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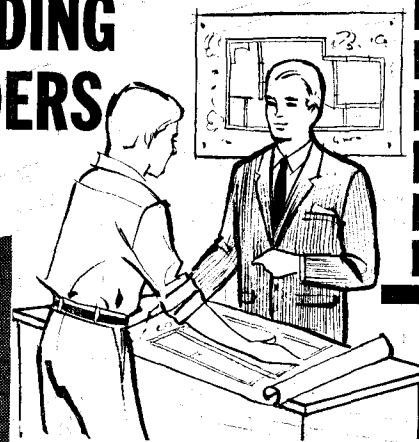
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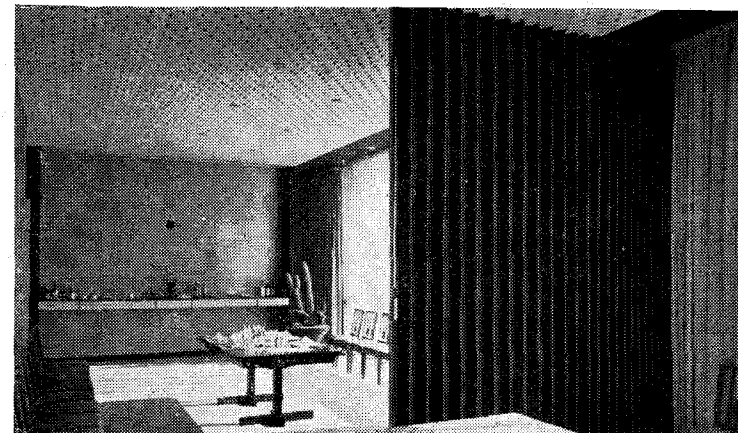


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• Right: Architects Bates, Smart & McCutcheon chose a Modernfold door for at-will division of the Visitors' Diningroom of the Vacuum Oil Co's. new building, Melbourne.



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THIS WAS THE SCENE ON THE PLATFORM in the Assembly Hall, Sydney, on the opening day of the golden jubilee convention of the Real Estate Institute of New South Wales. Standing at the microphone is Mr. Warren McDonald, chairman of the Commonwealth Banking Corporation, during his address on "Real Estate in Australia's Development". The others on the platform are (left to right): Mrs. A. D. Clifford, Mrs. D. L. Dalziel, Mr. D. L. Dalziel, Mrs. W. Duncan, Mr. H. A. Gorman, Mr. W. Duncan, Mrs. H. A. Gorman and Mr. Lyle Moore.

CONVENTION WAS A LANDMARK IN THE HISTORY OF THE INSTITUTE

The Real Estate Institute of New South Wales celebrated its golden jubilee this year with a highly successful three-day convention in the Assembly Hall, Margaret Street, Sydney, on October 18, 19 and 20.

This first convention of the institute was officially opened by the Hon. N. J. Mannix, M.L.A., Minister of Justice.

On the first day Mr. Warren McDonald, chairman of the Commonwealth Banking Corporation, addressed a fine attendance of members and delegates from all parts of the State and visitors from Victoria, New Zealand and Britain on "Real Estate in Australia's Development".

On the succeeding days experts in their fields delivered addresses on subjects of special importance to the institute and to its members.

The addresses were followed by discussion periods in which those present

asked question of the speakers and raised problems.

Both the addresses and discussions were considered of such value that they should be placed on permanent record. The Board of Management decided, therefore, that the whole of this special jubilee issue of the "Real Estate Journal" should be devoted to the proceedings of the convention, which are reported in the following pages.

At the conclusion of the convention the golden jubilee dinner of the Real Estate Institute was held at the Went-

worth Hotel, the principal guest being the Hon. N. J. Mannix, M.L.A., representing the Premier, The Hon. R. J. Heffron.

The toast of the Institute was proposed by The Hon. R. R. Downing, M.L.C., Attorney-General.

The Board of Management offers its thanks to all those who contributed to the undoubted success of the convention and to speakers, members, delegates and visitors who ensured that it was indeed a landmark in the history of the institute.

The Real Estate Institute of New South Wales

Proceedings of Golden Jubilee Convention

TUESDAY, OCTOBER 18—CHAIRMAN, Mr. H. A. Gorman. Official opening by the Hon. N. J. Mannix, M.L.A., Minister of Justice. Address: "Real Estate in Australia's Development", Mr. Warren McDonald, chairman of the Commonwealth Banking Corporation.

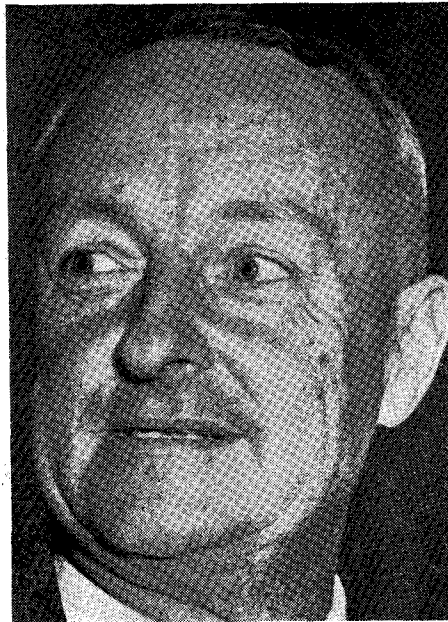
MR. GORMAN said: On behalf of the Real Estate Institute of New South Wales I extend to you a very cordial welcome to our golden jubilee convention. I think it is appropriate to make some reference to the reasons for this gathering, the purpose of the convention.

First of all, it is a celebration of the fact that this is the 50th year of activity of the institute. We can look back with a certain amount of pride. We have set standards. I think I can say we have set THE standards for people engaged in real estate agency. We have set standards of ethical conduct and fair remuneration. We have set standards in customs and dealings which, in our activity of over 50 years, have been incorporated in the law, and we have played a major part in the field of education so that all those who take up this profession shall have the benefit of the experience and knowledge of those who have gone before.

The occasion is, too, a mark of our respect to that foresighted group of men who gathered together 50 years ago and started this organisation, that group who saw the need and value of such an organisation to the public and to members engaged in real estate.

Secondly, I think it is a time to look ahead and see what we have yet to do. Never has there been so much activity in real estate in this country as there is to-day. Those wise men who were our founders in 1910 would not have envisaged the conditions that prevail now and the changes that have occurred, even in the last three or five years; changes that have introduced new ideas, new concepts, new techniques, new problems.

So that we can know something about the future we have adopted a programme for this convention which will give us the opportunity of hearing what the leaders in various fields have to say, of discussing some of these new ideas and problems and, overall, getting the picture of the future to which to apply our experience and our knowledge.



MR. H. A. GORMAN

Thirdly, it is the intention of this convention to make our activities known to the public. We are entitled, and in fact feel, it is a duty to make our activities so known, when some aspect of real estate is touching nearly everyone in this community in one way or another, the vendors: the purchasers, the landlords, the tenants, the investors, and so on. We want the public to know that through our members we plan for ethical conduct, efficient and experienced service and the ideals which enhance an honourable calling. We want them to know that the badge of membership of this institute is the mark of an agent pledged to the principles created by those founders 50 years ago.

We are delighted to have with us to-day Mr. Shoebridge, from England, who is seeing if we have any new ideas, or any answers to old problems, which he can take back to England. We have eight agents from New Zealand who, I think, have the same objective in view, agents from Victoria and a splendid

gathering of our own members from as far away from Sydney as Lismore.

Finally, we are honoured by the presence here to-day of Mr. N. J. Mannix, M.L.A., Minister of Justice, and by Mr. Warren McDonald, chairman of the Commonwealth Banking Corporation. Mr. Mannix to officially open the convention, and Mr. Warren McDonald to give us the principal address.

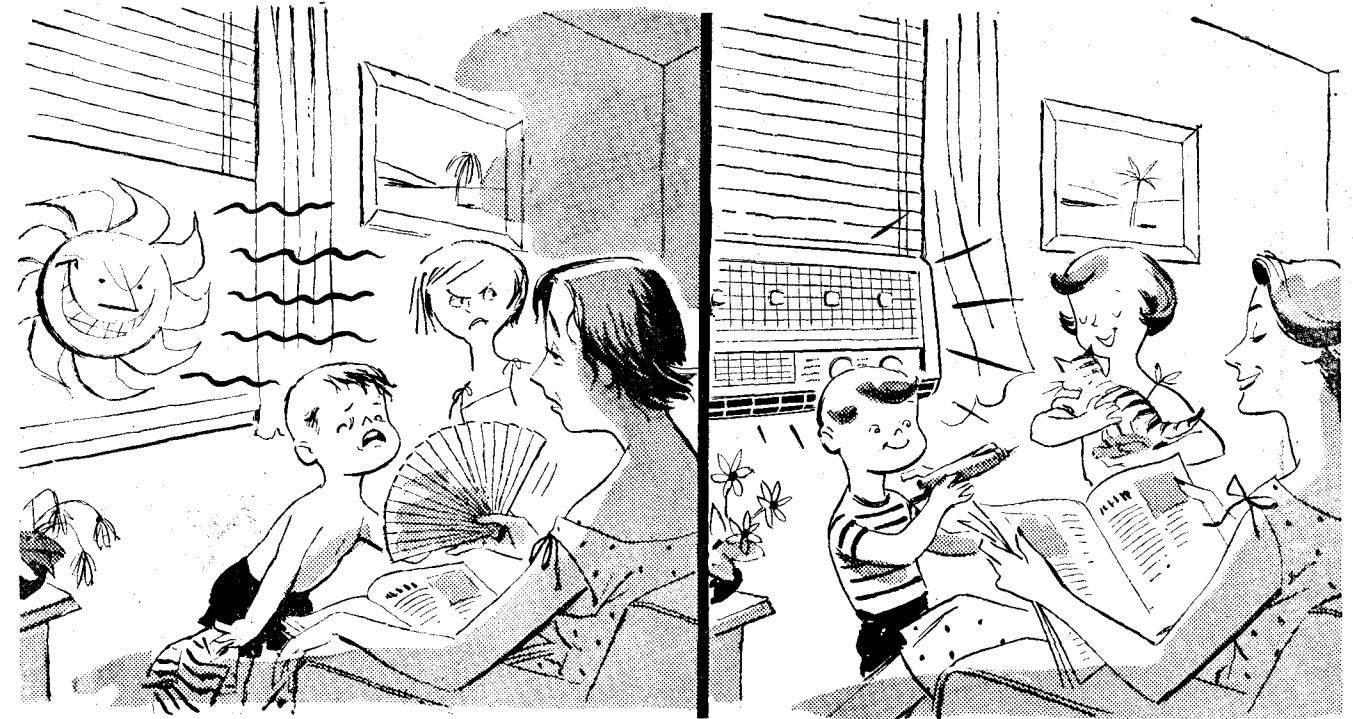
Mr. Mannix, as Minister of Justice, administers the Act under which agents are licensed to practice and has a lot to do with other Acts which concern us. He is very closely concerned with the practice of real estate agents and we are very grateful to him for coming here to-day.

MR. MANNIX: I want to thank the institute for the invitation to open this golden jubilee convention. The programme you have set yourself for discussion is of matters which are vital to our progress and development. In your sphere particularly so much of Australia's future depends on the way in which we develop, basically, the land and seek better economical use of all our services to meet the needs of the rapidly-expanding population.

I must congratulate the institute also on its celebration, on its Golden Jubilee. Naturally we are not so much concerned with the past 50 years as with the next 50 years. Perhaps in Australia more than in other countries we can look forward to a glorious 50 years, when we look at the commercial development which has taken place even in the last ten years and the multiplication of that development which must automatically follow in such a young and prosperous country.

It was announced only a week or so ago that Australia's population increase in the last 12 months was by almost 250,000, and that 72,000 of that increase was in New South Wales alone. An increase of 72,000 is 6,000 a month, 1,500 a week, and just over 200 a

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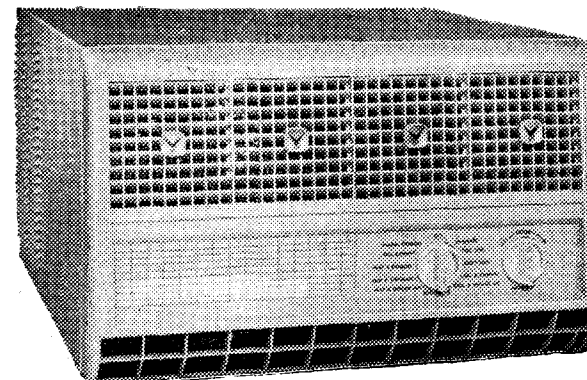


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working day. These are new units going into our economy, all to be housed and fed and to take their places in commerce and industry. It is fundamental to our future, not only that that rate be maintained, but that development to maintain it is done the right way. In Australia where, from a defence point of view, we are so dependent on others, we can build up our own greatest defence by putting the maximum effort into our own development. The proper development of Australia is perhaps our greatest strength and our greatest defence. So, when we look forward to the next 50 years we must have confidence in that future and the willingness to take a risk where a risk must be taken. The general prosperity of the nation as a whole will make for the direct prosperity of each one of us.

Conventions such as these are really an important part of our democratic way of life. Parliament cannot hope, particularly in these days of many Acts and regulations and red tape, to be the forum where all the problems of the community are discussed, so a convention such as this is the parliament of real estate. The proposals, constructive ideas and suggestions that emanate from convention such as these are readily accepted by the government of the day for consideration, because it is only from the submissions that you make in this way that the Parliament and the government can get a true appreciation of those things that are of such vital concern to you. We can see that it is from the practical point of view that you bring forward the ideas of what you feel should be done in such matters.

I notice, and I am quite happy about it, that you have not got the Landlord and Tenant Act on the Convention. I do hope that your institute and your members will take the opportunity of making your submissions before the Committee of Inquiry which the Government has set up to examine the Act and all the ramifications of landlord and tenant relations in this State. I hope that you will be able, and I am sure you will, to make constructive suggestions for streamlining the various processes which are really an aftermath of war legislation, which have been carried on, but which now do need careful analysis and review.

Another matter which, of course, will be very topical in the next few months is legislation to provide title to home units. You have, no doubt, carefully examined the pro forma Bill tabled in Parliament last year. We have been

very pleased as a government with the reaction to that pro forma Bill and with the many submissions and suggestions that have been made. They have been so comprehensive that, when the Bill is resubmitting to Parliament before the end of this year it will be an entirely new Bill, although based upon the draft.

When Torrens title was adopted, many felt it was too much of a codification of the titles to property, that it just would not work, when the old system of title, of your bundle of deeds, had stood the test of time, and that the Torrens system could not take its place. Time has shown that that has not been the case and to-day, of course, Torrens title is the answer in regard to titles to land.



THE HON. N. J. MANNIX

We can look around Sydney to-day and wonder whether the investor was investing in bricks and mortar or in the land upon which the bricks and mortar were erected. We see so many examples of properties that have stood 50 or 60 years and now, because of the high land value of the developing city, the land is worth many times more than the building erected on it.

When we think in terms of the next 50 years we are moving into a new era so far as land titles are concerned. In introducing the home unit legislation, or Strata Titles Bill, we have used some vision as to what the future holds, because there we will be giving a title only to bricks and mortar. There will be no land to relate it to directly in respect of each individual unit, and consequently it will be something new. I do feel it will play an important part

in the cycle of development.

There is little activity to-day in the provision of homes for rental purposes, another item on your agenda for discussion. There are many arguments as to why this is so. I feel that with the move towards investment in home units, necessary in a metropolis such as this, with proper title and acceptance by the lending institutions, that purpose, in another 30 or 40 years, those home units could well be the properties then available for rental.

I will look forward to the report of the addresses the experts will give you, and of your discussion, so that we can learn something of what is in the minds of you people who are so closely associated with the people of Australia. You know the pulse and the thinking of these people, and you can pass that on to us in a constructive way, so that we may be able, on behalf of the people, to legislate properly for their protection.

I want to wish you well in your golden jubilee convention. I do hope that it will be the forerunner of many more conventions where you can exchange your ideas and carry suggestions forward, not only for the public but for the various levels of Government.

It gives me very great pleasure, therefore, to declare your golden jubilee convention open, with good wishes for its success.

MR. GORMAN: Mr. Minister, on behalf of the institute, the guests and all our members, I want to thank you very much for your generous, encouraging and inspiring remarks. Your comments on the future are most pertinent to us, because we feel we have a very great part to play in the future of this developing country.

We will be discussing things like the Landlord and Tenant Act, and directing attention to the problem of rental accommodation, housing, and accommodation for commerce, too, on a rental basis, which seems to us to be rather poorly supplied in regard to the present needs. We will, too, be making representations to the Committee of Inquiry in respect to the Act.

I would like to assure you that the services of this organisation, its knowledge and its experience are available to you and to the government whenever and wherever you feel we can be of assistance.

It is only a relatively short time since you became the Minister of Justice and so responsible for the administration of our Licencing Act, succeeding our old

and very respected friend, Mr. Dowling. In that very short time your attitude to the things we are trying to do and to our problems has been very sympathetic and understanding, and for that we thank you very much indeed. I ask you to accept our very great appreciation of your coming here to-day.

Now it is my great honour and pleasure to introduce to you Mr. Warren McDonald, who is to deliver the principal address of this convention. Of Mr. McDonald I must tell you that he is the son of a building contractor, was born in Tasmania and had his education at Launceston Grammar School.

He started his working life in construction as a cadet in the Tasmanian hydro-electric scheme, became a shire engineer in Victoria and, in 1925, migrated to Canberra, supervising construction of the early housing. He started on his own again as a civil engineering contractor, winning, at the age of 27, his first major project, the construction of the federal highway from Goulburn to Canberra. Then, a few years after, he formed the company so well known in major construction work, McDonald Constructions, which is now a part of McDonald Industries which, on behalf of the greatest industrial enterprises of this country, has carried out a tremendous amount of major construction work.

Mr. McDonald, at the outbreak of war, went into the A.I.F. as a sapper and returned, after periods in the Middle East and the Pacific Islands, with the rank of Brigadier. On returning to civil life he spent a deal of time developing pastoral interests and, in 1951, was appointed to the National Airlines Commission, which operates T.A.A., and was chairman of the commission from 1956 to 1959. His outstanding services resulted in his being made a C.B.E. in 1957.

Notwithstanding an already busy life, he finds time for even further interests. He was elected president of the National Heart Foundation and is a Fellow of the Australian Institute of Management, and recently was appointed for three years to the new Council of the National University at Canberra.

His attitude to public life can be summed up in his recent statement: "Throughout my period with T.A.A. I have concentrated on ways and means of developing Australia, particularly the expansion of air services and development works. My new job as chairman of the Commonwealth Banking Corporation affords me a similar opportunity".

We are, therefore, most honoured to

have with us such a distinguished Australian, with such vast experience and background, who can speak to us with great authority.

MR. WARREN McDONALD: Mr. President, members of the institute and ladies and gentlemen, I would ask you to dismiss quite an amount of the hyperbole and exaggeration that you have just been listening to. Perhaps some of the statements are founded on fact, but I come before you to-day to address you on a rather difficult subject.

I thought, I know bankers and real estate agents have a lot in common, but at the moment the one thing we do not seem to have in common is finance, which seems rather extraordinary. But times change and I am quite sure that this present credit squeeze will not be of very long duration. The tightening of the belt will be good for us and we will go forward in this country in a comparatively short time to greater expansion.

As the Minister stated, it is not so much that which has been done in the last 50 years as what will be done in the next 50 years. This country is, one might say, bursting at the seams with expansion, and I do not believe anything can ever stop it. We are suffering some problems at the moment, due to excesses of one kind or another, but it is good to tighten the belt occasionally, and it even improves the figure.

The institute has come a long way since it was established 50 years ago. It will not be long before members of the Real Estate Institute will, I believe, have the same standing in the professions as many of the older professions. With that recognition of your business as a profession comes also a degree of responsibility, and I am sure that all your members realise your responsibility to the public.

Your profession, in common with others, is facing the problems of living and advancing in an age of ever-increasing specialisation. This must be met by an active programme of education for all persons within the field of which you are engaged. It is pleasing to learn that the Institute is actively interested in the training of estate agents and valuers and that its current course of lectures has attracted a record enrolment of more than 500 students. That is an extraordinarily good record.

There seems to be every reason, now that a start has been made, that education should be gradually broadened and raised to higher levels. In addition, in such a profession, it is neces-

sary that studies should not stop with a course, but become a continuing process throughout your business years. Only the real estate man who is well versed and thoroughly informed on his subject can give wise advice to the people, many of whom are very genuinely troubled on their particular problems.

It is essential for the progress of your profession that it always be held in the highest repute. It would be wrong to refuse to recognise that, in the eyes of many laymen, this has not always been the case. I would like to suggest that the short term view of profit-making can, at times, have long range repercussions which can be damaging to the real estate agent individually and to the profession as a whole. An estate agent who deals, for instance, unethically in property, purely to take advantage of an opportunity for quick profits, cannot expect people to continue to have a high regard for his vocation.

Do not think that I am indicating that your profession is filled with such people. It is not. It has no more a percentage of unethical people than any other profession. But I think you will all realise that it is the men who break the rules who cause the damage, however few they are. In the past there have been cases where estate agents have become involved in court actions and the misuse of trust funds. This is to be greatly deplored and I am sure the institute is very conscious of the necessity to create a definite division in the public mind between agents of this type and institute members.

I would like to make this suggestion for your consideration, which I believe is finally possible, because I do not believe from my own knowledge that the number of those who fall by the wayside is great. I think your institute, if it has not already done so, might give some consideration to the sponsoring of a guarantee fund for the victims of operators whose principles are not in keeping with the standard of your profession. Very often, as you know, when the offender is brought to book he pays for it, but I am more concerned with his victim who is left lamenting. I would hope that the institute would be able to sponsor some form of guarantee. These people who are injured are those who cannot afford it and so we should see that they are looked after. I only offer this suggestion in a spirit of helpfulness to see what your reaction to it is.

That leads to the question of licensing of real estate agents. I realise your institute is giving constant atten-

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It is with pleasure that the Board of Management announces that
a further Course of Lectures in

REAL ESTATE and VALUATION PRACTICE

will be conducted in conjunction with

THE SYDNEY UNIVERSITY EXTENSION BOARD

commencing on

TUESDAY, 28th February, and WEDNESDAY, 1st March, 1961

in the Institute Rooms, 30A Martin Place, Sydney

Because of the greater demand for training, the Board has decided to increase its facilities by arranging for TWO classes to be conducted weekly from the dates abovementioned, each of two hours' duration, which will terminate in June, whereupon TWO more classes will commence and will terminate in November.

By special arrangement with the Sydney University Extension Board, examinations in Part I of the Course will be held in August for students enrolled in the first two classes, whilst examinations for those enrolled in the July classes will be held as usual during the currency of the general University Examinations in November or December.

Timetable, syllabus and Enrolment Form will be available from the Secretary, Real Estate Institute of New South Wales, 28 Martin Place, Sydney (Phone BW 8625 — Miss Todd) early in January, 1961.

Fees for Part I—£10/10/- payable upon enrolment

Students previously enrolled in Parts I and II and now eligible for enrolment in Parts II and III respectively, will be advised in the very near future of arrangements for their classes.

tion to this problem, and there is very little I can suggest that would not already have been thoroughly discussed and examined. To my mind one of the important points to be considered is the natural consequences of my earlier remarks on education and study, that licences should be granted only to those people who are fully qualified to handle real estate. This would, in my opinion, be most necessary to enhance the professional status of the real estate agent.

In the business life of our community the winds of change are prevailing in the field of real estate, just as much as in other fields of activity. The real estate picture is characterised by constant change, but probably nowadays in Australia more than ever before. It would take a gathering of very wise men, supported by the best experts in the land to analyse accurately what is happening to real estate to-day, and the reason for it. As I am not an expert and have no pretensions, I am not proposing to answer that question, but I hope the Real Estate Institute gives it wide consideration. However, there are certain aspects of the picture in which I have a special interest at the moment in my association with the Commonwealth Savings Bank, which is controlled by the corporation on account of its lending on housing.

Any look at the position of real estate to-day brings to the surface what has been described as the land boom. Whether this is the correct name for it or not I am not going to argue. It is a subject of very great controversy between people who can argue very logically on both sides. It is such a contentious subject that I would hesitate to go deeply into the great majority of these arguments in an expert assembly such as this. However, the subject is such an important one in our community that it is necessary, before discussing the possible effects of the present situation, to see if there has not been in recent times an excessive rise in suburban land prices with a consequential very bad effect on the economy. The starting point of any such examination must necessarily be statistical evidence.

Official government statistics show the basic wage rose by 350 per cent. between 1939 and 1959, in comparison with 511 per cent. for suburban land. It is sometimes said that basic wage rises are not a true guide to the rise in the standard of living and that the average male earning rate should be used. If we use that rate we find, however, the increase is 355 per cent.—little more



MR. WARREN McDONALD

than the basic wage, and a great deal less than suburban land. As a matter of interest, city land has risen by 286 per cent., and the cost of building by about 400 per cent. This latter figure has, of course, risen considerably because of higher standards of finish and provision of amenities.

I am not so very concerned with provision of commercial buildings in big cities. These are erected by developers, men with money and vision and, whatever the rent that may be necessary, in most cases it is a very small percentage of the turnover of business. I believe that the schemes that have been mooted in Sydney are just as good a measure of preventing inflation as buying shares on the Stock Exchange. I do not know whether the financiers take that view or not, but I believe that the commercial buildings that will be erected in the City of Sydney, whether at the Quay end, through the city, or around Central Station, will all be good commercial ventures, given time. The commercial men and financiers can, in the main, I think, be trusted to look after themselves.

These are useful figures because they show that city land, predominantly used for commercial purposes, has had what might be described as a natural rise when viewed in an inflationary context, whereas suburban land has had an excessive rise. The point about all this is that suburban land prices relate directly to housing and the efforts of home-seekers to solve their pressing problem.

These figures cover a period of 20

years, but in regard to homes, suburban buildings, there is another problem. According to official statistics the unimproved capital values in New South Wales, particularly in the Cumberland County Council area, rose by 120 per cent. in the last five years. On the other hand the average male wage earnings rose by less than 30 per cent. Even allowing for the influence of change of land use it seems obvious, then, that over the last five years, suburban land values have risen at a much greater rate than in any similar period since World War II and out of all proportion to the general rise in the price levels of wages and commodities.

As a matter of interest, in the same five-year period building materials rose only 22 per cent. which, on the surface, is actually less than the rise in the average male earnings rate.

We have taken out some statistical examinations in the Commonwealth Savings Bank, mainly because of our interest in home building and home lending. The bank averaged out the land valuation of 50 applications for loans received for each year from 1956 to 1960. Relating the cost of the land to total value of properties we find that, in four years, whereas the value of land in 1956 was one-seventh of the value of the property, in 1960 the land was one-quarter of the value of property. You have, no doubt, discussed the implications of these figures.

Before examining them I might mention that a rise in land values goes hand in hand with a rise in national prosperity of the kind that we are experiencing to-day. If the rise in land values is a normal effect of increasing national prosperity then nobody can have any real quarrel with it. But the statistics show that the rise in suburban land values has been too rapid in recent years. An excessive rise in land values causes financial hardship to the genuine home seeker and, in great particular, to the home seeker in the lower income group.

Apart from the effects on the finances of the individual the problem of rising land values is of concern to lending authorities, because it reduces their capacity to help genuine home seekers. The more the home seeker has to pay for his land the less equity he can provide in the total cost of his home. Consequently the available money can only help fewer and fewer individuals or, alternatively, which we would hope to avoid, the standard of homes tends to fall.

This is regrettable, because in the past

the lending authorities of the kind I have in mind have done a great deal to help home seekers. From the figures I know the Commonwealth Savings Bank alone, since the war, has financed the construction of about 120,000 homes in this country. It is significant, however, that loan applications to the Commonwealth Savings Bank to-day continue to exceed the finance available and that the average customer is still the average working man. There is no doubt that similar circumstances apply with all the other major low rate lending authorities.

I think very much the same problem exists in other capital cities. Home seekers are endeavoring to solve the problem by working harder, longer, working overtime, and in many cases young wives work for some years after marriage in order that, with their husbands, they can pay the necessary deposit to build their homes. I do not think that is necessarily a good thing. We should aim in this country for the breadwinner, the husband, to be in such circumstances that he will be able himself, with the necessary help of his wife, to find the money to make his deposit to build his own home.

When we come to look for the causes of the rising trend in land values we are again bedevilled by arguments and counter arguments. The growth in population and industrialisation in and around the major seaports is undoubtedly the major cause, but it is not always the case. Quite recently I was in Tasmania, where land in a town of very considerable size compared with New South Wales cities, well away from the city, was selling for £1,500 a block. The reason there was industrialisation and the lack of good building land, and that is what you have in Sydney. The growth of population and industrialisation has caused problems in this city and I mentioned this in my official report to the bank only a week ago.

It does seem undeniable that operations of a speculative nature are contributing—people who subdivide and sell, or hold the land against a price rise. I am not criticising the activities of those subdividers who are genuinely developing land for resale, putting down roads and kerbs, clearing land and, in some cases one must admit, installing water supplies, sewerage and the like.

Looking at statistics, when you buy a block of land in subdivided areas to-day, you probably buy with it a lot of the services which some years ago you went without or waited years for the council to put down your road and so

on. But the developers are, in my opinion, doing a good job and it is very pleasing to see the developers are now building homes on the blocks and thereby helping the construction of the homes.

I have not a great deal of time for those people who buy and sell land for quick profits, without any thought of development, because all the evidence points to the probability that their land will rise and so they hold on to it and wait for the profit. Human nature being what it is all of us might be inclined to think this is good business, but it is not helping the community.

There are those buyers who acquire land to hold simply as a hedge against the possibility of a fall in the value of money. In isolation, there may not appear to be anything very reprehensible in these kinds of activities, but they all add to demand for land and tend to stimulate the so-called land boom.

Even if it were considered desirable the imposition of sanctions or controls on individuals in relation to dealings in land would be most unpopular and perhaps unworkable, and certainly undesirable. Stabilisation of the value of money might reduce demand through taking some of the hedgers and the quick profiteers out of the market. Also it might be possible to legislate for minimum deposits for the purchase of land on terms.

Basically, however, the problem of suburban land values should, to my mind, be tackled through the supply side, and in this regard I would like to put forward the following suggestions.

It has frequently been said that the answer to the supply question lies in the hands of the government and the planning authorities, because they do not release quickly enough land that is ripe for residential development but is tied up by zoning regulations. I am not going to debate this question. It could become quite controversial. Enough has been said about it already, and there are very many responsible people who do not agree on the issues involved. My intention is to take a somewhat broader view, I hope, in relation to the Sydney of the future, and to suggest what might be called a long term solution to the land supply problem.

Cumberland County Council estimates that the population of this area increases by about 36,000 people a year. Sydney will be 2,500,000 in 1972, 2,860,000 in 1982. By the year 2000 it could be over 3,500,000. At that stage I don't think I will personally be interested, but a lot of people will be. But the

trend is plain, and it contains within it a warning—that if we don't get busy and put our house in order now our headaches will multiply as each year goes by.

The overall picture shows that Sydney is still one of the most thinly-populated big cities in the world. In its 500 square miles there are 1,863,000-odd inhabitants, compared with 8,000,000 in London's 693 square miles. In Paris there are 5,000,000 people in 185 square miles. It might, therefore, be logical to conclude that the answer to Sydney's land problems will come through higher density housing and prevention of what the town planners call the untidy suburban sprawl.

I have grave reservations about the practicability of preventing the spread of suburban development around Australian cities, because the average Australian—I think perhaps because of climate or perhaps for other reasons—seems to be wedded to the idea of his own cottage on his own plot of land. Whether he liked to garden or mow the lawn or not I do not know, but the average Australian does like his own home and his own bit of land, and I think it is not a bad idea.

And, as a matter of interest, I have seen it reported recently that medical authorities abroad are inclined to blame high density development rather than cigarettes for lung cancer. I do not know whether this will help the tobacco people, but I have read this report from abroad and perhaps we can bring it to their attention.

There will be high density housing near the city centres, because forces are already engaged on this problem in this city. In 1956, the proportion of flats built in proportion to houses was 4.3 per cent., but by 1959 this had risen to 19 per cent. The development of the home unit idea is playing an important part in the housing of people. The home unit builders are riding the crest of the wave at the present time, but I still believe that higher density housing will not solve the problem of the Australian home seeker, particularly those in the lower income bracket.

As I see it, then, we shall in the future have a much bigger area around the city of Sydney developed with the same sort of suburban housing that is at present typical of most of our capital cities. In other words, to accommodate this population of 3,500,000—they have to live somewhere—we shall have to go farther out; and then the question comes, where do we get the land?

