Grebler, "Apportionment during the middle and late twenties was greatly for financing houses issuing mortgage bonds to maintain a high and the product almost became an outlet for the executing scheme." Leo Grebler, *Production of New Housing*, Research Council, 1950), p. 103. See also S. W. Sirtgagge Bonds and What They Have Done for Real Estate *Practice*, I, General Real Estate Topics (Chicago: National Association of Real Estate Boards, 1925); Robert Alexander Halliburton, "The Case" (Ph.D. diss., Faculty of Political Science, Columbia University, 1932); Allan Barbeau, *The Mortgage Bond Racket* (Albany, N.Y.: Research Bureau, 1932); Alan Rabinowitz, *Real Estate Gouery*, *The Trend of Multi-Family Housing in Cities in the 1930s*: Institute for Economic Research, 1931).

58. Pearl Davies, *Real Estate*, *Principles*, pp. 152-75; "More Helpful Loans Needed," II, 3, December 1921, p. 20.

59. R. J. Saulnier, *Urban*; Greck, *Capital*, p. 206.

60. Lawrence G. Holmes and S. W. Sirtgagge, eds., *The Real Estate Handbook* (New York: Prentice-Hall, 1930; N.R.A., Code 392, *Proposed Codes of Fair Competition in Real Estate Business*, pp. 17-21; also see note 55.

61. Leo Grebler, *Production*, I.

62. Herbert D. Simpson, "In and the Depression," *American Economic Review*, XXII, 1933, p. 164.

63. U.S. Census, *Real Estate*,

64. NAREB, *Survey*, pp. 1-4.

65. For example, NAREB's Plan for the "Real Estate and Insurance Brokerage Business," I, 5-9; and the 1935 *Census of Real Estate Agencies and Brokers*, 567 "Insurance and Real Estate Offices," pp. i-v; see also, pp. 53-71; Benson and North, *Real Estate*; John Spilker and J. H. Goldsmith, *Financial*.

66. Los Angeles Realty Boarding Committee, August 4, 1903, p. 1.

67. NAREB, *Survey*, p. 2; U.S. Census, *Real Estate*, p. 1; Holmes and Jones, *Handbook*, p. 502.

68. Leslie C. Rogers, "Advantages of Title Insurance to the Investor," *Annals of Real Estate Practice*, V, Real Estate Finance (Chicago: National Association of Real Estate Boards, 1927); Daniel D. Gage, *Land Title Assuring Agencies* (San Francisco: Recorder, 1937); Ernest Fisher, *Advanced Principles*.

69. Holmes and Jones, *Handbook*, p. 499; see for example the "California Title Men's Department," *California Real Estate*, III, 2, November 1922, pp. 16-23, including the important letter on page 23 from the president of the California Land Title Association urging close cooperation with the California Real Estate Association "in all matters of mutual interest," stating that "The influence of the two (associations) combined is very powerful." He also noted that title insurance companies were "few in numbers" compared to real estate brokers, a good indication of the oligopoly status of the industry as exemplified by such large institutions as the Chicago Title and Trust Co., or the Title Insurance and Trust Co. of Los Angeles.

70. Holmes and Jones, *Handbook*, p. 501. On commercial buildings, see Cecil C. Evers, *The Commercial Problem in Buildings* (New York: Record and Guide, 1914); Reginald P. Bolton, *Building for Profit* (New York: De Vinne Press, 1922); Charles H. Lench, *The Promotion of Commercial Buildings* (New York: Architectural Economics Press, 1932). NAREB cooperated with NABOM, as well as with the National Association of Apartment House Owners, in the preparation of its proposed NRA code for the "Real Estate Building Management Business," see NRA, *Proposed Code*, p. 15.

71. A quick glance through any issue of a real estate journal, such as the *National Real Estate Journal*, *California Real Estate*, or the *Los Angeles Realtor*, will yield numerous examples. The battle by CREA for private transit extensions and more permissive state regulation of fare increases is typical of this relationship. See *California Real Estate*, III, 2, November 1922, p. 4.

72. John M. Gries, "Construction," in President's Conference on Unemployment, *Recent Economic Changes in the United States*, I (New York: McGraw-Hill, 1929); Bureau of the Census, Fifteenth Census of the United States: 1930, *Construction Industry* (Washington, D.C.: U.S. Government Printing Office, 1933); William Haber, *Industrial Relations in the Building Industry* (Cambridge: Harvard University Press, 1930); the editors of "Fortune," *Housing America* (New York: Harcourt, Brace, 1932); Southgate Haynie, *The Construction Industry*, U.S. National Recovery Administration, Evidence Study Number 7, June 1935; Arthur Holden, "The Construction Industries," in George B. Galloway, ed., *Industrial Planning Under Codes* (New York: Harper, 1935); David T. Rowlands and Coleman Woodbury, eds., *Current Developments in Housing*, *Annals of the American Academy of Political and Social Science*, 190, March 1937; U.S. Congress, Hearings before the Temporary National Economic Committee, Investigation of Concentration of Economic Power, Part II, *The Construction Industry*, June 27-29, July 6-7 and 11-14, 1939 (Washington, D.C.: U.S. Government Printing Office, 1940); U.S. Congress, Temporary National Economic Committee, Mono-

graph Number 8, *Toward More Housing* (Washington, D.C.: U.S. Government Printing Office, 1940); U.S. National Resources Planning Board, *Housing: The Continuing Problem* (Washington, D.C.: U.S. Government Printing Office, 1940); Thurman Arnold, *The Bottlenecks of Business* (New York: Reynal & Hitchcock, 1940); Miles L. Colean, *American Housing: Problems and Prospects* (New York: Twentieth Century Fund, 1944); Charles Abrams, *The Future of Housing* (New York: Harper, 1946). For analysis of a somewhat later period, see Sherman J. Maisel, *Housebuilding in Transition* (Berkeley: University of California Press, 1953); Leo Grebler, *Production*; James Gillies and Frank Mittelbach, *Management in the Light Construction Industry*, (Real Estate Research Program, University of California at Los Angeles, 1962); Ned Eichler, *The Merchant Builders* (Cambridge: MIT Press, 1982). For a view of an earlier period, see Sam Bass Warner, Jr., *Streetcar Suburbs: The Process of Growth in Boston, 1870-1900* (Cambridge: Harvard University Press, 1962); Gwendolyn Wright, *Moralism and the Model Home: Domestic Architecture and Cultural Conflict in Chicago, 1873-1913* (Chicago: University of Chicago Press, 1980); Olivier Zunz, *The Changing Face of Inequality: Urbanization, Industrial Development, and Immigrants in Detroit, 1880-1920* (Chicago: University of Chicago Press, 1982), ch. 6; Michael J. Doucet and John C. Weaver, "Material Culture and the North American House," *Journal of American History*, 72, 3, December 1985.

73. Census of Construction, 1930, pp. 20-23.

74. U.S. Department of Labor, Bureau of Labor Statistics, "Builders of 1-Family Houses in 72 Cities," *Monthly Labor Review*, 51, 3, September 1940; idem, "Operations of Urban Home Builders," *Monthly Labor Review*, 52, 5, May 1941.

75. Census of Construction, 1930, p. 21.

76. U.S. TNEC, *Toward More Housing*, pp. 33-34.

77. Census of Construction, 1930, p. 3; Ernest Fisher, *Principles*, pp. 133-52. Sherman Maisel, *Housebuilding*, p. 71, and Leo Grebler, *Production*, p. 72, also make this point.

78. Ibid., p. 23.

79. Ernest M. Fisher, *Advanced Principles*; idem, "Speculation in Suburban Lands," *American Economic Review*, XXIII, 1, Supplement, March 1933; idem, "Expansion of the Urban Land Area," in R.D. McKenzie, *The Metropolitan Community* (New York: McGraw-Hill, 1933), pp. 199-212; Helen Corbin Monchow, *Seventy Years of Real Estate Subdividing Activity in the Region of Chicago* (Chicago: Northwestern University Press, 1939). On page 152, Monchow says, "Like so many other devices of the real estate market, the option is said to have been first used extensively in 1890."

80. Ibid.; A.D. Theobald, *Financial Aspects of Subdivision Development*; Ann Durkin Keating, "From City to Metropolis: Infrastructure and Residential Growth in Chicago," *Infrastructure and Urban Growth in the Nineteenth Century*, Essays in Public Works History, Number 14 (Chicago: Public Works Historical Society, 1985); Roger D. Simon, *The City-Building Process: Housing and Services in New Milwaukee Neighborhoods, 1880-1910* (Philadelphia: American Philosophical Society,

1978). Interview with Fred W. Marlow, former partner, Marlow-Burns Development Company, one of California's leading subdividers, on subdivision practice in southern California since the early 1920s, Los Angeles Board of Realtors, December 6, 1982.

81. Ibid. According to Pearl Davies, *Real Estate*, p. 133, in 1918 "Subdividers at this time were only beginning to be home builders. Construction of houses was still largely on order, or by small unorganized builders. In some cities the operative builders felt themselves to be on the opposite side of the table from brokers selling houses. Indeed in some cities they were not eligible to be members of the real estate board." See also Guy T. O. Hollyday, "Making Use of the Broker in Subdivision Selling," *Annals of Real Estate Practice* (Chicago: National Association of Real Estate Boards, 1929).

82. A.D. Theobald, *Financial*, p. 54; H. M. Seldon, "Stabilizing the Subdivision Business," *Annals of Real Estate Practice* (Chicago: National Association of Real Estate Boards, 1928), p. 607.

83. Ernest Fisher, *Advanced Principles*, p. 190; Pearl Davies, *Real Estate*, p. 70; William E. Harmon, "Suburban Real Estate—Financing, Developing and Selling," *Annals of Real Estate Practice*, Home Builders and Subdividers (Chicago: National Association of Real Estate Boards, 1924); William E. Harmon, "Playgrounds in New Land Subdivisions," *City Planning*, 2, 2, April 1926.

84. Stanley L. McMichael, "Trends in Urban Real Estate Values, Past and Future," *Annals of the American Academy of Political and Social Science*, 148, 1, March 1930, p. 174; Fred T. Wood, "Selling Subdivisions," *Annals of Real Estate Practice*, III, Home Building and Subdividing (Chicago: National Association of Real Estate Boards, 1925); L. H. Mills, "Fundamentals of the Business of Home Building," *Annals of Real Estate Practice* (Chicago: National Association of Real Estate Boards, 1929); Harrison R. Baker, "The Broker's Interest in the Subdivision," *California Real Estate*, XI, 2, November 1930, p. 53; idem, "How To Stimulate Selling Through a Homeownership Campaign," *California Real Estate*, X, 5, February 1930, p. 35. For a later view, see Joseph Laronge, "The Subdivider of Today and Tomorrow," *Journal of Land and Public Utility Economics*, 18, 4, November 1942; Stanley L. McMichael, *Real Estate Subdivisions* (New York: Prentice-Hall, 1949). For an early view, see Anne Bloomfield, "The Real Estate Associates: A Land and Housing Developer of the 1870s in San Francisco," *Journal of the Society of Architectural Historians*, 37, 1, March 1978.

85. Hearings, U.S. TNEC, *Construction Industry*, p. 4998.

86. In 1930, the chairman of NAREB's Home Builders and Subdividers Division, a former president of the Washington, D.C. Real Estate Board, said "The Real Estate Board has not until very recently allowed 'lot sellers' to become members, because we have frowned upon their practice generally; but now that the subdivider is taking on the modern point of view, he is looked upon more favorably than before; and we have allowed him to come in as a member of our Board." W.C. Miller, "Modern Trends in Subdividing," *Annals of Real Estate Practice* (Chicago: National Association of Real Estate Boards, 1930), p. 296; H.

