BRICK EN... INF... ...IGEST
— ARTICLES O... ...VALUE —
Compiled as ... ...by
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SMALL HOUSES	
Costs	
2 Pages	No. 9

The Cost of a House

MR. BROWN built a house for $10,000. The day he moved in, the house burned down. He is now living in a house built on the same plan, that he rebuilt on the same lot for the same price. What did his house cost —$10,000 or $20,000?

President Roosevelt, the Committee for Economic Recovery, and many others writing on the housing situation, have asked for houses selling for below $5,000.

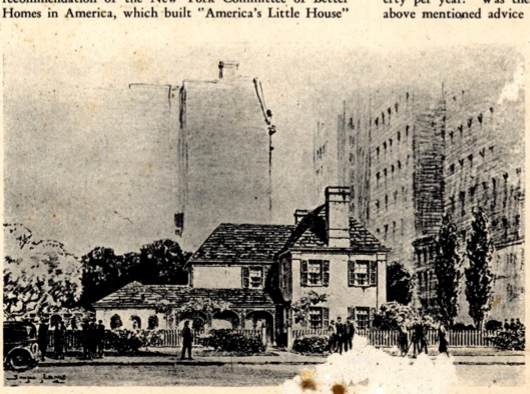
Poor Advice

Isn't a man poorly advised who is told to consider only the first cost of his house? True, his house may not burn down as did Mr. Brown's, but yet many other upkeep expenses will come to him that will just as effectively increase the cost of his house as a fire. It is unfortunate that so many writers on this subject stress only the first cost, even though large banking and lending groups are issuing regulations that make no mention of the first cost, and severely scrutinize the type of construction in order that the annual cost will be low.

America's Little House

A prominent example of this poor advice was the recommendation of the New York Committee of Better Homes in America, which built "America's Little House" at 34th Street and Park Avenue in New York City. Mrs. William Brown Meloney, Chairman of that Committee, published the statement that "The most expert knowledge, the best that trained minds can give, has been put into this little home" and yet that house could be completely destroyed within a few hours by fire; it requires hundreds of dollars annually in upkeep on paint alone to prevent it from cracking and warping; and it could be severely damaged by termites. Was this expert knowledge concerned only with the first cost of the house? Was there no scientific research concerning what this house should cost in annual carrying and upkeep charges? Should not this prominent and much publicized example of house construction have been of materials that were fireproof, rust proof, vermin proof, weatherproof and as durable as it was possible to obtain. Or were all the advantages overlooked and a frame house built solely on account of a saving of a few dollars in the first cost?

Statistics show that in the United States such a frame house bursts into flames every 4 minutes of the day, and that 18 lives are lost every day in residential fires. Fire annually claims 15,000 people in the United States, and destroys approximately 400 million dollars' worth of property per year. Was there any safeguard included in the above mentioned advice to prevent that house from augmenting those fire statistics?



...tectural Record

SMALL HOUSE BEING BUILT ON ... Si... dwelling is now being constructed at ... East Thirty-ninth Street, New York City, ... H... strate what the dollar will buy in the ... ne... Clifford C. Wendehack are the a... From October, 1934.)

...gian-type ... Avenue and ...ca to demon- ... Bullard and ... Record for

By using fireproof doors ...e a great addition safe... ...st fire would have ...een add... to this America's Little House, because la... ...portion of residence ... are shown to originate in bas... ..., and if confined to the cella... would do little damage above.

Then, America's Little House, was equipped with an air conditioning system which requires air ducts. Air ducts create almost perfect fire drafts, thus allowing a fire to spread throughout the entire house in a few minutes, such as in the case of the Morro Castle Steamship fire, in which the fire spread throughout the entire ship through the ventilating ducts. When these ducts are placed in walls htat are not fireproof it is easily seen that they constitute a menace.

This demonstration house also had a beautiful central wooden staircase leading from

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the basement up, with a skylight at the top of it. This construction creates a perfect chimney for a fire starting in the basement that would fill the house with smoke immediately, and block all escape. No insulation was used. By utilizing insulation in the walls and roofs smaller radiators and heating plants can be used, and a saving of annual fuel costs of as much as 40% may be obtained in some cases.

It might be said that all of these improvements over America's Little House would increase the cost beyond the reach of the desired market. Let us analyze this question.

How Much More Would the First Cost Be?

	America's Little House	The Permanent House
Is Masonry Walls Were Used, additional		$430
Heating Plant Saving Due to Insulation	$40	
Additional Cost of Fireproof Floors		265
Painting That Is Not Required on Masonry Walls	260	
	$300	$695
Total Increase in Cost of "The Permanent House" over "America's Little House"		$395

Value of the Two Houses After 20 Years

	America's Little House	The Permanent House
Original Cost	$12,000	$12,395
Less Depreciation		
America's Little House, 3% per year	$360	
The Permanent House, ½% per year	62	
For Twenty Years	7,200	1,240
Value After Twenty (20) Years	$4,800	$11,155
Increased Loss for America's Little House		$6,355

Yearly Costs	America's Little House	The Permanent House
Total Cost (lot worth $3000 included)	$15,000.00	$15,395.00
Interest — 5%	750.00	769.75
Tax at 2¼% of 80%	300.00	307.90
Repairs and Maintenance—2%	240.00	½% 62.00
Fuel	200.00	120.00
Extras	100.00	100.00
	$1,590.00	$1,359.65

A Saving of $230.35 per year in favor of The Permanent House.

IN DOLLARS AND CENTS. This saving of $230.35 per year, invested at 5% interest will, at the end of 20 years, increase to approximately $8,000. As the difference in values of the houses after 20 years was $6,355, it will be readily seen that the initial saving of $395, as advised by the New York Committee of Better Homes in America, will cost the home buyer a loss of $14,355 at the end of 20 years, in addition to a house that will burn and require continual high upkeep as long as it stands.

The Permanent House

Therefore. the houses to build should be fireproof, preferably of masonry construction that will live through the generations. Not only the first costs but also the upkeep of the houses, as well as the depreciation, should be taken into consideration when houses are going to be built.

Proportionately larger loans on houses of permanent and fireproof construction ought to be granted. Thus this Permanent House would be obtained for the same cash outlay, while the maintaining of it—the most important factor for sound and worry-free home ownership—will be at a minimum.



From House of Health

Cost Index vs. Sales Price of Houses

THROUGH the years cheap houses have been bought, used and lost on account of high upkeep expenses. This loss hits the people of low income because it is they that are continually advised to buy "cheap" houses. As prosperity depends upon their welfare, these losses retard prosperity.

Therefore, it is suggested that *prices on houses shall be accompanied by a cost index* which is set up on the basis of experience with the various types of construction. Purdue University experiments now carried on will possibly provide a basis for the calculations of such indexes.

The cost index will indicate how much the annual cost of the house will be in a percentage of the first cost, and is built up from the expenses of taxes, mortgage payments, fuel and other upkeep and depreciation charges. In other words, the ideal house, with no mortgage, no upkeep, taxes or maintenance expenses, will have a cost index of zero. This, of course, is an impossibility.

For instance, the cost index of the two houses mentioned in the article entitled "The Cost of a House" will be . .

	America's Little House	The Permanent House
Depreciation	3	0.5
Interest	5	5.0
Taxes	2	2
Maintenance	2	0.5
Fuel	1.33	0.78
Extras	0.66	0.65
Cost Index	13.99	9.43

Thus, the price of America's Little House is $15,000, with a cost index of 13.99%, and the price of The Permanent House is $15,395, with a cost index of 9.43%.

Which, then, is the lower cost house?