Now Sydney is a difficult place for

sell and Harwood. Some of these are still prominently active in the business selling field to this day.

Although the outbreak of war somewhat curtailed its activities, the Association has moved from strength to strength in the post-war years not only numerically, but in reputation, and was instrumental in obtaining official recognition for a scale of commission which was Gazetted in 1945 and has remained unchanged to the present day albeit that on the passing of the New Act in 1957 the scale ceased to be statutory and was adopted as its customary and authorised scale at an Extraordinary General Meeting.

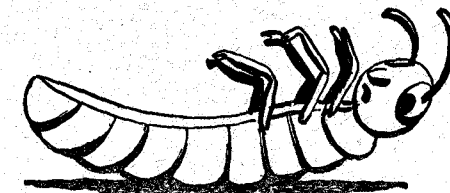
For several years past the Board of Management has adopted the procedure of circularising existing members as to the names of applicants for membership in addition to the normal requirements of references, licences, etc. This and the practise of personally interviewing all applicants to ensure that only agents who were known and prepared to conduct themselves honourably and ethically would be admitted as members. Applicants must also satisfy the Board that they operate from proper business premises and do not regard business and real estate agency only as a part-time occupation.

Applicants are also required to pledge themselves to observe a strict Code of Ethics and the Associations' Commission Scale.

As regards internal affairs the Association endeavours to serve its members by means of a quarterly bulletin and personal advice on problems which may arise from time to time and from ever-increasing publicity for its member. The Association also has a very carefully-prepared contract of sale (available to members only) the current edition of which creates the agent stakeholder as regards deposit eliminating the previous formula of authorising the agent to account for the deposit "forthwith" which was found to operate adversely against a purchaser in certain circumstances and which previous condition has been widely used by non-members for purposes of self advantage to the detriment of the buying and selling public and right-thinking agents, and our vocation generally.

C. A. MURPHY,
President.

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ONCE AGAIN we extend to Members and their Staff, Seasonal Greetings and all Good Wishes. Your continuing support of our expanding organisation is fully appreciated and we trust merited by the faithful application of our policy of "doing a good job at a reasonable price".

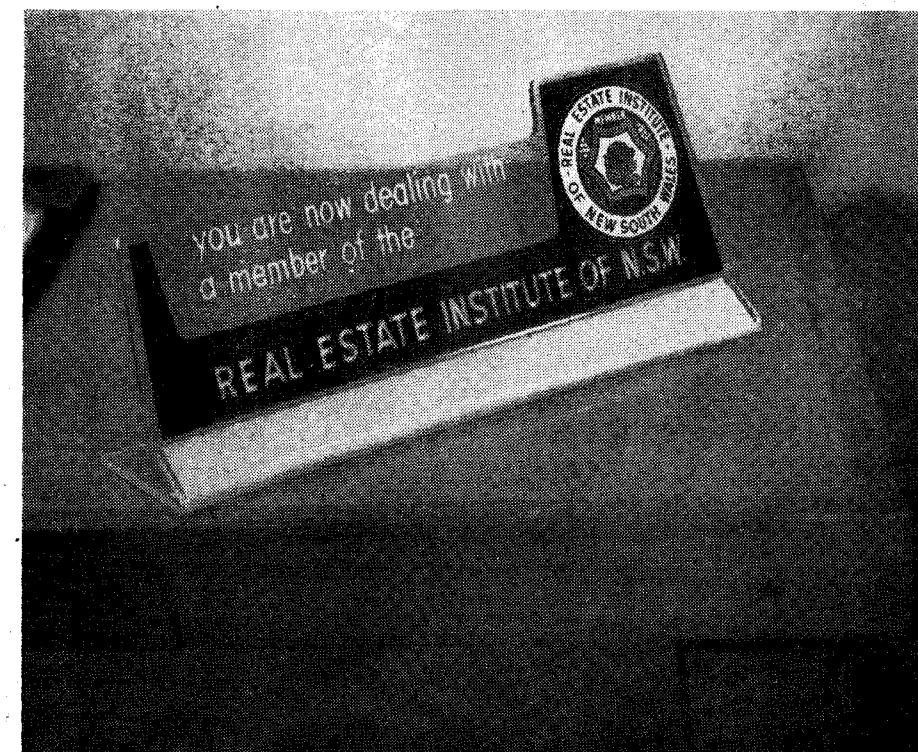
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The Real Estate and Valuation Practice Course

Because of the greater awareness on the part of members of the need for technical training for themselves and their staff, and on the general shortage of trained real estate personnel, the demands upon the Institute's training facilities are increasing annually. In addition, with the added requirement, gazetted to come effective from 1st September last, that applicants for licences under the Auctioneers, Stock, Station, Real Estate and Business Agents' Act are required to have an educational qualification, being a pass either at the examination conducted by the Sydney Technical College or the Sydney University Extension Board following Part I of the Institute Course of lectures in Real Estate and Valuation Practice.

In order to meet the demand this year the Board has decided to conduct a total of four classes in Part I, each of which will be limited to approximately 160 students.

The first of these classes will commence on 28th February and 1st March and two lectures will be delivered each evening so that the duration of the first part of the Course will be halved although the syllabus and number of lectures will remain unaltered.

The Extension Board has arranged to conduct examinations in August as well as November to facilitate the qualification of applicants for licences.

The basis time-table for Parts II and III of the Course will not be altered, although it is possible that some special arrangements may be required if any more than the usual proportion of students seek to pass from Part I to Part II.

Time-tables and enrolment forms will be available from the printer and will be distributed early in January, 1961.

The Business Brokers' Association of N.S.W.

Although it is only in recent years that the general public has become to any extent aware of the existence of the Business Brokers' Association of N.S.W. and has come to respect its member agents to an ever-increasing extent, the origins of the Association go back to

the years before the outbreak of World War II when, in 1934, a group of agents banded themselves together in an effort to eliminate malpractices and gain the respect of the licensing authorities.

The first major step forward occurred in 1937 when, on July 17, the then Governor, Lord Wakehurst, granted the Association a Licence permitting it to apply for incorporation under the 1936 Companies Act, without the addition of the word "Limited" after its name. Three days later, on the 20th July, 1937, the present Association was duly incor-

porated, and on 27th August of that year held its first General Meeting in the hall of the Real Estate Institute.

Those attending this meeting comprised the signatories to the Memorandum and Articles of Association, namely Messrs. P. S. Freer (elected its first president), W. Williams and W. J. S. Walshe (vice-president), J. T. Doule (Treasurer), S. A. Gormley, G. W. Palmer, H. P. Murrell, A. J. Scott, E. Howlett and W. J. Beattie and, amongst other interested agents present, were Messrs. S. E. Turtle, Bell, Mooney, Rus-

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Representatives in Great Britain and United States of America.

the planner, covered in its inner land with ravines and cliffs and rocky shores. But I believe the Real Estate Institute would be doing a real service for the future of Sydney, and for its members, if it were to devise and put its weight behind an acceptable scheme under which the Government could extend, on an economically sound basis, railway electrification through a lot more of the country lying to the west of Sydney.

I have in mind the land, good building land, that lies between Blacktown and Richmond, which is apparently ideal for building blocks and at the same time closer than many of our present residential suburbs to some of the most important industrial centres of New South Wales.

Railway transport is still the most efficient way of moving large bodies of people in a given time. You only have to see the millions that are moved daily in London, New York, Paris, and even Moscow. Even the Muscovites like to move their people quickly. They have possibly the most modern and efficient underground rail service in the world. Incidentally, it was designed and built by British engineers.

I think railway electrification, widely extended to the countryside, would make much more land available. The process of obtaining this land would have to be worked out. I believe the institute could assist the government in obtaining and purchasing land and subdividing it in this area to make land available at reasonable terms to the home builder who is in the lower income bracket.

Our suburban development in these areas would be comparatively close to the city. It would still be much closer to the city than the suburban dweller of outer London or outer New York, and we would spend less time than he does in his train going to his work every day.

The development of more industry in these outlying suburban areas would be a major factor contributing to their attractiveness. People would be able to live closer to their work. Dandenong, in Victoria, is a case in point. Industries are situated in ideal surroundings and people are living within a very short distance of their work.

The problem of housing our growing population of young people becomes more urgent every day, and we would like to see them all have a fair chance to finance their own homes on income that dad brings home or should bring home every Friday night. I would hope that the estate agent may be able to

assist the government to bring about conditions whereby the lower income group of workers can get cheap building land.

However, as well as responsibility, there is the aspect of self-interest to be considered, not necessarily by agents individually, but by the institute and the profession as a whole. Governments, whatever might be their shortcomings or whatever their parties, always tend to think idealistically. I suppose this way they get votes and support. This question of cheap, suitable building land is currently exercising the minds of many people associated with all political parties.

It follows, then, that if some responsible private enterprise body does not find ways and means of bringing about the conditions I have mentioned, it is only to be expected that governments and their instrumentalities will come into the picture. I can think of no better group of people to apply their collective minds to the problems than you people, the realtors, whose experience gives you special knowledge of it. Your activities and livelihoods would be the most directly affected by widespread government control of land values, through, perhaps, use of the powers of taxation and resumption. I would like to see the problem of future development and planning of outer Sydney solved by private enterprise, your Institute, rather than by the government or any other body in power.

Maybe in this address I have concentrated too much on the one problem of suburban land values in the Sydney area. However, it is, to my mind, one of the most pressing problems of the day, demanding the immediate attention of all those who have a responsibility toward our younger people and a wish to help them. Furthermore, it is typical of the land problem in other capitals.

There are more facets I have not found time to touch on, and I regret to say that I have not had time to talk on rural land and its development. In this I have a special interest through the Commonwealth Development Bank, which is different from any other bank because it assists the small man to develop his property so long as he can show that he knows his job, knows what he is doing and will be able to pay back the money loaned.

Reverting to Sydney, there is need, in redeveloping the foreshores, to keep in mind that Sydney is a major port whose facilities must be maintained and improved, and need to recognise that urban decentralisation must go hand in hand

with greater utilisation of our valuable inner city areas.

I do not think that the development of our inner city areas is a problem. You have all heard of the schemes that are mooted. Whether they start this year or next, commerce and industry is capable of looking after that side of it. They will be built, and they will be built in the years to come, according to demand.

Australia is in the midst of its greatest period of expansion, which requires planning and the proper direction of money and effort. Every group has a role to play in this expansion, but none more so and with more telling effect than the real estate agents. It is to you people I think, more than to government and semi-government authorities, that the community looks for guidance, planning and orderly control of real estate development.

I congratulate your institute on having achieved 50 years in this continent. In your future years, the near future years, while you will have many problems to deal with, I think your past experience renders you the most capable to advise the government and authorities.

I think you have to be and should be quite determined to take up this challenge and to see that your advice and the advice of the institute shall never be selfish, but in the interests of the people and the community at large. If you do that I believe you will play a great role in the future development of our country, a role which you are well fitted to play.

MR. LYLE MOORE, a past president of the institute, thanking Mr. McDonald for his address, said:—

Mr. McDonald was born in Tasmania. What an extraordinary island that is! I suppose that if you take it on a square foot or square inch basis, Tasmania turns out more big Australians than any other part of Australia. For instance, Prime Minister Lyons was a big Australian — a Tasmanian. Mr. McDonald is a great Australian, a big man — Tasmanian. I also was born in Tasmania.

Mr. McDonald has thrown us a few challenges in his address and I think it is not inappropriate to say something about it at this moment. He referred to the question of this institute providing funds to meet defalcations by practitioners who have done the wrong thing. Mr. McDonald pointed out that it is not the average member or practitioner who causes this sort of trouble.

It is the odd one, but he makes things difficult.

There was a time when this institute did very seriously think that it should form a fidelity fund of its own to provide protection to the public in relation to any of its members going astray, but nothing came of it. In later years, as you know, when the Council of Auctioneers, Stock and Station, Real Estate and Business Agents of N.S.W. was formed, the Government licensing body, such a fund was created and to-day £10,000 is the guarantee over individual licences, in case anyone should not do the right thing.

Now, this is my own view, no one else's. I have often thought that perhaps that might be wrong. I have believed that the real estate man who builds for himself a well-justified reputation for honest dealing, fair play, complete reliability, is entitled to public support because of those factors. I have also felt that because the public know that anybody who has a licence has a backing of £10,000, it can lead to a little bit of looseness in where business is placed. That may be a thought that might have escaped attention in other places.

Mr. McDonald referred to the high cost of land to-day, and the increase of 120 per cent. in land value in this State during the last relatively few years. This institute and our Federal institute have given great thought to this problem. We have said that the reason people pay high prices for land and build new buildings is that that is relatively the only field in which fairly cheap finance is available.

The policy seems to exist that you must not lend money, in ordinary circumstances, against already built houses. By so doing a vast reservoir is left untapped, the biggest reservoir of the whole lot. We think it would be better for people to buy an already built house at a cheaper rate than to go to the expense of buying a new house all the time. They are just one or two aspects that have caused us concern already.

It is a very great pleasure for us to say to Mr. McDonald, thank you for coming here to-day. I am sure we will all think very seriously on what we have heard to-day during our deliberations at this convention. The fact that we are able to attract such a person of importance in our community as Mr. McDonald is not due so much to the work of our institute board of directors as to those who, over the years, have built an edifice of our institute which to-day

commands the respect and confidence not only of the government and authorities, but the public.

It is very gratifying to see here to-day many of the people who have played such a part in the building of our institute over the past years. I am glad to see, for instance, that our present president's father, Mr. Alwyn Gorman, is here to-day. His family has played a great part over the years in the institute. I am glad to see Brigadier Rabbett, one of the old members of Raine and Horne, who played a part many years ago. I am glad to see my own auctioneer, Mr. McKenzie, whose father was a member of the first Board of the institute.

During the years there has been a continuous stream of service given to the institute by people who have not only dedicated themselves to its work but also had a very clear view of their public responsibility, so that we do command respect. It is a very great thing that we do have an influence on government and banking thinking, that very often banks do come to us for advice and guidance.

I have just had a couple of experiences that indicate that the banks are rather quick to seize on the good guidance given to them by the real estate practitioners. Just before the turn of the century my own company occupied premises in 5 Moore Street. That is where the bank of which Mr. McDonald is president is now in operation, on the corner of Martin Place and Pitt Street. As the years went by my company had to find other premises and was oper-

ating in 15 Martin Place, which recently has been the subject of a takeover by the Commonwealth Bank. The judgment of the real estate practitioner has always been pretty good as to sighting.

I would like to express to Mr. McDonald on behalf of us all our very sincere thanks for coming here to-day, for the address he has given, and to assure him that we are grateful. It is very appropriate that a banker should open this convention, one so closely associated with the development that goes on in our country. Behind all the expansion and progress there must always be the money to pay for it. There must always be the institutions that provide the finance that makes these things possible.

Progress and development are the everyday objectives of each and every one of us in our profession. As the years go by we hope to play an ever increasingly important part in the development of Australia, as technicians in this particular field. The institute does not feel that it should rest upon its oars, that what we have achieved is sufficient. We believe that our members should be assisted to play their part by providing them with the facilities and the technical knowledge to enable them to match, stride by stride, our better organisations, so that we will have a broader basis on which to build our service to the community as time goes by.

So we are delighted that you came to us to-day and set a standard for our discussions on the widest possible basis of our nation's great development.

WEDNESDAY, OCTOBER 19 (Morning) — CHAIRMAN: Mr. S. B. Dawson.
Address: "Local Government Planning", Professor Denis Winston.
Discussion period. Address: "Development and Realisation of Subdivisions", Mr. W. V. Lightfoot.

THE CHAIRMAN, introducing Professor Denis Winston, Professor of Town and Country Planning at Sydney University, said:—

Professor Winston studied architecture at Liverpool University, and planning at Harvard. He came in 1948 from Southampton, England, where he was Borough Architect, to the first Chair of Town and Country Planning in Australia, at Sydney University. His Department is one of the London Town Planning Institute recognised schools

offering courses leading to a Master's degree as well as a diploma.

Professor Winston is town and country planning adviser to the National Capital Development Commission, responsible for the planning and development of Canberra. He is town and country planning adviser to the N.S.W. Department of Local Government, consultant to the Snowy Mountains Hydro Electric Authority, site planner for the Australian National University. He has acted as a United Nations technical

Quick Pictures... Quick Sales

The Polaroid Self-Developing Camera gives sales a lift.

Long used by American Real Estate operators, the Polaroid self-developing camera is now being used with great success by local Real Estate men like Mr. F. R. James, of Sunshine. As the Polaroid Camera delivers photographs in 60 seconds, Mr. James is able to give prospective buyers a photograph of the house or houses they are considering while they are out "looking around". Ideal for them to take home and think about. Sometimes he photographs a block of land and superimposes on it a house which the prospective buyer has admired. This enables the buyers to get an idea of how the house will look in the street. It also gives the buyer and Mr. James something tangible to discuss, and the cost of such service is negligible on an ordinary house sale. The Polaroid Camera itself is not an expensive item, and may be written off in 12 months; yet it will serve you well for 10 years, which is its guarantee period. The Model 800 costs only £83/15/-. The Polaroid Land Camera is a comparatively recent invention, coming onto the market in the United States only some 12 years ago. It was developed by Dr. Land, who also developed Polaroid Lenses, hence its name.

HOW THE POLAROID CAMERA WORKS

The basis of the camera is that it develops and prints its own picture in 60 seconds. Add to this the great advantage of being able to see one picture at a time: no waiting till the whole reel is exposed. Other advantages of the Polaroid Camera are that the print is permanent, almost post-card size (3½ in. x 4½ in.), is glossy and sharp, thus it can be used for newspaper reproduction.

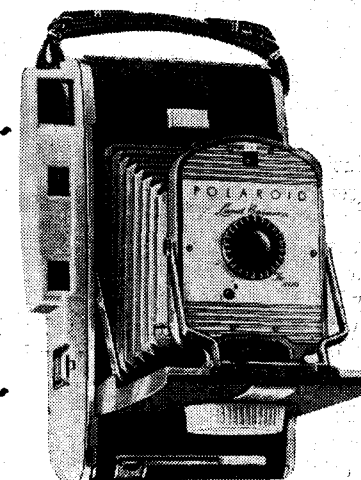
No professional photographic skill is required in operating the Polaroid Camera, it is simplicity itself. There is only one dial to set and the fast film enables photographs to be taken on the dullest days. Many businesses have found that office juniors can easily use the Polaroid Camera.

NEW HIGH SPEED FILM

Many potential buyer would like to see the inside of the house offered for sale, but perhaps have not time to visit actual sites, so why not supply them with interior photographs? With the new 3000 speed film this is possible. Polaroid pictures can actually be taken by match light with this incredibly fast film. Further developments of this idea are photographs of rented premises which can be sent to absentee owners to show them the necessity for certain repairs.

Enquiries from Country clients can also be effectively dealt with by supplying photographs of the type of houses that interest them. A whole wallet of photographs may only cost you up to 25/- to prepare, and this is a very small item on a sale of, say, £8,000 to £10,000. But what is most important, a tangible service such as this often clinches the sale for the one who gives it.

THE POLAROID SELF-DEVELOPING CAMERA



COPY SYSTEM FOR BIGGER OPERATORS

Another type of Polaroid film gives transparencies and, with the aid of a copying machine, many copies can be made and sent to various offices.

INSURANCE AID

Possibly one of the most effective uses of the Polaroid Camera in business is its use in connection with Insurance claims. A photograph of the damaged property supports an insurance claim, and is appreciated by most Insurance Companies.

With the Polaroid Camera such photos are taken with a minimum of fuss and next to no costs are involved.

Further applications of the Polaroid Camera are numerous. In fact just about any section of Real Estate business can be efficiently aided by a Polaroid Camera.

This camera is on sale in all major centres throughout Australia, film is available in every major centre, and accessories such as light meters, flashlights, close-up attachments and filters are readily available. You will want to use your "Business Camera" during the week-ends to get 60 second pictures of your own home and family because it is, without doubt, the real family camera.

Polaroid Land Camera, available from leading photographic dealers, are distributed throughout Australia and New Zealand by Greenson Photographics Pty. Ltd., 110 Little Bourke Street, Melbourne.



THE GOLDEN JUBILEE DINNER of the Real Estate Institute of New South Wales at the Wentworth Hotel, Sydney, on October 20, 1960. Those at the top table are (left to right): Mr. A. D. Clifford, Mr. Max Collard, Mr. G. Morley, Mr. S. B. Dawson, Mr. Justice Elise-Mitchell, the Hon. N. J. Mannix, M.L.A., Minister of Justice, Mr. H. A. Gorman, the Hon. R. R. Downing, M.L.C., Attorney-General, Dr. J. F. N. Murray, Mr. J. J. Watling, Mr. Lyle H. Moore, Mr. R. W. Askin, Mr. D. L. Dalziel.

expert on planning and housing in the Middle East.

Professor Winston has served as Federal President of the Australian Planning Institute and was awarded the institute's Sydney Luker Memorial Medal in 1957. He has contributed a lot to planning schemes in this State, and to the training of planners.

PROFESSOR WINSTON said: If you are a professor in a university you get some very peculiar letters in the mail. One that arrived yesterday had no address and no signature. At first it was a little bewildering because it was chiefly quotations from Isaiah, Proverbs, and Habakuk, whom I had not looked into before, and from the Songs of Solomon. Some of it, perhaps, has some application to this morning:

Some of it I took personally, the first extract, from Habakuk, which says: "Woe to him who buildeth the town with blood, who establishes a city by iniquity". I thought this must be aimed at me, although it is a very tiny city, this place at Jindabyne, his place that we are playing about with now, and it did not seem to be very iniquitous at all.

But then I thought, Oh well, perhaps they know what is going to happen tomorrow morning — because of the second quotation, which is from Proverbs and says: "Speak not to the ears of fools because they will despise the wisdom of thy words". I thought that is perhaps a little hard on you folk here.

But then there is something, I think definitely aimed at me rather than you, or perhaps both of us, something also from Proverbs, which says: "Remove not the old landmark and enter not the field of the fatherless". Then, in case I was not getting the point of these, the fourth has notes to help me. I think this one is particularly for you people rather than me. It says: "Woe unto them that join house to house" (flats and home units) "that lay field to field" (with no public open space).

And then the final one, which I suppose is for all of us: "Woe unto them that decree and righteous decree that they may rob the fatherless". Well, I thought, that may be something to do with Cumberland County Council, the Valuer-General, or perhaps Mr. Hills country town. To put in a proper scheme to keep the river out of the High Street in times of flood would cost more than the annual budget of most of the small country towns of the country-himself. Anyway, that is the sort of correspondence I got yesterday when I

was beginning to think what I might say to you here to-day, and perhaps there is something in that for all of us.

By local government planning I do not know quite what was in your mind when you put this title down for me to think about and talk about. I was not sure whether you were referring to the sort of planning, local government planning, where there have been these take-over bids that are happening to the city of Sydney and the councils of Woollahra and Randwick and Waverley, or do we just mean the suburban planning schemes with which we are all involved one way or another.

In any case, whatever was in your mind, I thought it would be useful to have in mind what are the particular trends of the moment, what are the kind of influences in development and in local government? That is worth while having in our minds when thinking of the direction that things might, or should, or could take. I think you will agree that one of the most obvious



PROFESSOR DENIS WINSTON

trends of our time in almost every field is towards bigger units of operation.

Whether it is famous firms like Hookers and Civil and Civic or famous nations like America and Russia, it seems as if the big possibilities lie more and more with the big institutions. A hundred years ago France, Italy, England, Holland and Spain were powerful countries. To-day Russia, China, and America dominate the world. If you want a Holden car, or a Falcon car, or a hydrogen bomb you can no longer make it in the backyard as you used to be able to make some quite important kind of products. It needs all the resources of a vast organisation to make most of the important things of to-day.

So in development also you do not stand much chance if it is a matter of

three little shops on a triangle of land wedged between a funeral parlour and a panel beater. You have to bring such small parcels of land and such multiple ownership into one parcel before you can resubdivide the area, balance the high cost of the front land with the cheaper cost of the back land, and have enough manoeuvring space, both in land and financially, to allow you to give away enough of the site for the necessary parking to make it a business proposition.

It is rather the same with a small side. They cannot even keep pace with the kerbing and guttering and street lighting and so on, and so business and people move to the bigger centres, and the little place dies on its feet.

That is the pattern, I suggest to you, and it is the pattern all over the world. New York and London, 10,000,000, Tokyo more than that now, and Sydney, Melbourne, Brisbane and Adelaide between them with more than half the population of Australia. There are a few healthy country centres like Wagga and Tamworth, and so on, and then the smaller places getting smaller and less prosperous.

It takes bigger resources to do big jobs to-day than it used to do relatively. The cottage hospital is all right to-day if you have measles, but as soon as you get something serious you want to be in to the big places in Sydney or Melbourne, with the specialist's attention and the expensive equipment. To be able to afford the specialist and the expensive equipment you have to have a big place where the equipment is kept up and shared by numbers of people to make it an economic proposition. The trend, therefore, is in this aspect of things I am talking about, large scale operations and large scale areas of development.

Now a second trend, that I hope you will agree with me is pretty clear, is a trend towards universalisation of ideas, of styles, of fashions, and standardisation of things in general. With worldwide almost instantaneous communications, radio, TV, magazines, films, all these things meant a levelling up, or a levelling down if you like, an ironing out of ideas and customs and a levelling of the market demands, so that Hawaiian shirts and Walt Disney films, and Kodak cameras and Scotch whisky are in demand and are available from Sydney to Siam and from John o'Groats to Japan. These mass markets can only be supplied by mass production. You cannot have your Holden car two inches wider or higher than other Holdens.

One of the reasons for our failure in the housing market is that we have, for all sorts of reasons, partly refused and partly failed, where we have tried, to adopt the only possible methods for rapid, quick and multiple production. The little builder building three cottages and then going bankrupt can no longer contribute really importantly to the provision of the numbers and quantities of houses at the prices that are in demand in our State of exploding population. It is a day of Levitt towns and the big scale enterprise.

In office development we are already adopting the standard bays and the standard floor height and we are buying standard curtain walling for standard frames. But our approach to the housing problem is wrapped in a kind of sticky cocoon of sentiment, as well as a good many kinds of interests that are very hard to break down because they are very old and well established and have long associations.

The aeroplane industry can modify itself and change because it is not in so ancient and historic a groove as the housing industry is.

Now, in a world of increasing standardisation, mechanisation, uniformity, anything individual, unique, hand made, becomes of particular interest and value; it has no significance for people. Similarly, the price of a tailor-made suit, the price and demand for things like oil paintings, the cost of seats for a live theatre show, of a good individual meal in a good restaurant, the newly arisen interest in old stone buildings and old iron work in Sydney.

All these are reflections of a very natural longing for something different from the inevitable mass produced kind of world that we are in and have to learn to live with. In a uniform world there is a longing for something different.

Secondly, in a mechanised environment of concrete and steel and glass and duco, nature, trees, grass, flowers, shrubs, the beaches, all are appreciated in a way that they have never been appreciated before and are more necessary for our ordinary kind of mental health than they have been before.

Following on that line of thought I would draw your attention to the growing importance of amenities in all the broadest aspects of that word. For example, take the case of the shopkeeper. His goods are very much the same as those sold in other shops. Whether it is the Arrow shirt or Kellogg's breakfast food, it is very much like the goods sold in the other shops.

His wages are very much the same, his prices are very much the same. So what can the shopkeeper do to make his shop profitable?

His greatest area for flexibility, in which he can do better than the other man, is giving extra comfort, convenience, charm and pleasantness to the operation of the shop. Therefore the parking facilities, the trees around the front of the shop, the niceness of the shop are becoming much more important business than years ago. Hence, of course, the American shopping centres and all the other developments we know about.

The industrialist is in very much the same case. The price of his raw materials, his union wages, his transport costs, the price that he gets for his goods at the finish — the range, the limit, is very narrow there. His greatest opportunity is in getting better efficiency, better productivity, a low staff turnover, less absenteeism from work. So he has to make his factory a good place to work, a nice place to work, a place where people will choose to come and work rather than go to work for the other man, and will be content to stay and work.

INDUSTRIAL ESTATES

You can see that in every industrial development around the world. That is why in England they call them industrial estates, the new and better estates. In America they call them industrial parks, which is merely evidence of the trend I am talking of.

The most rapidly growing single industry to-day is the tourist industry. With full employment, better pay, longer holidays, better pensions, better education and more knowledge of other places, through films, TV, magazines, and with easy, quicker and relatively cheaper means of travel, more and more people want to go to more and more places and they have a much bigger choice of where to go. Of course, they choose the nice places, the pleasing places, California, Florida and, if we are sensible, Sydney and Perth, Tasmania and Queensland, and all the other grand spots we have in Australia.

So not only for holidays, but for working, for settling, for living, people are making a choice. They are looking more intelligently at the whole set-up. They are saying, "Why should we live here when we can live over there in a much better environment? From all sorts of angles — and these are only three angles that I mentioned —

amenities are big business to-day in a way that they have not been before.

Now this brings me to the local government side of my title, and the trend here is evident. That it will increase is inevitable, and therefore we have to learn to live with it. Look, for example, to the figures of the number of civil servants in Washington at the time of Roosevelt, the man they looked upon as a left wing Socialist, and the number there to-day under Eisenhower, who is a free enterprise type and against building up government. Just see how the government in Washington, where they are trying not to build up Government, has been built up.

In Australia, as you know, we cannot move without government help of one kind or another, whether it is roads and railways, parks, or erection of hospitals or universities. All these and many more things are forming the background, the sinews, the very framework of the economy, the framework within which we must all function. For all these things we are entirely in the hands of government activity of one kind or another.

In fact, our whole so-called free economy is a highly controlled economy, with its wage awards, its subsidies, tariffs, quotas, licences and exchange and banking controls. We have already a controlled economy, but we like to pretend that we have not. So it seems to me, as I sometimes put it, that we are walking backwards into the future, which is not a very wise or safe proceeding.

Physical planning is the thing that concerns us most here. It is the old story. The old days of horses and bullock teams were slow moving and the traffic control was sketchy, but you cannot afford to have sketchy traffic rules with modern traffic moving at to-day's speeds. You certainly cannot afford to do without tight controls at a place like Mascot airport, for example, and life in general is getting much nearer to Mascot airport than it is to the old coaching stations of 100 years ago.

It is the same with any aspect of life. We may all believe that the best government is the least government, but as life gets more complex, more fast moving, as buildings get higher, and traffic thicker, we know perfectly well we have more and more need for building by-laws, parking restrictions, fire restrictions, zoning regulations and all the rest of it.

In your own week-end in the unspoilt bush, if you can find any unspoilt bush, you would not expect to

MR. LITCHFIELD: First of all, you do have in the housing group in the consumer index three separate items: home ownership, to which they allow 6.8 per cent., as with percentage of basic wage; rent of privately-owned houses, 2.3 per cent.; rent of government-owned houses, 2.7 per cent. Meaning that the housing group is a debit of 9.8 per cent. in the consumer index. Food is 32.3 per cent., and miscellaneous, such as TV licences, newspapers, private motoring, etc., is 23.8 per cent.

The other point you mentioned was attracting the investors with only six-and-a-half per cent. or seven per cent. I put that in as a guide. I feel that property could come back into its own and occupy its place in the community. People's minds are being altered to consider it the finest security you could have. In the old days everybody liked to own a little property. Pride in ownership, as well as the security you get from mother earth itself, is something that will appeal to the people.

I know on the property market the investor has had a knock over the past 20 years. Some investments, as you suggest, should have a higher percentage return, and tax deduction is good. I mentioned that land tax should be abolished from rented homes. I think the authorities should abolish special property tax, which one pays on dividends and rent. Your suggestion of a concession linking it to Commonwealth bonds is a very good one and one the government should seriously consider.

If private enterprise could resolve this housing problem it would be far cheaper from the government point of view, and so release public money for schools and roads and other matters needing the money. I hope an appropriate and correct note was made of your remarks and Mr. Dawson's because they are matters which add considerable weight to our case when it is put before the inquiry.

MR. J. R. B. FORSYTH (Willoughby): Assuming the government will not agree to lifting rent control on controlled premises, would you favour an overall increase on 1939 figures, say, 35 per cent. I think you favour bringing the pegged date forward to, say, 1957 V.G. You mentioned this feature would be suitable on pegged premises.

MR. LITCHFIELD: In our own interests and in the public interest we should not think in terms of alternatives. I do not think altering the

pegged date will get you very far. It is just another stop-gap measure, of which we have had many since the National Security Regulations were brought in in 1940.

You will get over the immediate difficulty of the pegged rents by getting a rise in rents, but that pegged rent will eventually be out of date. As regards percentage of increase, that will be anomalous, because rents now out of proportion will still be out of proportion. Getting back to a free market is the only way to increase accommodation.