Morton Bodfish, "The 'Free-Lot' Subdivider: His Method of Operation and the Available Methods of Control," *Journal of Land and Public Utility Economics*, V, 2, May 1929, and V, 3, August 1929. Particularly once real estate license laws were established, most of the larger subdividers, by virtue of their sales operations, were licensed brokers, and by virtue of their need to be in good standing with other brokers and the general real estate fraternity, and to avail themselves of the multiple listing system, were active members of real estate boards.

87. See chapters 3 through 5.

88. NAREB, *Survey*, p. 1; Pearl Davies, *Real Estate*, pp. 68-71, 159-60.

89. Pearl Davies, *Real Estate*, p. 155; I have determined this by counting the annual NAREB Division membership rosters for 1928-30 in *Annals of Real Estate Practice*. The Brokers Division was the largest.

90. Southgate Haynie, *Construction*, p. 60.

91. Pearl Davies, *Real Estate*, pp. 196-205; Holmes and Jones, *Handbook*, pp. 501-2.

92. Leo Grebler, *Production*, p. 62.

93. Irenaeus Shuler, "Subdivisions," in Blake Snyder, *Real Estate Handbook*; idem, "Selecting, Planning, and Developing Subdivisions," *Annals of Real Estate Practice*, III, Home Building and Subdividing (Chicago: National Association of Real Estate Boards, 1927); Helen C. Monchow, *The Use of Deed Restrictions in Subdivision Development* (Chicago: Institute for Research in Land Economics and Public Utilities, 1928); J.C. Nichols, "A Developer's View of Deed Restrictions," *Journal of Land and Public Utility Economics*, V, 2, May 1929; Harrison Baker, *Subdivision Principles and Practices*.

94. Ernest Fisher, *Principles*, p. 211; Irenaeus Shuler, "Subdivisions," pp. 103-5; *California Real Estate*, VII, 2, November 1926, p. 26; Hugh Pomeroy, "Subdivision in Relation to Community Building," *Annals of Real Estate Practice*, III, Home Building and Subdividing (Chicago: National Association of Real Estate Boards, 1925); Harrison R. Baker, "Subdividing and City Planning," *California Real Estate*, VIII, 9, June 1928, p. 158; Hal G. Hotchkiss, "The Annual City Planning Conference of the California Real Estate Association," *The Community Builder*, I, 3, February 1928; Hugh Evans, "The Subdivider Speaks," *The Community Builder*, II, 2, July 1928; *The Community Builder* was published in Los Angeles. For discussion of a later period, see also Edward P. Eichler and Marshall Kaplan, *The Community Builders* (Berkeley: University of California Press, 1967).

95. Community Builders' Council, *The Community Builders Handbook* (Washington, D.C.: Urban Land Institute, 1947); Holmes and Jones, *Handbook*, p. 506. On the history of ULI, see Garnett Laidlaw Eskew, *Of Land and Men: The Birth and Growth of an Idea* (Washington, D.C.: Urban Land Institute, 1959).

96. J. C. Nichols, *Real Estate Subdivisions: The Best Manner of Handling Them* (Washington, D.C.: American Civic Association, 1912), p. 6; also see idem, "Suburban Subdivisions With Community Features," *Annals of Real Estate Practice*, Home Builders and Subdividers (Chicago: National Association of Real Estate Boards, 1924); *California Real Estate*, III, 12, September 1923, p. 14; the special issue on J. C. Nichols and the Country Club District, *National Real Estate Jour-*

nal, 40, 2, February 1939; Mark H. Rose, "There is Less Smoke in the District: J. C. Nichols, Urban Change, and Technological Systems," *Journal of the West*, 25, 1, January 1986.

97. E. H. Bouton, "The Financial Effect of Good Planning in Land Sub-Division," *The City Plan*, II, 3, October 1916.

98. *California Real Estate*, VI, 4, January 1926, p. 8; Harry H. Culver, "How We Built Up Our Subdivision Business," *Annals of Real Estate Practice*, General Sessions (Chicago: National Association of Real Estate Boards, 1924); also see chapter 5.

99. *California Real Estate*, I, 9, August-September 1921, p. 14.

100. Community Builders' Council, *Handbook*; G. L. Eskew, *Land and Men*; the information on NAREB presidents comes from analyzing the membership roster and list of officers of the Home Builders and Subdividers Division in *Annals of Real Estate Practice*. The NAREB presidents from the Home Builders and Subdividers Division during this period were: Irving B. Hiatt (1922), Robert Jemison, Jr. (1926), Henry G. Zander (1928), Harry H. Culver (1929), Leonard P. Reaume (1930), Harry S. Kissell (1931), Lawrence T. Stevenson (1932), W. C. Miller (1933), and Hugh Potter (1934). On NAREB's role in the shaping of national housing policy in the 1930s, see Pearl Davies, *Real Estate*; William Wheaton, "Evolution"; and chapter 6.

101. Herbert Nelson, *Administration*; Everett Hughes, *Chicago; Real Estate*, III, 6, May 1914, p. 144; letter from the Membership Committee to the Governing Committee, Los Angeles Realty Board, March 9, 1921.

102. On the National Conference of Subdividers, see J. C. Nichols, "Town Planning," in Blake Snyder, *Real Estate Handbook*, p. 359. In Los Angeles there was an organization called the Associated Subdividers of Southern California, and its members were also licensed realtors who belonged to the Los Angeles Realty Board and the California Real Estate Association. See Los Angeles Realty Board, Minutes of the Governing Committee, September 18, 1919, p. 1; *California Real Estate Directory-Bulletin*, II, 1, October 15, 1921 (Sacramento: California State Printing Office, 1921), pp. 5, 190, 194, 224, 230.

103. Herbert Nelson, *Administration*, p. 12 (see also pp. 15, 83-4).

104. E. H. Bouton, "Financial," p. 9. See also idem, "Development of Roland Park, Baltimore," *Annals of Real Estate Practice*, Home Builders and Subdividers (Chicago: National Association of Real Estate Boards, 1924); Hugh R. Pomeroy, "The Realtor in Regional Planning," *California Real Estate Directory-Bulletin*, V, Supplement, December 1924 (Sacramento: California State Printing Office, 1924).

3. COMMUNITY BUILDERS AND URBAN PLANNERS

1. The classic statement of this approach was made by Charles Mulford Robinson in his *Modern Civic Art, or the City Made Beautiful* (New York: Putnam, 1904), and his *The Improvement of Towns and Cities* (New York: Putnam, 1907).

The best summaries of this period in planning are: George B. Ford, ed., *City Planning Progress in the United States* (Washington, D.C.: American Institute of Architects, Committee on Town Planning, 1917), and Theodora Kimball, *Municipal Accomplishments in City Planning and Published City Plan Reports in the United States* (Boston: National Conference on City Planning, 1920). For a look at some representative plans, see John Nolen, *Replanning Small Cities: Six Typical Studies* (New York: B. W. Heubsch, 1912).

2. For example, see Judd Kahn, *Imperial San Francisco: Politics and Planning in an American City, 1897-1906* (Lincoln: University of Nebraska Press, 1979); and William H. Wilson, *The City Beautiful Movement in Kansas City* (Columbia: University of Missouri Press, 1964).

3. On New York, see S. J. Makielski, Jr., *The Politics of Zoning: The New York Experience* (New York: Columbia University Press, 1966); "Shall We Save New York," *The City Plan*, II, 1, April 1916, p. 9. On the 1909 Chicago plan, see Walter D. Moody, *What of the City?* (Chicago: A. C. McClurg, 1919); Robert A. Walker, *The Planning Function in Urban Government* (Chicago: University of Chicago Press, 1950); and Michael Patrick McCarthy, "Businessmen and Professionals in Municipal Reform: The Chicago Experience, 1887-1920" (Ph.D. diss., Department of History, Northwestern University, 1970). On Chicago zoning and the Real Estate Board, see Charles M. Nichols, *Zoning in Chicago*, Final Report of the City Planning and Zoning Committee (Chicago: Chicago Real Estate Board, 1923); Everett Cherrington Hughes, *The Chicago Real Estate Board: The Growth of an Institution* (Chicago: The Society for Social Research of the University of Chicago, 1931); Andrew Jay King, "Law and Land Use in Chicago: A Prehistory of Modern Zoning" (Ph.D. diss., Department of History, University of Wisconsin, 1976); and Barbara J. Flint, "Zoning and Residential Segregation: A Social and Physical History, 1910-1940" (Ph.D. diss., Department of History, University of Chicago, 1977). The quote from Everett Hughes is on page 99, see also pages 83 and 96-100.

4. Thomas S. Ingersoll, "How the Real Estate Man Can Help," *Proceedings of the Ninth National Conference on City Planning* (New York: Douglas C. McMurtie, 1917), p. 139.

5. NAREB's original City Planning Committee, chaired by Lee J. Ninde, consisted of Edward H. Bouton, Paul A. Harsch, Robert Jemison, Jr., Duncan McDuffie, J. C. Nichols, and King G. Thompson, all of whom were leading residential subdividers. See *Proceedings of the Seventh National Conference on City Planning* (Cambridge: Harvard University Press, 1915), pp. 71-87, 241-46.

6. "Science of City Planning Applied to Real Estate Business in California," *Real Estate*, III, 6, May 1914, pp. 153-54.

7. Harrison R. Baker, "The Broker's Interest in the Subdivision," *California Real Estate*, XI, 2, November 1930, p. 53.

8. See note number 5 in this chapter.

9. John Nolen, "Real Estate and City Planning," *The City Plan*, II, 1, April 1916, pp. 3-4. The term "progressive" is Nolen's, referring to J. C. Nichols on page 3.

10. Russell Van Nest Black, *Planning and the Planning Profession: The Past Fifty Years, 1917-1967* (Washington, D.C.: American Institute of Planners, 1967). Black lists the 52 founders of ACPI. On Lee Ninde, see Albert H. Schaaf, "A State Campaign for City Planning," *Proceedings of the Ninth National Conference on City Planning*, pp. 133-38.

11. Paul A. Harsch, "Land Subdivision: The Point of View of the Real Estate Developer," *The City Plan*, I, 3, October 1915; the advertisement for Ottawa Hills is on the inside front cover of *The City Plan*, II, 1, April 1916; King G. Thompson, "Discussion of Point of View of the Real Estate Developer," *Proceedings of the Seventh National Conference on City Planning*; Alexander S. Taylor, "Districting through Private Effort," *Proceedings of the Eighth National Conference on City Planning* (New York: Douglas C. McMurtie, 1916); Pearl Janet Davies, *Real Estate in American History* (Washington, D.C.: Public Affairs Press, 1958), pp. 58-80, 145-49. On Duncan McDuffie, see Marc A. Weiss, "Urban Land Developers and the Origins of Zoning Laws: The Case of Berkeley," *Berkeley Planning Journal*, III, 1, 1986.

12. See "Best Methods of Land Subdivision," *Proceedings of the Seventh National Conference on City Planning*, pp. 42-106, 241-73; also E. P. Goodrich, "Best Methods of Land Subdivision," *The City Plan*, I, 3, October 1915; Paul A. Harsch, "Land Subdivision"; John Nolen, "The Subdivision of Land," and Edward Henry Bouton, "Local and Minor Streets," in John Nolen, ed., *City Planning* (New York: Appleton, 1916).

13. See *Proceedings of the Eighth and Ninth National Conference on City Planning*, p. 273 (1916) and pp. 302-3 (1917); Pearl Davies, *Real Estate*, pp. 128-37, 146. On the importance of wartime cooperation for business-government relations in the 1920s and 30s, see Ellis W. Hawley, *The Great War and the Search for a Modern Order* (New York: St. Martin's, 1979); William E. Leuchtenburg, "The New Deal and the Analogue of War," in John Braeman, Robert H. Bremner, and Everett Walters, eds., *Change and Continuity in Twentieth-Century America* (Columbus: Ohio State University Press, 1964).

