

RAPID TRANSIT SEEN AS BOOST TO VALUATION

Survey Shows Percentage Of Realty Gain Expected

HELMER GIVES VIEWS

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To be sure, rapid transit increases suburban property values. That is taken almost for granted. But just exactly how great is this increase, or over what period of time, is a moot question. It was a question that we at Warner & Moore asked ourselves recently, when the Grand Trunk Railway announced rapid commuter service to the communities between Detroit and Pontiac. We felt that the answer lay in determining just exactly what had been the experience of other large cities, where they were served with suburban rapid transit.

We know, that provided with data of this nature, we should have a fairly accurate foundation on which to base our predictions for Detroit; accordingly, two of our men were despatched to these cities to interview developers, optimistic as we judged we had cause to be the results of our survey surprised us.

Increase Astonishing

We found, not merely that there had been increases, but that these increases had been great enough to be actually astounding: even to the extent of 4000 and 5000 per cent over a period of seven years! We also found—and here is a rather interesting fact—that practically all increases brought about by the installation of rapid transit came after the announcement of rapid transit and before service was started. Usually, this is what happened: property values in the suburb would be increasing at normal and healthy rate. A railroad would announce that it planned to institute rapid transit in this suburb. Within a few months property values would take a distinct jump and begin to climb at an hitherto unprecedented rate. This climb would continue throughout the period of construction until trains were actually running on the new line; then would follow an era of intense home-building. After this period the values would again rise.

It is practically every city that we studied this was the sort of thing that happened. Consequently, we feel justified in predicting much the same thing for the suburbs of Detroit. We believe that values in Birmingham and Bloomfield Hills will not wait until the new Grand Trunk line is actually started before increasing. Indeed, we predict that this increase will occur several months before the line is completed and ready for use.

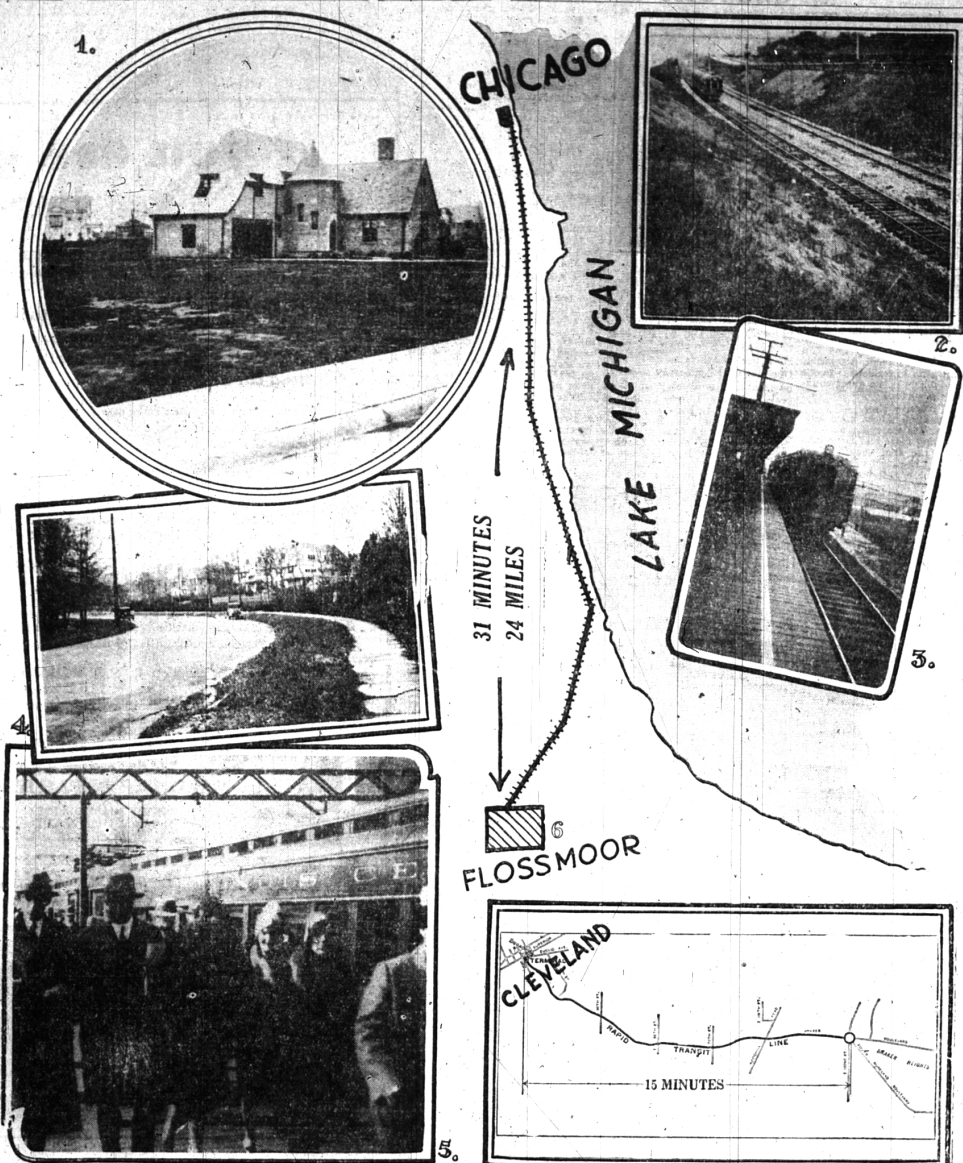
Cities Example

An interesting example of this, brought to light in our survey, is Flossmoor, a district in many ways very similar to Bloomfield Hills, and lying some twenty-four miles south of Chicago. Flossmoor came to the fore, as did Bloomfield Hills, because of the success of exclusive golf and country clubs located there. Long before any actual building had been done, Chicagoans would ride the Illinois Central Railroad—a line surprisingly similar to that which would be operated by the Grand Trunk between Detroit and Pontiac—to Flossmoor, to play golf. That was twenty-six years ago, and no active developing was done at that time.