Certainly your suggestion would improve the lot of the landlords as individuals, but I do not say it will contribute to resolving this problem of rental accommodation. It is clear to me that we must get back to the free market, with proper protection for both landlord and tenant. Let us forget about thinking of these regulations. Do not be like the lady with the corn who kept paring it down. Cut it out. Then we can operate economically on a free market basis.

MR. F. J. FOY (Victoria): The government of your State should be commended on their forward move in having an inquiry into this problem affecting the whole community. In Victoria our own government, some years ago, I think three years, had an inquiry on this subject.

You might be interested to know that my own institute has been working on practically the lines you suggested. In other words, while we control rents it should be possible for the landlord and tenant to agree on a rent, but either party should have recourse to a fair rent court to have rent set, but on current capital value. Since April this year that has been in operation. The landlord and the tenant could agree, but on a special form. Otherwise rent is set by the court on current capital value.

I would like to say emphatically, that since April the operation of the amendment to the Act has worked remarkably well and exceeded the expectations of the most optimistic advocate of that amendment. Some people said there would be drastic repercussions. They have been proved wrong. I repeat that the operation of that amendment has exceeded the expectations of the most optimistic of its advocates, which is important when you are considering amendments in this neighbouring State.

I would also like to offer on behalf of my institute any assistance at all in giving examples of operation of the

amendment in our State, because we want to help our neighbouring State in this forward move. That is what we are here for. We will be only too pleased to do anything we can to help and we wish you every success.

The expectation of applicants for these special forms was great. Therefore the institute immediately had printed 75,000 and, working on a basis of three forms per applicant, 25,000 forms have been prepared. Approximately 15,000 of those were handed out. Quite a number of them were withdrawn. I do not know how many are still in.

They are withdrawn by reason of an agreement being signed, even between lodging and the possible date of the hearing, the reason being that people have signed agreements on reasonable rentals. They are quite content to sign the agreement, as they know the landlord will sign the agreement at a figure less than the court would fix at present-day values.

MR. LITCHFIELD: Thank you. We are very appreciative of your offer of information that will be of great use at the inquiry. We will avail ourselves of your offer.

MR. W. H. WISEMAN (Mosman): Would Mr. Litchfield have any idea of the increase of rents under 5A, as most pegged rents are on an average? Also, have you any idea of the number of 5A restrictions that have gone through?

MR. LITCHFIELD: I am afraid I cannot answer that. I have no statistics on it, but no doubt statistics are available and I think perhaps we could get them for Mr. Wiseman.

CHAIRMAN: I do not know whether we could get the statistics. I understand they are rather hard to get, but no doubt by the time the inquiry comes on more information will be available.

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MR. W. WEIGHT (Dee Why): Dealing at suburban levels for an investor in suburban shops and flats, newly-constructed property, what would you consider to-day to be a reasonable net return for the investor to accept?

MR. LITCHFIELD: The investor to-day is looking for as high as he can get because of the risks involved in putting his money into real estate. Eight per cent. is quite common. In older properties they look for a higher rate, where, in a growing suburb, sometimes they are content with a little less.

Before the war the average real estate investor of a professional nature was happy, after everything had been taken into account on that list I have given you, with five per cent. or six per cent., but to-day they are looking for eight per cent. or ten per cent. In most cases they are looking well into the future and will buy at higher rates in the hope that rents will be lifted and they will get capital gain as well as income gain.

In the suburbs some sold as low as five per cent. In the city some were lower again. There is no general rule. It is all a matter of merit of property and locality and type of investor. If we can get the investor back he will be satisfied with lower returns.

MR. K. B. CHAMBERS (Sydney): What are your views on the circumstances where a person owning a tenanted property wishes to take possession and he or she does not own the property in which they are living?

MR. LITCHFIELD: I think if a man owns a property he should not only own it, but control it. If you own property and have no alternative accommodation, I would say you are just as entitled to get into it as the tenant, who claims to stay there.

CHAIRMAN: Having regard to his statement that he feels that the Landlord and Tenant Act should be completely scrapped, what would Mr. Litchfield consider increases in rent would be if that was the case?

MR. LITCHFIELD: The increases, if my suggestion of new regulations came in, would be six per cent. on present day capital value of the property, plus all the outgoings. Rents would go up, certainly, but that would be worked out on individual properties. They could double in some instances, where they have been held down rigidly. They

could more than double. Some of the rents, you will agree, could stand doubling, and in some shop properties mentioned, could stand trebling. I think if the logical approach is made to amending the Act, rents will level out and become stable at the highest level—higher levels than to-day. Doubling or trebling, in some cases, would not hurt.

MR. S. B. DAWSON (Sydney): The Landlord and Tenant Act is substantially a political matter and we, in advocating its abolition, have a number of things to overcome. Rent control was lifted on all new residential premises in 1954 and all new commercial premises in 1957, so to say that the investor has no incentive to build premises for letting is not strictly correct, because he could get market prices for it. It is happening. We have seen it in land trust and other organisations investing in real estate, and they are getting satisfactory returns on those properties.

But that has produced a good argument for lifting of land sales control, because in most types of investment property in Sydney to-day the ceiling you could obtain for office accommodation in new premises is £2 5s. or £2 10s. a square foot and for new flats in various districts, is so much.

We have fixed the ceiling to which rental could go in any particular district. Now we can go to the government and say, "You know how far the ceiling can go. What are you frightened about? The more you release from fair rent control the greater tendency you must have to lower that ceiling."

Residential flats becoming vacant in 1957 were let out under 5A for 12 months at what we thought was a high price. They have come on the market since and been relet at lower prices than before. We are building up a quantity of evidence to demonstrate to the government what the ceiling is. If we can demonstrate that there is no fear of this ceiling going to unreasonable limits we have a good case to answer. Their argument is that you will have the landlords lifting rents to a level where no one can afford to pay.

We know we will always have the pensioner with us, and the type of person who cannot pay full rent. That is what the Housing Commission and the government are for, to provide for those people. We all pay for that, but there is no reason why the landlord should subsidise the tenant who is capable of paying.

The political angle is not such that

any government will lose votes if the Act were lifted to-morrow, because the swinging vote is very small and it will be unlikely that any party's vote will swing from one to the other. The real problem is that if it happens in one man's electorate he might not get the pre-selection vote again. We must show the government there is no fear of any major boost in rentals. They have a level and a ceiling to which they can go, and in this we might accomplish something.

MR. H. O. GORMAN (Sydney): I was interested in what you said about the new commodity price index in lieu of the C Series. You mentioned that that included rent of private housing and government housing. I think it is worth while to stress that point, because I believe that we have three, or at least two, distinct levels of rent. First, the strongly-controlled rent of premises built in 1939 or before and subject to the full measure of the control. Second, government housing built since the war and prior to the alternative Act relating to new private housing. Third, private housing now free of control, as Mr. Dawson mentioned.

The longer this situation goes on the more odious becomes the comparison. On one side of the street we have the house subject to the full measure of control. Down the end we have the Housing Commission development on level of rent of 1952, and on the other side of the street the brand new development of flats not subject to any control at all. The longer the new development continues so there are more and more people, perhaps, being satisfied. But those unfortunately not satisfied, owners of places built in 1939, are not getting anywhere at all. The whole basis is out of balance.

I doubt whether you will be able to encourage the return of the true investor if you only offer him, under present circumstances, a net return of one per cent. over bank rate. That would pay us six-and-a-half per cent. or seven per cent., whereas in the new constructions it is eight per cent. and more. I am wondering if you will get the impetus that this needs by just suggesting it should be scrapped and get this above bank rate. I would like your views on, perhaps, some tax system on the income earned from private housing by private individuals. I think we could offer some further stimulus, as the government does when wanting to raise Commonwealth loans, by giving rebate of tax.

have to comply with a very rigid building code, but when you come to building the A.M.P. building in Sydney you know perfectly well you have to be very particular what you do; and most of us would want it that way.

I remember when I was in Ireland years ago in a small village I was in the local, and when I had drunk sufficient of the very good local brew I said to the landlord, "Would you mind telling me where the gentlemen's is please?" The landlord said, "Sure, sir. You go through that back door there and when you get out it is anywhere between there and the horizon".

Now, of course, that is a delightful way of life and it is all right when there are about a dozen houses in the village and the next village is about six miles up the road. We know it will not do when you come to the great cities. In fact, of course, the rules and regulations we submit to are the price we pay, the necessary, inevitable price, for all the advantages of civilisation.

Now how does all this directly affect local government planning? What does it all imply? While life becomes in most ways more standardised, more monotonous, more regimented, more mechanised, people are naturally becoming more hungry for the unique, the interesting, the charming, the natural, the beautiful. The people who can provide those things are going to make money out of them.

Economically, people are more able to move, to choose between one thing and another, between one shop and another, one residential area and another, between cities, regions or States; the place where they live, where they work, where they go for a holiday, where they spend their money. That again means that prosperous firms, prosperous shops, prosperous areas, have to be on their toes to provide things that are going to attract people.

Making places nice is pretty simple language, but that is pretty simple good business, too. But places cannot be made nice and kept nice without rules and regulations of all kinds. In the modern world you simply have to have more and more of these for health and safety, as basic requirements; and even more to make your place the attractive place it has to be if it is to be a prosperous place.

There are different levels of government appropriate for different functions. The Federal Government cannot look after kerbs and gutters and the municipal council cannot deal with imports and exports. There is always room

for debate as to where the borderline should be drawn. Some people think, for example, that education should be a local and not a State function, while some say that the Commonwealth should look after the main roads instead of the State.

But, broadly speaking, one could, at a given time, build up an appropriate hierarchy of authorities. One knows that certain jobs cannot be done at a certain level. The big jobs cannot be done at the bottom level, as it were.

Generally speaking, the more you can hand down your powers and responsibilities from the centre to the regions the greater the number of people that have a say, and the nearer you can come to making the decisions in the same place as the actions which follow those decisions—the more you can do that handing out and handing down and delegation of responsibility lower and lower down the line, so the healthier your total democratic set-up will be.

OVERALL SCHEME NEEDED

Now all this means therefore is that, especially in the matter of physical planning of factories and parks, streets, playgrounds, housing areas and shopping centres, that you must have an overall scheme behind their location before you get down to the actual scheme and how you do the individual bits and pieces. It is in the areas of the local government where the things are to be built and they should have the greatest say on these things.

In New South Wales the local authorities are the responsible planning authorities. That is what I am advocating should be the case, but why is it not working out properly at the present time—because it is not working out properly, is it?

At present our planning organisation is unjust to individuals. It is hampering good development and it is ineffective in stopping bad development—and I am speaking advisedly and after a lot of thought. But, as I said, planning is in the hands of local authorities, where I strongly advocate it should be. What is wrong? That is an excellent topic for discussion and I hope we will be able to discuss it, because if this convention could offer some constructive suggestions in this matter it would be doing a very important public service.

But if you think I am getting away from the hard part of the talk, which, of course, I am, I will put out just four suggestions to start you thinking and I hope, later, to start you talking.

First of all I suggest that the system of local government finance, whereby funds have in the main to be extracted from real property owners only, is inadequate for the growing responsibility of local government to-day. More money must be made available. Without it local authorities cannot even pay for the proper calibre assistance, let alone carry out necessary improvements. But I suggest that that money cannot be found merely from the minority who happen to own real property. In other words, it is a matter of tax as well as rents.

Secondly, everyone knows that while individuals suffer because of local government planning and development activities, a lot of people benefit. Parks, sewerage, paved roads, street lighting, bus services, schools, etc., etc., build up the value throughout the whole area. Part of these increased values, that have accrued through public activity should, therefore, be recouped to provide full and prompt compensation for the minority who are genuinely injured through local planning schemes.

Thirdly, I suggest to you that it is not sufficient for the local authority merely to stop developers from doing the wrong thing; they must be in a position to help them do the right thing. One way in which they could often assist is by a greater use of their resumption powers to make available land in the right places, and of the right size and at the right price for development.

Fourthly, and finally, a small suggestion, Mr. Chairman. Perhaps there are too many estate agents on local councils.

THE CHAIRMAN: Thank you very much, Professor Winston. I am sure that what the Professor has said has provoked much thought. The matter is now open for discussion.

MR. K. HURST (Beecroft): Could the Professor give some of the reasons why the standardisation of housing has not succeeded?

PROFESSOR WINSTON: I give two reasons. The first is that, as in so many of the points I have been putting before you to-day, we pretend, or try to pretend, that it is not happening. While we are doing everything to organise standards and unify the standard parts and pieces, because we know that is the only way to build at all, at the same time we are putting on gables and painting green doors on this one and a red door on another and so on, in order to conceal and disguise what we are doing.

In other words we are not being honest. We cannot go the whole hog and say the individual home is a man's castle, etc., and we supply the home to everybody else, and at the same time we are deceitful with everybody and ourselves. We cannot push forward as fast as we should.

Secondly, we have never got on to this job on a big enough scale. If you want to produce a Falcon car you know how many millions you have to spend before you produce the first one. Then, to justify that expense, you have to produce millions and millions of Falcons. Up to now nobody has done this in building.

We have got the confidence in our long-term planning and programming to justify the big sums that must be put into it. We are still in the hands of people who have been building houses since Pharaoh and building cottages for labourers of the Pyramids and are still doing it that way instead of the way General Motors or Ford do it.

MR. R. H. WEBSTER (Canberra) asked how public authorities could be prevented from committing acts of vandalism in the course of their work.

PROFESSOR WINSTON: The only way you could stop anybody, whether a public authority or a private developer, the only way you could stop spoliation, is through the growth of a vigorous public opinion, because the politicians dare not go very far ahead of public opinion.

Each authority, each developer, each man building something, has so many headaches. It is unfair to expect him to go outside his own special field and make it more expensive and then get behind because he is mucking about with trees and such. It is too much to expect people to rise to unless there is public opinion.

It is coming. It is now arising. Fortunately we see letters in the papers about it. Only that high level, active public opinion will make it possible for people doing the big jobs to develop, divert money from their main task, do things they should do.

People ask, "How many houses have you built?" not, "Are they nice houses?" To provide shops and children's centres you have to have opinion, violent if you like, so that, in spite of the frightful housing problem, we can build less houses and save more trees and the like.

MR. W. V. LIGHTFOOT (Sydney): It has been proved that you can mass

produce houses on a relatively small number of plans. For instance, six house plans, used in reverse, with different pitched roofs and aspects, are sufficient to diversify a 100-home estate.

I think the real reason is that there is not sufficient end finance. People can build houses and make them look individual, but they cannot afford to be left with them on their hands. Purchasers will buy if there is finance. Houses have been sold on an estate I know at the rate of 25 a week-end, on long term finance, 30 years, and the repayment is over 30 years, and only £2 deposit is required.

MR. R. J. SHOOBRIDGE (Britain): What does the Professor think of the limits to which the planning authorities could control matters of taste? He did refer to the various coloured front doors, and it is easy to visualise a row of attractive houses in which most of the occupiers exercise individual taste. They have different coloured front doors. But, say, one man wants purple with yellow stripes.

PROFESSOR WINSTON: The essence of the question is how far can local government go in controlling or guiding taste. It cannot go very far for two reasons.

Firstly, because we are in that kind of transition period in which people do not agree as a community on matters of taste, on what is good or bad. That is not normal. In great periods of the world — Gothic, Greek, Roman, etc. — people in general who read or thought at all agreed in principle on the way to do things. That is why we have such wonderful squares as in Bath, although they were built by ordinary people, no different from us in that respect. They built so well because there was an over-riding agreement as to what they should look like. In this changing period to-day we have not got that. You cannot push very far ahead when the community disagrees.

Secondly, it would be dishonest to say that most of our authorities have the knowledge or technical ability to give leadership which would be accepted. First of all build up a knowledgeable public opinion and build up stronger and better calibre leadership of the authority, so that when a lead is given people will be inclined to accept it.

MR. F. P. WEAVER (Roseville): We have relatively few examples of project building in Sydney. On the North Shore we have a very successful one

employing no more than eight or nine plans for roughly 800 or 900. We have been told that these houses are worth £5,000 or more. Where does the overall town planning authority come into the picture, or does it?

PROFESSOR WINSTON: I am not familiar with the example you mention, but, in general, the planning authority must come in on project building in a very big way, because the bigger the population assembled in one place the more will be the demand for the kind of house assembled there. The more will be the demand for services, which are going to be a burden on the taxpayer and which have to be provided to make that community suitable for living, such as schools, playgrounds, telephones, postal services, sewerage, transport arrangements and innumerable other things that come from the public purse.

Therefore the demands give the planning authority the right to say, before the project gets down to detail, "Could we provide the water and electricity and transport services, etc?" It must be able to say, "Can this place be serviced at a reasonably economic price?" suppose we had an effective green belt and there were wide areas of countryside, and suppose a proposal came for a very extensive project in the heart of this country. Quite apart from the cultural or aesthetic viewpoint, it might be necessary to say, "To get the necessary postal services, water, etc., that far out is too much of a burden. We will not allow it." This is going on in England in new estates.

Can they be serviced economically? I think I have said enough about postal services. You must have schools convenient to shopping centres, with sufficient car parking facilities to make them satisfactory. They have to be sufficiently close to the working places of these people. If this was a unified, consolidated area on the periphery of the city and the workplaces of its people were in the factories and offices of the city, think of the load it would bring to your transport services.

All these things should be considered, and that is why the planning authorities, from top level to local level, must come strongly into the picture.

MR. R. W. PATON (Sydney): Does the Professor suggest an additional tax for local government purposes? Does he suggest that shopkeepers, tenants, hotel licensees, flat dwellers and multiple tenants in flat buildings should be forced

the rent without anybody's consent, and the tenant could go to the court to have it determined if he thought the landlord was too harsh.

But what did we find in those days. You would increase the rent five shillings or ten shillings and the tenants would say they would not pay that, but if you renovated the kitchen or the bathroom they would pay you the five shillings.

Sometimes a tenant would go to the fair rent court as soon as he got the notice. I remember I was a young lad clerking in our Petersham office. We would get a tenant making an application to the fair rent court and the manager would send me down. I would say we would fix up some sort of a compromise, by not increasing the rent so much, or by doing some repair, and the tenant would agree to withdraw the notice.

OPEN TO NEGOTIATION

That system worked very well then and it would work just as well to-day. It would not have worked in wartime, I admit, but they were special circumstances. That would restore, then, to tenants the right to go to the fair rent court if they felt they were being harshly treated, but it would not prevent negotiations or a settlement between tenant and landlord and it would get rid of that cold war that I told you was developing.

What should the determination take into account if it goes to the court?

(a) A net return to the landlord, I would suggest, as a debating point, of one per cent. above long term government bond rates, based on the current fair market value of the property at the date of the application — not some pegged date, where you have to get a retroactive valuation, where you have to guess or might not be able to be proved.

(b) Rates paid to municipal and other public authority bodies.

(c) Proportion of land tax paid by the owner. Not treating it as it is to-day, as a single holding, but a proportion, because we want to get the big investor back into the market. Or, better still, abolish land tax altogether from property that is built on and let out for renting purposes.

The land tax was originally brought in to break up big estates, but it now applies to land, even if it is only 20 feet frontage, which could not possibly be re-subdivided if it is of certain value. So allow the proportion of land tax paid by the owner, or abolish it.

(d) Allowance for repairs and maintenance.

(e) Allowance for management.

(f) Allowance for loss of rent and vacancies, based on circumstances according to the state of the market.

(g) Insurances paid — fire, public risk, plate glass and workers' compensation.

(h) Depreciation and obsolescence on buildings and fitments.

That would be a pretty broad outline of the new legislation. In addition a new code for obtaining possession of tenanted property, with a not too literal interpretation of the provisions of alternate accommodation, is badly needed.

We know the ridiculous lengths to which this alternative accommodation is being taken. If the tenant does not want to leave he can bring up the point that it is not exactly the same size in square feet, that the rooms are not exactly the same size. I say that is carrying it a bit too far. It may be necessary for the time being to allow for alternative accommodation being provided, but I say it should not be too literally interpreted.

EVIDENCE FOR INQUIRY

I hope I have opened the discussion sufficiently to give a lead to members to debate this problem and so crystallise some of the evidence which may be placed before the forthcoming inquiry into the Landlord and Tenant Act.

I congratulate the Institute on setting aside £1,500 to see that the case of members and the public is presented properly in this inquiry, and I am very happy to be able to give a lead in some small measure this afternoon to the thinking.

There is more in this problem than the mere rights of the landlord or tenant. The social and economic repercussions likely from a wrong solution are inestimable.

Three points must be kept in the forefront of our thinking: Harmony in family life, based on the home, means harmony in the nation. If you strangled the traditional investor you would stimulate inflation. If you killed the developer you would irreparably damage the building trade, which could lead to wrecking the economy.

THE CHAIRMAN: I am sure you will all join me in thanking Mr. Litchfield for his fine contribution to our convention. He opened up a considerable amount of new ground and, this

inquiry on the Landlord and Tenant Act will be taking place very shortly. It might be interesting if you will state whether you agree or disagree with some of the ideas put forward by Mr. Litchfield, and you might like to ask him some question, or put forward some ideas.

MR. P. J. MANSELL (Visitor): Mr. Litchfield mentioned certain commodities taken into account when arriving at the C Series Index, but I now understand there is another Series Index, which takes into account commodities other than those you mention.

Would you give your view with regard to shop property and the Landlord and Tenant Act where shops are not bracketed with dwellings?

MR. LITCHFIELD: The first question is very pertinent. Those of you who have studied these things realise that they have found the C Series is not quite suitable to present day conditions, and it is a sign of the times when you find you have to alter that index. They have now produced what they call the Consumer Price Index. That contains quite a number of very interesting items which were not included in the C Series Index.

I mentioned that the list of items has been extended to include home ownership, price of new houses, rates and taxes payable to local authorities, including water and sewerage, and repairs and maintenance to houses. The previous series only included rental of privately-owned houses. Now we have rental of privately-owned houses and government-owned houses, weekly payments for houses loaned by State Government authorities, washing machines, TV sets, radios, private motoring and beer and other additional items, such as household supplies and equipment.

In reply to your second question — rentals of shops where no dwelling is attached. I think that should be amended, and the sooner the better. These prices are pegged, the same as in other shops, on the economics of the suburb, which have been pegged back to 1939. The suburbs have expanded and business has expanded, and I think the shopkeeper comes in with those people who I mentioned were willing to pay more rent. But, though willing, they cannot offer, nor can the landlord accept, an increase. It is a great thing for the shopkeeper to make hay while the sun shines, because he gets great capital increase in his business at the landlord's expense.

lieve the accommodation problem.

These men have imagination, foresight, ideas and courage, but above all—and, mark you, this is what makes them what they are—they co-ordinate their ideas with acts and produce results, and that is what we want. Therefore we should praise and support these men as modern pioneers in land development and utilisation and thank Heaven that we have men of this calibre operating in the community.

To the critics of these men and to the snipers joining them I say they will eat their words; that, in years to come, when all the development now planned for our major cities is completed, they will proudly say, as St. Paul of old said of his beloved Rome, "I am a citizen of no mean city". That is what we will all be saying when these developers have completed their task, and it will not be long.

Will the proposed government corporation to buy and subdivide land help the housing problem?

Because the government has contributed in such a magnificent way to relieving, in a limited way, the problem of tenanted accommodation through the Housing Commission, it does not necessarily follow that a venture into land subdivision and realisation will reduce the price of land or increase rented accommodation.

RISKS DEVELOPER TAKES

What I am certain it will do, is educate the government to the practical problems of the purchase of land for subdivision and disposal and make them realise the risks and responsibilities the developer takes.

The resumption may not be as easy as they think. They will create friction in the community between landowners and the resuming authorities, involve both parties in costly legal processes. Many knotty legal points will be raised and have to be settled, which, if settled against the government, will not make the land cheap. You know that the Commonwealth must resume on just terms because that is written into the Constitution. It is claimed the State can resume at any price and on any terms, as the State has not a written Constitution.

Be that as it may, someone may challenge that claim in the courts. The result may be similar to that during the land sales control, of *Thistlethwayte v. Kuringai Shire Council*, where the Privy Council held that the principle of an allowance for retention value for

a property resumed under land sales control applied to a State resumption as well as a Commonwealth one. The decision went against the State and it cost 40 per cent. more for that land than they bargained for. So problems like that will crop up, causing delays, and may make the land not as cheap as they think.

The public authorities should keep out of land speculation and confine themselves to what is being done now, that is releasing Crown land for home building, but in larger parcels. They should use their powers to break up landlocked areas, as Ryde Council is doing, buying up backyards with big depths, roading them and releasing them, as Manly Council has done at Clontarf. They ran a street through some of these properties with 1,000 ft. depths and made areas available for building. Many other councils are doing the same, and they are confining themselves to doing those things. Otherwise we will have political and social turmoil without any compensation benefit.

NEED TO BE DRASTIC

What, then, can be done in a practical way to resolve this problem? I have pointed out some of the difficulties, what not to do, to get the builder and investor back into the real estate market again. Well, how do we do it?

I think we have to be pretty drastic about this, not like the old lady who was continually going to see the doctor to have her corn treated. Finally she asked the doctor could he not do something to prevent her continually having the corn shaved and pared down, and when the doctor said he could cut the corn out she exclaimed, "What, cut out the corn I have had for 20 years. Not on your life, doctor!" That is some people's attitude to the legislation, to cutting out the legislation we have had for 20 years. They say, "No, do not touch it."

We must do as the developer does when a building has fulfilled its purpose and outlived its usefulness. He does not patch it up continually, but pulls it down and re-erects an edifice to fit the present day and generation. That is what we have to do with our legislation. Therefore I say scrap the present rent control regulation, which was introduced as a wartime measure and has now outlived its purpose and usefulness and is not adaptable to today's conditions, and introduce a new Act to meet the present day needs and circumstances.

The principles of this new registration should be:—

1. That landlords and tenants be at liberty freely to negotiate the rent of the property without regard to a pegged date. This pegged date is a very vexatious thing and as time goes on these pegged dates are getting to be more and more of a problem. You who have to do retroactive valuations know the pitfalls and anomalies that can arise.

Take 1939 pegged rates. Some of the valuers, magistrates, advocates, were at school at that time and now are expected to interpret the conditions of those days. Soon we will have people who were not born in that day determining those things.

Those of you who were in business in 1939 will remember that before that, during the depression, we had a Rent Reduction Act, where all rents were reduced by 22½ per cent., or 4s. 6d. in the pound. When the depression lifted the Rent Reduction Act was abolished. Landlords were at liberty to put their rents up. But you who were in business then will remember that many landlords said, "Well, he has been a decent tenant, he has not worried me much, he has looked after the property. I will not disturb him, but if he goes out I will put the rent up."

That went on until 1939. Then we had pegged rents under the wartime regulations, which means, in many instances, that rents were not pegged at 1939, but at 1932. So a valuer to-day, in looking for comparable rents in 1939, has to make investigations to make sure that that rent was a genuine 1939, and not a reduced rent on the 1932 level.

ON WRONG FOUNDATION

We know that now, but the time will come when the valuer will not know that and will not be able to check, anyway, what the position was. So pegged rents can be on entirely wrong foundations. That is why I say that landlords and tenants should be at liberty freely to negotiate rent of the property without regard to a pegged date.

2. That existing rent can be increased without permission first being obtained from any authority. Very drastic, I know.

3. That should a landlord or tenant fail to agree, or the tenant claim to be harshly treated, then either party may apply to a fair rent court to have the rent determined.

The old 1915 act, which operated up to about 1938, enabled you to increase

to contribute something in tax rating to assist local authorities to get the finance they need?

PROFESSOR WINSTON: Frankly, I am a little out of my depth here. It is not my subject. The only point I was making was that the burden of all the jobs having to be done is put on the local authorities. We are putting more, not less, on them, and the financial burden cannot be borne by ratepayers only, who are becoming a minority group in the community.

Wherever you look, whether in England or America, people are looking for ways and means by which the local authority can get a bigger share of the total tax of the whole community. In America even the small places put a local tax on certain items. In England there are more and more hand-outs from the central bulk grants to local government, and that causes more and more taking back to the centre of responsibilities. We are not reducing the responsibility or authority of local authorities.

I think tax money should be diverted to local authorities. I do not think rating, when people have property that is not real property, is fair. A man is not rich because he has a block of ground somewhere. Pretty well off residents who happened to be in the area and paying rent are a good target.

MR. D. THORNE (Sydney): It is not a fact that local government planning is rather in disrepute because of the aldermen who are responsible for marshalling of ideas and gathering together of basic materials? Has the Professor any ideas on increasing information to decrease the deficiency?

PROFESSOR WINSTON: I am sure that there are so many aldermen present that I would not dare to put that idea forward. This is very largely a matter of this public opinion I have been talking about. I do not think many people know the amount of sheer hard work and the hours spent by councillors and aldermen on their jobs in Australia. It is grinding and they get no thanks, and we all tend to say "Aldermen are so-and-so's." I think that is part of what is wrong.

We have to learn to build up the aldermen, the councillors and the councils, if we are going to get men of the calibre you are talking about. So, if you want them you have to give them honour. You cannot have it both ways. You cannot say these aldermen and councillors are less than the dust and

expect, at the same time, to get the best men in the community to come forward and work until midnight.

The beginning of it is public opinion, and the building up rather than dragging down of the local authority is a very essential part of our system of local government. We are in their hands unless we have a corporate state, which is a jolly sight worse. Therefore we have to live with them, build them up, and they have to have the kind of money I am talking about, so that they can at least pay for the people they need on their staffs.

MR. A. GRAY (Maroubra): Is it not a fact that to put teeth into local government planning it is necessary to have a betterment tax, particularly relating to specific benefit gained, such as water reticulation, sewerage reticulation, etc.? How far has betterment tax been taken overseas? How far have they progressed? Did the New South Wales Government relate it to the County of Cumberland planning scheme? If not, why not? Is it too late to apply it now to a state in the embryo stage?

PROFESSOR WINSTON: This matter of betterment tax, as many of you know, is one of the most difficult and thorny in planning. In England the Uthwatt Royal Commission wrote a very complex report on this subject. In England they swallowed the report and it was taken so far that all development value of land, all increasing value of land in development, was recouped back to the State. No increasing value of the land came to the owner except for the improvements he put on it.

It failed because it seemed to most people that the whole 100 per cent. increase should not be taken back, and no development was possible. The mere work entailed in subdividing and so providing no return, and the paper work, got them down. It was so involved and so weighty that it gummed up the works. It broke down on two points. The man in the street thought it was unfair, and the machinery was too clumsy.

I see Mr. Fraser sitting there. I think there is still a provision that betterment can be got. Perhaps he can tell you. The local and planning authorities may still try to extract betterment.

Before England admitted this 100 per cent. turnback there were only two cases in 100 years in which they were successful in extracting betterment. A man can usually show clearly that he

has been injured. It is a clear case where a road cuts across the corner of his garden and the noise of the traffic is heard in his living room. But any benefit you get from a park a quarter of a mile down the street is something you cannot pin down to the individual.

Even more, if you had thick streams of smoke and dirt in the air and suddenly, through strict planning provisions and operations, and by going to the surgent industries and saying, "Stop, or we will go to court," you did clean the air, making it healthy, improving the washing and gardens, how difficult it would be to say to a man, "You have benefited £100 this year through clean air." That is the problem connected with extracting betterment.

The answer is: I have been tried but never been very successful. It is possible to operate it in New South Wales at present, but, in the light of overseas experience, we must think of another tack, an entirely different way of doing the same job.

MR. R. R. KING (Beecroft): At what rate are professional town planners being turned out? Can we expect to see a significant rise in future of town planning at officer level as distinct from town planners or aldermen?

PROFESSOR WINSTON: You are not going to get many more so long as they do not get more for their extra qualifications. At present, in this very fortunate and happy state we have in Australia, if you are qualified in medicine, engineering, surveying, etc., you stand a very good chance of making a good living.

If, out of your enthusiasm — say you are an engineer — you say, "I will spend another three years in getting my Master's degree in town planning," you get very little increase for that. But you will lose out, because if you had tended your guns in your own business as an engineer you could have gone a lot further in that business.

It has to be recognised by the authorities, from local government down to councils and up to Federal Government level, that if a man has a basic degree in engineering and goes on and gets a degree in planning he should get more money. Then we will get more men in the job.

MR. R. D. L. FRASER: The Professor did not touch on the question of why betterment was not included in the Cumberland scheme. It might be inter-

esting to know that in 1948 the County Council did think of taking betterment into the Cumberland scheme, and it was widely talked about at the time.

The County Council, when its plan was put on exhibition, took the trouble to ask all the organisations interested to come along, and it was opened nightly. None of these people came, or very few. The hall was empty night after night. But on the night the Real Estate Institute was invited it was packed, and a very strong recommendation was made to drop this idea of betterment immediately. The Cumberland Council was guided by this.