14. Pearl Davies, *Real Estate*, pp. 128-37. On World War I housing, see Edith Elmer Wood, *Recent Trends in American Housing* (New York: MacMillan, 1931); Miles L. Colean, *Housing for Defense* (New York: Twentieth Century Fund, 1940).

15. Frederick Law Olmsted, Jr., "Planning Residential Subdivisions," *Proceedings of the Eleventh National Conference on City Planning* (Cambridge: Harvard University Press, 1919), pp. 14-15; on the planners and the war, see also U.S. Department of Labor, Bureau of Industrial Housing and Transportation, *Report of the United States Housing Corporation, II, Houses, Site-Planning, Utilities* (Washington, D.C.: U.S. Government Printing Office, 1919); "War Housing," *Proceedings of the Tenth National Conference on City Planning* (Cambridge: Harvard University Press, 1918); "City Planning and the War," *The City Plan*, III, 2, August 1917; "Community Planning for War-Time Industries," *The City Plan*, III, 4, April 1918. For some of Olmsted's earlier views on city planning, see Flavel Shurtleff and Frederick Law Olmsted, Jr., *Carrying Out the City Plan* (New York: Survey

Associates, 1914); Frederick Law Olmsted, Jr., "Land Subdivision from the Point of View of a Development Company," *Proceedings of the Fourth National Conference on Housing* (New York: National Housing Association, 1915).

16. The earliest sophisticated statements on the coming of a new era in residential subdivision planning were J. C. Nichols, *Real Estate Subdivisions: The Best Manner of Handling Them* (Washington, D.C.: American Civic Association, 1912), and Charles Mulford Robinson, *The Width and Arrangement of Streets* (New York: Engineering News, 1911). Also see Robinson's revised edition, *City Planning, with special reference to the Planning of Streets and Lots* (New York: Putnam, 1916). The best overview of the history of American suburbanization is Kenneth T. Jackson, *Crabgrass Frontier: The Suburbanization of the United States* (New York: Oxford University Press, 1985). See also the review essay by Michael H. Ebner, "Re-Reading Suburban America: Urban Population Deconcentration, 1810-1980," *American Quarterly*, 37, 3, Bibliography 1985.

For an interesting analysis of physical changes in subdivision development patterns, see Robert Luther Williams, "Eighty Years of Subdivision Design: An Historical Evaluation of Land Planning Techniques in San Mateo County, California" (M.C.P. Thesis, Department of City and Regional Planning, University of California, Berkeley, 1952); Elizabeth Kates Burns, "The Process of Suburban Residential Development: The San Francisco Peninsula, 1860-1970" (Ph.D. diss., Department of Geography, University of California, Berkeley, 1974); and John Beatty Dykstra, "History of the Physical Development of Oakland, 1850-1930" (M.C.P. Thesis, Department of City and Regional Planning, University of California, Berkeley, 1967); Joel A. Tarr, "Transportation Innovation and Changing Spatial Patterns: Pittsburgh, 1850-1934," *Essays in Public Works History*, Number 6 (Chicago: Public Works Historical Society, 1976). For an analysis that ties the spatial changes more closely to economic, political, and social trends and conflicts, see Richard A. Walker, "A Theory of Suburbanization: Capitalism and the Construction of Urban Space in the United States," in Michael Dear and Allen Scott, eds., *Urbanization and Urban Planning in Capitalist Society* (New York: Methuen, 1981); and Matthew Edel, Elliott D. Sclar, and Daniel Luria, *Shaky Palaces: Homeownership and Social Mobility in Boston's Suburbanization* (New York: Columbia University Press, 1984).

17. *Proceedings of the Seventh National Conference on City Planning*, pp. 97-98.

18. See Frank Backus Williams, "Public Control of Private Real Estate," in John Nolen, *City Planning*; Alexander Taylor, "Districting"; John Nolen, "Real Estate"; "The First Meeting of the American City Planning Institute," *The City Plan*, III, 3, December 1917; Lawrence Veiller, "Protecting Residential Districts," *Proceedings of the Sixth National Conference on City Planning* (Cambridge: Harvard University Press, 1914); idem, "Districting by Municipal Regulation," *Proceedings of the Eighth National Conference on City Planning*; Lawson Purdy, "Districting and Zoning of Cities," and Charles H. Cheney, "Districting Progress and Procedure in California," in *Proceedings of the Ninth National Conference on City Planning*. The phrase "Building for Permanency" comes from Charles H.

Cheney, "Building for Permanency," in *Planning Problems of Town, City, and Region* (Philadelphia: Wm. F. Fell, 1928).

19. See note number 40 in this chapter, and note number 12 in chapter 2.

20. *Real Estate*, IV, 12, November 1915, p. 388.

21. *Ibid.*

22. *Proceedings of the Seventh National Conference on City Planning*, p. 87. The subdivision that King Thompson is discussing is Upper Arlington in Columbus. See his lavish prospectus, *The Country Club District* (Columbus: The King Thompson Company, 1914). John Nolen and Henry Vincent Hubbard later made the identical argument as King Thompson about the advantages of good planning both for the private and public sectors: "From all our study we have come to a firm conviction that parkways, properly designed in their relation to all the needs of a considerable population, will be worth their expense and that their value will be reflected in the taxable values of property so that, in truth, the community as a business will be better off financially on account of the parkway because it will ultimately be receiving annually in taxes more than the annual charge to the community for creating and maintaining the parkway." John Nolen and Henry V. Hubbard, *Parkways and Land Values* (Cambridge: Harvard University Press, 1937).

23. J. C. Nichols, "Financial Effect of Good Planning in Land Subdivision," *Proceedings of the Eighth National Conference on City Planning*; John Nolen, "Real Estate." On Nichols' 1912 NAREB speech, see chapter 2.

24. *Ibid.*, p. 92.

25. *Ibid.*, p. 100.

26. *Ibid.*, p. 101.

27. *Ibid.*, pp. 101-2.

28. *Ibid.*, pp. 105-6. For additional views by J. C. Nichols on urban planning and development, see J. C. Nichols, "Housing and the Real Estate Problem," in Carol Aronovici, ed., *Housing and Town Planning* (Philadelphia: American Academy of Political and Social Science, 1914); idem, *Real City Planning Results and What They Mean to Property Owners*, Bulletin Number 3 (San Francisco: California Conference on City Planning, 1918); idem, "Zoning as Applied to Subdivision Development," *Annals of Real Estate Practice*, Home Builders and Subdividers (Chicago: National Association of Real Estate Boards, 1923); idem, "When You Buy a Home Site," *Good Housekeeping*, 76, February 1923; idem, "Responsibilities and Opportunities of Real Estate Boards in Building Cities," *National Real Estate Journal*, 25, 13, June 30, 1924; idem, "Town Planning," in Blake Snyder, ed., *The Real Estate Handbook* (New York: McGraw-Hill, 1925); idem, "The Responsibilities of Realtors in City Planning," *City Planning*, I, 1, April 1925; idem, "The Planning and Control of Outlying Shopping Centers," *Journal of Land and Public Utility Economics*, II, 1, January 1926; idem, "A Developer's View of Deed Restrictions," *Journal of Land and Public Utility Economics*, V, 2, May 1929.

29. Advisory Committee on Zoning, U.S. Department of Commerce, *A Standard State Zoning Enabling Act* (Washington, D.C.: U.S. Government Printing

Office, 1924); Advisory Committee Zoning, U.S. Department of Commerce, *A Standard City* (Washington, D.C.: U.S. Government Printing Office, 1928), the Advisory Committee were *A Zoning Primer* (1928), *The Preparation of Zoning Ordinances* (1928), *Regulations* (1932). The Division of Building and Home Ownership of Commerce also published a great deal of mimeo on zoning and city planning, including their popular, annual *Progress in the United States*. See Division of Building and Home Standards, U.S. Department of Commerce, *Publication on City Planning*, mimeo, June 2, 1930.

30. Of the 11 volumes published at the Conference on Home Building and Home Ownership, it is the first in the series, was John M. Gries and James Ford Kent, *Residential Districts* (Washington, D.C.: National Capital Planning Board, 1931). It contained the reports of the committees on: (1) City Planning, (2) Subdivision Layout, (3) Utilities for Houses, (4) Landscaping. Another important book in this series was volume 3, *Site and Decentralization*. A summary of all the Conference material is contained in volume 11, *Housing Objectives and Programs*. For a list of the President's Conference on Home Building and Home Ownership, see *The President's Conference on Home Building and Home Ownership*, Department of Commerce, December 2-5, 1931 (Washington, D.C.: U.S. Government Printing Office, 1931). For a description of the Conference, see Cordell Cody Wheaton, "The Evolution of Federal Housing Policy," Department of Political Science, University of Chicago, *Proceedings of the Conference on Subdivision Standards* following the Committee Report on Subdivision Layout, see American Engineers, Committee of the City Planning Division on Land Subdivision (New York: American Society of Civil Engineers, 1931). For a description of the Conference, see the 1939 ASCE Conference Subdivision committee and the 1939 ASCE Conference Subdivision chaired by the same person, planner Harland Bartholomew of research in city planning. See *Annals of Real Estate Practice*, III, Home Building and Subdividing (Chicago: National Association of Real Estate Boards, 1925), p. 480.

31. Thomas Adams, *The Design* (Cambridge: Harvard University Press, 1934); on the growth of the suburb, see L. Arnold, *The New Deal in the Suburbs* (Columbus: Ohio State University Press, 1971); and Zane L. Miller, *Suburb: Neighborhood and Park, Ohio, 1925-1970* (Knoxville: University of Tennessee Press, 1976). For a discussion of the design, see Thomas Adams, *Design*; Eugenie Ladner Birch, "The Planning Movement: The Persistence of an Idea," *Journal of Planning Association*, 46, 4, October 1980; Daniel Schaffer, *The Radburn Experience* (Philadelphia: Temple University Press, 1976); *Community Planning in the 1920s* (Pittsburgh: University of Pittsburgh Press, 1963); Henry Wright,

Rehousing Urban America (New York: Columbia University Press, 1935); Clarence S. Stein, *Toward New Towns for America* (New York: Reinhold, 1957); Clarence Arthur Perry, *Housing for the Machine Age* (New York: Russell Sage Foundation, 1939). Little-known primary sources on Radburn are Henry Wright, "How Long Blocks Cut Down Street Costs, and other Economies of Modern Planning," and Alexander M. Bing, "Community Planning for the Motor Age," in *Annals of Real Estate Practice* (Chicago: National Association of Real Estate Boards, 1929). Another important source on various examples of large-scale residential subdividing is Arthur C. Comey and Max S. Wehrly, "Planned Communities," in National Resources Committee, *Urban Planning and Land Policies* (Washington, D.C.: U.S. Government Printing Office, 1939). On FHA's Land Planning Division, see chapter 6. For an example of FHA codification of the basic community builder planning and design principles in creating the modern residential subdivision, see FHA, *Successful Subdivisions*, Land Planning Bulletin Number 1 (Washington, D.C.: U.S. Government Printing Office, 1940). Seward Mott, as Executive Director of ULI, coedited *The Community Builders Handbook* with ULI's Assistant Director, Max Wehrly (author of the 1939 "Planned Communities" study), and Harold Lautner (author of *Subdivision Regulations*). See Community Builders' Council, *The Community Builders Handbook* (Washington, D.C.: Urban Land Institute, 1947). On the history of ULI, see Garnett Laidlaw Eskew, *Of Land and Men: The Birth and Growth of an Idea* (Washington, D.C.: Urban Land Institute, 1959). For an overview of the history of residential subdivision design, see Robert A. M. Stern, *The Anglo-American Suburb* (London: Architectural Design, 1981).

