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The National Association of Real Estate Exchanges

The Necessity for a Strong National Organization of Real Estate Interests—Co-operation Will Result in Raising the Standard of the Business—An Official Organ the Backbone of the Organization—The Part Played by the Local Association.

By W. W. HANNAN, President.

When the National Association of Real Estate Exchanges was brought into existence in Chicago, just one year ago last May, there was adopted for our guidance a constitution, Article 2 of which reads as follows:

"The object of the Association shall be to unite the real estate men of America, for the purpose of exerting effectively a combined influence upon matters affecting real estate interests."

My purpose in recalling this section of our constitution at this time is to call to your attention how broadly, how comprehensively and how concisely it presents to the entire country an unanswerable argument for our very existence as an association. Perhaps many of you within the past year have asked yourselves, or had others ask you: "Why should there be a National Association of Real Estate Exchanges?"

I say that Article 2 presents unassailable logic in the statement of the purpose of our organization, and I ask you to ponder over it carefully. But let us assume for the moment that we did not have that declaration for our guidance and for our control, and one of us should be asked the reason for the organization of this association. What should we answer?

We should say, as I do now, that there

should be a National Association of Real Estate Exchanges because conditions in the industrial, business and civic world demand such an organization; because there is no other organization which meets this demand; because our field of endeavor, our sphere of activity is such that immeasurable good must result from that co-operation and from that brotherhood which organization carries with it.

It is no longer a question of feasibility or advisability. Organization today is an

absolute necessity. The best interests of real estate men cannot be accomplished by isolation. Every known branch of human endeavor is organizing for self-preservation, for mutual protection and advancement and for a common good.

Permit me to say further that organization forces no longer seek to assimilate all the beneficial results from such organization, but it has in this day become the aim and the purpose of organized bodies to extend their influences for good to others.

The opportunities that confront the National Association of Real Estate Exchanges are as great as they are diversified. Those opportunities present just as strong arguments for our existence as do the reasons for the existence of such magnificent organizations as the American Bankers' Association, the National Credit Men's Association, the National Wholesale Grocers, and various others that I might mention.

It is not my purpose to enter into a discussion of the work done, and the good results accomplished by these organizations, but I desire to touch on them briefly. The American Bankers' Association has today more than 10,000 members. This association maintains executive offices and national headquarters in New York, where the activities of the great organiza-



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tion center the year round. During the past thirty-five years, there has been no financial legislation of importance discussed or adopted by our government that was not first considered by the American Bankers' Association and its committees, and proper representation made before the banking and finance committees of Congress.

There are three sections in this association—Trust Company, Savings Banks, and Clearing House Sections. Each maintains its own identity and each is actively engaged in promulgating plans and working out problems which are pertinent to their respective branches of banking. In substance, it is the American Bankers' Association that has brought the banking business of the United States to the high plane it occupies today. It has accomplished this by demanding irreproachable methods on the part of its members and by striving to attain for them those safeguards which will instill them with confidence in themselves, confidence in their profession and confidence in the public in general. It has accomplished this by throwing about the banking profession those safeguards and mantles of security which induce a like feeling for the banker on the part of the public.

Why cannot a national organization of real estate men accomplish a like result? I say we can do this. It is but for us to make the attempt.

Let us dwell a moment on the National Association of Credit Men. Many of you are members of that organization and know full well the benefits you are deriving from the same. You know what that organization is doing for the credit business. You know that when you ask for credit information from a member anywhere in the United States you will receive accurate and reliable information. You know that your organization now embraces nearly every state and territory in the Union, and you know also that it is next to impossible for a fraudulent debtor to escape from the network of safeguards which your organization has placed around you.

How was this commendable result brought about? To what is it due? There is but one answer. It is due to organization. It is due to the banding together of common interests for a common good.

What of the National Wholesale Grocers' Association. This excellent organization has succeeded in bringing the various state organizations into close harmony with each other. It has brought the wholesalers and the jobbers to a better understanding of their relations, with the result that both elements are benefiting thereby. What wonderful results this organization has accomplished in the way of securing pure food legislation and regulations!