MR. J. S. SCOTT (Hurstville): With regard to high density housing and planning, and also as a comparison against low density housing, and with this new move to get strata titles, is there any move, say, by the Housing Commission, to develop projects on the basis of strata titles being given to people, the same way as to detached cottages? Could it be feasible that finance be left to our field, perhaps profit development, as against all the banking money going to the Housing Commission?

PROFESSOR WINSTON: As to whether the Housing Commission are thinking of giving strata titles I would say the answer is no, as, in their flat development, they concentrate on income groups which could hardly be expected to be in home units, because I do not think it is in their minds. Secondly, all counties and cities are having a business with regard to proper title for home units. I do not know whether this Institute is working on it.

Is this title for home units on the way, or is it agreed that it is a valued thing? I think it is well on the way, and it will come very quickly. I should imagine the Housing Commission would be the last people to be interested because of the terms of their rentals, because it is the cheapest accommodation to be provided.

MR. SCOTT: Mainly on the north side our development schemes are going on at the moment. I would like to get your feelings and thoughts as a town planner regarding high density schemes and outlying low density projects.

PROFESSOR WINSTON: I do not think it is ever the case of high rise, or low density, or medium density. I think we shall want all of those things. the maximum, all we can get of high density and medium density and the

highest you can get without lifts and within the high density living area. There are plenty of groups in the community who would be very glad of any of these. Each of them serves a very valuable service. As you come nearer to the centre of the city you build up your higher density.

I do not think this is quite the whole story, for two reasons. First, where you have a high density development of any kind and size you have a lot of people, and a lot of people in any kind of housing want space for tennis courts, primary schools, trees and parks. In fact, the tighter you pack them in those flats — and the parks are their only gardens — the more they want to walk in the park.

From one point of view your density should not vary very much as, given so many thousand people, you would want so many thousand acres for shops, parks and the like. I think you should not be so strong on this idea that nearer the centre you pack them tighter, because you still have to provide convenient space for people on the ground for parking, etc.

Secondly, it seems to me there is no particular logic in thinking that, as you live near the centre, you live in a home unit or flat, or that if you live at, say, Hurstville or Double Bay, it is not logical to do that. Each of the districts in our main district centres, such as Hurstville, can quite properly have a community of home unit dwellings associated with that centre.

In one centre it would be more logical to put a high rise on the edge, rather than in the main centre, because we can supply the open space that should go with it. Whether you put them in a vertical strip or a horizontal strip they still need space for schools, a walk in the park, etc. In a flat you need more space than in a house with your own garden.

MR. F. P. WEAVER (Roseville): What would be the appropriate amount of responsibility for individual local government councils in view of the ideas given us about development? That is, how far should each individual council have the power to restrict development of any kind or encourage development of another? Look at the municipality of Woollahra, then Waverley. In Woollahra allotments of subdivisions had to be fairly large, whereas in Waverley they were quite small, as you will see in public buildings.

PROFESSOR WINSTON: I think local councils should have maximum

power to do what they like. In practice that cannot be. They will not have, and never have had. And there is always this problem of where to draw the line.

If the local council go into something the Health Department may say, "It is unhealthy. We have medical officers qualified to tell us, and they say it is unhealthy." And local government say that public opinion will stop that development.

In other words, if a local council suggests a form of development which puts an impossible load on services, such as the sewerage scheme, perhaps, which would be an intolerably uneconomic burden, then someone has to say, "We cannot afford it. It is the taxpayers' money and we cannot hand it out to you at the rate of three times more than we give to others".

Economy is always a limit on local government. But, subject to that, if they have good technical staff and they listen to them before making up their minds on buildings, they should have the maximum power possible. That is the virtue of this whole government system, that you can bash the ear of your alderman, wherein there are all sorts of benefits.

It would be difficult to see Mr. Menzies, but it is easy to see your local man. If enough people express the view that, in spite of high rise apartments, they would like their area to remain low density, I hope that they can achieve that.

THE CHAIRMAN, introducing Mr. W. V. Lightfoot, said:—

He was educated at Sydney Church of England Grammar School, joined L. J. Hooker Ltd. in 1936, and became manager of the Kensington office, later Randwick and Kings Cross manager and a director of the company. In 1942 he enlisted with the R.A.A.F. as a trainee telegraphist and in 1945 was discharged with the rank of Flying Officer.

In 1948-58 he was sales director of L. J. Hooker Ltd. and became a Fellow of the Real Estate Institute of Australia. He was also appointed an executive director of Hooker Rex Pty. Ltd., and in 1959, general manager of Hooker Rex Pty. Ltd.

We have had the benefit of his advice and addresses to the institute from time to time.

MR. LIGHTFOOT: Not long ago Professor Sir Douglas Copeland, when speaking of this country's future, said: "Australia faces its more glorious de-

The Landlord and Tenant Act is, no doubt, giving the government as well as industry, grave concern.

The government, being the biggest employer of labour, must naturally have its eye on its wage structure, but to use rent control for the sole purpose of keeping the basic wage from rising is to ask the landlord to subsidise industry generally, whether private or government industry.

It is not unusual, in the interests of the community, to subsidise a particular industry, as in the case of the dairy industry, sugar industry and wheat industry. But this is not left to a section of the community. It is subsidised by the Treasury, which means the taxpayer, or by a fixed price on the commodity, which means the consumer, or by both. Why, therefore, should one section of the community — the landlord — be penalised to keep prices down?

The imbalance in property holding is having an effect on the basic wage already. Now that two-thirds of the homes are owner-occupied or being purchased on terms, as against one-third owned for renting, the new Consumer Price Index, which is to replace the C Series Index, had the list of items expanded to include among this, other things:—

"Home ownership — price of new homes; rates and charges to local government authorities (including water and sewerage charges) and repairs and maintenance of houses."

It is worthy of note that, with one exception, in those State which have abolished rent control their basic wage is not as high as that of New South Wales, a State which has retained rent control.

SUPPLY AND DEMAND LAW

The accommodation problem is governed by the law of supply and demand, the same as any other commodity on the market is subject to that law. To attempt to overcome a shortage of accommodation by reducing the demand for housing is putting the cart before the horse and will only aggravate the problem by causing further overcrowding, stimulate rack renting and create a black market in rented property.

This expedient of trying to reduce demand was attempted during the war through Land Sales Control, and you older members well remember what happened to the property market in those days. The only way to obtain more and cheaper accommodation is to increase the supply.

Our economists are continually telling us that the cause of high prices and inflation is that too many people are chasing too few commodities and services. The only way to rectify the position, they say, is to increase production so that the supply of goods will equal the demand. Well, that applies to housing as well as to anything else. And how is this to be done with housing? you may ask.

First of all the attitude of some people will have to change to two classes of men who will operate on the property market, one of which is rapidly disappearing from the scene altogether. He is being driven out. I refer of course to the investor and the developer, or, as he is sometimes wrongly branded, the speculator.

INVESTOR DRIVEN OUT

I made reference earlier to the imbalance in property ownership and mentioned that only one-third of the homes in the State are available for renting. One reason for this is that the traditional investor in real estate for letting has been driven out of the market by rent control regulations. There is no doubt about that. You gentlemen who have to sell these terraced houses and flats know that people are not willing to put their money into these things, or build flats or build terraces or cottages or semis for letting while rent controls are in their present form. As a result of this, people, to obtain a roof over their heads, have been forced to buy, even when it is inconvenient financially, or for reasons of type of employment.

Owners find it more profitable to sell their property when it becomes vacant or even before it is vacant, to a tenant occupier and to invest the proceeds elsewhere.

Profit taking, or capital gain, has supplanted income return on the property market. That is going on all the time and adding to this very inflation that we are being appealed to to try to stop. Where the individual with a little capital saved before the war would buy a single cottage or pair of semis for his retirement, and where the professional investor would invest his thousands in terraces, or flats, or convert large buildings for renting for the sole purpose of a steady income, we now find that each type is investing elsewhere or has turned to the fetish for capital gain.

So I say, categorically, we must try to bring the traditional investor back

into the property market by lifting the restrictions and encumbrances on property as an investment for income purposes.

There are very few tenants who do not believe the owner is entitled to a reasonable return on his outlay. We have all had the experience of a tenant asking for improvements and offering to pay more rent. Many are prepared to pay more but are prevented by the regulations from offering it, and landlords are prevented by the same regulations from accepting it.

Well that is the case for the investor and I think it is essential we bring him back into the market if we are going to resolve this problem of rental accommodation.

Now I come to the speculator. When I speak of the speculator I do not mean that person who is trying to corner the market, whether it be the stock market, the land market, jute market, or any other market. I mean the Dusseldorfs, the Hookers, the Clementsons and the dozens of other large and small men who are really developing our cities.

What is a speculator? The derivation of the word gives us the answer. It comes from the Latin "speculari," — to spy out or observe. So he is a man who spies out a site or observes that a site has some latent or greater use to which it is not now put, purchases it, develops and perhaps resells. Often he gives the person who owns it a very good price for land which the owner himself cannot develop. Because he foresees these things he is attacked as a speculator and spoken of as almost an unwanted man.

ESSENTIAL TO ECONOMY

These men should not be condemned, but encouraged with their spying out and observing. Every market has its speculators, who very often make or support the market, whether it be the share, commodity or property market. They are essential to a stable economy, because not only of the support they give a market, but because of the lead they can often give by their action and foresight and experience. If there is too much profit taking it is due in most cases to other causes than the operation of the speculator.

Remember the developer to-day is taking tremendous risks for very high stakes. He carries huge responsibilities and is, as far as real estate is concerned, helping to increase the supply of homes, offices, shops, hotels and all kinds of commercial buildings needed to re-

In this country we did not suffer any physical damage of any consequence as a result of the war. We have nevertheless a very acute housing shortage and a dearth of office and factory space due to the vigorous post-war immigration policy, the natural increase of population and the expansion of our secondary industries, with the result of growth of our big industrial cities.

Coupled with these is the practical cessation of home building during the war and—now we are getting to the meat of the subject—the wartime control of rents allowed to continue into the peacetime economy. Nearly every country, in the world, whether belligerent or neutral, had rent control and building restrictions, and is now faced with a similar accommodation problem—and, of course, will have to find its own solution. The problem can, I feel, be divided into three categories: social, economic, and political, and I shall deal with each separately.

THE FAMILY AND HOME

The fundamental principle of the British way of life is the family and the home. If there is not harmony in the home, there is not harmony in the nation, the nation suffers in having unhappy citizens, inefficiency in their work, and a lack of desire to take a national interest in the welfare of the country. Harmony in the home, we all realise, is essential to a healthy, vigorous nation.

Unfortunately there is overwhelming evidence of the social ills arising out of our accommodation problem. The overcrowding in houses where two and three families are living together, sometimes more, causes all sorts of friction. In-law troubles, children being neglected and not trained in the ordinary decencies of life, let alone the social graces that are required in a civilised world, with a consequent rise in delinquency and crime, are only a few instances. Our welfare workers continually, with almost monotonous regularity, point out to us the evils of unhappy homes due to overcrowding.

The proceedings in our juvenile courts, our divorce courts, our criminal courts all underlie this fact of the social ills of our housing problem.

A most serious matter arises out of this social aspect. It is that the nation is becoming divided against itself by an almost cold war going on between landlords and tenants. This is aggravated very seriously by rent control and the reluctance of the government to

tackle the problem in any other way than in trying to patch up an old wartime Act which has outworn its usefulness and is not now suitable to present-day conditions. I shall say something more about this a little later.

Economically we are rapidly arising at a state of imbalance in property ownership because people are forced to purchase property to obtain a home, often with heavy financial commitments, that they really cannot afford and are not entitled to have foisted on to them. That may be good for us as estate agents, but that is not the way to look at it.

There are many people who should not be expected to buy a home because of their special circumstances. These people are school teachers, railway workers, bank staffs, employees in industries with branches, all of whom are liable to be transferred to localities away from where they may have purchased. They may be forced to face the problem of deciding whether to take the transfer offered to them, sell their home and go somewhere else, or forego the transfer, lose the prospects of promotion and jeopardise their whole career.

Also certain people in business on their own account prefer not to purchase but to rent a home, if they can get one, so that their capital can be used in their business. There are quite some big men who pursue that policy. I know one man in the city, a big developer, who does not own his own home and never has, because he prefers to keep his capital intact.

INVESTORS DISCOURAGED

This imbalance is brought about mainly by the control of rents discouraging investors from building or acquiring property for renting. You all know without my telling you the position to-day is that, nine times out of ten, when a property becomes vacant the owner decides to sell and take the capital gain to invest in some security other than real estate. So good money is being lost to real estate.

With this lack of property for renting purchasers are forced to arrange finance at high rates of interest and often with the payments of annual premiums to provide collateral security, so adding to the inflationary trends which every economist and banker is endeavouring to stop.

Politically there is no doubt that there are several major considerations by the politicians in any attempt to solve the problem of the alteration of the Landlord and Tenant Act.

There is the reaction on the vote of



MR. C. O. LITCHFIELD

the electorate. The politicians have to work out, "Well, if we take this line, are our political lights going to be dimmed?" So they have to take into account the effect of any amendment allowing for a possible rise in rents on the basic wage. I think that is why we still have a good bit of the rent control in its present form.

As regards the effect on the electorate, we must realise that the question is not one of Capital versus Labour, because many small people who own one or two properties could not be considered capitalists, and are as equally affected as the large property owner. The social and economic consequences are too serious for the problem to be solved on a purely political argument of one class against another.

No sane, right thinking man will deny that tenants must be protected from the avaricious landlord or the renter, but likewise the landlord needs protection from the unscrupulous tenant who shelters behind regulations, often sub-letting at a high profit and becoming a rack renter.

Fortunately both these classes of offender are in a minority but, although a minority, they are like the footballers who brawl on the field and spoil the game for the rest of the players and spectators, who suffer from the penalties imposed, though themselves innocent of the affair. So the voter should decide the position with logic and without bias or rancour.

cade, full of adventure and development".

We real estate men are fortunate in our chosen vocation and in the fact that we form the vanguard upon which Australia depends for its development. It is we who must ensure that it is planned, orderly and methodical and yet that it keeps pace with the demands of our rapidly growing population, which continues to expand purposefully, both through migration and natural increase. All fields of development must be equally balanced and housing must march hand in hand with commercial and industrial building.

Since the war we have seen a veritable transformation in development. Stately new office buildings, splendidly architected factories, one-stop shopping centres, have gone forward together with modern hotel construction, medical centres and Olympic swimming pools. Drive-in picture theatres have flourished and been followed by drive-in banks and even drive-in restaurants.

No sooner have motels captured our attention than squash courts become an integral part of our suburban pattern. Big Bear appeared at Neutral Bay, and now we are faced abruptly with the rumble of the American bowling centre. This is all very exciting, and planners and developers must be on their toes in these effervescent years to ensure Australia's march on to even greater greatness.

My task to-day is to speak to you on one aspect of development, that of acquisition, planning, development and realisation of subdivisions. A developer confronted with an en globo area will be quick to determine whether it would be attractive land and saleable in subdivision and, if so, a complete analysis will be undertaken.

Besides details of the locations and area of land concerned, it is essential that he has the following information: Zoning and town planning requirements of the area; Valuer-General's valuations and rates; council requirements in development, such as minimum size of allotment, tar-sealing of roads, drainage, septic tanks, etc.; and what might be expected to be available in public utilities, such as gas, water, electricity, sewerage and telephone.

At this stage a competent surveyor will be called in, who will design a proposed subdivision, making this as economical as possible commensurate with good town planning. He should be skilled in determining the drainage requirements of the area, the filling which might be necessary, and should then be

able to arrive at an estimate of costs along the following lines:—

Road construction and drainage: the figure can vary between margins of £4 and £12 per lineal foot, according to circumstances and to the requirements of the council or shire concerned, and these vary quite considerably.

Survey fees, which are calculated on the basis of £10 per lot and thus include marking out of lots, drawing plans and supplying copies to the various authorities and agents.

Engineering fees, which are calculated at six per cent. of the road construction.

Drawings; clearing; filling.



MR. W. V. LIGHTFOOT

To these costs the developer must then add the following: Rates during the period of holding; land tax; interest on capital involved; a management overhead; legal costs of purchase and sale; the selling costs, that is agent's commission and advertising (as a rule of course quite a substantial sum must be provided for advertising over and above agent's commission, which is a minimum rate); discounting of terms contracts (this is a major item in budgeting); sundries (developers sell suburban land on terms of two or three years at six per cent. simple interest but, in order to have that money that is tied up in the terms back in the system, they must get out a discount paper, and that costs 12 per cent.; and there is a margin of six per cent. there which is a charge against the developer).

An estimate will then be made as to the timetable of capital usage during the development of the estate from acquisition to final disposal, so that the average capital employed can be determined.

As soon as it is produced the proposed plan of subdivision will be handed to a competent local real estate organisation for them to price the retail blocks, taking into consideration the improvements which will have to be effected. The estimate should include: Period required to realise; estimated proportion of cash sales to terms sales; prices as cash sales; price as terms sales; if terms sales are recommended the deposit and repayment period suggested. These items must be taken into consideration when assessing the yield on average capital.

At this stage it will become the developer's responsibility, in the light of all figures submitted, to decide whether the margin of profit is adequate, whether all possible contingencies have been taken into account, and if the acquisition should be proceeded with. If so negotiations to purchase should then be carried on and, if agreement is reached as to price and contracts prepared, the purchaser should ensure that there is a clause in the contract permitting entry and development as from date of contract.

If the vendor is carrying terms it will be essential for the developer to reach some agreement with him whereby, in return for the release from the mortgage of individual allotments as sold, or in blocks of say 50 at a time, for ease, the developer will make pro rata reductions in the mortgage.

Planning: In the past long delays have occurred in the planning stage because of the lack of co-operation between developers and the relevant authorities. To-day more and more is there a tendency for the authorities, local government and the rest, to get together with genuine developers around a conference table and iron out problems which, in the past, have often brought both sides to loggerheads and an exchange of letters of a no compromise nature. After all, we have a common objective, perhaps often lost sight of which is the best possible economic development of our city and country in the shortest possible time.

Here I would like to mention that the Department of Local Government is further driving towards a solution with its three phase land release policy, recently announced, which will have the effect of speeding release and at the

same time providing good, high grade development. As announced, the first phase covered county planning and delineation of development areas in general terms. The second phase covered the preparation of a development control plan which is to be a broad outline of major local requirements. The third phase is the development plan itself, a detailed and precise plan for each development area, prepared by the developer, who would also be required to install services.

Owners are to be encouraged to co-operate in joint submission or, through agents, to obtain approval by Cumberland and local authorities and acceptance by the Minister. It was stressed at the time by the Department that co-operation between Cumberland and Local Government and developers was essential.

Now, with a realisation by the big developers that a development should have an aesthetic as well as a monetary value, much time and thought is given to the subdivision of acreages to ensure that:—

1. An adequate percentage of the total land area remains and is, let us hope, developed as parkland and recreation area, often equipped with swings, kiddies' slides, etc. Usually this comprises about ten per cent. of the area, but it can vary according to the topography of the land. It is dedicated to the council. Alternatively, councils are empowered to accept ten per cent. of the value of the area in cash. It is interesting to note that in Queensland the figure is only five per cent., while in Victoria parkland is actually paid for by the Government.

2. The street planning is pleasing and so designed with curves, cul-de-sacs and crescents that new vistas are constantly opening as one drives along — a far cry from the dull and dangerous old days of straight roads and right angle intersections. This type of design also discourages through traffic, encourages the driver to skirt the area, reduces hazards, and is safer for the children in the area and is the pattern of new towns in England.

3. Each allotment is of sufficient size to give a home-designing architect some scope. In this regard local councils play their part in fixing minimum areas, varying in different localities. It should be noted that some councils, particularly in working men's suburbs, are requiring allotments of ridiculously large minimum areas. Both rates and upkeep will become unacceptably high.

4. Sub-standard homes in inferior

materials are not erected beside high quality homes, so that the standard of an area is maintained. This is usually affected by covenants, which can also control outbuildings, fencing, etc., as Mr. McDonald said yesterday, to maintain a standard. I think it can be expected that the trend is in the other direction. Australians do like their plot of ground, but I do not think they want a tremendous lot of it. We must remember the influence of New Australians, who are used to smaller areas and like them, and they will be the mark for flats and home units in the new development areas in Sydney. They represent, I believe, one-third of the population growth.

5. Tar-sealed roads and kerbing and guttering are provided. This is covered by local government ordinances, of course. Some subdividers go further and provide footpaths. There is one small point that would be of great assistance—if the requirements could be modified to allow the roll type of gutter used extensively abroad in Sydney where there is not a heavy run-off on the tops of ridges and so on. The advantage of having that gutter is that no provision need be made for a car crossing. Now the difficulty in putting in kerbing and guttering is that we do not know until the buyer tells us which side of the house he wants to put his car track, and that becomes an additional expense to him in building; only a small one, but an expense.

6. Gas, light and water are provided. The relevant authorities co-operate willingly enough. Sewerage is always a problem. The ridiculous stage has been reached in most areas where the only possibility of sewerage connection in the foreseeable future is for the subdivider to install at his own expense and hand the installation over to the Water Board on payment of £1. It is time provision was made for the developers willing to do so to advance the total cost of installation, interest free, and be reimbursed by the board at some future date (the Board of course cannot take that any longer because, I believe, the whole of the sum must be allocated for the particular year. Otherwise they would get less funds to develop sewerage in another area.

Another point worthy of comment is that in some areas, far out of reach of sewerage for many years, the Water Board is resisting suggestions by developers, supported by Cumberland County Council, that sewerage treatment works be installed at the developer's expense, to be handed over by the developer to the board if required to do so. We, for

one, would like to see some fresh thinking on that one.

7. Site drainage is adequately provided for by means of inter-allotment drainage. Such drainage is often provided by the conscientious developer beyond the point of minimum council requirements.

Now as to the third phase, that is development. It is important to remember that as soon as a purchaser is committed to a vendor time becomes the greatest single factor in the cost of production, and unless turnover is achieved within the period estimated the percentage yield on capital invested will drop to an uneconomic level. In one hypothetical example, involving 100 lots and an expenditure of £80,000, a delay of three months in the time of development reduced the yield on average capital by nine per cent. You don't need too many months of delay in a development to find that your profit margin is disappearing.

AFTER THE ACQUISITION

Once an estate has been acquired and planned in accordance with the council's planning requirements, development proceeds in the following manner:—

1. Surveys are undertaken to obtain information for road design.

2. The subdivisional roads and drainage system is then designed, based on council requirements. This is normally done in close co-operation with the council's engineering staff, with the object of overcoming any design problems prior to the submission of the final engineering drawings.

3. Once the road and drainage design is completed a construction schedule is determined, based on normal construction times and sale requirements.

4. The construction of the estate is then proceeded with, either by the letting of a contract, or by the developer's field staff and a sub-contract system, or a combination of both in certain cases. These alternatives offer a very satisfactory flexibility in that, for straightforward work where timings are readily determined and difficult extras to contracts are not anticipated, a prime contractor can be utilised. However, on the other hand, where timings are tight or extras are expected, the developer's field staff and sub-contractors can be readily engaged without the use of detailed specifications and they can be employed in a manner which would possibly not be satisfactory to a small contractor.

basic rent is formed out of nine per cent. or ten per cent. of capital cost of providing the space, and there is a percentage of the turnover on top of that. This may not come here, but it is quite a significant trend over there.

MR. G. L. FAIRCHILD (New Zealand): It is common now, with the diversity of the shopping area going to outer areas, that these shops are developing, not necessarily higgledy-piggledy, but off-times must the same size. Is there any planning in these shops relative to the space required?

Secondly, we find that no provision is made for the professional side of life in these centres. Naturally the shopping centre is the heart of the community and we find doctors, dentists, veterinaries, etc., hunting around for space. These chaps do just such an essential service to the community as the retailer.

Another point that should be brought to mind is to entice the retailers of that particular centre to make provision for mothers with children, a kindergarten or creche, places where they can leave their prams and that sort of thing. I think it is a point overlooked by planning authorities, who have the last and final say in shop construction.

MR. FRASER: I made up my mind half-way through that I could not answer that, so I do not even know what the second question is. Certainly the size of the shops is not in my line. We are engaged in metropolitan planning and that is pretty broad planning. We do not get down to the actual size of shops.

As for the provision of professional space, that question supports what I tried to say. A shopping centre is a lot more than that: it is the heart of the community; it is a place where you expect to find a post office, municipal council hall, theatres, lawyers, doctors, dentists, etc. I am afraid this is where the modern centres let us down, and for that reason it is wrong for a new shopping centre which does not provide these things to compete with an existing centre which has these things.

I think that is entirely wrong. It tends to pull people away from not just an economic shopping centre, but from a social centre as well. I think that a social and economic centre, with its professional offices, should be protected as long as it serves the public.

If we have these new centres they should lay on things they do not ordinarily do. The big American centres, Northland, Eastland, etc.,

occupy 100 acres space and have space for 5,000 cars and have all these things I have mentioned. I think they have a theatre and a place for children to play, comic stations to amuse children while their mothers shop.

MR. YEOMANS: As far as size is concerned the comprehensive and well-planned development does naturally recognise that different retailers need different accommodation. In the well-planned centres we generally get a proper market analysis and proper plans, where these are considered, but if you get a plan on the back of an envelope, you could get that type of development.

I heartily agree with Mr. Fraser on the second question. These shopping centres which are existing ribbon developments being replanned must become the core of the community. We must get double use out of our land. Because we are restricted in our shopping hours we should not shut off the use of that land after hours. Otherwise we have to provide another section of land to provide for those other functions.

On the third question, the provision of amenities. In the new shopping centres I think that the developer will provide those himself, just as an attraction, because he realises that the longer the shopping trip the more time he has

THURSDAY, OCTOBER 20 (Afternoon).—CHAIRMAN: Mr. D. L. Dalzell.
Address: "Accommodation—The Investor and the Public", Mr. C. O. Litchfield. Discussion period.

THE CHAIRMAN, introducing Mr. C. O. Litchfield, said:—

He commenced in real estate in 1922. He became manager of Richardson and Wrench at Petersham in 1934 and a director of that company in 1952. He was elevated to the position of deputy chairman in 1959 and has, for the previous five years, been president of the Commonwealth Institute of Valuers.

MR. LITCHFIELD: The subject this afternoon is rental accommodation with special reference to the investor and the public. This field is a very wide one and I could travel far in this matter.

Since the days of prehistoric man the human being has had three basic requirements: food, shelter and clothing. Next to food the greatest of these is shelter, or accommodation.

Just as that was the position in those days so it is with us to-day. Although we claim to be living in a civilised age in this 20th century we all know and should be ashamed that, in many coun-

tries at this moment, there are people without food, without shelter and without clothing, and there is a heartrending search going on for these basic essentials with the threat of starvation, disease and death ever present and haunting these unfortunate beings.

We in Australia are very fortunate and are thankful that we do not suffer such a plight, but nevertheless we have an accommodation problem of our own, which we shall now attempt to review and try to suggest a solution.

MR. B. ROURKE (Roseville): I would refer the New Zealand delegates to a shopping centre, which I inspected on opening day, at Chadstone. That has everything our New Zealand delegates have mentioned. It appears to be complete. It has professional space, doctors, dentists, barristers, veterinaries, playground for children. It has a post office and a branch of every bank in Australia, and all the retailers have parking facilities.

I think the subject has been very well covered by the planners of Chadstone, and it is probably the only original shopping centre in Australia which has all those facilities. It is well worth inspecting if you have the opportunity. We can learn a lot in planning original shopping centres.

There is no doubt that this accommodation problem is common. In most cities of the world to-day there is a shortage of accommodation, both as regards housing and commercial premises. This has been brought about by the impact of the second world war on the economies of the various countries. In Europe it was felt by the destruction of houses and factories during the war, and the industrial revival and trade expansion is the post-war boom.

of the centre leased on opening date. Why is that an advantage?

MR. YEOMANS: We find that the best retailers sit on the fence. We have only built a few shopping centres here and they try to get in afterwards. People who are already in there do not want to sell and get out unless a reasonable offer is made. Generally, also, we are building our centres a lot faster than the Americans. We have the advantage of picking the eyes out of their techniques and learning from them. We are building twice as fast as they.

Therefore your leasing programme can never keep up with your building programme and opening with a full centre is a little bit difficult; also because of the inability to get the right retailers. It has to be full of the right people who will give you that extra quarter or half per cent. on retail. The capital gain or profit made out of shopping centres is not short term, but long.

MR. F. P. WEAVER (Roseville): You mentioned the nature of the organisation behind a shopping centre project. You only touched on it. Could you elaborate on that? The project is, I understand, developed by a company, not an individual, and it progresses in stages. Detailed plans are available before the centres reach the lease stage. At what stage are those leased?

Also there seems to be a large control exercised by the developer. I am not clear as to what developer means. What is the general organisation behind the project, in particular relating to a co-operative approach to the whole thing?

CHAIRMAN: You want a background to the whole thing, starting with choosing and buying a block of ground, the pattern of the organisation up to the point where the band plays, the doors open, and customers flock in?

MR. YEOMANS: A developer is a person who develops land. He is under suspicion by every other person in the community without any long term objective realisation of the function he is performing, because of the capital available which was not available 50, 100, 200 or 300 years ago for the same land development. He is also in the public eye all the time. Everybody thinks he is making a buck, and quite often he is not.

In New York the Webb and Knapp organisation were under a cloud because their speculative development projects mortgage repayments were getting too heavy. This has to be watched

by other development organisations. The larger the works programme becomes the more mortgage.

It is pretty hard to say how big the team should be. They must all be men, because you have to send a man to do a boy's job. You cannot send anybody to the local council with plans nor to hunt out options. You must have an experienced real estate agent who knows his place in the planning team and does not try to usurp anyone else's function. He must know when to enter and when to withdraw, and concentrate on his job.

You have your developer, your prime mover, the chap with the hunch who envisages the complete thing. He is interested in the financial returns from the completed thing. He has the organising ability to get the job done, to organise people.

You have your financial organisations. They control the timing of the money and return from the project and analyse that return. You have your market analysers, your planners, your architects, your agent for leasing. Besides having experience in selling a lease and bringing the discussion to the stage of carrying it satisfactorily, he must also have experience in retailing, to know what the retailers want, so that procedure and time is not doubled, and must also have a reasonable knowledge of the legal implications of the lease.

On top of that your building organisation sees the project is constructed on time and your promotion team ensures that shoppers keep on going to the centre.

MR. WEAVER: That does not answer one question, that is, dealing with the selection by the agent of suitable lessees. Just what measure of control does he exercise on behalf of the company?

MR. YEOMANS: He is given a general briefing on what type of tenant is needed for a specific shop. He is to ensure the egress of the retailer who, because of his background, has the ability to draw and retain trade. The agent studies his trade references, his bank references, and so on.

I would say that the agent can bring two or three tenants to a final stage where the final decision would be left to the controlling group of the developer. I do not think the agent should go any further than separating the men from the boys. If the agent draws the talk too far some ramification of the lease may come out at a later stage, when one or two of the people meet

the developer, which might place the agent in a bad spot because he did not explain something enough. He should just bring it to the stage where he can say, "Here are two or three people interested in the shop".

CHAIRMAN: I think the agent should say, "I have two or three people who are prepared to take the shop, but this one looks the best to me. Now it is up to you".

MR. S. H. BOYES (New Zealand): Mr. Fraser, this morning, gave us certain figures as to the number of shops per thousand of population. For example, if there are seven shops per thousand what should those shops represent? Secondly, what do you consider is the ideal number of shops per thousand people?

I would also like to ask Mr. Yeomans whether he recommends fixing the rent in leasing on these shops in residential areas, whether they should be fixed on percentage of capital value or whether on percentage of gross turnover of individual shops.

MR. FRASER: Those figures I used are census figures taken in 1949 and again in 1957. They are all retail premises, including, as I mentioned, establishments selling motor cars, motor car parts and also petrol filling stations. They also included big department stores. To a certain extent they have to be taken with a grain of salt and they can be misleading.

When you get a particular area and you know what that area is composed of, it would be a better guide. If you take an ordinary residential suburb with no big departmental stores and you have a rough idea of the extent of petrol selling, these figures are a good guide.

As to the ideal number of shops, I could not say. You might say that was the case 25 or 20 years ago, when there seemed to be more shops per thousand, because in our older areas which were established up to that time we got something like 12, 14, 15 shops per thousand, whereas to-day it is less—six, seven or eight. That, you might say, if not ideal, is the accepted thing at present.

Also, mentioning the number of shops could be misleading, even in the suburbs, because we are getting the supermarkets, which are much bigger than the old style shop. Space is probably a better guide than numbers.