32. George B. Ford, "City Planning and the Outlying Unbuilt Areas," *Annals of Real Estate Practice*, III, Home Building and Subdividing (Chicago: National Association of Real Estate Boards, 1925), p. 247; J. C. Nichols, "Financial," p. 105.

33. Helen C. Monchow, *The Use of Deed Restrictions in Subdivision Development* (Chicago: Institute for Research in Land Economics and Public Utilities, 1928); J. C. Nichols, "Developer's View."

34. J. C. Nichols, *Real Estate Subdivisions*, p. 7.

35. The best source is Arthur Comey and Max Wehrly, "Planned Communities"; on Duncan McDuffie, see *Real Estate*, III, 5, April 1914, p. 128; and Marc Weiss, "Urban Land Developers." On the pioneer, see John Emerson Todd, *Frederick Law Olmsted* (Boston: Twayne, 1982).

36. John Nolen, "Real Estate," p. 6.

37. J. C. Nichols, "The Planning and Control of Outlying Shopping Centers."

38. Lawson Purdy, "Districting and Zoning of Cities," pp. 173-74. J. C. Nichols made the same point eight years later: "Due to the familiarity of the realtor with the creation and maintenance of property values through privately restricted areas primarily in residential properties, he has been a real asset to zoning throughout the city as a whole." J. C. Nichols, "The Responsibilities of Realtors in City Planning," p. 36.

39. Edward M. Bassett, in advocating the need for public regulation frequently would begin his argument by pointing out some of the inadequate private restrictions. For example, see Edward M. Bassett, *Zoning* (New National Municipal League, 1922), p. 317; and *Pacific Municipalities*, 36, January 1922, p. 55.

40. Homer Vanderblue, "The Florida Land Boom," *Journal of Land and Public Utility Economics*, III, 2, May 1927, and III, 3, August 1927; Ernest M. Bassett, *Real Estate Subdividing Activity and Population Growth in Nine Urban Areas* (Michigan Business Studies, I, 9, July 1928 (Ann Arbor: University of Michigan, 1928)); idem, "Speculation in Suburban Lands," *American Economic Review*, 1, Supplement, March 1933; idem, and Raymond F. Smith, *Land Subdividing: the Rate of Utilization*, Michigan Business Studies, IV, 5 (Ann Arbor: University of Michigan, 1932); Lewis A. Maverick, "Cycles in Real Estate Activity," *Economic Journal*, 42, 1932; "Cycles in Real Estate Activity: Los Angeles," *Journal of Land and Public Utility Economics*, VIII, 2, May 1932, and IX, 1, February 1933; Homer Hoyt, *One Hundred Years of Land Values in Chicago* (Chicago: University of Chicago Press, 1933); Helen Corbin Monchow, *Seventy Years of Real Estate Subdividing in the Chicago Area* (Chicago: Northwestern University Press, 1939); Charles Henry, *Real Estate Subdividing in New Jersey*, Bulletin of the Bureau of Business and Economic Research, III, 1 (New Brunswick: Rutgers University, 1932); D. Simpson and John E. Burton, *The Valuation of Vacant Land in Suburban Areas* (Chicago: Institute for Economic Research, 1930); Herbert D. Bassett, "Real Estate Speculation and the Depression," *American Economic Review*, 1, Supplement, March 1933; Philip H. Cornick, *Premature Subdivision and its Consequences* (New York: Institute of Public Administration, 1938); Charles Henry, "Penalties of Excess Subdividing," *City Planning*, 10, 2, April 1934; A. A. House, *Municipal Bonds: A Century of Experience* (New York: Prentice-Hall, 1934), pp. 67-87.

41. Irenaeus Shuler, "Subdivision Control and Standards," *Annals of Real Estate Practice*, III, Home Building and Subdividing (Chicago: National Association of Real Estate Boards, 1925), p. 241; "Detroit Meeting of the Institute of City Planning," I, 2, July 1925, p. 126; Flavel Shurtleff, "Institute Meeting at Detroit," *City Planning*, I, 3, October 1925, pp. 198-200; *Illinois Real Estate*, V, 10, July 1925, p. 23. One sign of the growing cooperation that in 1925, three NAREB leaders, Robert Jemison, Jr., Nathan Williams, and Irenaeus Shuler, were elected to the Board of Directors of the National Conference on City Planning. J. C. Nichols was already a director.

42. *California Real Estate*, V, 6, March 1925, p. 27; Irenaeus Shuler, "Subdivision Control," p. 241. Shuler was a leading community builder, head of Shuler & Cary, one of the biggest real estate brokerage and land development firms in Omaha, Nebraska. Shuler & Cary specialized in expensive, high-quality subdivisions, similar to J. C. Nichols' Country Club District. Shuler's addition to his role in NAREB (he was vice-president as well as chairman of the Home Builders and Subdividers Division), was also president of the Omaha

Board in 1920, chairman of the Omaha City Planning Commission from 1921, and on the Board of Directors of the National Conference on City Planning from 1925 through 1928. Shuler's views on subdividing were summarized in his 1927 NAREB speech: "Planning and developing the modern subdivision (the modern community), means much more than merely engineering, platting and building. Successful planning and developing requires the united efforts of the planner, the landscape architect, the engineer, the building architect, and the contractor. The city planner is consulted to determine the best available use to which the land may be put. . . . The farsighted Realtor-subdivider will generally secure the subdivision, especially in the larger community developments. The subdivision will be planned as a part of a community and if this thought is kept in mind, the subdivision will be more likely to fit in a general plan and an increase in the value of the land is much more likely to occur." See Irenaeus Shuler, "Selecting, Planning and Developing Subdivisions," *Annals of Real Estate Practice*, III, Home Building and Subdividing (Chicago: National Association of Real Estate Boards, 1927), pp. 23-4; and idem, "Subdivisions," in Blake Snyder, *The Real Estate Handbook*, 1927, p. 339.

Irenaeus Shuler, "Subdivision Control," p. 239.

Ibid., p. 240.

Ibid., p. 242.

N. P. Dodge, "Report of the Committee on Legislation," *Annals of Real Estate Practice*, 1925, pp. 302-3.

Ibid., p. 301. See chapters 1 and 5.

On deliberations and approval, see Morris Knowles, "Subdivision Consequences," *Annals of Real Estate Practice*, III, Home Building and Subdividing (Chicago: National Association of Real Estate Boards, 1926); Hugh Pomeroy, "How the Platting of Suburban Territory be Controlled," H. W. Elmore, "Regulation of the Offering and Sale of Subdivisions," Axel Lonquist, "The Subdivision Code of Ethics," and Irenaeus Shuler, "Subdivision Control," *Annals of Real Estate Practice*, III, Home Building and Subdividing (Chicago: National Association of Real Estate Boards, 1927); Theodora Kimball Hubbard, "Survey and Regional Planning in the United States," *City Planning*, 2, 2, April 1926, p. 102; Flavel Shurtleff, "Florida Conference," *City Planning*, 2, 3, July 1926, p. 19; Irving C. Root, "Joint Committee on Subdivision Control," *City Planning*, 2, 4, October 1926, p. 304; "The Annual Meeting of the A.C.P.I.," *City Planning*, 3, 3, July 1927; Irving C. Root, "Regulating Land Subdivision—A Proposed Report," *Planning Problems of Town, City and Region* (Philadelphia: Wm. F. Fell, 1926); Morris Knowles, "Subdivision Control—A Report by a Committee of the American City Planning Institute," *Planning Problems of Town, City and Region* (Philadelphia: Wm. F. Fell, 1927). The complete statements are published in Shuler, "Subdivision Control," 1927, pp. 325-34, and Knowles, "Subdivision Control," 1927, pp. 194-201. The disputed word "all" is missing from Shuler's statement, and included in Knowles, p. 197.

On the issue of voluntary or mandatory dedication of parks, see the argument

for voluntary private land dedication and public planning, development, and maintenance by C. C. Hicatt, "Planning Play Areas in New Real Estate Subdivisions," *City Planning*, 4, 1, January 1928, p. 74. Hicatt was president of NAREB and a member of the Louisville City Planning and Zoning Commission in 1927. On parks and playgrounds, see also William E. Harmon, "Playgrounds in New Land Subdivisions," *City Planning*, 2, 2, April 1926; "The Harmon Foundation Announces \$40,000 in Awards," *The Community Builder*, 11, 3, August 1928; "Five Percent for Parks in Oklahoma City Subdivisions," *City Planning*, 4, 4, October 1928, p. 305; "Dedication of Leimert Park to City of Los Angeles," *California Real Estate*, XI, 4, January 1931, p. 36; S. Herbert Hare, "Acquisition of Park Land in Connection with Real Estate Subdivisions," *City Planning*, 9, 1, January 1933. On follow-through by NAREB, see Guy M. Rush and W. Sumner Holbrook, Jr., "Subdivision Control Methods: A Nation-Wide Survey," *National Real Estate Journal*, 29, July 23, 1928, pp. 42-45; and the creation by NAREB's Home Builders and Subdividers Division of a subdivision Consultation Bureau and a system of Subdivision Certificates of Approval. See "Raising the Standards of Subdivisions," *City Planning*, 5, 2, April 1929, p. 114. The NAREB Consultation Bureau, according to 1931 NAREB President Harry S. Kissell, was designed "to protect the public against the land butcher, not only those who sell unusable lots but those in every community who have a semblance of respectability but sell lots which never will have improvements, which never can get utilities, and in many cases have titles that are not marketable." See Pearl Davies, *Real Estate*, pp. 159-60. Two influential articles among realtors were H. Morton Bodfish, "The 'Free-Lot' Subdivider: His Method of Operation and The Available Methods of Control," and Coleman Woodbury, "Some Suggested Changes in the Control of Urban Land Development," *Journal of Land and Public Utility Economics*, V, 3, August 1929.

On follow-up by ACPI, see the very important supplementary statement on "Control of Land Subdivision and Building Development," *City Planning*, 4, 3, July 1928, pp. 251-55. This statement, drawn up by a separate committee somewhat more dominated by architects than the committee predominantly made up of engineers and lawyers that drew up the ACPI-NAREB compromise statement, is more far-reaching and socially oriented than the earlier joint effort. Frederick Bigger, the committee's chairman, reprints the 1928 ACPI statement in his manual on "Site Planning," in *Housing: The Continuing Problem*, National Resources Planning Board (Washington, D.C.: U.S. Government Printing Office, 1940).

49. Theodora Kimball Hubbard, the librarian of the American City Planning Institute (and the School of Landscape Architecture and Department of City and Regional Planning, Harvard University), wrote in April 1928: "An event of 1927 which promises far-reaching results in the wise development of suburban lands is the adoption jointly by the National Association of Real Estate Boards and the American City Planning Institute of a report on subdivision control, endorsing the preparation of an official master plan and the control of platting of subdivisions by local planning commissions. *The principles thus endorsed have already been*

embodied in the Standard City Planning Enabling Act of the Department of Commerce . . ." (emphasis added). Theodora Kimball Hubbard, "Annual Survey of City and Regional Planning in the United States, 1927," *City Planning*, 4, 2, April 1928, p. 117.