And how was all this brought about? By individual effort? Or by isolation? No; it is the direct result of organization. It is the direct result of harmony instead of antagonism. Like the Bankers' as-

sociation, the credit men and the wholesalers maintain executive officers and a national headquarters, and there center the activities of those organizations.

The executive officers of the organizations I have mentioned are ever alive to the opportunities which present themselves for a betterment of the business in which their memberships are engaged. An especially commendable feature of the work of the Credit Men's Association lies in the uniform legislation secured in nearly every state in the Union—legislation which redounds to the benefit of every one of its more than 10,000 members throughout the United States.

Why should not the real estate men protect their interests likewise? Why should



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they not have an organization that will make the nation realize that the real estate profession is one of the foremost, one of the most exacting that is engaging the attention of the great investing public?

There is no sound reason why the real estate men, through the medium of a national organization, should not take their place in the front ranks of the leading trade organizations of the country. The avenues through which we may proceed to achieve the desired result are numerous. But we should proceed with care and precaution, lest we, in our enthusiasm, commit errors that will later re-act against us.

I believe that we have also a great work to perform in bringing the agent and owner into closer communication with each other. We should strive to protect the interests of the real estate owner, as well as the real estate seller, because the real estate operator profits by the general welfare and

prosperity of the land owner. To bring this about, I believe the local organizations should aim to bring into their folds, possibly as associate members, as the Detroit Real Estate Board has done, the man who owns realty. Give him a voice in your organization. In the long run it will mean actual dollars in the pockets, both of the man who has the property to sell and the dealer who sells it for him.

I wish also to call attention to the important part that an official publication plays in the life and activities of an organization. There is not an association or trade of any prominence in the country today that has not its official organ. In some instances it is in the form of a bulletin, in others a weekly or monthly magazine, but it has been the experience of large organizations, those of nation-wide activities, that the monthly publication serves the best purpose. A live, healthy magazine, constituting an official record of an organized force, is in reality the backbone of that organization. Such a publication creates a closer tie, a firmer bond between the parent organization and the local exchanges and between the organization at large and the individual members. In this publication are recorded the official acts of the executive and administrative officers, the doings of local exchanges, the opinions and thoughts of members in the various sections of the country and legislation affecting real estate. In fact, this publication should be an open forum for all the real estate interests represented by this magnificent organization. An organization such as this should mean something, should stand for something to the real estate man, twelve months in the year, and not merely on the two or three days we are in national convention. This end can be achieved only through the medium of an official organ.

What of our annual convention? To my mind this is one of the most important features of our national organization. Meetings of representative real estate men, the live men of the leading communities, each endowed with the practical experience and an understanding of the problems which confront us, serves to disseminate thoughts and ideas that are of inestimable value to all. It is in these conventions that we form new acquaintances that stand us well in hand when we wish to do business in some community other than our own. But we cannot have a convention without a well organized association. The continued, hard persistent thought and planning of the executive heads and committees are indispensable to the success of these annual gatherings.

Our aim is to stimulate interest in our work throughout the year. By giving the real estate man something to look forward to in the way of a national gathering, interest is renewed in the work of the local organizations and new local bodies will spring up just because of the advantages of gathering annually and hearing the best thought

obtainable on matters of direct interest to the men engaged in the real estate business.

Let me say, however, that this interchange of ideas and opinions should not be confined to those who may be so fortunate as to attend these annual conventions. The seed here inclicated should be sown broadcast, so that the value of these conventions may be felt wherever there may be a real estate man who has a thought for the betterment of his profession.

I wish also to impress on you one special line of activity that I feel all organizations, those of the various communities that have bodies of real estate men as well as the national organization, should give particular attention to, and that is, in the line of municipal endeavor. I don't believe there is a city in the country wherein



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some good cannot be derived from the advice and counsel of the real estate men, in the conduct of municipal affairs. The real estate man feels the pulse of the masses. He knows what they demand for the money they pay in taxes for the support and maintenance of their city governments. He knows as well as any man, if not better than most, just what effect certain legislation will have on real estate values, and it is for him to guard against anything that will depreciate the value of property in his community. On the progress of a city depends the progress and welfare of the real estate operator.