MR. YEOMANS: Mr. Boyes, I think both your questions have one answer. There is a trend in America, where the

Such items of development as lot preparation and access tracks, which require a high standard of workmanship, are invariably done by the developer's field staff, who are specialists in this type of work.

5. Supervision. Where work is done on the contract basis it is essential right from the pre-tendering period that the tenderers are fully aware of the site conditions and special conditions of the specifications, particularly the requirements for completion of various parts of the work to specific dates.

All tenderers are advised to visit the site with a representative of the developer and, prior to the letting of the contract, the successful tenderer must satisfy the developer that he is fully aware of the implications of the specifications and capable of performing the work to the times laid down. The contract documents allow for work to be taken out of the hands of the contractor who is not preceeding to the time schedule.

Extensions of time are not normally permitted except in extreme circumstances, and the contractors are required to make up for lost time at either their expense or the developer's, depending on the nature and cause of the delay. Once the contractor starts work all necessary survey and engineering information is made available. The project staff is responsible for the efficient running of the construction work, which must always include close co-operation with the council engineer. Claims are settled quickly and extras negotiated as quickly as possible.

Where work is being carried out by the developer's field staff and sub-contractors the field engineer is responsible for the general progress of the work, while the day-to-day operations at the site are normally the responsibility of the construction foreman.

Where the composite method is used the project staff ensures that the contractor's and developer's forces work in close harmony and are mutually supporting one another.

6. General. On large estates, which are being developed in various sections under the contract system, it is normally efficient to construct the latter sections by means of extending the contract for the first section on the basis of a schedule of rates type of contract, using the same contractor. The reason for this is that the contractor, after completing the first section, is fully familiar with the local construction requirements and is working at a high pitch, and it is therefore preferable to

follow through with this contractor rather than call for tenders.

Generally speaking it is not economic for development companies to purchase their own heavy equipment for filling, road making, etc., as this is too apt to lie idle between jobs. It is difficult to get continuity for that type of business.

As a great deal of capital is outlaid in these ventures before any compensation income is available, should road making bonds be required by local councils it is possible to have these put up by banking authorities in return for premium payments.

To ensure that ethical standards are maintained in the retailing of subdivided land it is a good rule for a developer not to allow submissions to be made to the general public until such time as the road making has been completed and the boundaries of each allotment pegged. This obviates any possibility of misrepresentation by over-enthusiastic salesmen.

More and more project building is being carried out by the developer, either within his own organisation or through contractors or sub-contractors, and spectacular results are being achieved, both in cost saving and speed of erection by these mass production methods, plus prefabrication and general tightening cost control.

SIX BASIC DESIGNS—100

In considering major project building it is of interest to note that approximately six basic designs used in reverse and with changes of roof pitch and finish provide ample variety in, say, a 100-house project. It is helpful, too, to move the buildings about a little on the sites, so that the minimum building alignment from the street frontage does not always remain also the maximum.

The enlightened use of lighter materials, commencing with brick veneer, through timber frame construction, and more recently the concrete brick or slap, developed from the old Monoerete, and such variations as Besser Vibrapac, have all had their influence in stabilising costs and giving us much more desirable structures for our climate and natural settings.

Thanks, I feel, in no small measure, to the New Australian influences, we are gradually shedding our prejudice against non-brick homes, and to-day our residential housing estates would rank second to none in the world in quality and appearance, while we have made considerable strides in coping with the

cost factor.

Now as to our sales. Many methods of sale of subdivisions have been used, the most usual being: Private treaty, through large display advertisements; and auction sale, with the usual supporting advertising in the classified columns and elsewhere.

One of the most successful methods of all in recent years is undoubtedly the auction-cum-ballot system. By this method approximately one-quarter of the release is offered at auction on the usual terms, that is 25 per cent. deposit and balance over three years at six per cent. simple interest. Buyers for a new estate thus create their own market.

Subsequent to the auction, and based on the prices bid in open competition, price of the remaining allotments are fixed, and then the land is offered lot by lot. If more than one person wishes to buy a block at the fixed price, then a ballot is held.

This double method of selling presents opportunities not only to those who prefer to compete at auction but also to that vast army who wish to buy by private treaty, and that particularly means the younger brigade who are not used to the great excitement and give and take of auction.

It is interesting to note that up to 25 people have balloted for a single block, which rather disposes of the suggestion that this method creates boom prices. If that were the developer's desire, he could obviously offer the initial release at auction on say a ten per cent. deposit over ten years at four per cent. simple and sell a dozen blocks by this method before fixing the remaining prices.

As a specific example of what I have said perhaps you would be interested to hear a practical case of how the Headland Heights Estate, Castlecove, Sydney, was acquired, planned, developed and sold.

This estate, together with land on the adjoining Sugarloaf Peninsula was, until recently, in the ownership of a development company which had held it for over 30 years and had carried out a desultory development. In point of fact it put 40 blocks on the market over the 13 years, which is not a high rate of development.

The company was currently attempting to force conclusions with Cumberland County Council regarding the compensation for acquisition by them of considerable foreshore fringe areas, and getting nowhere. There was a discrepancy between the V.G. of £60,000, and the figure the company hoped to

get, which was £250,000, so you can imagine the negotiating was not getting very far.

A development company bid for by tender and acquired the whole of the land, then struck a deal, by medium of a contoured model, plus a series of friendly conference with the Cumberland and Willoughby Councils. It first agreed to sell the Sugarloaf area—without attempting a re-zoning—at V.G. plus ten per cent. It then, by means of the contoured model, showed topographically exactly where the roads should run and where the residential zone line should be drawn.

It was then agreed that if the authorities conceded in this good town planning—and quite a number of acres were being gained—the owning company would forego any claims for compensation and dedicate the whole of the fringe open space areas. Agreement was thus reached.

Then came the question of a 24-acre area within the subdivision leased by a golf club—suspended zoning—and which the authorities wished to zone private parks and recreation area. While the club wishes to retain its identity the council desired the amenity be not lost to the district, and the developer realised that its continued existence would contribute in no small measure to the success of the subdivision. It was not prepared to cede the area without compensation.

The idea was then seized upon that Cumberland County Council should release a further more or less equivalent number of acres—that is, equivalent in realisation potential, not necessarily in size—from open space for the company's development and profit in return for a further dedication, this time of the old golf links. Agreement was again reached.

A GIFT OF £250,000

As a matter of interest, when the deeds of the golf links area were handed to the Mayor of Willoughby—he commented that he considered he was being handed a gift of £250,000. I might add that the compensation area the company got did not realise £250,000—very considerably less. I think the company cleared about £10,000, so there was a loss, but the overall pattern was right in that the golf links area was retained.

This underlines the desirability and success of the modern trend between developers and the authorities to sit around a conference table and iron out the difficulties.

Planning was then proceeded with, having regard to the contour for home sites, potential population density for shop sites and desirability or otherwise of higher density development. Here the authorities themselves differed. One party looked for it to remain high density and the other purely home residential area, and eventually the high density suggestion was dropped.

Development costs were expected to be, and were, very high, the cost of providing sewerage alone being approximately £200 per lot. An unexpected expense proved to be the erection of stone retaining walls and the provision of access tracks along easements to provide vehicular access to blocks considerably above or below road level. But this additional work has established the high quality of the estate.

Total costs, including acquisition, to place on the market approximately 520 home sites and six shop sites amounted to nearly £1,000,000, or about £2,000 per block.

INROADS INTO PROFIT

Realisation prices have ensured a fair profit margin, but sundry expenses, such as agent's commission, legal costs, stamp duties, rates and taxes during holding period, overhead charges, interest on idle capital, and last, but by no means least, the discounting of terms sales, make inroads into the gross profit. In this case the topography was such as to attract the individual home buyer—complete with architect. The land, generally speaking, was not suitable for project building.

An interesting addendum was the provision of boat shed lots, each 20 feet by 40 feet, at high water mark within the open space area and with no particular planned access. It is intended they only be offered to those people who have bought home units on the block and should be amenable to them.

Another large area of 535 home sites and seven shop sites, which are currently being developed, known as the Dress Circle Estate, Easy Ryde, could also be of interest to you. In this case the company negotiated with well over a dozen private owners and also with Ryde Municipal Council for a large area which included an embargo section. It had to evolve a scheme of development which would satisfy not only Ryde Council but also the Housing Commission, which had considered extending their activities to the area.

Within two years of the necessary consents this estate has been fully de-

veloped as to roads, kerbing and guttering, footpaths and inter-allotment drainage, while sewerage will, it is anticipated, be completed by next January. Not only this, but the company has also embarked on an ambitious programme of home building. One hundred houses are currently being erected, and in all at least 250 will have been built by this time next year, while seven shops are being provided. Park and playground areas have been dedicated, and sites sold cheaply, and on long terms, to the Roman Catholic Church and the Church of England.

FINANCE FOR PURCHASERS

In order to make a success of this development considerable capital was, of course, required, and it was also essential that end finance be made available for home purchasers. This was arranged after negotiations with life assurance companies and banks.

And now, in this Melbourne Cup centenary year, I should like to spend a few minutes talking about racehorses. Let us imagine we have just come from a Black and White Ball where a colt named Land Values, by Growing Metropolis out of Development, has been sponsored.

When you hear that the population, over the last 50 years, of our inner city area has fallen by 70,000 to a mere 150,000, you may think that our sire Growing Metropolis has broken a fetlock. But when we find that during that period the population of the metropolitan area has risen by 1,250,000 to 2,000,000, we realise that, after all, he has been a pretty healthy sire.

Our interest to-day is in what his future role will be. Studmaster Rod Fraser, Chief County Planner, tells us that we can look forward to 3,000,000 people by 1990. We have taken 172 years to grow to 2,000,000, but will only require another 30 years to record our third million.

While housing demand is strong to-day there will be another surge point towards the end of this decade when the post-war birth bulge babies reach marriageable age. In Australia in 1970, compared with to-day, persons in the 20 to 24 age group will have risen by 61 per cent., those in the 25 to 30 age group by 36 per cent., or, expressed in another way, the 1,336,000 persons in their twenties to-day will have risen—this is just in Australia—to just on 2,000,000 by then.

Homes in Sydney's metropolitan area are being built at the rate of 17,500

MR. FRASER: I think there is a danger in these old centres that have a catchment that is not increasing very much in its population, and yet more shops are added to them. Either the centre has to draw more people in or something has to go. But if you extend the centre by overspilling into the next street, with a modern centre, with adequate parking, the emphasis will pass from the old centre to the new and the old one tends to become derelict. That is why I think our development is such an important thing, in particular old-established centres that are not in an expanding population area.

Redevelopment has to be done according to a plan prepared by the council, but I think the business people should be in it jointly with them, as the business centre does have to play a part in the planning, and to urge the council to get on with the job. I do not think the Chamber of Commerce is the answer. The business people have to be prepared even to contribute financially to the rebuilding and rehabilitation of the whole centre, because it will help them.

MR. K. G. HURST (Beecroft): Would Mr. Yeomans consider that the proposed original shopping centre at Carlingford would be based upon market research and appropriate statistics or would it have been based on a good real estate hunch? Would he also tell us whether that is an idealistic type of development?

Surrounding that particular area you have an original shopping centre at Ryde, the new one for North Ryde, and one to go into Carlingford. Could Mr. Fraser tell us what is liable to happen to the shopping centre at Eastwood?

MR. YEOMANS: I understand there has been some preliminary research into the Carlingford development. In early stages, when I first heard of it, it was only a community centre. I think it is still that size. If so, it is only the size of Epping and will have only a little extra strength in the larger type of store.

MR. FRASER: In my organisation we have a staff of town planning officers who would regard that as an interesting exercise that might take them a couple of weeks to answer.

MR. K. B. CHAMBERS (Sydney): Has Mr. Yeomans any experience of, or overseas information or trends, as to redevelopment of present fully devel-

oped suburban shopping centres in a co-operative manner where it would be uneconomical for an outside developer to come and buy piecemeal the existing property and existing tenants? Has he had any experience of tenants and owners combining to redevelop such an original shopping centre as he describes?

MR. YEOMANS: I think it would be pretty well hopeless, but there have been a few pointers in the right direction. It is hard to get people to combine when there is no compelling association, such as joint ownership of property, or any threat. There have been a few developers in America, in Toledo, Ohio, and Springfield, Massachusetts, where certain sections of the town around have been shut off from traffic and it has been beautified, but there has been no large scale development.

Developers are frightened of being caught. They get property and it takes six months or a year to complete. Their capital is tied up and no one can afford to have capital lying around that long. You get no help from civic authorities, who really cannot help you at all. While the council is prepared to spend for public benefit they cannot help in this way. In the U.S. they have the right of eminent domain and they can step in and resume land. But civic authorities have not exercised that authority to the extent where we can see tangible results.

There is talk of tackling this in existing centres in Sydney. These talks have been lunch-time discussions only. The Chamber of Commerce, your business leaders of the community, would prepare a plan and pay for it. They would present it to the local council and obtain that council's approval in a reasonably specific way. Then the council would completely step out of the picture and would exercise its function of approving building specifications. In that way we could see redevelopment.

MR. M. J. DAVIS (Yagoona): Do you think the time is right now for a merchants' tax to assist in development of shopping centres and also a depreciation allowance on buildings so as to assist in redevelopment of shopping centres or commercial areas?

MR. FRASER: I would not like to say whether I agree or not, but it would be a means of raising very necessary finance for redevelopment of existing centres. Finance, I believe, is not going to come out of the local council's pocket. I think the developer, or business people if you like, have to help find

that finance. If it comes by way of tax on the businessman that may be a way. It sounds interesting.

MR. YEOMANS: I think it should be a tax on the whole community, not on the businessman. Why should we spend three hours on a Saturday when we could do it in an hour?

CHAIRMAN: You would need the power of the local council. If we could come up with an answer it might help things. On one hand they are confronted with the fact that the shop people who own the land are the ones to benefit, so they should pay. On the other hand, Mr. Yeomans suggests it should be borne by the whole community.

MR. D. JOHNSON (Sydney): I have been intrigued by this apparent trend to building shopping centres complementary to suburban areas. It seems to me that the experience that has followed Top Ryde proprietors offering car parking facilities will show that such space will never be adequate. I understand that the Top Ryde centre is complementary to the existing shopping centre. Would Mr. Yeomans give his opinion as to whether this trend of the two together is good or technically bad?

MR. YEOMANS: I think generally that is the only type of development we will see in Sydney. As you know, Sydney is quite divided and split up topographically. It has residential pockets and is similar to San Francisco, where a similar thing happened. On the north side of San Francisco you get this infusion of a planned unit into existing shopping areas. There is nowhere else for it to go.

Sydney is the same. Out at Bankstown and Yagoona we have put shopping centres reasonably anywhere, but closer in, where the ravines and creeks go down to the coast, are residential areas pocketed. To provide good retail facilities close to home we have to bring this planned development into the shopping centres.

This is a good way of eventually forcing redevelopment over the whole consumer area of the community, because the developer is doing a piece at a time and should be forced to provide a reasonable car park ratio of, say, two to one. He is bringing something on the merchandising side, he is bringing parking and pedestrian space with him.

MR. L. TOSH (Sydney): On the leasing of original shopping centres, unless I am mistaken, Mr. Yeomans did say it was an advantage not to have the whole

between the many conflicting interests prevalent in any group containing large tenants, small tenants, chain stores, independents and owners.

This effort to divert a shopper from her established routine is recognised by top merchants of the world as a major undertaking. Convincing the shopper is a continuing requirement. Curiosity will be responsible for many people making a first visit to a new shopping centre, but the successful centre must bring them back again and again. It seems obvious that the combined draw of all the participating merchants, through the merchants' association born of good faith and co-operation, can do this more effectively, more quickly and more cheaply than can the individual tenants and the owner acting independently.

PROMOTION BY GROUP

Because every visitor to a shopping centre is a prospective customer of every store it is of prime interest to every store owner to get people coming to the centre and not just to his store. Everyone connected with the centre should be interested in advertising the centre as such, as well as merchandise in an individual store.

The shopping centre association, besides offering group promotion, likewise offers its members an opportunity to solve many mutual administrative problems such as employee parking and hours of opening and closing. The point here is that the advantages of the merchants' association have to be sold by the agent when he is leasing.

We are in a wonderful business. Everything is on our side as far as the future is concerned. The rush to the suburbs is continuing, and that rush is the right type of rush for us. The people who are going to the suburbs are young people, people with children, people in the better income groups — and I do not mean high — who are perfect for the shopping centre market.

Expressways will be built; they will reach out further to bring people from greater distances. There are more and better automobiles, there is the coming trend towards two-car families, and this is a fact tremendously favourable to shopping centres. The retailers are receptive to what we are selling in spite of the fact that we still have a negotiating job.

The ice has been broken with tenants; the tenants have found that they not only can get into our centres more cheaply than into a city store, but also that the volume is satisfactory and the cost of doing suburban business gen-

erally is more satisfactory to them than the cost of doing business elsewhere.

The planned shopping centre is one of the few new building types created in our time. It also represents one of the rare instances in which a number of individual business enterprises, in banding together, are ready to submit to certain overall rules in order to further their common welfare.

At the present time there are probably 750,000 shoppers in Australia shopping in planned shopping centres. This relatively small proportion will grow rapidly, as city growth and population increases, with regulated, proper town planning, requires this type of planned centre instead of ribbon developments.

Many centres will be poorly located and inadequately planned. The amateur developers will disappear fast; they will either drop out of sight or else, by making their mistakes and seeing them through, earn the status of professionals.

The comprehensive research-planned, designed and managed shopping centre is a new element in a 20th century urban scene. It represents a new concept not only in retailing and distribution but also of developing and enterprise and organisation. Not only this. The comprehensive planned centre represents the prototype of the new type of city centre, which would have to be provided in the second half of the 20th century in Australia and everywhere else in the heavily developed countries.

This is the most important factor in the new shopping centre phenomena. It is of course a great advantage in the distribution of consumer goods and in shopping convenience and retailing efficiency, but its additional and more important planning for the separation of the pedestrian and of the motor car and in civic design is our first really breakthrough into the type of the city of to-morrow.

MR. H. A. FIRMSTONE (Mascot): Could Mr. Fraser's paper be made available to local government bodies, particularly throughout the metropolitan area? I mean each council. He mentioned that there were too many things aldermen do not know. He said so much in his address that I think it would be a definite step in the right direction if he could be kind enough, or if the Institute could collaborate with him, to make this available to these bodies.

CHAIRMAN: All addresses at the convention will be made available. It is our intention to publish them in our

journal. There they may be edited, purely because of space. They will be there, and the questions and answers following.

MR. FRASER: My paper is really Institute property. I prepared it for their benefit. If they are willing, I daresay it will be made available to local councils, but I do not know how you will fare, because the County Council have enough to do circulating material. I could put it to them that the suggestion was raised here and, if they agree, it could be distributed by the County Council.

To clear the point, however, I do think that the better procedure would be for the Institute to distribute the matter. The average council knows, of course, that the Real Estate Institute is interested in these matters, and something of this sort could be sent along as items of interest.

MR. FIRMSTONE: There are so many things that occur in local councils. Mr. Fraser is a planning man, and they have town planners in each council, but the alderman is not up-to-date with details in that paper. If the Institute could make it available to each council it would help, as there are many aldermen who could learn quite a lot and react accordingly to things that concern us particularly.

CHAIRMAN: We will look into that and make it available as suggested.

There is a point in the address which struck me, and the last speaker was on the same track, too. It seems that in established centres there is a great deal of rehabilitation to do if they are going to play their part. When it comes to tackling that rehabilitation that is where the thing has broken down. Mr. Fraser says the Chambers of Commerce have an idea of the things they want to do but they have no statutory authority like the councils.

In places where there is an obvious need for rehabilitation and where the pattern is clear the councils are inclined to shy away from their firm responsibility to get on with it. So many times they have shied away and turned to the street behind, where there are no problems.

Does Mr. Fraser think that in the rehabilitated areas there is a tendency to destroy the existing values of the land in the present centre? That is, we may have a number of streets established with a sprawl of shops, and you turn away and go to the street behind, and you have half the shopping centre here and half there.

per annum to-day, but the required rate will be substantially more than that in ten years' time. New home sites, however, are being placed on the market currently at the rate of over 11,000 per annum, and this rate will certainly have to be more than doubled by 1970 to keep pace with the demand, as the stockpile of old home sites around the suburbs is diminishing rapidly.

It is obvious, therefore, that, reverting to our theme of the turf, Development is the mare of the piece and, incidentally, not the nightmare that some State Caucus Labor backbenchers would have us believe, and she has been in labour herself pretty continuously since the war, and looks like remaining permanently in that state.

Although we have seen the cutting up and developing of vast tracks of suburban land the rate is still not fast enough. The flight to the suburbs, while it has eased the strain on some utilities, such as public transport and roads, has increased the pressure on the other service providers, such as that much abused body, the Metropolitan Water Sewerage and Drainage Board, which often labours to bring forth a mouse, which, as everyone knows, is not even a sewer rat! But theirs is an unenviable task.

These problems, together with what amounts to go slow tactics, some wilful, some inadvertent, of certain government, but I would say, more particularly, local government authorities, have had the effect of slowing down the production of land.

DEFERRED APPROVALS

A substantial reduction in the cost of providing home sites could be made if local councils would treat the matter as a serious one and co-operate. That is not at alderman level, either. Councils are constantly deferring approvals of subdivisions for no reason in particular. One council recently asked a developer for a transfer of land for parks and recreation area. The company agreed in writing within one week. Council then debated for six weeks whether it would accept the offer.

Release of plans by councils after roads are constructed is often delayed many months awaiting council agendas and by council's solicitors not co-operating quickly in the drawing of documents for drainage easements. Day by day every council becomes aware of its increasing bargaining power and imposes various conditions of approval which are more often than not unfair. A private

developer subdividing an area has to pipe drainage from council streets in the vicinity, and in some cases reconstructs any abutting streets of low standard.

The developer has his right of appeal, but immediately runs the risk of long delays and a resultant non-co-operative attitude from the council concerned. The best course is to go quietly.

Some councils impose inter-allotment drainage requirements regardless of the availability of sewerage in the near future and regardless of the condition of the soil which, if friable, can absorb roof water together with sullage and septic effluent.

DECISIONS IN 40 DAYS

The Minister for Local Government could give a strong lead here by enacting that councils must not use delaying tactics to obtain benefits from developers over and above those allowed by the Local Government Act. He should insist that councils do, in fact, give a decision within 40 days as laid down; that they release plans without waiting for council meetings, and this is provided for; do not withhold approvals capriciously.

Alternatively, the above matters would be readily resolved if approvals of plans of subdivision were handled by a Land Development Commission or a co-ordinator-General instead of by local councils. It is a matter of interest that one council engineer recently told the representative of a development company that his salary fluctuated on expenditure and, since he did not get anything for subdivision supervision, this work received the lowest priority on his list of duties. With this type of thing persisting, councils are, in my opinion, losing ground for objection to Mr. Hills' plan of amalgamation of councils.

Under present conditions it is almost impossible for a private developer to start construction work for at least seven months after purchase. While the Registrar-General is making a concerted effort to overcome delays in the registration of plans private developers have experienced unreasonable delays in this department of up to four months.

When an old subdivision is redesigned to modern standards — should road closure applications be necessary — the period of application and negotiating is lengthy before deeds of grant are issued, often as long as 12 months.

But I am digressing. Out of this pattern of pressing requirements in suburban areas is foaled that healthy,

vigorous colt who is registered as Land Values but whose critics and detractors have labelled a boom colt — and this in a derogatory sense — and who is regarded by many as some sort of outlaw or bucking broncho.

It has been established, and this was referred to yesterday, that since 1938 land values have risen five times, and that the basic wage has risen only 350 per cent. But how many breadwinners to-day earn only the basic wage? How many householders have only one breadwinner? That, too, was referred to, and I agree that it is not desirable, but it is a fact.

If male units average nearly £23 per week — and that is an official figure — this is in itself a 500 per cent. increase over the £4 4s. of 1938 when, by the way, there were lay-offs in plenty and little overtime worked because factories were not in full production.

Certainly land prices are up the same percentage, but the purchaser to-day gets better value for his money. Then he got mainly gravel roads and a minimum of services and subsequently had to make his contribution towards kerbing, guttering and footpaths. To-day he gets tar-sealed roads — often because of council requirements to a heavy duty specification, even in back streets — kerbing, guttering, sometimes footpaths and, from the major developers, even sewerage at their own expense.

SUPPLY AND DEMAND

Seated firmly in the saddle during any consideration of land values, or land booms, is a hoop who goes by the quaint, old-fashioned name of Law of Supply and Demand. As on the racetrack, or in commerce, so it is in the real estate life of any city — this jockey calls the tune.

Essential as was the Cumberland plan and the green belt conception there is no doubt that it has in the past contributed to the shortage of supply. I think it was because of that that Mr. McDonald was able to quote figures yesterday showing that the ratio was against land, or worse, over the last five years. That is because it was bottled up for a long time, but it is surging through now. Development, and a lot of it, will help to stabilise this.

The Minister for Local Government rectified this to some extent last December by announcing the release of a further 46 square miles. Do not be lulled by this apparently large figure — it takes a long time to reach the market. In fact, to the end of July, which was eight months after the announcement —

I have these figures on good authority—only 20 square miles had actually been released, seven to become non-urban, four to become open space, one-and-a-half industrial and only seven-and-a-half residential. This means possibly 19,000 home sites, or a little over one year's demand.

And do not forget that not all of this area reaches the market quickly or at all. Some is required indefinitely for continuance of present usage. In other cases owners wish to develop themselves but lack the capital and go looking for it. Others still hopefully hold out for too high an asking price.

Genuine developers, in their own interests and in those of the public, are playing their part in keeping land prices within bounds. Delays in planning, development and selling of an estate all add up to an additional carrying charge. Therefore suggestions that developers sit on land are absurd.

£2,000 TIED UP LAND

I saw a case recently at an auction where a man bid £4,000 an acre for a suburban area. It was marked for future release. There was a condition in the contract that it hold for 12 months while release came through. He walked into the room to sign up and was brazen enough to say he only had £2,000—not even the ten per cent. deposit. The vendors accepted that and the position there now is that he had 12 acres of good land tied up on £2,000 for 12 months. I should imagine he will not make too much effort to have it released quickly, and he stands to make a handsome profit at the end of 12 months.

A developer having purchased that land would, I venture to suggest, work out a proposal for development and project housing and put that up to the authorities, and no doubt have the release period advanced; and the development would have gone on and homes gone up.

Returning to my theme of the Development mare, a developer's main concern is the gestation period; that he gives quick delivery and that there are not too many still-born.

The worst influence on land values are the professional punters or speculators, the amateur riders, who buy in on a shoestring, either en globo areas or individual home sites, and sit on them waiting for time to give them capital appreciation.

My chief aim and, I am sure, that

of all genuine developers, is to produce land speedily for the public, and to this end I like using the good old battery under the saddle. Ask any of my production staff—I saw one or two of these here.

THE CHAIRMAN thanked Mr. Lightfoot for his address and invited members of the audience to come forward with questions.

MR. L. H. WEBBER (Visitor): I was interested in the matter of common rights of way to give access to the same part of the rear, possibly, of rugged blocks. Does Mr. Lightfoot's company develop those as useable tracks in advance? Are they protected by reciprocal easement, block to block, and is any provision able to be made for future maintenance? Almost allied with the same question is the matter of the other allotment side drainage. Is anything done of a constructional nature and can anything be written into the contracts which imposes some obligation to maintain such drains?

MR. LIGHTFOOT: These tracks are tarred ahead by the company. Reciprocal easements are given. There is no provision for future maintenance as far as we are concerned, and I have not the answer to local provision for maintenance.

MR. G. S. NEWELL (Sydney): I was particularly interested to hear the attitude of the Metropolitan Water Board in relation to sewerage, and then demanding that it be handed over to them at a cost of £1. This provision of amenities within subdivisional estates is sound and, particularly in development stages of any country like this, it is fair and reasonable. But there is no equity in extracting money from people who are developing. In America there is a franchise up to 15 or 20 years whereby the rates contribute to that particular service. Has anyone in this country tried to make that type of amenity available to developers?

MR. LIGHTFOOT: I would say not, but I agree that it would be something to be aimed at, and someone should move on this and make approach to the Water Board.

MR. NEWELL: That all adds cost to the purchaser. We have all these complaints and arguments about cost of land, but much of it is created by the attitude of local government bodies and government instrumentalities.

MR. D. DULHUNTY (Port Macquarie): On the question of the popular cry on cost of subdivision of land, I suggest that councils are to blame because of their requests for amenities. If development is to be made it should be of the highest possible standard, or no development.

The council asks for the highest possible kerb and gutter and road sealing, even in some areas where the people cannot possibly afford the costs asked for development of the area to such high standards. What do you think of this?

What is Mr. Lightfoot's opinion on when, at what stage, the subdivisions should be sold? He did suggest that they should not be sold until streets are properly completed. I have a thought that is related to cost of these, because cost is a major thought with borrowed funds.

If we are to keep the development of the country not in the hands of major monopolies I think we should help to some extent those smaller ones working on borrowed funds. That gets back to delay in realisation, the situation whereby the developer carries out his development and produces his plan before he starts building, lodges the plans and gets council approval for road and building design, and then lodges his D.P., at the same time giving bond to the council that the roads will be carried out so that the land could be sold then.

I suggest it would have to be checked twice, before roads are constructed and afterwards. In some cases it is worth the extra expense because it allows the developer to give transfer of his title to blocks and allows the council to get quicker rates and quicker realisation. At the same time the public is guaranteed it will be done, as the engineering design has been approved.

MR. LIGHTFOOT: We do consider the aspects should be developed to the highest possible standards. I would add, within reason. For example, we had a case where the council demanded main roads specifications on all roads within the subdivision, which was out on a promontory, where they would no through traffic. Some of them were cul-de-sacs.

It could have been challenged. It seemed frivolous and unnecessary. But if it had been, it would have caused delay which would have increased the price £6,000. I feel the council would

design of the centre. It is particularly hard to provide for all contingencies, plumbing in particular.

Once the major tenants have been signed, it is just as well not to complete the leasing programme too quickly. It is generally felt that a more effective centre will usually result if the centre opens ten per cent. to 20 per cent. underlet.

Most of the larger stores will have rather detailed specifications as to size of store and strong wishes regarding location. Each new lease, therefore, may require an actual physical rearrangement as well as a reappraisal of the leasing pattern.

Some centres keep all food stores, say, together and all clothing stores in order to ensure that each customer is persuaded to see as much of the centre as possible. In some large centres all stores selling high priced, quality merchandise irrespective of type, are grouped, while those offering medium and low priced goods are placed in a group elsewhere. This is largely a matter of personal preference.

There is one aspect which must be considered, however, and that is the fact that some stores are traffic generators while others are traffic users. There must be an attempt to predict the direction of pedestrian flow in the centre and to place the traffic generators in such a way that as much pedestrian traffic as possible is routed past the traffic users, of which there are more. This is something which the customer may never notice, but which strongly affects the developer's pocket.

Architecturally most of the centres we have built out here haven't been too bad. At least we haven't adopted one American habit of having a Queen Anne front with a Mary Jane behind. I don't think our architects have let themselves go enough in design. There could be more built in carnivality and fun, particularly in signs and street furniture and paving.

HABITS OF SHOPPERS

Not enough attention has been paid to shoppers' habits and shoppers' needs, like seats near bus stops, pull in spaces to let husbands drop their families out at the kerb out of the main traffic stream, awnings over car doors for inclement weather. At one recent shopping centre opening at which it rained I had to buy a raincoat to get around the centre, as the awnings were too narrow.

I think the mall type centre is prob-

ably the best for Australian conditions, particularly Sydney with its extremes in wind and weather. In America there has been a trend to a few closed in malls, air conditioned, of course, and the shopping public have reacted most favourably. One centre in Minneapolis, of course, needed this solution as they only have an average of 160 fine shopping days a year.

Our parking areas have been too small, and on this Mr. Fraser and I agree. The developer has been too hungry for his return, or he has been forced by the high land cost into building a larger store group on a confined site. This has not been fair to the tenant and, in future retailers will react against centres which under cater to the parking demand. There is no fixed rule in parking ratio to floor area, except that I would not recommend less than two and one and the best recommendation is that you can't have enough.

VOLUME OF TRAFFIC

The number of shopping trips by car or public transport generated from any residential area is directly related to car ownership. Since public transport plays a relatively small role in serving most outer suburbs this relationship explains why two similar shopping centres with trade areas of comparable size can generate different volumes of traffic. It also explains why one of these shopping areas may need only a one to one ratio of parking area to floor area, whilst the other needs three or four to one.