A NAREB press release described the effect of the recommendations of the NAREB-ACPI *Joint Statement on Subdivision Control* thusly: "They thenceforth became a nationally accepted platform for sound subdivision development, particularly for areas outside a city's corporate limits. The principle which they enunciated for such control is recognized in the so-called Hoover Model City Planning Enabling Act." *California Real Estate*, IX, 9, June 1929, p. 380. Henry Vincent Hubbard and Theodora Kimball Hubbard, in their book *Our Cities To-Day and To-Morrow* (Cambridge: Harvard University Press, 1929), p. 9, call the work of the Hoover Advisory Committee "The most potent single recent influence on city planning in the United States." For a later discussion of the "Hoover Act," see T. J. Kent, Jr., *The Urban General Plan* (San Francisco: Chandler, 1964).

The Advisory Committee on City Planning and Zoning, using the impetus of the NAREB-ACPI statement, not only published the Standard Act and *A City Planning Primer* in 1928 but prepared *Model Subdivision Regulations* in 1932. Unfortunately, the mimeographed manuscript was circulated but not printed before President Roosevelt terminated the Advisory Committee upon assuming office in March 1933. The *Model Subdivision Regulations* were rescued and later "reproduced and distributed," without alteration, by the U.S. National Resources Committee in December of 1936. The story is explained by Charles W. Eliot, 2d, in his Preface on page i. See the Advisory Committee on City Planning and Zoning, U.S. Department of Commerce, *Model Subdivision Regulations: A Guide for Local Planning Commissions in the Preparation of Local Regulations Governing the Subdivision of Land* (Washington, D.C.: National Resources Committee, 1936). Two members of the Advisory Committee also published their own version of the state and local recommendations. See Edward M. Bassett, Frank B. Williams, Alfred Bettman, and Robert Whitten, *Model Laws for Planning Cities, Counties, and States—Including Zoning, Subdivision Regulations, and Protection of Official Map* (Cambridge: Harvard University Press, 1935); Edward M. Bassett, *The Master Plan* (New York: Russell Sage Foundation, 1938); idem, *Zoning* (New York: Russell Sage Foundation, 1936); Alfred Bettman, *City and Regional Planning Papers*, edited by Arthur C. Comey (Cambridge: Harvard University Press, 1946). For the further evolution, see Russell Van Nest Black, *Building Lines and Reservations for Future Streets* (Cambridge: Harvard University Press, 1935); idem, and Mary Hedges Black, *Planning for the Small American City* (Chicago: Public Administration Service, 1938); Harold S. Buttenheim, "Urban Land Policies," in National Resources Committee, *Urban Planning*; Ladislav Segoe, ed., *Local Planning Administration* (Chicago: Institute for Training in Municipal Administration, 1941); Harold W. Lautner, *Subdivision Regulations* (Chicago: Public Administration Service, 1941); Robert E. Merriam, *The Subdivision of Land: A Guide for Municipal Officials in the Regulation of Land Subdivision* (Chicago: American Society of Planning Officials,

1942). Harold Lautner was assistant director of the Urban Land Institute until March 1946, and he helped prepare *The Community Builders Handbook*. See Garrett Eskew, *Land and Men*, p. 106.

For the impact of the NAREB-ACPI statement and subsequent "Hoover Act" on California, see chapter 5. Also see Fred E. Reed, "Realtors and City Planning Progress," *City Planning*, 4, 3, July 1928; *California Real Estate*, VII, 7, April 1927, p. 27; *Pacific Municipalities*, 41, 7, July 1927, pp. 233-34, and 42, 3, March 1928, p. 85.

50. *Planning Problems of Town, City, and Region*, 1926, p. 51 (Bassett), p. 38 (president of FSAREB). In addition to some of the sources cited above, others that indicate the new interest in metropolitan regional master plans and land-use regulations include George B. Ford, *The Newer City Planning* (Washington, D.C.: American Civic Association, 1928); Harlean James, *Land Planning in the United States for the City, State and Nation* (New York: MacMillan, 1926); idem, "The Cost of Regional Planning," *Journal of Land and Public Utility Economics*, V, 3, August 1929; Thomas Adams, Edward M. Bassett, and Robert Whitten, "Problems of Planning Unbuilt Areas," in *Neighborhood and Community Planning* (New York: Regional Survey of New York and its Environs, 1929); and the newly added chapter on "Regional Planning" by John Nolen in the second edition of his classic, John Nolen, ed., *City Planning* (New York: Appleton, 1929). Another indication of the growing metropolitan-suburban-regional trend is the publication in 1932 of the first special U.S. Census of Population report on this subject. See U.S. Department of Commerce, Bureau of the Census, *Metropolitan Districts: Population and Area*, Fifteenth Census of the United States, 1930 (Washington, D.C.: U.S. Government Printing Office, 1932).

4. THE LOS ANGELES REALTY BOARD AND ZONING

1. Robert M. Fogelson, *The Fragmented Metropolis: Los Angeles, 1850-1930* (Cambridge: Harvard University Press, 1967); Carey McWilliams, *Southern California: An Island on the Land* (Santa Barbara: Peregrine Smith, 1973); Remi Nadeau, *Los Angeles* (New York: Longmans, Green, 1960); Frederic Cople Jaher, *The Urban Establishment* (Urbana: University of Illinois Press, 1982), pp. 577-709; Glenn S. Dumke, *The Boom of the Eighties in Southern California* (San Marino: The Huntington Library, 1944); William L. Kahrl, *Water and Power* (Berkeley: University of California Press, 1982); Mel Scott, *Metropolitan Los Angeles* (Los Angeles: The Haynes Foundation, 1949); Robert Gottlieb and Irene Wolt, *Thinking Big* (New York: Putnam, 1977); Frank L. Beach, "The Transformation of California, 1900-1920: The Effects of the Westward Movement in California's Growth and Development in the Progressive Period" (Ph.D. diss., Department of History, University of California, Berkeley, 1963); Mark Stewart Foster, "The Decentralization of Los Angeles During the 1920s" (Ph.D. diss., Department of History, University of Southern California, 1971).

2. Los Angeles Realty Board, Minutes of the Governing Committee (Archives of the Los Angeles Board of Realtors), July 31, 1903, p. 1; August 4, 1903, p. 1; September 1, 1903, p. 1; November 3, 1903, pp. 1-2; December 15, 1903, p. 2; January 5, 1904, p. 1; Richard Pierce, "A History of the Los Angeles Board of Realtors" (Los Angeles Board of Realtors, undated); C. W. Taylor, "History of the California Real Estate Association" (manuscript in the library of the California Association of Realtors, 1955); Charles Mulford Robinson, *Los Angeles, California: The City Beautiful*, Report of the Municipal Art Commission for the City of Los Angeles (Los Angeles: William J. Porter, 1909); *Los Angeles Examiner*, December 19, 1910, p. 11; Arthur S. Bent, "Discussion," *Economic Height of Buildings*, Civic Development Department (Washington, D.C.: Chamber of Commerce of the United States, 1927), pp. 22-25. In a speech to the Los Angeles Realty Board on April 16, 1915, Henry W. O'Melveny, the most powerful corporate attorney in Los Angeles and a principal with the Title Insurance and Trust Company, said: "A friend of mine described the chief business of Los Angeles to be that of manufacturing homes, and when you come to think about it he is right. People are flocking here from all parts of the world to make this their home. We have the raw material and the finished product. A home presupposes the ownership of a tract or parcel of land. This presupposes the sale by some one, of course, and a majority of those transactions are handled through [realty] agents. This makes your profession, for it is a profession, a very important part in this community. You play a very important part in the largest manufacturing industry in this country. . . . We all know that many of the allusions that are made to real estate agents are ill-founded. The same remarks can be made of doctors, or of ministers, or of lawyers, or of bankers." Henry W. O'Melveny, "What a Realty Broker Owes to His Client, and His Legal Rights," *California Real Estate Directory-Bulletin*, I, 1, April 1, 1920 (Sacramento: California State Printing Office, 1920), p. 300.

3. Los Angeles City Ordinance Number 17136 N.S., Section 2.

4. Los Angeles City Ordinance Number 17135 N.S.

5. Lewis A. Maverick, "Cycles in Real Estate Activity: Los Angeles," *Journal of Land and Public Utility Economics*, IX, 1, February 1933, pp. 523-26; Harrison R. Baker, ed., *Subdivision Principles and Practices* (Los Angeles: California Real Estate Association, 1936), p. 48; *California Realty Bulletin*, 1, 1, May 1908, p. 3; Margaret S. Gordon, *Employment Expansion and Population Growth* (Berkeley: University of California Press, 1954), pp. 112-20; Frank L. Kidner, *California Business Cycles* (Berkeley: University of California Press, 1946); Harold U. Faulkner, *The Decline of Laissez Faire, 1897-1917* (New York: Rinehart, 1951), pp. 22-32; Glenn Dumke, *Boom*; Frank Beach, "Transformation," pp. 212, 225-28; Carey McWilliams, *Southern California*, pp. 118-34.

6. Dana W. Bartlett, *The Better City* (Los Angeles: Neuner Press, 1907), pp. 19, 70.

7. Ray E. Nimmo, "Accomplishing the Segregation of Industries," *The California Outlook*, XV, 10, September 6, 1913, p. 8.

8. *Los Angeles Times*, July 24, 1909, Section II, p. 2.
9. Gottlieb and Wolt, *Thinking Big*; Frank Beach, "Transformation," pp. 223-25.
10. Los Angeles City Ordinance Number 17136 N.S., Section 5; W. L. Pollard, "Outline of the Law of Zoning in the United States," *Annals of the American Academy of Political and Social Science*, 155, II, May 1931, pp. 15-33; Rollin L. McNitt, *The Law of Zoning* (San Francisco: A. Carlisle, 1926); Jefferson M. Hardin, "The Present Status of Municipal Zoning in the Law," *Pacific Municipalities*, 42, 7, July 1928, pp. 235-45, 251; 42, 8, August 1928, pp. 274-76, 289.
11. Ray Nimmo, "Accomplishing," p. 8.
12. Los Angeles City Ordinance Number 17135 N.S., Preamble.
13. Ray Nimmo, "Accomplishing," pp. 8-9; Judith Norvell Jamison, "Administration of City Planning in Los Angeles" (M.A. thesis, Department of Political Science, University of California at Los Angeles, June 1947), p. 44; John E. Roberts, "Cases Preliminary to Comprehensive Zoning Wherein Certain Nuisances Have Been Prohibited Within Certain Districts," Office of the Zoning Administrator, Department of City Planning, City of Los Angeles, September 1946.
14. W. L. Pollard, "Outline," p. 17.
15. Paul Ong, "An Ethnic Trade: The Chinese Laundries in Early California," *Journal of Ethnic Studies*, 8, 4, Winter 1981, pp. 95-113; W. L. Pollard, "Outline"; Gordon Whitnall, "History of Zoning," *Annals of the American Academy of Political and Social Science*, 155, II, May 1931, p. 9; Carey McWilliams, *Southern California*, pp. 84-95.
16. Ray Nimmo, "Accomplishing," p. 9.
17. In the matter of Yick Wo, 68 Cal 300 (cited in W.L. Pollard, "Outline," p. 18).
18. The Industrial District Ordinance of 1908 (17135 N.S.) was somewhat modified on December 30, 1909. See Los Angeles City Ordinance 19,500 N.S.
19. Frank Backus Williams, *The Law of City Planning and Zoning* (New York: MacMillan, 1922), p. 267; Huber Earl Smutz, "Zoning in Los Angeles," *Annual Report*, Los Angeles Board of City Planning Commissioners, 1930, p. 58; Los Angeles Realty Board, Minutes of the Governing Committee, February 15, 1917, p. 2; March 1, 1917, p. 2.
20. J. M. Guinn, "How the Area of Los Angeles City was Enlarged," *Historical Society of Southern California Annual*, IX, III, 1914, pp. 173-80; Richard Bigger and James D. Kitchen, *How the Cities Grew* (Los Angeles: The Haynes Foundation, 1952), pp. 135-93; Robert Fogelson, *Fragmented*, pp. 224-27.
21. Ray Nimmo, "Accomplishing," p. 8.
22. W. L. Pollard, "Outline"; John Roberts, "Cases"; Rollin McNitt, *Law*; Jefferson Hardin, "Present Status"; Frank Williams, *Law*.
23. Lawrence Veiller, a leading city planner and a member of the two New York zoning commissions, described the Los Angeles zoning law and court cases in a 1914 speech to the National Conference on City Planning, stating that since

the Los Angeles law "is the only one which has been tested in operation through any considerable period of time and is also one which has been tested in the highest state courts, it assumes especial importance for the rest of the country." Lawrence Veiller, "Protecting Residential Districts," *Proceedings of the Sixth National Conference on City Planning* (Boston: Harvard University Press, 1914), p. 97; Charles Cheney, in reporting to his fellow Californians on the 1917 National Conference on City Planning, stated, "The great importance of zoning or districting of cities was emphasized at practically every session of the Conference. It was evident that the experts present without question regarded it as the first fundamental step. California's progress came in for a great deal of favorable comment, particularly as the decisions of the U.S. Supreme Court upholding the Los Angeles Zone Ordinance seemed to be the basis for districting in New York and most of the other cities in the country." *Pacific Municipalities*, 31, 7, July 1917, p. 306.