With the growth and extension of a municipality there comes added activity for the real estate operator. Why, then, should not the real estate man give heed to the needs of the community in which he resides? Why it is not but natural that the real estate man should be consulted in these matters? It remains for the real estate man to place himself in a position of dig-

nity and importance in his community and in his country.

This can only be accomplished by organization. It can only be accomplished by that sort of an association which will eliminate from the recognized ranks of the profession that element which is the cause of criticism because of unprofessional conduct, or breach of trust.

A local organization creates better conditions in real estate matters in general. It makes the men engaged in the profession know each other better. It makes them broader minded and it gives them a better insight into the general principles of the profession.

The local organization holds its meetings regularly, and there is an interchange of ideas on local matters affecting your business. Your organization has its little outings and pleasure jaunts and you learn to know your fellow member and fellow dealer in a new light. You have a better understanding of each other, and with the better appreciation of each other's qualities or defects, as the case may be, you make your organization stronger and you better the real estate business of your community.

Liverpool Solving The Housing Problem.

That the city of Liverpool, England, is meeting with success in its efforts to secure improved living conditions for its working population is shown by United States Consul Horace Lee Washington in a report to the State Department.

About 40 years ago there were in Liverpool 22,000 insanitary houses. At present there are only 4,000 to be dealt with, showing that 18,000 have been demolished. About 6,000 of these were destroyed by private enterprise to make room for business premises, the remaining 12,000 having been cleared away by the municipality.

On the site of a greater portion of the houses which the municipality has swept away, and on the other sites acquired by them for the purpose, the corporation has erected 2,170 dwellings, and these are now under the control of the city council. Within the past five years there have been demolished in Liverpool some 260 courts and alleys, mostly insanitary slums, and on these sites now stand wholesome dwellings for the occupancy of the poor. About £1,000,000 (nearly \$5,000,000) has been spent in this work of demolition and reconstruction. Some 10,000 people, mostly the former occupants of the destroyed sections, are housed in simple comfort and under sound conditions in these new dwellings.

This work is in the hands of a committee of the city council known as the "housing committee," which presents recommendations to the council based on reports of the medical officer of health and the surveyor.

About 4,000 insanitary houses are yet to be dealt with. At present the corporation is dealing with six unhealthy areas, having obtained parliamentary powers to acquire these areas under the provisions of the "Housing of the working classes act of 1890." On the sites of these unhealthy areas new dwellings will be erected by the municipality to accommodate 2,828 persons.

The plans provide for 89 houses of four rooms each, 188 of three rooms, and 277 of two rooms. No single-room tenements will be constructed. Space for four shops will be apportioned, and these 558 dwellings will contain 1,480 rooms.

To complete the portion of the scheme just described, 118 property interests must be acquired, and it has so far progressed that the latest report gives only 27 yet



E. C. VAN HAUSAN, MEMBER BOARD OF MANAGERS.

to be secured, and the price of these is now but a matter of arbitration.

The probable cost, when all the land is purchased, will be about £104,000 (\$505,440), and for the buildings £121,500 (\$590,490) is allowed, a total of £225,500 (\$1,095,930). Street improvements and a recreation ground will use 5,556 yards of the total of 43,993 to be acquired.

At present the net annual charge to the Liverpool ratepayers for the housings reforms which have been effected by the municipality, after the credit of rents is deducted, is only 2d. on £1 (4 cents on \$4.86). This produces £29,479 (\$143,267). The yearly charge covering the £225,500 which it is proposed to expend will be equivalent to a little over a half-penny (1 cent) rate after deducting for rentals, etc. This rate of 2½d. on £1 (5 cents on \$4.86) has accomplished much and provides for still further and extensive work in the abolition of the city's slums.

Roy Dawson, Decatur, Ill., has entered the real estate business.