When the shopper was at the mercy of public transport, 100 per cent. locations were a safe substitute for market analysis, but when widespread car ownership liberated the customer it became evident that the shopper can be pulled anywhere by a strong merchandising attraction and by a place to park the car.

Once the centre is open, support from the secondary fringe trade areas is only sustained by very, very strong promotion, the primary pull being food, the secondary non-foods. That is, primary trade area five to six minutes' driving time, secondary trade area ten to 15 minutes' driving time. A pretty centre with customer convenience alone is not enough.

The type of promotion to be undertaken by the centre is of vital importance to its growth. Much more money can be wasted in carnival type ballyhoo which brings crowds but not customers to the centre. Thousands of

the curious will turn out to see a high diver risk his neck diving into a small tank of water. Few of these turn out to be customers and some never again visit the centre. The purpose is not to provide entertainment or diversion. They should be induced to come and buy. A carnival-type promotion has its value, but its limits should be recognised and its uses restricted.

There is no substitute for offering attractive merchandise and sound values. The purpose of a promotion should be to bring these values to the attention of prospective customers and to emphasise the advantages of shopping at the particular centre.

Effort should be made to build up an equity in each promotion that can be capitalised on in future promotions. Some centres are accomplishing this by running a monthly Red Ticket Day, or a Well Spent Pound Day, or some other recurring event. Each event then has the weight and force of all previous advertising. It is possible to make the customer aware of the recurring nature of the events and to have her watch for them.

Without belabouring the obvious it can be pointed out that the wider the participation of all merchants within the centre the greater force and success of the promotion. But not so obvious is the fact that profitable promotions can be had without 100 per cent. participation.

LOCAL ADVERTISING

Chain stores which formerly relied solely on group advertising and department stores which have previously placed all their advertising eggs in the metropolitan newspaper basket have begun to learn the necessity of local advertising and participation in local promotions.

Not all have accepted this fact, and in nearly every centre there will be a few non-participants. These few should not be allowed to defeat the co-operative effort of the other tenants and should not be allowed to become a reason for non-co-operation.

Promotion is the responsibility of both the developer and the merchants' association and a large part of any shopping centre's success will depend upon the vigour and health of its merchants' association. Yet no phase of shopping centre planning, designing, leasing or operation offers more of a challenge than the creation and perpetuation of an effective association. It is a problem requiring diplomacy and finesse in finding a satisfactory balance

have delayed planning and building by many months.

Zoning originated as a method of protecting existing property values from depreciation caused by the intrusion of incompatible land uses into established neighbourhoods. Some legislation and ordinances are defensive in purpose. This pattern of thinking still persists with many individuals and some governmental authorities.

Recent urban growth has fully demonstrated the fact that zoning based upon the preservation of the status quo does not work satisfactorily in a dynamic growing community. Adequate provision must be made for the expanding land needs of an increasing outer suburban population and changing land needs for the inner suburban population.

Land purchase price, of course, must be right. In the U.S. they say that site cost is awarded a factor of four per cent. in planning decisions. Some prices asked for potential sites here would make it nearer 40 per cent. Seriously, thought, good sites are hard to get and they tend to be expensive.

It is impossible, or imprudent for me to say how much the developer should pay, but generally, when the centre has been completed, final development costs have approximated \$65,000 an acre.

Prime suburban sites which could be bought for £200 to £2,000 per acre a decade ago to-day command prices of £10,000 to as high as £20,000 per acre, but then everyone was unaware of shopping centres! Also the estimated average costs of building new shopping centre space has risen in the past five years from £2 per square foot to £3 per square foot.

THE PERCENTAGE LEASE

These elements have removed much of the potential for large—and fast—gains. The shopping centre developer, rather than being a freewheeling real estate speculator, is increasingly more like the conservative merchants he has as tenants. This stems largely from the phenomenon of the percentage lease, by which the tenant pays a percentage of his gross sales as rent and which forces on the developer a sympathy with the economic wellbeing of the merchant.

As developer, Leonard Farber, who is also president of the International Council of Shopping Centres, says: "The developer has a vital interest in each merchant's experience and ability as well as in methods by which he, as landlord, can help build sales volume". Thus, as long term investment potential

crowds out short term speculation as a motive for development, shopping centre backers are taking a longer view of their economics.

The pressures of the merchants and lenders themselves are reinforcing this view, which is basically conservative and sunk in a bedrock of actuarial methodology. To-day, the development of shopping centres is as much in the nature of a merchandising venture as a real estate speculation.

The shopping centre developer could come from one of four sources: The retailer, such as Benjamins; the professional developer, such as Suburban Development; large property owners, such as the Wentworth family in the case of the Warrawong centre.

After next May, we hope, unless you are in the know, financing a shopping centre will be approached in these ways: by mortgage, equity, loan, tenants' advance (debenture). The last named, while being the easiest for the developer and the most used to date, restricts the chances of getting the best merchandiser, and the best of them have their capital working for them in stock and not in real estate, as no one knows better than men such as yourselves.

GETTING THE FINANCE

The timing of moneys needed for the development and the rate of return to the financier are important to every project. Again a competent market analysis report makes getting finance a lot easier.

Now I have been talking to you, if you have participated in land development, as part of the planning team. The real estate agent should know when and where he participates in the development process. Of course, he should participate in the location, valuation and purchase of the site, assist in the presentation to the local planning authorities.

A word here about councils and related planning authorities. Be genuine and thorough in any presentation. With shopping centre development the importance of good public relations cannot be over emphasised. Don't put a development application into council five minutes before the business paper goes to the town clerk. Obtain everyone's viewpoints first and, if possible, incorporate them into the scheme. With more good management than good luck the application should only have to go to the vote once. Again the importance of the market analysis and a good model cannot be over emphasised.

The real estate agent's local know-

ledge is invaluable in determining the changing land use of the trade area in advising the market analyst. The agent assumes the leasing functions, sometimes with the assistance of the developer's own leasing personnel in advertising, interviewing, selecting and closing the lease.

Management and rent collection are the agent's role also. The most important function, though, is the leasing. In each shopping centre there is a theoretical best selection of tenants which will generate the most business and produce the most income. This is never possible to achieve. But, starting with this perfect combination, selection proceeds until, somewhere along the line, a perfect tenant is not available and the second or third best tenant is signed up. Then the whole merchandising pattern of the centre, its shopping attraction, income, etc., must be reviewed, and this goes on all the time.

SIGN UP BIGGEST FIRST

Shopping centre leasing is a most frustrating, time consuming job, and it is well to note here that a man must do a boy's job in such delicate negotiations. The agent must sign up the biggest and most important tenants first. Not only are they bait for the smaller fish to follow but this enables the range of merchandise to be decided with consideration of the merchandising reputation of the larger stores.

Once he has the major traffic generators the agent should next concentrate his efforts on securing the type of tenants more difficult to obtain. Firstly, the major fashion store. There are very few chains of this type and most stores hesitate to set up branches. A good hardware store is also hard to get and should receive early attention.

The difficulty is that this procedure slows up the developer's entire programme and, faced with a deadline or the necessity to produce results, he is likely to sign up first those tenants who are easiest to sign. The result of rushing and leasing in the wrong order is likely to be a poorly balanced centre and lower rents than could have been achieved otherwise. In appraising prospective tenants the leasing agent should examine their advertising budget, apparent aggressiveness, completeness of stock, reputation, merchandising ability, stability and, most important, their ability to attract and hold trade.

It is not only the tenancy pattern which is altered with each new tenant but also the planning and architectural

have had to pull out, because there would have been a lot of delays in other directions.

I agree on the quick method of getting the land on the market. The chief disadvantage is that buyers cannot visualise what they are getting and, unfortunately, a number of salesmen

are not very explicit. A buyer finds that his roads are two feet higher or lower than he expected, and the salesman will not admit that he did not explain this, or perhaps he did, and the buyer was not attentive. But he cannot visualise it, so it is better to put your roads in and let the buyer see them, and what height they will be.

WEDNESDAY, OCTOBER 19 (Afternoon).—CHAIRMAN: Mr. Lyle Moore. Addresses: "Residential and Commercial Units", Mr. Harry Seidler (with lantern slides) and Mr. F. P. Cook. Discussion period. Addresses: "Problems and Advantages of Home Ownership", Mr. H. N. Barton and Mr. K. G. Hurst. Discussion period.

THE CHAIRMAN, introducing Mr. Harry Seidler and Mr. Peter Cook, said:—

The first speaker is Harry Seidler, A.R.A.I.A., one of Sydney's well known architects, whose work speaks for itself. He will be followed immediately by Mr. Peter Cook, who is one of our younger school of institute members.

MR. SEIDLER: On the subject of commercial and residential units I have, of course, to attack the subject entirely from an architect's or town-planner's point of view. Looking at it from that angle it resolves itself into two major aspects. Either we see it from a broader viewpoint in terms of the present tendency to high density development, home units, and what that means to the city at large and the reconstruction of blighted areas of the city; and the specialised buildings and the question of what is suitable? The same can also apply, of course, to commercial redevelopment.

In recent years there has been tremendous influence for high density development. That means that the city, or metropolis, is growing beyond reasonable limits. We have in Sydney just on 500,000 people living without essential services. I do not think many people are fully aware that 500,000 people live in Sydney without the sewer. That, and all its allied problems, is responsible for a concentration on the inner and somewhat decayed suburbs, the old suburbs that now become desirable in terms of land value, in terms of their position, due to our magnificent harbour. Certain sections of the population want to live there.

Development has taken place in a piecemeal sort of way so far, in that individual blocks have been built up with flats with varying degrees of suc-

cess. The future of the success of this type of development lies entirely in the sculp beyond the individual site. And that brings in government control to see to it that this new type of development in these inner suburbs is according to a pattern which will yield, when completed, something that people will really want to live in.

I think wisdom shown at this present crucial time will determine the desirability of the way of living in the years to come.

Obviously no one needs to be convinced that it is nice to have an individual house among trees in a nice suburb, with services, but very few people at the present time can be convinced that it is a good thing to swap this for a flat.

VIEW COULD BE LOST

Some will say it is marvellous to have a flat, particularly when there is a view, but nobody can safeguard it. What you have to-day you may not have to-morrow in the way of views. So I think, particularly in Sydney, endowed as it is by Nature with its foreshores, a great deal of thought should be given to that.

There is a great deal of precedents from overseas on how large scale development goes on, and magnificent examples have been achieved, particularly in England.

Now we come to the individual building, taking for granted that possible government action will ensure the right tendency for large enough developers to get control of sufficient portions of land to enable them to play and develop in such a way as to make a unified coherent whole rather than a hit and miss effort with individual block developments.

Individual buildings have, of course,



MR. HARRY SEIDLER

to be good architecturally to be really saleable. They have to be fundamentally well planned. I think common sense will then show whether people buy them or not. I do think a good product will automatically be more desirable.

Some pretty terrible things are being done to-day. I feel that the average sort of home unit building put up is sub-standard building. We do not do very well in that regard now, but considerable improvement and progress is being made.

Mr. Seidler devoted the remainder of his time to showing the convention a series of coloured slides, thrown on to a screen on the platform which, he said, would illustrate what was meant by desirable architecture and desirable planning for the interiors of such buildings.

With each of the slides, which were of commercial and domestic building and projects overseas, he gave an explanatory commentary.

Sydney, he pointed out, was extremely fortunate in having its harbour, with steeply rising foreshores and many peninsulas, a place where, naturally, a lot of people wanted to live.

MR. F. P. COOK: You have, I feel sure, enjoyed the very interesting address on the construction of home units and commercial buildings so ably delivered by the previous speaker. If my address lacks as much colour it could be partly due to the fact that I will endeavour to cram into the available time as much statistical information as possible, in the hope that it will be not only of interest but of some assistance to my colleagues who have, as yet, not entered the realms of this specialised type of real estate selling.

For those of you who are more ex-

perienced than I, and I feel sure there must be many, then I crave your indulgence and trust you will forgive me if I appear to over emphasise the somewhat elementary principles. The subject I have been asked to speak on, the selling of residential and commercial units, primarily requires an accurate knowledge of the market and the type of development most suitable for a particular area.

How best can this knowledge be obtained?

1. By the establishment of a unit display centre where carefully tabulated data is compiled from answers received from potential buyers to a well prepared questionnaire.

2. By following up the original inquiries, after a reasonable time, with a more detailed questionnaire to the unit owners, requesting advice on their opinion of the lay-out of the unit, the services that are available and whether they are operating effectively. Invite answers to such questions as: Do you consider a balcony an important feature in a home unit? If so, should it be recessed or open? Do you have a balcony and, if so, how often do you use it? Is the sound proofing satisfactory? If not, what noise do you consider most objectionable? How necessary do you consider the provision of a swimming pool or other recreational facilities in the ground layout?

TWO BEDROOMS DEMAND

As a result of a fairly extensive inquiry made over a considerable period I have found that the units most in demand contain two bedrooms, followed by one-bedroom bachelor and three-bedroom units in that order. Three-bedroom units are difficult to sell unless they exceed 14 squares in area and these have only proved popular in the better class bmdlings in the most fashionable suburbs, such as the Eastern Suburbs, and, to a minor degree, on the upper North Shore. In these areas owners have, in most cases, left large homes and thus prefer the additional accommodation and are prepared to pay more for this convenience.

Furthermore, the majority of home unit buyers are middle-aged or retired people and are prepared to sacrifice bedroom accommodation for large living areas. They insist on balconies and do not like ambulatories, prefer a kitchen to an open cooking recess and, in most cases, state that they prefer to live in small buildings rather than



MR. F. P. COOK

larger multi-storey constructions.

This latter remark is not borne out in actual fact, particularly when one has regard to the ready sale of units in multi-storey buildings erected within the last few years. This is partly due, I feel, to the fact that the larger schemes have occupied prestige sites.

The result of the market research:

1. It will determine the peak demand and where it is most concentrated.
2. The most suitable size and lay-out of the unit in a particular area and the service which should be provided.
3. The optimum price which can be anticipated for the unit on the current market.
4. To what extent finance will be required, and what arrangement can be made to meet it.
5. The profit margin which can be reasonably anticipated, having regard to the location, the size of the individual units and the standard of finish throughout the building.
6. The best economic development of the site having regard to the above facts and the location.
7. The maximum price which can be paid for the site. This, to a very large extent, will be determined by an analysis of the above, together with any special feature of the site itself.

Choice of Site: I once heard an American appraiser state at a valuers' convention that there were three cardinal points he considered when valuing land: firstly position, secondly position, and thirdly position. I daresay that applies equally here, particularly in re-

gard to home unit development.

The position of the building takes into account such things as the means of access, the views and the extent to which they can be preserved in the future. Other factors include proximity to shops and transport, the shape and size of the site, the ease to which it lends itself for building operations, having regard to the contour, excavation and foundation costs and the availability of the essential services including drainage and sewerage.

Land is only worth what it is capable of producing and that applies to rural or urban lands. Hence, when considering this prime cost, care must be given to ensure that the land is put to its best economic use. In the case of home units, it is measured in terms of £X per unit rather than £X per foot frontage, as is the case with individual home sites. This brings up a further consideration, namely, the extent to which the site can be used having regard to local ordinances.

Apart from the above, the price of land varies considerably due to its location. In the northern suburbs, from Kirribilli to Manly, suitable home unit sites have realised prices equivalent to £700 to £1,000 per unit.

CHANGES IN DEMAND

Changes in popular demand can affect the price. For instance, Kirribilli has been most popular, due to its proximity to the city, together with the fine views obtained from choice sites. As against this, Manly, due to its comparative isolation, has not been held as favourably until quite recently and undoubtedly has now become very popular due to the other advantages it can offer. In the case of the eastern suburbs land prices have been equivalent to £750 to £2,000 per unit, in accordance with the location and suburb.

Most suitable Development on the land: The type of building to be erected on a given site and the site of the individual units will vary according to the location and the district concerned. I have found from experience that the units in most popular demand in the various areas are as follows:

Darling Point: Two-bedroom units having a floor area of about eight-and-a-half squares to 12 squares per unit; three-bedroom units of 16 to 20 squares, with a smaller average area in Point Piper and Double Bay.

In Elizabeth Bay two-bedroom units of about eight squares, Rose Bay one-bedroom units five to seven squares.

supermarket or variety store as the major tenant and possibly also a junior department store. These centres, in addition to convenient goods and personal services, provide for sale of clothing and household lines (hardware, appliances, etc.), include 20 to 40 stores, require at least 5,000 families to draw on, park 500 cars and need a site area of up to ten acres. The example here would be the St. Ives centre.

Regional Centres—These centres have at least one department store as the dominant store and offer goods in full depth and variety, reasonably comparable with the city, include 50 to 100 stores, require at least 25,000 families for support, parking for 1,000 or more cars, and need 20 acres as a minimum site area, the example here being the Chadstone centre in Melbourne.

In between these examples we have the large community centre such as Chermiside in Brisbane, which cannot at this stage be typed regional centre due to the limited selection of merchandise. Top Ryde is a small regional, offering variety and competitive selection, backed up by a full size department store, but restricted in parking area. A new trend is the introduction of a planned unit complementing an existing shopping area, such as the Suburban Centres development at Hornsby or the Warrawong centre near Port Kembla.

FIRST CONSIDERATION

Before introducing a shopping centre development anywhere, the first consideration is location and in discussing location factors the first rule is, don't develop a shopping centre site just because there is a residential area nearby. Shopping centres are located not because of the desire to build a monument to the developer but as a requirement of physical security for merchandise, and it forms a necessary part of the dynamics of retail distribution.

Whether the proposed shopping centre is feasible or not depends largely on the supporting evidence turned up by the analysis of the market potential. The market analysis determines the kind and size of the project and the analysis is a job for an expert with retail and town planning experience, not the intangible type of product research presented in a gold edged folder by advertising agencies.

In determining a trade area the serious analyst undertakes population studies: the quantity, quality, present

state and future trends available to the location in question; the present and future zoning; whether green belt releases or change in neighbouring zoning classifications will affect the potential of the development; studies of income and expenditure; accessibility and analysis of competing sites and shopping areas.

The use of distance as the only criterion for establishing the extent of a trade area is not recommended. The movement of shoppers in a suburban area is largely controlled by the competitive relationships of neighbouring shopping areas.

Two points should be stressed here: 1, Trade projections should only be made five years in advance, as too many intangibles enter later on; 2, American facts and formulae do not necessarily apply here.

IMPORTANCE OF RESEARCH

Research is common to other sections of business but it is new to land use. No successful explorer to-day embarks on a new venture without making full use of all available research and information and no explorer has public money to spend as a developer. Proper analysis is the substitute for the golden hunch of the real estate genius.

A comprehensively planned shopping centre fits its trade area. A centre too small for the available purchasing potential invites later development of a competing nearby site. A centre built too large either falters, fails to reach its peak, or is an unprofitable investment. Research and analysis will show whether new facilities will answer a need growing out of increased population and buying power or whether new retail floor space will merely compete with existing retail districts.

There are projects that have been announced for an area in Sydney where I fear there is some doubt as to their ability to hold their attraction against the existing shopping areas. The shops are no larger, even though they are well sited on a main traffic artery. There appears to be mere repetition of the selection of goods already available in their trade area.

Even at this early stage it is quite apparent that in one of the newest regional centres, stores were restricted in type and size by the developer and, I think, a most short sighted policy which, while not immediately affecting this development, is retrogressive on considering the size of the trade area.

With the market analysis complete

the kind and size of centre needed to exploit fully the trade area potential is indicated. In most cases a site is already owned by the developer. In this case the problem is to evaluate the site and to justify its use as being suitable for shopping centre purposes. In site selection or evaluation the same principles hold in varying degrees whether the centre be a small neighbourhood one of a regional colossus.

The final decision about the site means being sure the site is the best possible from the following points of view: It obviously must be in a well populated residential area or one that is growing so rapidly that it gives promise of soon being able to support the size of shopping centre you contemplate building; it should be so placed that its trade area is behind it, so that any movement to other facilities, such as the city, would be forced to pass its doors—in other words a "catcher" location rather than a "puller" location.

Access—The site must be easily accessible by car and bus. For example, in one of our investigations of a site adjacent to a railway station there was a level crossing to be negotiated by shoppers coming from the most heavily populated section of the trade area. The railway gates were shut to allow trains to go through, for one-third of the available shopping hours each day. Not very good on a Saturday morning!

The Railways Department estimate on a bridge was £75,000, which had to be contributed to by the local council and the Department of Main Roads or, if the developer desired to see it built, he could contribute. This was one of the reasons this particular site was not developed.

MUST BE EASILY SEEN

The site should be easily seen and must be easy to get into and must have sufficient room for expansion. Remember that parking needs are increased every year. It should be of a reasonably rectangular shape for good planning and visibility.

Services should be on the site, or at least nearby. At Top Ryde and St. Ives we had to pay for and provide stormwater sewerage and other services brought to and taken far beyond the boundaries of the site.

Favourable zoning conditions should prevail. Investigate the pre-war residential district proclamations in relation to the local planning scheme. Experience has shown that desirable alterations

ment of the centre. In fact, it could possibly undertake to finance certain projects, such as parking areas, and even certain redevelopment projects. But its main aid would be to work alongside the local authority in getting a plan prepared and adhered to in the subsequent development.

Redevelopment of the older parts of our big cities is a subject we must devote an increasing amount of attention to in the future, planners and developers alike. Our cities have become so big and spread out that we can no longer neglect the inner parts which are ever so much more convenient and accessible than the newer parts on the outskirts.

In Sydney new suburbs are being opened up 20 miles from the commercial and industrial heart of the city and we are starting to plan for new large towns 30 miles and more away. Many people, I feel sure, will not take kindly to living in such remoteness and there will be renewed interest in the closer in suburbs.

Redevelopment, almost a catchword these days, does not mean exclusively the wholesale demolition and rebuilding of sub-standard areas in the inner suburbs of the metropolis. Rather, it means the systematic remodelling of what very often are our choicest, most convenient and accessible urban districts. Certainly wholesale rebuilding may be essential in some instances and the street patterns may have to be rearranged. But in some cases repainting will be all that is necessary.

The thing is that towns are not expendable like motor cars, refrigerators and washing machines. They have to be kept up to standard to suit the tastes of the day. And in this hard, economic world this applies particularly to our established shopping centres.

THE CHAIRMAN, introducing Mr. Yeomans, said:—

His name, perhaps, is not so familiar to you as Mr. Fraser's. He is a partner of the firm of Clark Gazzard and Yeomans, who are development research, urban planning and architectural people. He has made a particular study of regional shopping centres and market research for the retail trade. He was largely responsible for planning Top Ryde shopping centre, and has a new one at St. Ives.

MR. YEOMANS: Until the post-war years the dispersal of population to the suburban area seemed mainly to interest sociologists and town planners.

Then the building boom, higher income levels and the increased use of cars accentuated the development of suburban shopping facilities.

The two most significant developments in suburban retailing to-day are self selection and the advent of the planned shopping centre. These factors are endeavouring to achieve the same purpose, that of bringing to the public an easier and better way of making its purchases close together, close to home and close to adequate parking.

The social pattern of suburbia to-day has engendered these developments. We are all aware of the sociological changes since the end of the war, the explosion growth of the outer areas, the increase in family purchasing power and greater income distribution, which to-day sees more money in the hands of middle and lower income groups than ever before.

In place of shopping attraction based on income there is now a far wider retail market based on differences in needs and tastes within a predominantly middle income population. Better retail services are required by this new market, which generally means greater convenience in shopping and wider selection of merchandise. Here lies the appeal of the planned shopping centre.

Planned shopping centres do not create the desire on the part of the consumer public to shop in suburban areas. The planned shopping centre was the inevitable result in meeting this desire.

CENTRE CLASSIFICATION

At the outset it is necessary to classify the shopping centre. Basically it is a group of retail stores functioning not very differently from those ancient market places and bazaars. In fact, most of the retail groupings in our cities have from time to time been called shopping centres, a logical term, particularly for some of our major suburban centres, which are clearly the centre of shopping activity. But now promoters and land developers have usurped the name shopping centre and it has come to have a special meaning.

The shopping centre is basically a carefully co-ordinated group of retail stores, planned, developed and managed as a whole, with adequate off street parking, tending to maximise the cumulative attraction of the unit as a whole. This definition is now generally accepted by technicians and laymen alike, although some confusion has resulted from efforts by individual stores to capitalise on the glamour and implication of broad coverage of the shopping



MR. P. D. YEOMANS

centre by using the term in advertising their stores.

There is, however, a great deal of controversy about classifying shopping centres into various types. The reason is that as the shopping centre trend develops there are beginning to appear recognisable differences in function. With this crystallisation of type going on, there is a scurry among the owners and developers to secure general acceptance that their project is in a higher category.

The first question that a developer asks a consultant is, "Do I have a regional centre?" To-day any park and shop project is likely to be called a regional centre. That being so we are left with no good designation for the larger development. Contrary to classifications quoted in Monday's "Sydney Morning Herald" supplement, I give some Australian classifications instead of blanket acceptance of American figures and formulae.

A **neighbourhood centre** is the smallest centre, with a supermarket as the largest tenant. These centres provide for sale of demand goods only, the daily living needs in food, chemist goods, sundries and personal services, include 10 to 15 stores, require at least 1,000 families for support and need a two to four acres site. For example Kuringai Council's East Lindfield and West Pymble centres.

Community Centres—These are intermediate-sized centres with a large

In the northern suburbs, say Kirribilli, the most popular flat contains two bedrooms with an area of about seven-and-a-half squares. There is, however, a growing demand in Kirribilli for a better class unit having a floor area of nine to ten squares.

The development in Mosman, Manly, and Cremorne, would suggest that the average size of units should approximate eight to nine squares, whereas at Killara, the average size is about eight squares, with a limited demand for larger units up to 12 squares.

The trend for larger units in a particular area increases with the desire to live in the area. Kirribilli, Blues Point and Manly, fashionable areas during the World War I era, have since lost social value for private home ownership, due to age, type of development and obsolescence. These areas are now very much in favour for high density housing. This transition will continue and could expand to areas such as Millers Point, Paddington, and some of the less favourably built-up areas in Bellevue Hill and Woollahra. Consequently these areas would regain the popularity they have lost.

Necessity for sound marketing advice: If the element of risk is to be minimised, the real estate adviser is required to perform a very complex and responsible service. This responsibility will increase as the supply of units equals or exceeds the demand. The price paid for a commodity, under normal market conditions, must be stabilised if at all possible and, provided this can be reasonably assured, then the security will become more popular, not only with the buying public but the financial institutions which provide the means of purchase.

For this reason there will always need to be a very close liaison between the adviser and the developer to ensure that the buildings are of the highest appropriate quality and in the best possible location. Where such conditions already exist home units have been readily resold when placed on the market and often at a capital gain to the original purchaser.

This means of housing is not entirely new. It will be recalled that the first important building in Sydney to offer multiple ownership, the Astor, was erected in Macquarie Street some 30 to 35 years ago. It would, however, be right to say that only since the last war has there been any major progress in this field. This form of housing has now become well and truly established and will always form a very valuable means

of housing people who prefer to live in a building without the responsibility of the ground upkeep and maintenance associated with private home ownership.

Methods of Marketing: To sell units has created the need for specialised training. Seldom do we find a salesman capable of effectively selling units as well as homes, although both provide the fundamental function of housing people.

The presentation of the project is most important, keeping in mind that in the majority of cases the selling of the unit commences well ahead of the completion of the building and usually starts shortly after some visible means of development has been established on the site, but preferably when one unit has been completed and is ready for inspection.

NEED FOR A BROCHURE

Consequently it is desirable, if possible, to prepare a well illustrated brochure setting out the essential features of the units and the services provided, together with a typical floor plan, an estimation of the anticipated upkeep costs, a schedule of prices, having regard to the position and elevation of the units in the building, together with a prospectus and form of contract.

If at all possible, a scale model proves a very effective selling agent when presenting the project to prospective purchasers, particularly if it can be displayed in a well located selling centre, where not only the project under consideration can be viewed but as many other projects as possible, so that discerning buyers can make comparisons. Not all purchasers can understand plans.

Now I refer to these two models here (on the platform). One is a tower type home unit building and the other a commercial building.

To-day more and more emphasis is placed on the services of marketing, and I believe this aspect of selling will become more accentuated as time goes on. It calls for a somewhat different approach to the normal functions of selling and requires specially trained staff to prepare and furnish the correct information.

In addition to the models illustrated displays of available projects offer considerable help to prospective clients and to the selling staff—these displays (on the platform) are what I am referring to—particularly if they are well prepared and provide photographs of the building, floor lay-out, schedule

of prices and other factors relevant to the property.

The selling staff should have a working knowledge of building construction to enable them to meet inquiries regarding possible minor alterations to the working drawings, which may be possible during the course of construction. Knowledge of interior decoration and colour harmony is also desirable. Such things will often play a very important part in the appeal of the finished product and assist in the sales promotion.

Finance: Not the least important matter is that of finance, for without it many sales cannot be effected. It is undoubtedly the lubrication between the desire and the fulfilment of the desire to the conclusion of a sale.

Due to the very fact that many owners occupy one site no satisfactory means has yet been found to give a title which would be sufficiently attractive to lending institutions in general. The most common method of ownership is by a shareholding in a company formed for the express purpose of making the property divisible in an equitable manner after due regard to the size and accommodation of the unit and the position and elevation within the building.

Realising the need of providing some workable medium, a Strata Titles Bill has been drafted and is now before Parliament. This Bill, when implemented, will provide, I believe, the best known means of giving title to this form of ownership and should be acceptable to the recognised lending institutions and assist in the problem of arranging finance.

Commercial Units: During the post-war years there has been a limited move to provide office and commercial accommodation in the same way as domestic units. Broadly speaking, the same principles apply in the selling of this class of accommodation. The market research, however, needs to be more specific due to the capital involved, particularly when one considers that a moderate-sized city development could mean a capital outlay of at least £1,000,000.

The matters which could require careful consideration are:—

1. The anticipated demand for the accommodation when the building is completed in 18 months' to two years' time.
2. The amount of accommodation at present under construction and which

will be available for purchase or letting at or prior to the completion of the proposed new building.

3. How much accommodation, if any, will be released as a result of the rebuilding schemes.

4. To what extent will present business organisations seek to move into new prestige buildings having regard to the effect of existing rents paid under Rent Control, when compared with the rents in new buildings based on a fair economic return on the capital outlay.

5. Should air conditioning be provided as a standard service or incorporated in the building development in some manner to provide for the requirements of the individual.

6. To what extent will established business organisations grow in the expanding economy due to the influx of overseas capital, coupled with immigration plus the natural increase in population, and, as a result, what demands will be made for accommodation.

7. What areas can be considered most suitable for immediate development and to what extent will the concentrated redevelopment in these areas have on the existing commercial area.

8. The economic approach, having regard to the advantages of ownership as compared with that of renting, particularly where it can be anticipated that alternate methods will be available for obtaining office accommodation in the foreseeable future.

In order to provide this service, undoubtedly considerable research is required, and unless this can be made available we will not be able to measure up to the changing conditions of this new world.

EFFICIENT ORGANISATION

In conclusion, I feel the effective selling of a specialised commodity, no matter what it happens to be, will require an efficient organisation prepared to render a service which the community has a right to demand. In providing this service, not only the promoter but the public in general will benefit.

World living conditions are changing and consequently, if we are to fulfil our functions to the best of our ability, we must keep abreast of the times. No longer will it be good enough indiscriminately to build a series of prototype, unimaginative shelters and expect the public to accept anything merely to get out of the rain.

I believe this is to-day's challenge to the real estate profession and to

those of us who are prepared to accept it. Then the path ahead will not only be full of interest, not without an obstacle or two, but will give a wonderful sense of achievement and be very rewarding.

Mr. F. P. WEAVER (Roseville): Could Mr. Cook tell us a little more on the matter of current price of home units in relation to their real worth? When there are strata titles what will happen when it comes to selling these, like a mortgaged house? No doubt the institute will give quite a lot of information regarding the need for strata titles. How much could you tell us of the nature of the title, and when it will be available to us?

MR. COOK: With regard to the price of home units, I take it that the reference is to price compared with, perhaps, cost plus land plus building. But I think you would appreciate as well as I do that the price is governed by market conditions, and the old story of supply and demand prevails. If the price is too high, the units will not sell. So far as valuation is concerned I can only be guided by market conditions. I cannot answer as to lending societies, but I would act on market conditions, no matter what it costs.

On the strata title Bill, as I understand it — and this is only opinion — I have no real technical knowledge. The purpose is to give some form of title to a flat within the building and incorporated in the company, or share arrangement, or allocation, will be a plan which will be deposited with the Registrar-General. That plan will then form the basis of the title.