24. S. J. Makielski, Jr., *The Politics of Zoning: The New York Experience* (New York: Columbia University Press, 1966), p. 21; *Pacific Municipalities*, 29, 5, May 1915, pp. 201-2. (This is an excerpt from the 1913 *Report of the Heights of Buildings Commission*, New York City's first zoning commission.)

25. Albert Lee Stephens, "The Significance of the New Laws Relative to Zoning and Set-Back Lines," *Pacific Municipalities*, 32, 3, March 1918, pp. 129-36.

26. *Pacific Municipalities*, 27, 7, July 1913, p. 361; 28, 5, May 1914, p. 276; 28, 10, October 1914, p. 536; 29, 4, April 1915, p. 179; 31, 7, July 1917, p. 179; Civic Development Department, *City Planning and Zoning Accomplishments* (Washington, D.C.: Chamber of Commerce of the United States, 1927), table III.

27. Charles Henry Cheney, *Procedure for Zoning or Districting of Cities*, Bulletin Number 2 (San Francisco: California Conference on City Planning, September 1917).

28. *Oakland Tribune*, May 29, 1914, pp. 1 and 12. On Mayor Frank Mott's activities as a leader of Oakland and California realtors, see C. W. Taylor, "History," ch. 2, p. 5; *Real Estate*, II, 12, September 1913, p. 344.

29. Robert Fogelson, *Fragmented*; Frank Beach, "Transformation," pp. 152-53, 200; Margaret Gordon, *Employment*, pp. 172-73; Frank L. Kidner and Philip Neff, *An Economic Survey of the Los Angeles Area* (Los Angeles: The Haynes Foundation, 1945), pp. 7-9; Frank Kidner, *California*, p. 16; Mark Foster, "Decentralization," p. 174.

30. Frank Beach, "Transformation," pp. 211-14; Mark Foster, "Decentralization," pp. 40-41, 55.

31. Huber Smutz, "Zoning"; Huber Earl Smutz, "Zoning: Past-Present-Future," unpublished manuscript in possession of the author; Lawrence Veiller, "Protecting," pp. 102-4.

32. Robert Fogelson, *Fragmented*, pp. 70-84.

33. *Real Estate*, IV, 12, November 1915, p. 388; Remi Nadeau, *Los Angeles*, pp. 147-49; "war workers in Los Angeles were a negligible quantity with the exception of those employed in the shipyards at San Pedro and Long Beach during

the latter year of the war. It has been estimated that fully 20,000 laborers left Los Angeles between 1914 and 1918 for employment in manufacturing centers of the east and became engaged in war industries." Los Angeles Realty Board, response to U.S. Department of Labor questionnaire, January 30, 1919, p. 2. Also see note 5 in this chapter.

34. "The local Boards throughout the State having suffered on account of the depression in business activity," *Real Estate*, III, 11, October 1914, p. 329; "Many of the members were not disloyal to the State body, but, they were so busy trying to hold their private businesses together during trying times, that it left little leisure to attend meetings and aid in the things the Federation was striving for." C. W. Taylor, "History," ch. 5, p. 26, see also ch. 5, p. 25, ch. 7, p. 1; Los Angeles Realty Board, Minutes of the Governing Committee, September 29, 1915, p. 1; November 4, 1915, pp. 1-2; January 12, 1916, pp. 1-2; January 13, 1916, p. 4; May 22, 1917, pp. 1-2; June 9, 1917, p. 2.

35. Los Angeles Realty Board, Minutes of the Governing Committee, July 27, 1916, p. 1.

36. Letter from realtor-subdivider Patrick C. Campbell to Governing Committee, Los Angeles Realty Board, June 14, 1917; Los Angeles Realty Board, Minutes of the Governing Committee, July 12, 1917, p. 2; February 6, 1919, p. 2; Letter to the Governing Committee from the Committee on the Labor Department questionnaire, Los Angeles Realty Board, January 21, 1919; "There were a much greater number of forced liquidations of unimproved nonincome-producing properties in the war period—1917-18—than there were in previous corresponding periods. . . . War restrictions on construction during the war period—1917-18—materially operated to decrease the value of unimproved real estate in and about Los Angeles," Los Angeles Realty Board, response to U.S. Department of Labor questionnaire, January 30, 1919, p. 2; "The year has been a particularly trying one for the real estate fraternity. Never before has the Los Angeles Realty Board as an institution been put to so severe a test. With an embargo on building and practically no market for real estate, the individual Realtor has found it exceedingly difficult to command even a fair percentage of the usual volume of business, and, for this reason, has not been in a position to give the support to this organization which would be expected in normal times." Letter from the Governing Committee to the outgoing president, Los Angeles Realty Board, May 15, 1919, p. 2.

37. Los Angeles Realty Board, response to the U.S. Department of Labor questionnaire, January 30, 1919, p. 2; Los Angeles Realty Board, Minutes of the Governing Committee, March 25, 1920, p. 1.

38. Report of the Committee on the Housing Situation, Los Angeles Realty Board, May 12, 1920, p. 1.

39. Los Angeles Realty Board, response to the U.S. Department of Labor questionnaire, January 30, 1919, p. 2; Los Angeles Realty Board, Minutes of the Governing Committee, April 24, 1919, p. 3; August 7, 1919, p. 1; October 9, 1919, p. 1; October 16, 1919, p. 2; October 23, 1919, p. 2.

40. Los Angeles Realty Board, Minutes of the Governing Committee, Feb-

ruary 20, 1919, pp. 1-2; November 20, 1919, p. 1; December 4, 1919, p. 2; October 21, 1920, p. 1; October 22, 1920, p. 1; October 25, 1920, p. 1; October 28, 1920, p. 2; "On further motion duly made, seconded and carried it was the consensus of opinion of the Governing Committee that an appeal should be made to the newspapers to eliminate all reference to 'rent hog propaganda.'" Los Angeles Realty Board, Minutes of the Governing Committee, January 27, 1921, p. 2.

41. Mark Foster, "Decentralization," pp. 22-46, 172-94; Frank Beach, "Transformation," pp. 71-99, 204-42; Carey McWilliams, *Southern California*, pp. 135-37; Remi Nadeau, *Los Angeles*, p. 146; Los Angeles Realty Board, Minutes of the Governing Committee, March 20, 1919, p. 2.

42. Letter from Frank Ryan, Chairman of the Publicity Committee, to Governing Committee, Los Angeles Realty Board, March 25, 1920, pp. 1-2.

43. Los Angeles Realty Board, Minutes of the Governing Committee, May 29, 1919, p. 2; June 12, 1919, p. 2.

44. Los Angeles Realty Board, Minutes of the Governing Committee, May 27, 1920, p. 1.

45. Cuthbert Reeves, *The Valuation of Business Lots in Downtown Los Angeles* (Los Angeles: Bureau of Municipal Research, 1932), p. 15. As an example of the downtown representation among the Realty Board's leaders, William May Garland, 1917-18 NAREB president and founder and senior realtor of the Los Angeles Realty Board, was also president of the Central Business District Association of Los Angeles, *Real Estate*, III, 7, June 1914, p. 202.

46. Charles Cheney, *Procedure*.

47. *Los Angeles Times*, September 1, 1920, Part II, p. 5.

48. For an interesting discussion of the role of the oil industry in Los Angeles' development, see Fred W. Viehe, "Black Gold Suburbs: The Influence of the Extractive Industry on the Suburbanization of Los Angeles, 1880-1930," *Journal of Urban History*, 8, 1, November 1981.

49. *Los Angeles Times*, July 28, 1920, Part II, p. 1.

50. *Ibid.*, May 28, 1920, Part II, p. 1.

51. William May Garland, for example, in addition to his role as a downtown realtor, also "subdivided the elite district in and around Westlake (now MacArthur) Park." Remi Nadeau, *Los Angeles*, p. 147; Los Angeles Realty Board, Minutes of the Governing Committee, November 21, 1918, p. 2.

52. Los Angeles Realty Board, Minutes of the Governing Committee, May 29, 1919, p. 2; see also May 22, 1919, p. 2; June 5, 1919, p. 1.

53. *Ibid.*, June 12, 1919, pp. 1-2.

54. *Ibid.*, March 20, 1919, p. 2; October 16, 1919, p. 1; November 6, 1919, p. 2.

55. Gordon Whitnall, "Tracing the Development of Planning in Los Angeles," *Annual Report*, Los Angeles Board of City Planning Commissioners, 1930, p. 40.

56. *Ibid.*; *Los Angeles Times*, April 13, 1920, Part II, p. 8. Of the 51 commissioners, seven were from the Chamber of Commerce and three were from the Realty Board. The chairman of the Commission and chairman of the Commission's nine-member Executive Committee was W. H. Pierce, chairman of the Chamber of

Commerce's City Planning Committee. On April 8, 1920, the Governing Committee of the Los Angeles Realty Board moved to request that W. H. Pierce appoint one of the three Realty Board members to the City Planning Commission's powerful Executive Committee. Two days later Chairman Pierce appointed Gilbert S. Wright, past president of the Realty Board and head of one of the largest realty firms in downtown Los Angeles, to this important position. In the same April 8 resolution, the Realty Board declared its intention to take control of zoning for the city: "... with the further understanding that an effort will be made by that particular representative of the Realty Board [Gilbert Wright], together with the assistance of the President [Realty Board President O. A. Vickrey], through Mr. Pierce to bring about a situation whereby the proposed plans for the zoning of the City of Los Angeles by the Executive Committee of Nine will be referred to the Los Angeles Realty Board as its particular duty, the work to be done and transmission of plans to the City Council to be made by the Los Angeles Realty Board," Governing Committee Minutes, April 8, 1920, p. 2. On Gilbert S. Wright, see letter from Gilbert Wright to Board of Governors, Los Angeles Realty Board, September 29, 1920. He was president of Wright-Callender-Andrews Co., which owned and was headquartered in a ten-story office building on Hill and Fourth Streets in downtown Los Angeles.

57. *Los Angeles Times*, April 6, 1920, Part II, p. 7; April 13, 1920, Part III, p. 3; April 15, 1920, Part II, p. 1; May 16, 1920, Part II, p. 2; letter from the Publicity Committee Chairman, Frank Ryan, to the Governing Committee, Los Angeles Realty Board, March 25, 1920, pp. 1-2; Los Angeles Realty Board, Minutes of the Governing Committee, April 15, 1920, p. 1.