Eight years ago, property in Flossmoor was selling at the normal prices commanded by unimproved land in the suburbs when this land is accessible to ordinary means of transportation—an increase of 72 per cent over its value of twenty-six years ago. A short while later the Illinois Central announced that it proposed to electrify its Flossmoor line. In short, provide it with rapid transit capable of making the trip from Flossmoor to the loop in thirty-one minutes. Today, unimproved and restricted property in Flossmoor is selling at from forty to fifty-five times its 1920 value. Almost all this increase, according to Flossmoor developers, came during the period of construction.

It must be remembered, to be sure, that the original price was for unimproved and unrestricted land; a considerable investment was entailed in the improvement

Analysis Shows Trend Of Increases



These views of Flossmoor and Shaker Heights are from two of the suburban districts embraced in the survey. (1) One of the very attractive Flossmoor homes, similar in type and price to those of Bloomfield Hills. (2) View of the rapid transit line connecting Shaker Heights with Cleveland. (3) One of the 100 Illinois Central trains carrying commuters each day between Chicago and Flossmoor. It is much the same type of car that the Grand Trunk is said to be considering for use on its north Woodward line. (4) A view of Shaker Heights, showing improvements and indicating how much of it has built up in the comparatively short time it has been served by rapid transit. (5) Flossmoor trains unloading at the Illinois Central station in the Loop. Notice the number of passengers; scores are behind them. (6) Map showing location of Flossmoor in relation to Chicago and transit line connecting them. (7) Route of the rapid transit line that daily transports hundreds of Shaker Heights commuters to and from Cleveland.

of this land. Nevertheless, even making an allowance for this, the increase is truly astonishing. Then, too, all Flossmoor property did not experience such a considerable increase. On the other hand, it did not fall very far short; and the history of the whole area graphically shows the effect upon land values resulting from the mere announcement of a rapid transit line.

Other Cities Gain

Chicago is by no means the only city profiting from rapid transit service. To quote merely another example, Shaker Heights, an suburb of Cleveland, also em-

braced in our survey, shows in most remarkable fashion the effect of rapid transit upon land values and population. In the last thirteen years, the population of Cleveland has experienced the healthy growth of about 59 per cent. In the same period, the population of Shaker Heights Village has increased 207 1/2 per cent. In the same 13-year period, Cleveland land values increased 117 per cent, while values in Shaker Heights increased 3,444 per cent—or an average of 31 per cent every year over the value for the preceding year.

Cleveland, it should be noted, has no such metropolitan area as Detroit. Its rate of growth is not nearly as high, and its present population considerably smaller. Consequently, it is especially logical for us to believe that, surprising as the Shaker Heights increases have been, they will be even surpassed by those of Birmingham and Bloomfield Hills.

The figures given here are purposely conservative and have been verified at numerous sources, to remove all doubt of their accuracy. There is only one sensible conclusion that can be drawn from them; and that is, that rapid transit probably has a more favorable effect upon suburban land values than any other outside influence. We found Chicago and Cleveland history repeated in New York, Philadelphia, Jersey City, and Boston—in every city served by suburban rapid transit. Small wonder, then, that we at Warner & Moore are optimistic for the future of Birmingham and Bloomfield Hills. The announcement of rapid transit has already been made. Values must certainly rise. History that has repeated itself so often must assuredly repeat itself again.

VETERAN MASCOT FORECASTS FLAG



The Yankees (gulp) have the pennant (gulp) in the bag. Nothing (gulp) to it. They'll wait right through. Eddie Bennett speaking—between heavy draughts of water. Eddie ought to know. He's been the New York team's mascot for years and years.

In Chicago
Gangwife (to little tot): Run down to the corner and see if papa's coming home.—Life.

A New Derivation
"What a unique town!"
"Unique!"
"Yes, taken from the Latin: unus, meaning "one," and equus, meaning "horse."—Spilled Ink.

WE HEARD IT SAID BY
Howard Crull, manual arts department, Baldwin High: "The game of archery offers more exercise than is generally believed. In the American round of the game, the players walk one mile to and from the target and lift two tons."

Not Had
"I have spent nearly £6000 on my daughter's education, and now she goes and marries a young fellow with an income of only £250 a year."
"Well, that's 5 per cent on your investment. What more can you expect in these times?"—Nottingham Evening News.

They Knew a Thing or Two!
"Can we play at keeping store in here, Mamma?"
"Yes, but you must be very, very quiet."
"Oh, all right, Mamma. We'll pretend we don't advertise."

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