It is a very complex subject. The Bill has been tabled and the Institute has been invited to comment on it. We have tendered certain advice. I think it would be right to say that it will certainly be a step forward so far as the lending institutions are concerned. I have spoken to a number of houses and they have assured me that when and if it is passed, money will be much freer for lending.

MR. W. DUNCAN (Milson's Point): What protection will the unit holder have against a person who comes into possession of that unit selling it to an undesirable party?

MR. COOK: That is a very vexed problem. Under the present arrangements, where you have a company form and shares are allocated, under the Articles of the Association, of course, the directors of the company, who are

occupiers or owners of the building, have the right to refuse to transfer a parcel of shares. Secondly, they could protect themselves as to the occupants of the building.

Under this proposed legislation, I believe — and I say that myself — that that provision will not apply. That is the very provision that makes the units unacceptable for finance purposes at present. That is something that is probably one of the evils, that is on the other side of the sale, but I feel that the benefits that will flow from having finance available will more than offset anything in that regard.

MR. W. V. LIGHTFOOT (Sydney): Mr. Seidler showed pictures of a block of flats with water views and said it was very nice if the government would allow you to keep it. Did the owners of the adjacent land to that block protest when that block was to be built? Assuming that the owner of a block on the water wishes to build a block of flats that conforms with local government ordinances and also the foreshores protection code of Cumberland County Council, would you consider that owner had grounds for objection?

Mr. Seidler: I think there is a considerable difference between a low building in the nature of a block of flats some 30 or 40 years old which is adversely affected by new developments and a new property worth a third of a million, just built. After all, one is practically ready for redevelopment, having served its purpose, and the other is a new investment. It is not fair to say they are all on the same level.

With regard to the other question, there is a terrific conflict in present regulations. But, as a recent court decision has shown in the Manly area, a tall building was proposed which complied fully with all the present ordinances and even tentative codes of Cumberland County Council, and the court ruled it need not be approved by the particular council if that council felt it was not in the interest of the public to be built there.

I think the entire weight of this decision lies with the local council. The onus is entirely on local government to do, not preventive, negative planning, but positive physical planning, to make up their minds what should be done.

No council, as far as I know, has a physical plan for their own area, one which says: This area will become ripe for development because it has houses 40 years old, and so on. What we want here, if anybody builds, is such and

at the rear of main road shopping strips into useful parking space. In the United States I have seen shopkeepers literally turn their backs on the main road and face their shops to improvised parking space of this kind.

There is no dodging the issue of parking in the suburban shopping centre. Admittedly the problem does not really arise in the small centres of up to 15 or 20 shops, because kerb parking, provided it is not on a main road, is usually adequate. Even so, it may still prove to be the life blood of the shops and should be provided if there is space handy.

Increased mobility is making people so lazy that the effort of getting out of the car and into the shop is beginning to be regarded as sheer drudgery. There is a fortune to be made for the man who can invent a device to enable a motorist to get from his car to his dining table, his bed, his office, without the effort of walking.

CHANGE IN PATTERN

It is in the largest existing centres that the parking problem has become acute. These large centres are the result of an interesting change in the pattern of metropolitan growth. They have become important economic and social centres, focal points for large suburban districts.

It is into these centres — in Sydney examples are Parramatta, Bankstown, Hurstville, and Chatswood — that the main stream of decentralisation of retail business from the city has been directed. Here you will find large department stores, perhaps two or three in one centre, where once there was a collection of small shops. Most of the big city retail companies are now represented in the suburbs. At least this is so in Sydney.

We have been very fortunate so far in Sydney that, in the main, the promoters of new shopping development are sticking to the existing centres, except, of course, where entirely new districts are being opened up for urban expansion.

If the residential district surrounding an existing centre is expanding and increasing its population, the new shopping development merely represents necessary expansion and there is not likely to be any economic hazard. This is what is taking place at Hornsby, for instance, or Blacktown, and will probably occur also at Liverpool and other expanding districts in the outer suburbs.

But even though the expanding dis-

tricts can sustain the additional shops the new development with its new features — pedestrian segregation and parking, and so on — is bound to have some impact on the older shopping centre section. In the one big centre you are going to have the old and the new. It is quite possible that the new development, with all its modern embellishments, will attract customers to the whole centre that it never had before, and to that extent the old section will benefit. It is fairly logical, however, that the interest and bulk of business will swing to the new.

But this kind of expansion is also happening in the older centres whose tributary areas are not likely to increase greatly in population. So, if we add more shops to one of the old-established centres, either it must extend its influence further and attract more customers or finish up eventually with a surplus of shops. The surplus is more likely to be in the older section, not in the new.

Now a large suburban centre that has had £1,000,000 of capital or more invested in it in a few years by way of private development, together with the existing considerable investment, represents an asset which justifies careful and skilful attention.

All of this shows up the need for redevelopment of the older parts of the large existing centres, in particular those centres which cannot foresee a substantial increase in customers. By redevelopment I do not mean piecemeal rebuilding of shops initiated by individuals who want to bring their premises up to date. This is all right in itself but it should fit into a comprehensive redevelopment plan.

THE BROAD PLAN

The redevelopment plan should be, in the first instance, broad and loose fitting, indicating the general location of the main features — a civic centre, perhaps bus terminal, essential main parking areas and traffic circulation. For the rest it should do no more than stipulate that any development which takes place must be in accordance with a detailed plan for a unit area, with the whole, preferably a whole block, bounded by streets.

The obstacles to comprehensive redevelopment are tremendous — so great that it cannot really be contemplated under our present way of doing things. Most of our existing shopping areas are subdivided into tiny shop lots, very often in separate ownership. The pros-

pect of any one developer wishing to carry out extensive redevelopment, gaining possession of large numbers of small properties, is pretty remote. In default of this we are committed to very piecemeal rebuilding according to the old pattern of lots and streets, with a perpetuation of all of their defects and inconveniences.

It is usually expected of the municipal council of an area to initiate, plan and carry out redevelopment of existing centres. After all, it is the local planning authority who has powers of resumption. But it has not powers of magic. This conception must be changed or we will still be waiting for redevelopment to take place in 50 years' time.

JOINT ENTERPRISE

Redevelopment must be treated as a joint enterprise involving both local government and the private entrepreneur. They must learn to plan and implement together instead of each sitting back waiting for the other to take the initiative. The private developer has the enterprise, the money and the drive to know what he wants and he has the wherewithal to get it done. Local government, with all its admirable qualities, does not possess these to a degree that would enable it to tackle redevelopment.

For one thing local government changes, or is likely to, every three years. Consequently it would find it very difficult to implement unaided such an elastic project as a long range redevelopment plan. This is not to say that local government is devoid of initiative, but it is certainly not impelled by the same forces as private enterprise. Its interests are spread over its whole area, not concentrated in one particular spot. But it has wide town planning powers, including those of acquiring land and property in the public interest, and it has, in a more altruistic sense than private enterprise, the interest of its community at heart.

Such a combination is the most practical arrangement for successful redevelopment. Local government cannot do it alone.

Private enterprise interested in the redevelopment of an existing shopping centre must, however, find ways of co-operation within its own sphere to permit joint action with local government. This sounds like the local chamber of commerce, but it is something much more than that, a body representative of the business people formed for the purpose of promoting the develop-

use of the motor car has on the service given by public transport. The proportion of people who use public transport to reach the city and move about in it is much greater than those who come by car. Substantial improvement in motor car access and other facilities like parking would almost certainly cause the number of people travelling by car to increase at the expense of public transport.

The effect on public transport of reduced patronage is usually a falling off in service. Fewer people to carry means fewer trains, buses and ferries and a falling off in service. In turn this leads to a further falling off in patronage. The total effect could well be that fewer people would come to the city.

In short the motor car is a very doubtful quantity in what it can do to keep the city buoyant. Actually its effect on the city works in another way. It is playing a big part in encouraging horizontal metropolitan expansion, which is a relatively thin distribution of resident population over a wide area. The result is that a large section of the metropolitan population is so far removed from the city that its members have no interest, social or economic, in it.

BUOYANCY OF CITY

This is the real crux of the matter as far as the city is concerned. The buoyancy of the city depends on its ability to attract people. The nature and strength of the attraction that the city can offer and its accessibility are the vital factors in this. The stronger the attraction the less important accessibility becomes.

The future of the city, therefore, seems to rest on the measures that are taken that will help it to attract people—workers, shoppers, pleasure seekers and tourists. Such things as vitality in leadership in retail trade, the quality of entertainment and cultural exhibits, tourist activities, are the big factors. According to the degree of attraction that these things exert so will the city's pull extend farther out.

And of course, the best insurance is a well-populated ring of inner suburbs, the redevelopment of which can hardly be postponed indefinitely. These are the principal needs of the city, coupled with an efficient public transport service that refuses to wilt at the onslaught of motor car competition.

The government's decision to redevelop the Rocks area for high density housing is a most encouraging boost for the city. It is in line with recent over-

seas practice of encouraging people to live right in the city.

To maintain its place in the economic and social life of the metropolis the gradual redevelopment of the city must be envisaged and provided for. At present the emphasis is on the economic (office) and administrative quarter of the city, and in this regard Sydney is leading the way with the extensive redevelopment project contemplated for Pitt and George Streets.

The retail quarter is under a temporary eclipse while the emphasis of this kind of development is in the suburbs. But while we may not see much retail expansion in the city we can expect a good deal of redevelopment. Let us hope that it will be enlightened and well thought out.

In the meantime we can perhaps benefit by observing the results of attempts in other cities. Here some of the principles behind the new shopping centres are being applied. For example, there is pedestrian segregation. There have been some attempts at converting vehicular streets into pedestrian malls. This can lead to complications, such as in the delivery of goods, and is not likely to appeal to shopkeepers who previously had bus services passing their front doors. Indeed there is a risk that a street treated in this way might tend to become a backwater.

The Fort Worth city is this kind of treatment on an organised and comprehensive scale. The plan is that the whole shopping and commercial centre will become pedestrian, surrounded by a ring road, with convenient parking station and with connecting tunnels across for delivery of goods.

PEDESTRIANS HIGHER

Another revolutionary idea is that of raising the pedestrian level above the vehicle level. It has been thought about often enough in the past but never on quite such a grand scale as that which is about to be tried. With two entirely separate levels pedestrians will walk about freely between shops and other places of business and interest, while motor traffic, including buses and commercial vehicles, circulate more freely below. Something along those lines is actually being tried in London in what is called the Barbican project.

But, whereas the problem of replanning the retail quarter of the city is something to ponder over for the future that of the existing suburban centre is with us now. Admittedly the city is now getting strong competition from the

larger suburban centre, but it in turn is likely to have to withstand a fair bit of lateral competition itself. The carborne customer can travel another mile or two if her once favoured shops have not decent parking arrangements or their prices are too steep. If the choice is evenly balanced the more attractive of the two might be preferred.

Perhaps it is no longer a case of personal preference in these matters but rather, shall we say, of advertising, of personal guidance. Perhaps we have not yet felt the full impact of the new selling techniques that are being developed—subliminal advertising that plays on the ears, the eyes and the nose, which, from all accounts, makes you buy things that you have not the vaguest notion what to do with. Although many shoppers still follow the beaten track, either carborne or still as pedestrians or bus and train travellers, there is apparently a large floating section of pick-and-choose shoppers.

MOBILITY OF CUSTOMER

This extra mobility of the customer is partly the reason for the demise of the corner shop. It could also mean the end of small retail groups of shops that do not meet the requirements of the shopper who is in a position to pick and choose.

Badly located shops must certainly fail under these conditions, but, curiously enough, the badly located business whose customers are motorists, is not always where you would expect it to be. For example, existing shops on main roads have a sticky future. Stiffer restrictions on parking on the main arteries will make them even less attractive than they are now. Stiffer pedestrian discipline for crossing main roads will be a further barrier. The idea that a main road site is a good advertising position is a fallacy. In any case the time must come when coloured signs on main roads will need strict control in the interests of traffic safety.

Of course in some places shop development on a main road is so extensive, perhaps on both sides, that, rather than take measures to secure the quicker passage of through traffic, which is bound to increase the danger to pedestrians, the main road itself needs to be entirely deviated. These are costly solutions, but very necessary, and it shows the utter folly of allowing further shops along main roads.

Some local authorities have done admirable service by converting waste land

such a height and shape and arrangement of buildings.

Such a physical plan, if presented in a court of law by a council, would serve as sufficient proof of the council's intention in the area. It would form the basis and justification of their disapproval of any building which does not fit into their plan, regardless of whether it is in accord with all the building regulations.

I think it is, however, very sad that we have to look to our courts to do our town planning for us. We should do that ourselves.

MR. LYLE MOORE (Sydney): Professor Winston referred this morning to the inevitability of standardisation in housing. Do you believe, Mr. Seidler, that individuality in houses is doomed to disappear as time goes on?

MR. SEIDLER: I do not think individuality in housing in the local scene has ever existed. I do not think there is anything more monotonous or dismal than housing in this country.

Standardisation is an integral part of our civilisation. We, for instance, get good quality economically in car production by making great quantities. This principle will undoubtedly apply in the future more and more in housing, but I do not think the comparison is a direct or parallel one.

The needs placed on cars or washing machines are the same on all of them. You do not expect a car to do something entirely different to another car. It is purely a matter of quality, whereas the requirements of buildings can never be standardised to that extent. Nor do we want to live in identical, even if well-designed, barracks.

I think mass production and standardisation are quite commensurate with individuality. To cite an example, take a Meccano set. You have many similar parts, but you can make a great many different models with it.

To-day we are increasing the number of manufactured, mass-produced components used in building that we did not have 30 or 40 years ago, when everything was hand made. To-day we still make some things by hand, but not a lot.

However many mass-produced components of building we make the whole thing must be kept alive by imaginative architects and designers. As with the Meccano set, they will be able to build quite different buildings with the same components.

THE CHAIRMAN, introducing Mr. H. M. Barton, said: He is one of those persons about whom we have been talking in the abstract, who does the job of building, a practical builder, Mr. Barton has been engaged in house building for quite a long time and is president-elect of the Master Builders' Association of New South Wales.

We felt that it would not be a good thing for this convention not to have a practical man talk to us about the practical side of what we are talking of in theory.

MR. BARTON: It is not my intention to talk about statistics. I do hope that I will be able to give you some few points with regard to house building for the ordinary people, for the ordinary type of house, which is probably 80 per cent. of the demand in and around the suburban districts of Sydney. It is probably a good thing that you have a builder at this convention, the Master Builders' Association and the Real Estate Institute are growing closer together, because we are both vitally interested in home building.

It is my intention to talk to you on the planning and construction side of the subject and of it. I am thinking of those young people and the type of homes they want, ordinary homes for ordinary people. The big majority of people are building these ordinary homes.

Over the past 12 months the average cost of the ordinary home was £3,200, exclusive of the price of land. The average cost of the piece of land was about £1,200. Now I know it costs from £800 to £2,500 and you have to be something like 20 miles away from the G.P.O. to get that piece of land for £1,200.

To the people we are dealing with, we as builders and you as estate agents have the very important responsibility of helping young people. I am talking now of the 24-year-olds who are getting married and wanting to do perhaps the biggest thing they have ever done in their lives, spending some six or seven years' salary in building a home, probably 14 years' salary if you add the interest.

So it is a big problem and a serious responsibility that I, as a builder, have when they come to my office, and you as an estate agent when they come seeking a piece of land. How are they going to find it and where are they going to find it, and when they do find it are they going to get advice or help



MR. H. N. BARTON

from the person selling it to them?

I have been amazed at times at the number of young people who come to me with a home to build on such a horrible piece of land they have bought. The considerable cost involved to get that house to foundation height adds to the cost of their land, and they do not realise it, because they are young and inexperienced.

These young people have lived, no, lodged, in a house with their parents up to this stage, and if you ask them the colour of the ceiling in their bedroom they probably could not tell you. All of a sudden they are thrown on the market to build a home, or attempt to build a home, which is far beyond anything they have dreamed about before.

I have asked young people, "What is the size of the room, your kitchen, where you are living now with your father?" They do not know. They have never really looked at the place where they are living, and there they are attempting to plan a house, something in which they are not only going to live, but bring up a family.

I know I do not need to tell you what they need to look for in land. But they are important. These ordinary people represent the bulk of our population. There are so many of them to-day. They become faint hearted, and it is so easy to become faint hearted, as young couples admit to builders, because they run into so many problems,

so many exasperating things, and there are not many people who can help them.

You may say, Why don't they go to an architect? They cannot afford an architect. You may say, Why don't they go to some planning service? Sometimes they cannot even afford that.

Their biggest problem when it comes to finance is not the getting of the practical loan from the building society. On that £3,200 home I mentioned, the average home in the metropolitan area, their repayments over the first year are something like £6 or £7 per week, out of an average income of £22.

Now, remembering that their loan may be £3,000 from a building society, they still have to get that £220 from another source. Generally speaking, I am informed, they get it from some hire purchase association on a mortgage, or they get it from Mum and Dad or uncle and aunt. That is one of their main problems, bridging the gap. Immediately they came to a bigger home somebody wants to plan for a family with a three-and-a-half bedroom or something of the sort—the amount they will have to expend is considerably more and the gap between the money they have and the money they can borrow increases accordingly. That is their biggest problem on finance, the gap between the amount they can borrow and the amount the house costs.

HIGH COST OF BUILDING

Two points come out of this. The cost of the land is far too high. I know it is the market price. And the cost of the building is far too high. Both these factors are very, very serious in this State. Both of those costs are far too high, far beyond what they ought to be. I have not got the answers unfortunately. Perhaps before your convention finishes you may have answers.

Let us travel farther with the young people. They have to plan this home. I do not need to dwell with you on the minor things they have to do with this piece of land. Obviously they have to pick the location of it. They have to see how much; if it is a place where they would like to live, to bring up a family; that is important, whether this is the right place for them.

I find a lot of young people get exasperated as they do not seem to be getting anywhere in planning their own home. They go and buy an article—and I say this very carefully—that is

probably inferior to what they intended buying, because of the finance and because it is easy to get that home turned out very quickly on a project arrangement.

Do not get me wrong. These smaller homes, or cheaper homes, are fulfilling a need at the moment. There is no doubt of that. But I do feel that they are increasing their maintenance problems in a lot of cases and decreasing their reselling value in due course. I am not saying that these homes are not up to standard but that they are built cheaper for a particular type of market.

PROBLEMS OF YOUTH

They get their piece of land and have to get a house design and plan. I mentioned to you that young people do not know very much about houses. They are trying to learn, and there are organisations trying to be very helpful. Quite a lot of young people are gaining a lot of knowledge and, as these advisory organisations continue, they will be more experienced in what they are attempting to do, to build this thing that is going to take up to 14 years of their income to pay off.

In this metropolitan area the average home commenced in the June, 1960 quarter, cost £3,220 and was built on land which cost £1,200. Of every six built, two were brick, two weatherboard and three fibro.

Adjusted in proportion to these various types of construction, on £22 12s. income, the average of the metropolitan area, it costs £7 12s. 10d. a week for the first three years and £6 thereafter to pay off that £3,220 house. That is what they are in for.

As far as the type of house goes, they come to me, and no doubt have spoken to you about it. They say, "What sort of house will I build?"

The great progress that has been made with fibro and weatherboard construction over the past few years is quite amazing as types of materials for outside walls. I feel that there is no degradation or any worry about whether you want to build with fibro or weatherboard. You really have nothing to lose, provided it is neat, well designed, well planned and, most of all, well and properly painted.

A considerable number of brick veneer have been built over the years. In my personal opinion—and mind you, it is only personal, I know that I can be proved wrong—that brick veneer is a fake brick house. You would be far better, because of the little difference

of cost involved, to go to a brick home.

As far as the final analysis is concerned on these three types of homes, I do not think there is any doubt about them from the resale point of view.

As far as construction inside is concerned I have had many arguments as to what type of timber to use in a particular construction, whether it should be Oregon or hardwood. These seem to be the two timbers we use in this State, particularly for frameworks or timber-framed or weatherboard cottages. I have debated this particular question before the Tariff Board to make sure that it did not stop Oregon coming into the country.

But I would submit that the improvement that has taken place in the quality and the mill of our New South Wales hardwood over the past few years again is amazing. I feel that, for the construction of cottages, it has no real disadvantage against imported Oregon. Admittedly there is some slight saving in labour with Oregon and in some cases, perhaps, some of us consider that it does keep much straighter. But so far as the end result is concerned, the maintenance of a cottage, I do not think you would have any particular problem.

IMPROVED MATERIALS

The great improvements made in materials, I think most of you will agree, have made timber-framed and fibre cottages quite beautiful to look at, and they are quite solid and strong. As far as finishes in bathrooms and kitchens are concerned, quite often in a timber-framed cottage you would not know any difference from living in a brick home. Reselling value of a brick home is much better, but a lot depends on the area.

As far as the people I am talking about are concerned, all of us as builders and you as real estate agents have a responsibility to help them. The most important thing we can do for our country is to do what we can for the young people.

I have often handed over the responsibility of the cottage I have built for the battling couple, given them the keys, set the hot water service right and shown them how to operate their place, and seen the smile of contentment on their faces. It makes you feel good to know that that young couple are starting off with something good and solid and strong, and have a home which is the best you could do for them. I am, and I feel you would be, amply

development will be slower and less spectacular. All the more reason, therefore, for careful initial planning, because the city is the most important shopping quarter in any metropolis. This importance is derived not merely from the function it performs of providing a rather special retail service to a large section of the metropolitan population. Even more important, I should say, is the vital part the shopping quarter plays in making the city the social and economic heart of the metropolis.

I do not need to lay much emphasis on the economic side of this picture. Business interests will see to that. What I want to emphasise is that the social side is just as important as the economic, if not more so. We live in towns largely because we are gregarious by nature. We seem to be becoming more gregarious because more people are living in towns, and the bigger the town the better they seem to like it. It is part of their gregarious nature that most people seem to like crowds so well.

Not everyone will accept this statement and I will try and put it in another way. If we argue that we do not like crowded places we must surely admit that this is where we usually get the best of what we want. Concentration of people or of occupation usually means better service. A well developed residential area is more likely than a thinly developed one to have good streets, sewerage, water supply and transport. And coming back to crowds, an entertainment is usually of better quality if a large audience is assured, simply because better performers can be engaged.

LIFE AND CHARACTER

But there is more to it than that. Crowds give life and character and atmosphere to a place, which is an attraction in itself. We prefer a comfortably crowded street, if only for safety at night, to an empty one. We prefer a crowded beach for a surf to a deserted one. Remember, I am speaking of crowding, not overcrowding. No one enjoys a play or an opera in a nearly empty theatre. There is something missing which affects the players as well. A football or cricket match is not much fun without a lively, noisy crowd.

The city is a place for crowds, and that, surely is an attraction for a lot of people who go there. If this is true then one of the most important purposes of the retail section of the city is not economic but social, that of

bringing people together. That being achieved the city then becomes the best place for other social activities, like theatres, concert halls, parks, restaurants and so on. The problem of the shopping section of the city, therefore, is the problem of the city itself, and the solution is to know how to keep on attracting people to the city, not only in the daytime but at nights and weekends as well.

A great deal of concern has been expressed in recent years about the apparent decline in the city. This is mainly felt in the shopping section and is reflected in a relative decline in trade. The reason for this is fairly obvious. The city depends for its crowds, who come for employment, business, shopping, entertainment and sightseeing, largely on the inner suburbs, those within a radius of, say, eight miles.

HORIZONTAL GROWTH

Metropolitan growth, in Australia at any rate, is substantially horizontal, that is, an ever increasing proportion of the metropolitan population lives and even works outside this arbitrary eight-mile limit. To serve the needs of these people large centres rivalling the city are growing up in the more distant suburbs. In Sydney we have places like Parramatta, Bankstown and Chatswood, which are gradually supplanting the city as far as the outer suburbs are concerned. But on top of this the inner suburbs have been steadily losing population.

Usually the first thought that occurs to most people when discussing the problems of the city concerns its accessibility. It should be easier to reach and move about in. All sorts of proposals for solving the city's transport problems have been put forward. Most of them give precedence to the needs of the motor car.

But it will surely be agreed that the most satisfactory transport solution is the one which is capable of moving people and goods, and not merely motor vehicles, effectively, safely and conveniently. If preferences were to be given to vehicles according to the nature of their load and their carrying capacity public transport and commercial vehicles would take precedence in the city over private motor cars.

While this order of procedure is generally accepted in theory, it is usually argued that it cannot work in practice. For one thing the limitations of the existing street pattern of the city precludes outright preference for buses

and commercial vehicles, short of a complete ban on the private motor car, with which few people would agree.

Secondly, it is popularly believed that the fate of the city as an entity depends a good deal on its adaptability to the needs of the motor. People, it is said, are becoming more and more motor car conscious and insistent on being able to use their motor cars. This trend must be met by improved access to the city, freedom to move about and to park. Otherwise, it is said, the city will continue to decline.

There are some notable instances in which this is not borne out. Los Angeles is noted for the smallness and insignificance of its central area, that is the city. It is hardly noticeable, hardly exists, for such a large metropolitan population. Yet it is probably one of the most accessible central areas in the world. Three freeways intersect almost in the city, while there is an enormous amount of parking space, nearly 50 per cent. of the total building space, I am told. It is astounding to see how much ground space there is for parking in the city of Los Angeles.

Detroit also has a fairly negligible central area, which is nevertheless well served by freeways. New York, on the other hand, has a vast, bustling central area, one of the most exciting cities in the world which, having regard to its huge metropolitan population, is not particularly accessible by road, and parking space is very scarce.

THE TRAFFIC PROBLEM

Too much subservience to the motor car in solving the city's traffic problems could destroy the very thing we are trying to save, namely, the city's character and its ability to attract people.

Far and away the most important component in the make-up of the city is its people. People make the city. That shops and offices, theatres and restaurants must have people is obvious. But it is the very presence of people in these places, in the streets and parks and shops, that give it the life which exerts the pull. The city's people together with its architecture, streets and parks, are the essence of its character. The space requirements of the motor car, if met too liberally, are inimical to the concentration of people. A city spread out to serve the needs of the motor car might cease to attract.

Another danger lies in the effect that

self-service store as an example of the trend.

On the other hand, an English merchant has gone on record rating both merchandise and appearance as being more important than parking. That is quite a recent opinion given by a well known merchant in the face of the great surge that has arisen in Britain recently about the need for car parking. He rates merchandise and appearance as more important.

We have only to look at the modern shopping centre to see how in these days of keen competition the designer has correctly interpreted the needs of the shopper. A study of the new design is another way of getting some idea of the problem of the existing centres and, without trespassing on the field that I know Mr. Yeomans is going to cover, I should like to mention a few significant points.

It is a mistake to believe that the modern shopping centre is a product of the home of keen competition, the United States. Some of the most attractive centres have been designed and built in Great Britain and Europe.

CAR GOVERNS LOCATION

However, in the United States the dominant feature of modern shopping centre design has for a long time been the motor car. It governs location, since the availability of adequate parking space is the pre-eminent factor. So important is it that the developer does not seem to hesitate about a site right out on the urban fringe, where you can see bush all around you, so long as it is big enough to accommodate the customer's cars. Some of the newer centres have room for 10,000 cars, which is a lot of room, nearly 70 acres. The ratio of building space to parking is about one to four.

According to a study by the American Eno Foundation, Sears, even before the war, regarded parking space as the greatest single success factor in the location of their stores and that the most suitable location was, not at a suburban railway station or in the heart of a residential district, but the one that had ample parking space. That is why you find sites right out on the fringe.

In the United Kingdom and Europe earlier post-war projects did not place a great deal of emphasis on parking space, certainly not on the sale of the American examples of the same period. Car ownership in those countries was at that time comparatively low. In 1950 it was one car for every 40 people in

the U.K. I mentioned one for 14 in New South Wales, even before the war, but in 1950 it was still only one for 40 in the U.K., one for 38 in France, one for 27 in Sweden. Later planning has, however, been in step with increased car ownership. In England the newer New Towns, like Baidon and Stevenage, have parking space on a substantial scale.

In Australia our new American-style centres have recognised the demands of the motor car. Chermiside in Brisbane has parking space to the order of 1,250, and Chadstone, the very newest and last word, has 2,500 spaces, and, I am told, already that is not enough. Elizabeth, in South Australia, a new town along English lines, has, in its inner centre, parking space for 3,000 cars.

Arising out of the growth of the motor car and related to the provision of parking space is the growth of the pedestrian precinct. No new centre fills the advertising bill without its pedestrian mall as it is called. This is the next most pronounced feature of the American regional centre, and it seemed to happen quite suddenly in that country. In the U.K. and Europe, however, it has come in gradually. It seems rather surprising that it has come in gradually.

There are many samples such as Crawley and Harlow new towns, and Valingby in Sweden, in which pedestrian malls and arcades are combined with conventional shopping streets and squares in which the motor car is permitted. This is not a designed mixture, but rather a compromise between the planner's aim of complete segregation and the shopkeeper's preference for what he has been used to. The customers seem, from my observations, to have kept neutral and show no preference for either. In later examples, Stevenage for instance, the planner has won through with his precinct or mall.

SAFETY FROM TRAFFIC

The advantage of the precinct is that the pedestrian is completely safe from motor traffic and women can allow their children a lot more freedom and thus get more themselves. We have a few examples, such as Top Ryde, in Sydney, Chermiside in Brisbane and, of course, Chadstone in Melbourne. The interesting feature about Top Ryde is that it represents expansion of an existing centre, whereas the other two are brand new.

It is interesting to notice also how much attention public transport gets in modern designs. In the European ex-

amples there is no question about it, the bus terminal or loading bay is a prominent feature of most shopping centres. In Stockholm on a new electric railway into the suburbs terminating at Valingby, the shopping centres are actually built over the station with entrances in the shopping square. But even in the United States huge motor car meccas, like Northland and Eastland in Detroit, include well designed and well used bus terminals.

I did say earlier that I believe that shoppers of to-day are more fastidious and discerning than formerly and that new designs are meeting the improvement in taste. Twenty-five years ago we would have been startled to see statuary and fountains and gardens in our shopping centres. Some of the statuary is still quite startling, but nevertheless the idea has become almost commonplace in other countries. Many of the new pedestrian malls present the most delightful landscapes and open shop fronts.

ATTRACTING SHOPPERS

It might be said that these frills are to attract shoppers to the not always handy American regional shopping centres, away from the more accessible local centres. In a sense this is true, but some of the most attractive shopping centres of this kind exist where there is no great competition.

In the rebuilt city of Coventry the retail centre has all sorts of interesting features, including balcony shops, which have not been a great success. In Rotterdam, in the heart of the rebuilt city, there is a most interesting and pleasing pedestrian mall called the Lijnbakm, and nearby in the next street the famous contemporary statue called the Flower, outside the Beehive department store. In keeping with contemporary art the statue does not resemble a flower, nor the store a beehive.

One of the most striking features about rebuilt Rotterdam—which, incidentally, has not gone in a great deal for pedestrian segregation—is the width of the foot pavements. So wide are they that there is room for a row of quite large kiosks down the middle. Pavement patterns are also a delightful feature of new European centres, particularly the curved check patterns, black and white or red and white, across footpaths and streets in Valingby, Stockholm.

The rebuilding to modern standards of city shopping centres like Rotterdam and Coventry was achieved at the heavy cost of wartime bombing. Normal de-

recompensed for any extra time you have spent in guiding them and helping them.

THE CHAIRMAN, introducing Mr. K. G. Hurst, said:

Every little while something occurs that makes our hearts rather glad as members of this institute because somebody has given us a special service. The work of the institute all down the years has been built upon service by individual members to all the rest of us, and just such a one is our next speaker, Ken Hurst, one of our young men who is making a very great mark.

When Ken was asked to do a particular job for this convention he discovered in the course of it something that he believe to be, and we know now to be, of great value to us all. This has been put in hand and he has handed it over for the use of the institute, not only by our own members but by, I would say, in the future, banks, insurance people, people engaged in finance and a lot of other people concerned with building and industry and housing generally.

A most valuable contribution he has made and he has handed it over to us to use to the best advantage. It will mean of course that we will gain some quite considerable prestige and I believe a great deal of financial benefit from it. It will help us in the future a great deal.

I would just like to say to Ken on behalf of the institute, of all of us—when he tells you all about it you will understand what I am saying—thanks for a really first class contribution to the progress of our institute.

MR. HURST: In approaching this talk to-day I would like you all to put yourselves in the position of a salesman, because I am talking at salesman level. The reason I am doing that is that it is the salesman who does help the home purchaser. I am only dealing with main problems of home ownership, that is, finance. I am going to deal with a number of things most of you already know, but as the talk proceeds, you will find that we have developed a theme which few of us know little about.