58. Los Angeles Realty Board, Minutes of the Governing Committee, May 27, 1920, p. 1.

59. *Los Angeles Times*, May 28, 1920, Part II, p. 1; June 6, 1920, Part II, pp. 1-2, 12; June 11, 1920, Part III, p. 3; Los Angeles Realty Board, Minutes of the Governing Committee, June 17, 1920, p. 1. The realtors who formed the opposition "Wilshire Improvement Association," while members in good standing of the Los Angeles Realty Board and the California Real Estate Association, were mostly brokers in the Wilshire area, whereas the members of the Governing Committee of the Realty Board were mostly the large downtown brokers and the large citywide high-income residential subdividers. See *California Real Estate Directory-Bulletin*, II, 1 (Sacramento: California State Printing Office, June 20, 1920); *Annals of Real Estate Practice* (Chicago: National Association of Real Estate Boards, 1929), division membership rosters, pp. 955-1041; files and correspondence of the Los Angeles Realty Board, 1903-1921; *California Real Estate*, various issues; *Los Angeles Realtor*, various issues; C. W. Taylor, "History."

60. Los Angeles Realty Board, Minutes of the Governing Committee, November 3, 1919, p. 2; February 5, 1920, p. 2; April 8, 1920, p. 1; June 17, 1920, p. 1; June 24, 1920, p. 1; July 8, 1920, pp. 1-2; July 14, 1920, p. 1; Letter from S. Ross Fenner, secretary, Los Angeles Realty Board, to Realty Board Zoning Committee, July 9, 1920.

61. *Los Angeles Times*, April 14, 1920, Part I, p. 6; July 15, 1920, Part II, p. 12. Cheney had been involved in the zoning of Berkeley, San Francisco, Alameda, Oakland, Palo Alto, Fresno, and Portland, Oregon. Charles Cheney, *Procedure; Pacific Municipalities*, 23, 5, May 1919, pp. 170-85; 23, 9, September 1919, pp. 343-44; *The Architect and Engineer of California*, 52, 3, June 1918 (special issue on Charles Cheney); Carl Abbot, *Portland: Planning, Politics, and Growth in a Twentieth-Century City* (Lincoln: University of Nebraska Press, 1983), pp. 71-92; Marc A. Weiss, "Urban Land Developers and the Origins of Zoning Laws: The Case of Berkeley," *Berkeley Planning Journal*, III, 1, 1986. The Los Angeles Realty Board had previously followed his activities through northern California realtors such as Duncan McDuffie, Fred Reed, and Charles Cheney's father, Warren Cheney. While the younger Cheney was working on the zoning of Portland, the Los Angeles Realty Board answered the Portland Mayor's query with the following telegram: "This Board is favorable to building zone regulations and believe them advisable. Committee active here on this question but no definite plan as yet advocated. We believe such regulations tend to stabilize values and help rents." Los Angeles Realty Board, Minutes of the Governing Committee, February 19, 1920, p. 1.

Charles Cheney, at a luncheon given in his honor by the Los Angeles Chamber of Commerce on April 13, 1920, "talked about the connection between homebuilding and homeownership on the one hand and zoning—the protection of the investor—on the other. . . . He advocated zoning to exclude apartment houses and flat buildings from home areas and also spoke of the sociologic advantages of the bungalow court over the apartment or flat houses." At a September 1 City Club luncheon, Cheney said, "In Los Angeles we see flats and apartments creeping into the Wilshire district. We see industries hesitating whether or not to come to Los Angeles for fear that after they are established here zoning ordinances will be passed ordering them to move. There are many other signs which point to serious damage and loss if city planning on a broad basis is not undertaken soon." *Los Angeles Times*, April 14, 1920, Part I, p. 6; September 2, 1920, Part I, p. 8. It was Cheney's special reputation, from the 1916 Berkeley zoning law, as a planner-advocate both of exclusive single-family residential zoning and of exclusive industrial zoning that made him so appealing both to the Los Angeles Realty Board, concerned primarily with the former, and the Chamber of Commerce and Merchants and Manufacturers Association, deeply interested in the latter. See *Los Angeles Times*, June 16, 1920, Part II, p. 3.

62. Los Angeles Realty Board, Minutes of the Governing Committee, July 19, 1920, p. 1. The Wilshire District meeting was held on Wednesday evening, July 21, at the Masonic Hall, 265 S. Western Avenue.

63. Los Angeles Realty Board, Minutes of the Governing Committee, July 22, 1920, p. 1; "Report of Property Owners Committee for the Wilshire Neighborhood," July 21, 1920. The report, written by Charles Cheney and Realty Board President O. A. Vickrey and Vice-President Frank Ryan, states: "This neighborhood is being seriously invaded by flats and apartments which we know threaten

to destroy all its present attractiveness and desirability as a home neighborhood. We therefore, most urgently and earnestly, recommend that immediate steps be taken by the City Planning Commission and the City Council to work out an ordinance limiting flats and apartments to certain definite blocks and protecting the home blocks from further invasions of this kind. We are in hearty accord with the protection of Wilshire Boulevard as one of the greatest show drives and thoroughfares in the city, and pledge ourselves to maintain it permanently as a residence street" (p. 2).

64. *Los Angeles Times*, July 29, 1920, Part II, p. 12.

65. Los Angeles Realty Board, Minutes of the Governing Committee, July 29, 1920, p. 1.

66. *Los Angeles Times*, August 27, 1920, Part II, p. 1.

67. *Ibid.*, September 2, 1920, Part I, p. 8.

68. *Ibid.*, September 1, 1920, Part II, p. 5.

69. *Ibid.*, June 8, 1920, Part II, p. 3; June 16, 1920, Part II, p. 3; June 26, 1920, Part II, p. 8; July 1, 1920, Part II, p. 1; July 21, 1920, Part II, p. 3; July 9, 1920, Part II, p. 5; July 16, 1920, Part I, p. 14; July 23, 1920, Part I, p. 16; August 3, 1920, Part II, p. 5; September 24, 1920, Part II, p. 8; September 29, 1920, Part I, p. 5; October 8, 1920, Part II, p. 6; October 20, 1920, Part II, p. 2.

70. *Ibid.*, September 9, 1920, Part II, p. 8; September 17, 1920, Part II, p. 5; September 24, 1920, Part II, p. 8.

71. *Ibid.*, August 6, 1920, Part II, p. 8.

72. Los Angeles Realty Board, Minutes of the Governing Committee, September 9, 1920, p. 2; September 14, 1920, p. 1.

73. *Los Angeles Times*, October 31, 1920, Part I, p. 7. On the actual hearings, see August 7, 1921, Part IV, p. 12; August 16, 1921, Part II, p. 3; August 17, 1921, Part II, p. 1.

74. Los Angeles City Ordinance Number 45,666 N.S., passed unanimously by the City Council on October 18, 1921. See *Los Angeles Times*, September 30, 1921, Part II, p. 12; October 4, 1921, Part II, p. 7; October 7, 1921, Part II, p. 11; October 8, 1921, Part II, p. 7; October 13, 1921, Part II, p. 2; October 19, 1921, Part II, p. 2; October 20, 1921, Part II, p. 5; October 30, 1921, Part V, p. 4; November 6, 1921, Part V, p. 5; November 26, 1921, Part II, p. 1; December 23, 1921, Part II, p. 8.

75. George Soule, *Prosperity Decade: 1917-1929* (New York: Rinehart, 1947), ch. 5, especially pp. 102-3; *California Real Estate*, I, 9, August-September 1921, pp. 2, 8, 11; II, 3, December 1921, p. 2.

76. "During this period of depressed values in many lines of investments, the money put into homes and farms looms safe and secure. And if the real estate man who may feel that the flood tide of sales has passed him by, will but preach in his community the strength and satisfaction and solidarity of the family owning their own home he will reap the harvest of success in no stinted measure." *California Real Estate*, I, 8, June-July 1921, p. 27; I, 9, August-September 1921,

p. 13; II, 5, February 1922, p. 27; II, 6, March 1922, p. 24; III, 1, October 1922, p. 8; C. W. Taylor, "History," ch. 8, pp. 3, 9. The chairman of the California "Own Your Own Home and Build Now" campaign was Harry Culver of the Los Angeles Realty Board.

77. Los Angeles Realty Board, Minutes of the Governing Committee, June 2, 1921, pp. 2-3; *Los Angeles Times*, September 29, 1921, Part II, p. 9; see also note number 41 of this chapter.

78. Los Angeles City Ordinance Number 45,666 N.S.; *Los Angeles Times*, October 19, 1921, Part II, p. 2.

79. George H. Coffin, Jr., *Zoning and its Relation to Property Values* (Los Angeles: California Real Estate Association, 1936), p. 11.

80. H. A. Postlethwaite, "Supreme Court Decides Los Angeles Zoning Cases," *Pacific Municipalities*, 39, 3, March 1925, pp. 71-72, 85-87; Gordon Whitnall, Address to the Los Angeles Realty Board, April 10, 1925 (Whitnall Papers, Los Angeles City Planning Department Library). See also note number 22 in this chapter.

81. Huber Smutz, "Past-Present-Future," p. 10; Robert Fogelson, *Fragmented*; Mark Foster, "Decentralization." On the role of the FHA in changing local zoning, see chapter 6. Also see Fred W. Marlow, "Future Trends in Subdivision Development Methods and Pricing Subdivision Property," in Harrison R. Baker, ed., *Subdivision Principles and Practices* (Los Angeles: California Real Estate Association, 1936). The FHA director for southern California from 1934-38 was Fred Marlow, a member of the Los Angeles Realty Board and a leading subdivider and housing developer. His partner, Fritz Burns, was a founder in the 1940s of the Community Builders' Council of the Urban Land Institute. In the 1950s Fred Marlow was president of the Los Angeles Realty Board, director of the California Real Estate Association, and vice-president of the National Association of Home Builders.

82. *California Real Estate*, II, 4, January 1922, pp. 6-9; Los Angeles Realty Board, Minutes of the Governing Committee, February 10, 1916, pp. 2-3; August 24, 1916, pp. 1-2; October 12, 1916, p. 1; January 8, 1920, pp. 2-3; *Real Estate*, III, 6, May 1914, p. 144; *California Real Estate*, I, 8, June-July 1920, p. 20; II, 5, February 1922, p. 2.

83. *California Real Estate Directory-Bulletin*, II, 2 (Sacramento: California State Printing Office, October 15, 1920), pp. 130-280.

84. Mark Foster, "Decentralization," p. 180; Remi Nadeau, *Los Angeles*, p. 152; W. W. Robinson, "The Southern California Real Estate Boom of the Twenties," *Historical Society of Southern California Quarterly*, 24, 1, March 1942, pp. 25-30.

85. William B. Munro, "A Danger Spot in the Zoning Movement," *Annals of the American Academy of Political and Social Science*, 155, II, May 1931, p. 202-6.

86. *Ibid.*, p. 203.

87. "The high point of Mr. Whitnall's talk was regarding zoning, where paid lobbyists were able to override the planning commission's recommendations and

by spot zoning absolutely ruin investments made by law-abiding citizens. This is a message that every one interested in his or her community should take well to heart, for much of the work of planning can be undone if politics are allowed to enter in." *Pacific Municipalities*, 44, 7, July 1930, p. 252; see also *Annual Report*, Los Angeles Board of City Planning Commissioners, 1928, p. 16; 1929, p. 5; 1930, pp. 7-11, 23-24, 58-64; Mark Foster, "Decentralization," pp. 237-42; Robert Fogelson, *Fragmented*, p. 257; Edward M. Bassett, "Spot Zoning," *City Planning*, 6, 3, July 1930, p. 229; Huber Smutz, "Past-Present-Future," pp. 9-10.