Each agent or salesman must approach the financing of a home in a serious, detailed manner, remembering that the majority of our purchasers are doing this for the first time and need help guidance and confidence. Remember that he not only commits to the very biggest financial deal of his life all that he has saved during his lifetime,

but by means of a loan he is committing himself to payments for up to 25 to 40 years.

The financial councillor or real estate agent has a responsibility to his purchaser for the right analysis of his problem. He must present facts, not just talk without a clear cut analysis of the merits and demands of borrowing from certain classes of lending authorities. In fact, you should place yourself in the position of the purchaser.

The title to my talk is, "What finance is available and the effect of interest rates and short term loans on



MR. K. G. HURST

home purchasing". The multifarious sources of finance for home purchase available in Sydney and the difficulties of the average agent knowing just what source is functioning at the time he wants it, have led to the suggestion of a finance bureau being formed within the institute.

The objects of this Bureau no doubt would be: to be in touch constantly with every finance institution; to know when they are lending; to know their general terms and conditions of borrowing; and to obtain private sources of finance and possibly even promote a finance company. No doubt this would be a splendid service for members, but it has yet to be decided whether such a scheme would be easily workable and finally accepted by members.

However, in preparing for this talk, I have written to 62 finance bodies in Sydney, including building societies, life

companies, finance companies and banks to make a close survey of all their terms and conditions of borrowing. This survey and discussion is not aimed at showing you where finance is now available. This will be for you to locate. But, it will show you what type of finance is available and the various terms and conditions that affect it.

From this survey we have prepared a finance directory which, when I have finally reorganised its form and presentation, I will hand to the institute, who will print it and make it available to members, I hope in the loose leaf form. It will be best in this form because there are many sources of finance I am sure that I have not had time to locate and it will be up to the individual members to add information to their finance directory as information comes to hand. In addition the institute will be able to make available to members any additional sheets of current finance alterations. New institutions will no doubt come into the field.

HOW IT WILL HELP

Just how will this finance directory help you and a home purchaser. The suggested heading for the sections of the directory are: 1. Finance for land purchase; 2. House finance by finance companies; 3. House finance by banks; 4. House finance by building societies; 5. Home units finance by finance companies; 6. Finance for project builders; 7. Finance for subdivisions, industrial and commercial; 8. House finance by life companies; 9. Second mortgage finance; 10. Private finance; 11. Solicitors who are expert in arranging home finance; 12. War service homes.

Under the various heading have been listed all the known institutions lending in this field. We have given their full names and telephone numbers, plus a description of their terms and conditions of borrowing. In interviewing a number of the managers of these institutions we have been able to gain additional information about the variations to their general rules, and it is surprising the amount of detail and knowledge that we do not know about loans actually available to us.

At this stage I would like to do a brief survey of the various sources available and make some points. Now if I may just explain this directory to you, because we hope it will become an integral part of your business.

The first section deals with the basic laws of finance companies and loans. From that you could see a true con-

cept of interest rates starting to loom very early, but no land can be bought in flat rates of interest or 12 per cent. or one per month. There are varying terms and conditions, 90 per cent. of purchase price, 90 per cent. of a valuation, and you will find as you read through the various sections, computations of hundreds of variations. You, as an agent and salesman helping a home purchaser would never, without such a directory, be able to direct the right inquiry into the right channel. You will always know some form of finance well from memory.

In dealing with the banks I have found that one or two have very liberal terms in relation to temporary finance — things that I never knew and I have been selling houses for 11 or 12 years. I could have used that knowledge myself, but I only took it up by asking them.

CHEAPER FINANCE FOUND

I did not know that there was a building society for Italian migrants at five and five-eighths per cent. interest — not that I could use it in my district, but a lot of fellows could and they are actually selling dear finance when this finance is available to them, and in quantity.

We get to home units and action becomes very clear. We have again finance available, but at very high interest rates, and until title is given to home units that probably will not change.

Coming to project builders we find there are a number of companies in the field actively engaged in promoting finance and projects through project builders, subdivisional, industrial and commercial. I learned a lot myself about at least ten companies which lend to the commercial field, about which I knew nothing of terms or conditions or interest rates.

I know that is a little bit of a diversion off homes problems, but there is a broad aspect here.

With life companies we have perhaps the broadest field in the average selling of medium class property, in which I would be interested because of the type of property I sell. In this section we have given not only full details of every point about the life companies and their various lending terms, but percentages, their interest rates and terms.

We are also giving the basic points about selling life assurance, because now many of us have struck that home purchaser who just won't take on life as-

surance, and we do not know the basic selling factors. Now we have put in some factors which could help the average salesman jump that hurdle. We have obtained two charts of estimates of premiums so that not only could you talk about it, in fact, but you could give a weekly rate, approximately, on life policies at various ages and amounts. You could be positive about a weekly amount.

Then we have helping the purchaser in the higher income bracket. We have taken into account the advantage of tax in relation to premiums. That is a decided selling factor in the higher income group. I think you all realise that with professional people. Those sketches and charts will be included with all those figures in the directory.

We also have details of second mortgage finance available. No doubt you would be able to supplement that with your own private knowledge — solicitors, personal friends, private finance. That may be a matter of personal contact.

Finally, war service homes. We have given in the directory a full description of every qualification necessary for war service homes, more or less the basic requirements under the Act — how to make an application, details that most of us have just guessed at over the years. For the first time we hope to get down to a basis of exactness.

Constant use of this finance directory and adding of information to it will give every one of us more confidence to use the various sources available.

ADVISE WITH CERTAINTY

Now we have all the information on where finance can be located, its terms, its conditions. We know that at last we can advise our purchasers with certainty, because these terms and conditions are given to us by the finance bodies. The next thing is to translate all this knowledge into words so that the purchaser will accept it. He basically wants to know how much he can borrow and how much it will cost him per week.

How much he can borrow is, of course, based upon the valuation of the property, and the loan is usually a percentage of the valuation varying from 50 to 90 per cent.

Now a word of warning to all salesmen. Do not oversell finance. It is as bad as overselling a property. Do not exaggerate the amount of a possible loan. If anything err on the lower side, remembering that most purchasers

always have a little up their sleeves that they never disclose to you. Do a fair mental valuation on the property for security purposes, then calculate the loan on the scheduled percentage. A yardstick for valuation is often 90 per cent. of selling price. It is a rough one but can be useful.

Always endeavour to find out the amount of the loan granted on properties by the finance institutions. It is a wonderful guide for future loans. Always inform your vendor of the exact situation about the amount to be borrowed. Explain the full details of the purchaser's position. This integrity will still keep your vendor on side, even if the sale falls through.

Now the vital question of how much will it cost him per week?

This phase of the home purchaser's problem is the very one about which the agent, the owner or purchaser is clouded in doubt. There is an appalling lack of knowledge about interest rates and the various methods of obtaining finance. During the recent Homes Exhibition a finance bureau established to help home seekers with finance found that there was an absolute fear of interest rates. I am sure this is handed down to us from the depression era.

CHANGING STANDARDS

What are we doing about it as agents? Are we understanding it, are we trying? We are in the midst of a changing financial scene, when the whole structure of the function of banks is undergoing a rapid change. New interest standards are emerging in the home finance field. Are we fighting the new trend or are we endeavouring to understand the changes being thrust upon us?

If we fight the present changes, and most purchasers do, then we will perpetuate the public ignorance regarding interest rates and have little or no confidence in the new conceptions of finance. It is human nature to argue about and resist those things we know little about. Each agent or salesman to-day must combine in his discussion with purchasers a confident knowledge of interest rates and their various effects on repayment capacity of the purchaser.

Each one of us, I feel sure, would find great difficulty in quoting weekly repayment figures for all types and terms of loans and with varying interest rates. And yet how often has a splendid sales effort, which has resulted in the most satisfactory man-

that most people own cars. Consequently they are more independent of public transport and are thus more mobile. However, the opportunities for using a motor car are not unlimited. It is not very convenient, for the majority at least, as a means of getting to work. It is becoming less useful in the weekend for going to the beach or to other popular resorts except perhaps in mid-winter. Generally you are much more relaxed and safer if you stay at home.

But people do find it particularly handy for the household shopping and, being carborne for this kind of occupation, they are much more able to pick and choose than they were 25 years ago, when they had to rely much more on their legs or on public transport. To-day if one centre does not suit they can go on to the next. The moral is that shops that are easy to park at and to get to by car do good business.

Sometimes when we wait impatiently to be served we might wonder whether there are really enough shops. Should not our existing shopping centres be bigger to meet what appears to be increasing trade? Certainly one gets the impression that people are spending more in shops to-day than they did 25 years ago, when many of our existing centres were established. Everything seems to point that way. Wages are high and prosperity seems to be at an unprecedented level. There are so many more things that one can have to-day — a motor car, television, washing machine, refrigerator and all the rest of the fripperies — and most people have them.

HIGHER FAMILY INCOME

And, even if the value of the pound has dropped, the family income, on the average, must be higher, with mother sometimes at work and young people getting high wages. It is nothing to hear these days of a family of modest circumstances or whose principle breadwinner is getting a modest wage, and the whole family bringing in perhaps £50 or £60 a week.

In the face of the apparent heavy spending on retail goods it is surprising to find that between 1949 and 1957 the amount per capita spent in shops (including motor cars and petrol) increased by only £2 from £156 to £158. These figures, incidentally, are expressed in 1949 values. Now there are all sorts of factors to be reconciled in this and it does not simply mean that each individual is spending only £2 more per year in retail shops. For one thing, hire purchase, which has increased

enormously, has enabled people to acquire more without proportionate initial outlay.

On the other hand, when one considers the great increase in motor car ownership between 1949 and 1957 (from 233,000 to 511,000) and the resultant increase in sales of petrol and oil, all of which is included in both of these figures, the proportion seems to have dropped. Incidentally, the proportion of retail expenditure on cars and petrol nearly doubled between 1949 and 1957. The expenditure on other goods appears to have dropped. This probably means that in order to meet their extra commitments that a high standard of living imposes on them people are economising on certain goods and are thus much more price conscious. This is likely to promote keep competition. This again, like the impact of the motor car on the existing shopping centre, emphasises the value of good locations.

FEWER SHOPS NEEDED

Rather than support the plea by the irate shopper that we need more shops in the present prosperous times, statistics show that we can manage with slightly fewer. In 1949 in the County of Cumberland there were 11.8 shops per thousand people and this, in fact dropped only slightly to 11.7 in 1957. These figures, incidentally, include petrol filling stations. This is an overall figure and there are all sort of variations one way or the other in the different suburbs.

For instance, in Burwood, shops per thousand people in 1949 were 13.2, but increased to 15.6 in 1957, while in Hornsby the number dropped from 8.0 per thousand to 7.0 per thousand in the same period. These variations are inter-suburban; what one suburb has gained others nearby have lost.

Taking a more independent or self-sufficient district, again in County of Cumberland, we have Penrith at 12.6 in 1949 and 13.2 in 1957, and Windsor 14.7 and 15.2 between 1949 and 1957, each showing a slight increase.

The point is that the new suburb of to-day seems to require only one shop for every 120 to 150 people, whereas 20 years ago it was more like one to 100 people. It should be noted, however, that the suburban shop of to-day is, on the average, somewhat larger in floor space, and floor space rather than numbers seems to be the guide.

In short, therefore, there does seem to be little need for our existing shopping centres to expand by an increase in the number of shops unless the popu-

lation of the surrounding district is increasing.

There is possibly one other difference in our attitude to shopping which justifies a new look at the existing centres. I feel sure that people on the whole have become more discriminating than they were 25 years ago and that the standard of taste — in architecture, furniture, design generally, perhaps even clothes — is a whole lot higher than it was. People are much more concerned to be smart and to look smart. This may be attributed to the glossy magazines if you like, but they, after all, may be reflecting, not guiding, the trend. I think it is more genuine and goes a lot deeper than that.

Whatever the cause I am sure it affects our shopping habits to the extent that a shop that is attractively designed, provided, of course, that accessibility and the price are right, will be greatly preferred to the pre-war counter and shelf arrangement. This must be true because it is being heavily exploited at extra cost by the designers of new shopping centres.

What I mean by all this is that people, more discerning than they were, are looking for something better than was good enough 25 years ago, and which is still being offered to-day in most of our existing shopping centres we have had with us for some time. I am sure the shopkeeper appreciates this point if only for the fact that, according to A. W. Roskill, speaking to the Town Planning Institute in Britain, 80 to 90 per cent. of the shopping is done by women who are reputed to be much more susceptible to attractive presentation and that one-third of buying is done on impulse.

THE WINDOW SHOPPERS

Window shopping in the new shopping centres can be a pleasant occupation, even for men, provided it is done during the safe hours of the evening when their wives' buying impulses are checked by closed doors. Not everyone will agree with this. A Harvard Professor of Retailing (Harvard has a professor for almost everything) is quoted as saying, "It is an outworn myth that all women look on shopping as a major sport to be indulged in as often as and as long as possible". He seems to consider that women go deliberately and purposefully about their shopping without a thought to the manner of presentation. In fact he believes that much retailing could be done by vending machines and gives the

area that is not occupied by a single shop. It is the lolly shop of our childhood days, which housewives used to depend on for essentials like butter and bread and jam that they occasionally ran short of. It had its heyday when people were less mobile than they are to-day.

Nowadays most of us get in our cars to buy the food we store in our refrigerators. No doubt there are still people who are prepared to conduct a corner shop business provided there is an existing shop to occupy. But it would be a chancey venture to build a shop in a new area when it can be fairly certain that at least every second family will own a motor car.

Another virtue of the corner shop was that its owner apparently had no great concern for his own convenience. He was open at all hours. To-day opening times are fairly strictly regulated. Furthermore, the shopkeeper, no doubt with a car of his own, is probably as keen as his customers in getting the most out of his leisure hours.

DIFFICULT TO FIT IN

From a strictly town-planning point of view it would be difficult to fit the corner shop in, if it were in demand to-day. People are more house proud than they used to be, probably because of the greater proportion of home ownership. There would be much greater resistance to any attempt by the planning authorities to plant single shops freely about a residential district.

However, single shops are a little outside my field of metropolitan planning. All the evidence I have to support my view is that you just do not see single shops at close intervals in the newer residential areas. The fact that they still exist in the older suburbs — most of them in use — suggests that people still find them useful, and it is rather a pity that they seem to be fading out.

As further evidence it is worth mentioning that there are fewer shops per head in the new areas and always have been in the more expensive residential area. In the new areas, take Bankstown, there are only 6.5 shops per 1,000 people, and in Blacktown 6.9, compared with 12.7 in an older suburb, Marrickville, or 11.8 in Drummoyne. Corner shops never have existed in any numbers in suburbs like Pymble, Strathfield or Vaucluse. The municipality of Kuring-gai, for example, has only 6.9 shops per thousand.

Apart from the corner shop there is little evidence yet that shopping centres

— large and small, city or suburbs — are suffering unduly at the hands of the motor car and the new kind of shopping centre. This is not to say that this position will always obtain or that there is not a good deal of room for improvement. There is much to be learned from trends in the design of new shopping centres. Some of the new features can be borrowed and incorporated in the existing centres to an extent which should equip them to ward off any threat from new modern centres established in the same locality.

The question of the competitive threat of new-style shopping centres has two sides. One side is strictly



MR. R. D. L. FRASER

business, with which you, as real estate men, will be greatly concerned. The other side concerns the public interest, in which the town planning authority is mostly concerned.

Not infrequently the planning authority will be called upon to reject a proposal, say, for a new shopping centre on the ground — sometimes openly stated, but sometimes camouflaged — that it will seriously affect business interests in an established centre nearby. I do not think that planning powers can be used just like that.

But with shopping centres the public interest is also involved. If an established centre servicing the public is efficient and adequate it seems reasonable that it should enjoy some protection from a new venture that will draw people away from it. But if it is not

serving the public satisfactorily and shows no signs of measuring up to modern requirements then, in the public interest, it would seem reasonable to give some other enterprise the opportunity of doing so by opening up a new centre within competing range.

It not infrequently happens, also, that an existing centre is prevented from expanding, to meet the needs of a growing population, on to adjoining land which might be occupied by factories or often high class residential property or perhaps a park. In such circumstances a breakaway might well be justified.

The important thing to remember is that shopping centres, even of medium proportions, invariably also become centres of social as well as economic interest. There will be a post office, baby health clinic, a theatre, perhaps a hall, perhaps municipal offices and other similar institutions which are located with the shops for the public's convenience. For this reason the whole centre should be as much as possible concentrated, accessible to public transport as well as motor cars. This all adds up to being a considerable asset which is worth protecting so long as it serves the public well.

THE DRIVE-IN CENTRE

Now, even though we might feel that the modern drive-in centre is a bit overdone as regards space and ornament, considering that it is practically empty for almost three-quarters of the week, we must admit that our established centres are in the main very much below par.

Consider how the established centre meets the needs of the motor car. The motor car has so changed our way of life that its space needs command attention whether we like it or not. On the average every family owns a car to-day, whereas in 1937, 23 years ago, say, the ratio was one car for every 14 people. In actual fact a lot of families do not own cars, and many own two.

But car ownership is not necessarily higher in the wealthier suburbs. Surveys by Cumberland County Council have shown that in recognised low income areas car ownership is twice as high in new outlying suburbs as in old suburbs closer to the city. It would be fair to conclude from this that, in outer suburbs, which are generally poorly served by public transport, and regardless of the income of the residents, a motor car is almost a necessity.

Generally speaking, it is fair to say

ner, floundered in the uncertainty of finance information. How often does a confident salesman, the moment he moves into the finance field, start with the doubtful words "I am not sure", or "I think", or to cover his lack of knowledge, exaggerates his capacity to raise a loan?

Around weekly repayments figure I found the most obscurity. From all these institutions we hoped to receive a schedule of their weekly and monthly repayments for all general amounts and for various terms of years. Apart from, say, four institutions, I was unable to obtain, at top level, any form of schedule of repayment terms. There were some computations and formulae used by various institutions, but nothing more than that.

RANGE OF CALCULATIONS

So I approached a data processing firm, International Business Machines, using an electronic brain. I said I wanted calculations for weekly repayment to the nearest penny, monthly repayment to the nearest penny, and the total interest payable on each loan for every known interest rate used generally in Australia from three-and-three-quarters per cent. to 12 per cent., or one per cent. per month.

These were to be calculated in monthly rests, quarterly rests, and in flat rates for every known term of borrowing from one year to 26 years, and then 30, 32, 35, 40 and 45 years.

The "data processing firm" gave me exactly what I asked for in a form that would eventually be the basis of a book of tables. Submitting this proposal to the board of the institute I received unanimous approval for spending a large amount so that these calculations could be processed. It is the intention of the institute that all calculations, and there are approximately 27,891 of them, be properly bound into a book known as "Mortgage Tables" to be made available to members.

Before I deal with the more practical aspects of the use of these tables and their undoubted help to the home purchaser when considering various forms of finance I would like you to consider with me the significant trend in interest rates.

Analysing our finance directory we find that the interest rates we have to deal with range from:

3½ per cent. for War Service Homes — monthly rests.

5 per cent. for building societies — monthly rests.

5¼ per cent. for building societies — monthly rests.

5½ per cent. for Italian building society — monthly rests.

5½ per cent. for Rural Bank — monthly rests.

6 per cent. for some banks and life companies — monthly rests.

6½ per cent. and 7 per cent. for permanent building societies and some life companies — monthly rests.

7 per cent. to 9 per cent. for private mortgages.

10 per cent. for temporary war service.

12 per cent., or one per cent. per month for home unit finance from finance companies.

In the flat rate of calculation:—

6 per cent. for houses and land.

6½ per cent. for land.

7 per cent. for second mortgages and higher flat rates for private second mortgages.

We have all, no doubt, realised that there is a change in our methods of financing certain classes of properties, reducing the use of higher interest rates. This has no doubt occurred because the long term finance authorities are only accepting the very best proposals, and because of the shortage of long term funds for home purchase these can be very selective — nothing over 25 years old; nothing under 10 squares; must be within one mile of government transport, and so on.

FINANCE COMPANY FIELD

Their selectivity is going to increase. Therefore it leaves a very wide field of financing open to the finance companies and private financiers in: 1, Older class of property over, say, 40 to 50 years; 2, Inner city property, tenement houses and such like; 3, houses on the outskirts; 4, home units — this type of property is almost exclusively in the hands of the finance companies; 5, land — term sales.

Now here are some vital statistics in support of this assumption.

FIRST MORTGAGE FIGURES

From Registry of Co-op. Building Society from Registrar-General
2½ years January 1958, to July, 1960:—

| | 5% | 5%-6% | Over 6% | Over 10% |
|------|------|-------|---------|----------|
| 17.7 | 34.0 | 25.1 | 2.1 | |
| 8.0 | 20.7 | 36.1 | 15.8 | |

The period is two-and-a-half years. In that time: Five per cent. financing has dropped by half; five to six per cent. financing has dropped by over one-third;

six to ten per cent. has increased by half, from 25 per cent. to 36 per cent.; and, the most significant of all, over ten per cent. has increased over seven times to 15.8 per cent., and remember that doesn't include home units.

Therefore, it could be said that we, as home finance experts, are faced with a complete new trend in financing; and it is obvious, from all reports that we read about bank finance and profits and the stresses and strains on the money market, that we will have to become skilled in the selling of high interest rates and short term loans.

I must, at this stage, state clearly that I am advocating neither high or low interest rates, long or short term loans, but am only endeavouring to present to you new conceptions of financing that will help us to adapt ourselves to the changing conditions.

CONFIDENT SELLING

Our basic livelihood may depend upon our ability to sell not only the property, but also sell higher interest rates on shorter terms, and we must be able to sell this type of finance with confidence. The proposed mortgage tables will, for the first time, give us the ability to sell finance with certainty.

With the combination of the finance directory supplying the basic information regarding the lending authority and the mortgage tables supplying the exact weekly and monthly repayments for any known loan a salesman can quote figures instantly and the purchaser will receive precise information.

What's more, the salesman can, with great ease, go through the comparisons of the advantages and disadvantages of various forms of finance all in the space of ten minutes. Before, this would take endless phone calls. I am sure that we would never have received the complete answers, because, when I called on the majority of these companies, I had to break down a basic resistance to get to this information — and I had the weight of the institute behind me. How much more difficult would it be for the salesman who rings up.

The following is a summary of the advantages of such tables:—

1. You could get an accurate weekly repayment quoted to a home purchaser on a loan from any known finance institution.

2. If a purchaser quotes his income, by taking into account the income qualifications for loans, as shown in the finance directory, you can then work back through the table to the various

amounts that could be borrowed from various institutions at their respective interest rates and terms. The purchaser then could see how, perhaps, one form of finance would be better than another.

3. How often do we have to sell a house on a first or second mortgage? These tables will enable you to calculate, within minutes, not only the repayments on first, but also on the second mortgage, because the various interest rates are provided for.

4. An agent selling property on terms for an owner, for example tenanted property, has a complete set of tables for all known interest rates, both on monthly and quarterly rests. At the same time you can tell your client the total amount of interest he will receive for his investment, because it is in the tables. You have the advantage of offering him comparisons of different types, quarterly rests and monthly payments and even flat rates.

5. Land selling terms are instantly available for all subdivision sales. As you heard this morning, most of the land is sold by these development companies on a reducing basis, usually quarterly rests, six per cent. Now you will be able to calculate within minutes the repayments of any known terms that you want to give. Then you could calculate your discount back because that had to show 12 per cent. You have your 12 per cent. total, your six per cent. table, and you could show from your table the exact discount effect on interest rates and exactly what you are going to lose on discount.

6. Solicitors will find it a wonderful help. They will have a ready reckoner for all forms of private mortgages and second mortgages.

7. Estate agents and salesmen will, for the first time, be able to talk with absolute confidence about a subject that has for a long time been within the province of the large institutions and, perhaps, to a lesser extent, in the legal fraternity. He at last can claim to be an expert in arranging finance.

VARIATIONS DISCOVERED

I would like to conclude with some variations we have discovered. Firstly, the calculations have been checked with figures from some of the large institutions and have been found to be correct. For the information of members, we have the actual formula used by the actuary and the machine and the calculation of all these items has been found correct.

However, there are some variations.

For instance, we found that the Government Insurance Office varies. We did not know, nor did some of the Government Insurance Office officers know, that they calculate their interest rates at six monthly rests. A tricky little variation, and it does exist. We have not calculated those, but the variation is not great.

Now the building societies. Now I am talking about a terminating society. The terms require a brief explanation. Our repayment table will vary to the extent that we are unable to include a management fee. It is only a slight variation, but it is there. In addition, in fairness to the society movement, we must take into account that a terminating society is for a notional term of 26 years, that is, it may terminate a number of years before the 26 years because of interest gained from funds or capital reinvestment by the society for its members. This, of course, results in a very substantial saving for its members.

CONVERSION SURPRISES

In this table book we propose to include a flat rate conversion table, that is, flat rate converted to its exact effective real estate interest rate on calculations based on a reducing monthly basis. Some of you probably already know these things, but when I saw some of these conversion tables I was horrified. For instance, six per cent. flat over four years represents exactly 11.5 per cent.; 15 per cent. flat over four years is 29.38 per cent.

I think if we had these tables available to us, we would be a little less ready, perhaps, to rush somebody into a very solid second mortgage at ten per cent. when we can realise the significance of what we are doing to them. We perhaps will try a little bit harder to get a little bit better interest rates.

Finally, we must lift our standards of service to home purchasers, and there is no greater field for improvement than in finance. It is the very key of home ownership.

THE CHAIRMAN: You will now see that that to which I referred is of very great importance to us, and will be of great service to us in the future, not only to our members, but to the community at large.

Now we will have question time.

MR. H. A. FIRMSTONE (Mascot): It would appear that a quick analysis would show that the government set out to eliminate what we regarded a while

ago as a black market in building materials. Wouldn't the figures that you now reveal show that instead of achieving this objective, the net result has been that stability in building costs did not affect a black market of end money?

MR. HURST: I am afraid I am treading into politics here, but it does appear that the splitting up of the available resources has gone from the principal long term lending authorities we knew some ten to twelve years ago into diversified forms of loan companies, and various other lending authorities, so the total amounts are being spread now.

You must remember that even those high interest rates which have a fundamental harshness on people have certain properties. Without that type of property, without that money, we could not sell a certain class of land. We, as agents, may be able to crusade against these interest rates, but we must learn not to be too harsh. It is being loaned on very difficult property. You may be right, but there is another side to it.

MR. F. P. WEAVER (Roseville): What mark-up on costs does the M.B.A. Institute recommend to its members, if they do make such recommendation? And, assuming they do, how does this figure compare with actual mark-up placed on jobs by builders?

Secondly, is there any marked trend in New South Wales for the small spec builder, building say, two or three homes a year, to be replaced by the larger building companies? I have found recently in another State that that gentleman whom we call, in all respect, the spec builder, who builds solely on his own efforts two or three homes a year, was practically eliminated.

MR. BARTON: The answer is no as far as the M.B.A. is concerned. There is no mark-up. We compete against each other. We are like you people here, together in a convention to-day and to-morrow battling each other for a job. There are different mark-ups. Some builders work on a smaller margin or bigger turnover. There is no mark-up set up. It is expected that a builder should attempt to get ten per cent. on a contract job. As far as a spec vendor is concerned I suppose he is entitled to get, probably, as much as the market will carry, because of the extra risk involved.

As far as the second question is concerned, I would like, as you did, to pay tribute to the small spec builder. Over the years he has been a wonderful

help in overcoming our housing shortage, particularly in the post-war period. I must admit there is a tendency in this State for him to be slipping slowly out of the picture. I think he will battle on to some extent. He will not fade out altogether, but he is slipping into the background.

MR. M. C. BELL (West Ryde): Could Mr. Hurst give an example, by means of the repayment tables, of what would be the effect of weekly repayments on varying types of interest?

MR. HURST: I can, perhaps, give an illustration, say, £3,000 borrowed over 25 years at, say, six per cent. People come in and say, "What are the requirements?" We give them an idea from our knowledge, but when we make inquiries we find that the only available finance is at seven per cent., and you get that reaction from the purchaser, "I am not going to pay seven per cent."

The interest tables show a very clear picture that from six per cent. to six-and-a-half per cent., with life assurance, permanent building societies, the increase per week is 4s. 3d. Six per cent. to seven per cent. is only 8s. 6d., and from five per cent. right through to seven per cent. is only a total of 17s. per week.

Here is a selling factor, and a very helpful factor to purchasers, because they think now the seven per cent. is hundreds. It represents something he can understand when you can reduce it to weekly payments, and you will find your whole chart will disclose such figures.

MR. J. S. BECKETT (Croydon): We all know that desirable interest rate and conditions are those provided by War Service Homes, but such interest and conditions are as scarce as hen's teeth. If a flat rate of one per cent. per month is the only one we find available for a five-year term, which is the best money to recommend?

MR. HURST: Again, if I take an example of £1,000 — we could consider that as an obvious amount — and at six per cent. flat, six-and-a-half per cent. flat, seven per cent. flat, 12 per cent., or one per cent. per month. The repayment on six per cent. flat is £4 19s. 8d. over five years; on six-and-a-half per cent. it is £5 1s. 7d.; seven per cent. £5 3s. 6d.; 12 per cent., £5 2s. 3d.

Here is where your tables can guide you. We give total interest in those calculations, and total interest you pay

on £1,000 over five years at six per cent. flat is £300. That is very helpful if you are buying land and holding for builders.

You can get your calculations back to there, or holding factors. Six-and-a-half per cent., £325; seven per cent., £350; 12 per cent., £334. Normally 12 per cent. is up in the clouds, but at five years it comes in below seven per cent. You could get 12 per cent. from Hookers and it would be better borrowing than seven per cent. flat from Finance Corporation of Australia.

For the first time we can see all these trends. If I may I will elaborate what happens to 12 per cent. money and six per cent. flat money in relation to long term money, and this applies to home unit money.

You borrow £2,000 — and this is what people will be borrowing on these home units — at 12 per cent. mainly, and six per cent. after, over a period of five, ten, or 15 years. Let us take the 15 years at 12 per cent. Repayments are £5 10s. 4d. per week. Repayment

on six per cent. flat is £4 17s. 1d., nearly 13s. a week lower. Here is a significant change. Your total interest on a 15-year term at 12 per cent. is £2,320 15s., and it is only £1,800 on six per cent. flat.

The most important thing to remember is that interest flat rate six per cent. for 15 years reduces, because of the nature of its structure, the way it is calculated, to an effective 9.75 per cent. A lot of hire purchase companies were making a great error until the actuary from Hookers found they were using 12 per cent. incorrectly. They thought it had 11.5 per cent. return right through, but it has a reducing effect at 20 year terms. The total interest on such a £2,000 loan is £3,285. It is one-and-a-half times increased.

People are going into this, as repayments are only £5 1s. 3d., but here is a figure we would never have known. But on six per cent. flat, which Customs Credit will loan, interest is £2,400, a difference of £1,200 cheaper.

THURSDAY, OCTOBER 20 (Morning).—CHAIRMAN: Mr. H. A. Gorman.
Addresses: "Shops and Shopping Centres", Mr. R. D. L. Fraser and Mr. P. D. Yeomans. Discussion period.

THE CHAIRMAN, introducing Mr. R. D. L. Fraser, Chief County Planner of Cumberland County Council, and Mr. P. D. Yeomans, both to address the convention on the subject of shops and shopping centres.

MR. FRASER: The subject with which I have to deal, the problem of the existing shopping centre, is one into which there has not been a great deal of research. I am afraid, that Mr. Yeomans and I will be covering very much the same ground, because you cannot really talk about the existing centre without talking about the new and contrasting one with the other.

One would be fortified in a talk of this sort if there were some recent research into the subject locally. I am afraid there has not been any. The planning authorities have not done this. Any research carried out on shopping centres to-day is into new shopping centres. It is encouraging, then, that the Real Estate Institute has found time to discuss problems of the old centres.

Obviously there are problems in the existing centres, just as there are in all the components of urban land use in our new and old residential districts, in our industrial areas; wherever you go in the urban set-up there are problems.

But why have the problems of shopping centres been singled out for discussion? What makes them an interesting topic to the real estate professional in particular? The answer is provided in Mr. Yeomans' talk. He is to talk about the new regional and community shopping centres which have made us aware of quite serious defects in our old centres.

It is thought by many that the new drive-in type shopping centre is a threat to the existing centre, particularly if the new and the old are close enough together to compete. But how close is close enough when the customer is a motor car owner? Some business people fear the threat of a new style shopping unit being established alongside them but agree that it would probably affect them more if it were a mile away.

One question that really needs answering is, I think, what effect is the motor car having on the shopping habits of people and, as a consequence, on the existing shopping centres?

We can start by dismissing the corner shop as a relic of the past. I mean the single shop that one finds dotted about the older suburbs. In one suburb I can think of in Sydney hardly a street corner in quite a large residential