88. Ralph Hancock, *Fabulous Boulevard* (New York: Funk & Wagnalls, 1949), pp. 149-64; Remi Nadeau, *Los Angeles*, p. 150.

89. Robert Fogelson, *Fragmented*, pp. 261-62; Mark Foster, "Decentralization," pp. 248-51; Gordon Whitnall, "Zoning Attack" (Whitnall papers, Los Angeles City Planning Department Library).

90. *Report of the Property Owners Committee for the Wilshire Neighborhood*, July 21, 1920, O. A. Vickrey, Chairman, p. 2; the California Real Estate Association news bulletin called Vickrey "one of the best known real estate men in Southern California." He was appointed to the Los Angeles City Planning Commission in May 1921. See *California Real Estate*, I, 8, June-July 1921, p. 8.

91. *Los Angeles Times*, August 21, 1921, Part IV, p. 12. Some of the Wilshire protestors later changed their attitude: "Those realtors who a few years ago were somewhat skeptical about the rights of the city or county authorities to determine specifically the use to which land may be put and who were opposed to zoning on general principles are often now its strongest adherents. They realize that something must be done to stabilize values of property, and that, inasmuch as all value of property depends upon the use to which that property is put, zoning is a necessity." *Los Angeles Realtor*, VII, 7, April 1928, p. 24.

92. Bigger and Kitchen, *Cities Grew*; *California Real Estate*, II, 11, August 1922, p. 24; Gordon Whitnall, "Zoning," February 28, 1924 (Whitnall Papers, Los Angeles City Planning Department Library).

93. The full text reads: "The situation in this (Wilshire) district, in its present unregulated condition, has seriously interrupted business and has thrown the investing public, as well as the present property owners, into a very unhealthy frame of mind, with serious financial losses threatened. The spirit in which the Los Angeles Realty Board has entered upon this work of making such recommendations is, we believe, thoroughly understood, in that we are agreed that the greatest good to the greatest number might be recognized." *Los Angeles Times*, July 29, 1920, Part II, p. 12.

94. Gordon Whitnall, "Supply and Demand in Zoning," *Pacific Municipalities*, 41, 3, March 1927, pp. 107-9; Gordon Whitnall, "Supply and Demand in Business Zoning," *The Community Builder*, I, 3, February 1928, pp. 13-16; Huber Smutz, "Past-Present-Future," pp. 10-13; idem, "Zoning," pp. 61-62. "City planning is rapidly developing into an exact science." See *Annual Report*, Los Angeles Board of City Planning Commissioners, 1930, p. 7, and *Pacific Municipalities*, 45, 2, February 1931, p. 63.

95. *California Real Estate*, VIII, 8, May 1928, p. 12.

96. Gordon Whitnall, "Common Sense in Zoning," an address to the League of California Municipalities, August 1926 (Whitnall Papers, Los Angeles City Planning Department Library), p. 3.

97. *Ibid.*, p. 10.

98. *Annual Report*, Los Angeles Board of City Planning Commissioners, 1930, p. 54.

99. Gordon Whitnall, "Subdivision Activity in 1924" (Whitnall Papers, Los Angeles City Planning Department Library). See also chapter 5, tables 5.1 and 5.2.

100. Huber Smutz, "Past-Present-Future," p. 11.

101. See successive semi-annual volumes of the *California Real Estate Directory-Bulletin* (Sacramento: California State Printing Office).

102. George H. Coffin, Jr., "To What Extent Should Business Areas Be Limited?," *California Real Estate*, VI, 9, June 1926, pp. 52-53; idem, *Pacific Municipalities*, 40, 7, July 1926, pp. 273-81; idem, "Appraising Property Zoned for Business," *Journal of the American Institute of Real Estate Appraisers*, III, 1, October 1934, pp. 29-33; idem, *Zoning and its Relation to Property Values*; Carl Bush, "Zoning," *Los Angeles Realtor*, VII, 8, May 1928, pp. 12-13, 42-43, 48-49; VII, 9, June 1928, pp. 24, 28-32; W. L. Pollard, "Determining the Amount, Character, and Location of Business Property a Subdivision Needs," *Annals of Real Estate Practice* (Chicago: National Association of Real Estate Boards, 1928), pp. 621-32; idem, "City Planning—Why the Realtor Should be Interested," *Los Angeles Realtor*, VII, 6, March 1928, pp. 24, 35-36; idem, "Economic Effects of Zoning a City," *Annals of Real Estate Practice* (Chicago: National Association of Real Estate Boards, 1929), pp. 501-12; idem, *What Blighted Districts Mean in our Communities* (Los Angeles: Chamber of Commerce, Civic Development and Real Estate Department, 1931); Peter Hanson, "Relation of Zoning to Appraisals," *National Real Estate Journal*, 32, April 13, 1931, pp. 49-50; George LeRoy Schmutz, "Economic Effects of Zoning," *Annals of the American Academy of Political and Social Science*, 155, II, May 1931, pp. 172-77; Harry H. Culver, "A Realtor's Viewpoint on Zoning, Present and Future," *Annals of the American Academy of Political and Social Science*, 155, II, May 1931, pp. 207-12.

103. George H. Coffin, Jr., "Zoned into Oblivion," *City Planning*, X, 4, October 1934, p. 189.

104. Gordon Whitnall, "Supply and Demand in Zoning," p. 109; see also Huber Earl Smutz, "Zoning Business Frontage," *City Planning*, V, 4, October 1929, pp. 269-71.

105. Los Angeles City Ordinance Number 66,750 N.S.

106. Huber Smutz, "Past-Present-Future," p. 18; idem, "The Value and Administration of a Zoning Plan," 1951 (Whitnall Papers, Los Angeles City Planning Department Library), p. 11.

107. See note number 102 in this chapter; also Mark Foster, "Decentralization."

108. Edward Bassett, "Spot Zoning."

109. Quoted in Mark Foster, "Decentralization," p. 239.

110. Huber Smutz, "Past-Present-Future," p. 18; on the realtor's role in stand-

ardizing zoning administration throughout Los Angeles County, see *Pacific Municipalities*, 44, 7, July 1930, p. 266.

111. *Ibid.*, pp. 8-10; also see letter from Gordon Whitnall to the Commonwealth Club of California, September 2, 1924, p. 1 (Carl J. Rhodin Papers, Bancroft Library, University of California, Berkeley).

112. City of Los Angeles, *Charter*, Article VIII, Sections 94-99; Mel Scott, "Fletcher Bowron of Los Angeles: An Achievement of the People," 1940, unpublished manuscript in the possession of the author; Fred W. Viehe, "The Recall of Mayor Frank L. Shaw: A Revision," *California History*, 59, 4, Winter 1980-81. For a perspective on zoning in Los Angeles during and after the 1940s, see Administrative Services Division, *City Planning in Los Angeles: A History* (Los Angeles: Department of City Planning, March 1964); Robert W. Glendinning, "Zoning," in George W. Robbins and L. Deming Tilton, eds., *Los Angeles: Preface to a Master Plan* (Los Angeles: Pacific Southwest Academy, 1941); Judith Norvell Jamison, *Coordinated Public Planning in the Los Angeles Region* (Bureau of Governmental Research, University of California at Los Angeles, June 1948); Martin J. Schiesl, "City Planning and the Federal Government in World War II: The Los Angeles Experience," *California History*, 59, 2, Summer 1980; Fred E. Case and James Gillies, "Some Aspects of Land Planning: The San Fernando Valley Case," *The Appraisal Journal*, 23, 1, January 1955; Fred E. Case, *Los Angeles Real Estate: A Study of Investment Experience* (Real Estate Research Program, University of California at Los Angeles, 1960).

5. THE CALIFORNIA REAL ESTATE ASSOCIATION AND SUBDIVISION REGULATIONS

1. California Statutes, 1893, p. 96; W. Sumner Holbrook, Jr., "Subdivision Control Methods," *Los Angeles Realtor*, VII, 1, October 1927, p. 22; Charles D. Clark, "Subdivision Plotting and Map Filing," in Harrison R. Baker, ed., *Subdivision Principles and Practices* (Los Angeles: California Real Estate Association, 1936), p. 36.

For general background on California state politics in the years covered by this chapter, see Carey McWilliams, *California: The Great Exception* (New York: Current Books, 1949); Walton Bean, *California: An Interpretive History* (New York: McGraw-Hill, 1973); Winston W. Crouch and Dean E. McHenry, *California Government* (Berkeley: University of California Press, 1945); Dewey Anderson, *California State Government* (Stanford: Stanford University Press, 1942); Spencer C. Olin, Jr., *California's Prodigal Sons: Hiram Johnson and the Progressives, 1911-1917* (Berkeley: University of California Press, 1968); Mansel G. Blackford, *The Politics of Business in California, 1890-1920* (Columbus: Ohio State University Press, 1977);

Gerald D. Nash, *State Government and Economic Development: A History of Administrative Policies in California, 1849-1933* (Berkeley: Institute of Governmental Studies, University of California, 1964); Dean E. McHenry, "The Third House: A Study of Organized Groups Before the California Legislature" (M.A. thesis, Department of Political Science, Stanford University, 1933).

On the California economy, see W. W. Robinson, *Land in California* (Berkeley: University of California Press, 1948); Margaret S. Gordon, *Employment Expansion and Population Growth, The California Experience, 1900-1950* (Berkeley: University of California Press, 1954); Frank L. Kidner, *California Business Cycles* (Berkeley: University of California Press, 1946); Robert Glass Cleland and Os-good Hardy, *March of Industry* (Los Angeles: Powell, 1929); Gerald D. Nash, "Stages of California's Economic Growth, 1870-1970: An Interpretation," *California Historical Quarterly*, 51, 4, Winter 1972.

2. C. W. Taylor, "History of the California Real Estate Association" (unpublished manuscript, dated 1955, in the library of the California Association of Realtors), ch. 2, page 8. See also *California Realty Bulletin*, 1, 1, May 1908, p. 4. The California Land Title Association was formed in 1907 to represent the title companies, who also supported the Map Act. The California State Realty Federation was formed in 1905 at the initiative of the Los Angeles Realty Board. The original purpose of the 80-member organization was to lobby for state licensing of brokers and salesmen. The group, which had grown to more than 400 members by 1907, also took positions on other issues, including support of the 1907 Map Act, a bill to force owners of vacant lots to keep them clean (this was a very important issue with the Los Angeles Realty Board, because vacant lots were ubiquitous in that city since the subdivision boom and crash of 1887-90), and bills to repeal the state mortgage tax and strengthen landlords' ability to evict tenants.

The CSRF reached its peak membership in 1912, but in the next few years the real estate crisis caused membership to dwindle back down to 70 members, and the Federation nearly dissolved. In 1917 it was renamed the California Real Estate Association (CREA), and with the help of the new 1917 license law (which was declared unconstitutional in 1918, but a new permanent one passed in 1919) and the real estate boom starting in 1922, CREA reached a membership of 5,000 by 1927. During the 1920s CREA published a monthly newsletter which eventually became a thick magazine. This official organ was published under three different names, but for the sake of simplicity, I have called it *California Real Estate* throughout. This was its longest-running name, and the volume numbers are consecutive from 1920 on. Today CREA is called CAR, the California Association of Realtors.

For some further background on the California real estate industry in the 1920s, see George A. Schneider, *California Real Estate Principles and Practices* (New York: Prentice-Hall, 1927); Ivan A. Thorson, *Essentials of California Real Estate* (Los Angeles: Realty Research Bureau, 1929). On CSRF/CREA and the license law,