



NATIONAL ASSOCIATION OF REAL ESTATE BOARDS

HERBERT U. NELSON
EXECUTIVE VICE PRESIDENT
22 WEST MONROE ST.
CHICAGO 3

1737 "K" Street, N. W.
Washington, D. C.
June 8, 1945

Mr. Marriner Eccles
Chairman, Federal Reserve Board
Constitution Avenue between
20th and 21st Sts., N.W.
Washington, D. C.

Dear Mr. Eccles:

On June 21st we have a meeting of our policy committee in Washington at the Mayflower Hotel. We would very much appreciate your attending this meeting or sending one of your assistants if your own presence is not possible. We want to discuss informally and very frankly some of the problems of inflation in which you are interested.

We have just finished a nationwide check-up which has brought to light some rather interesting new material. In four-fifths of the cities that we covered, which exceeds 150 in number, we found that current sales prices on houses are not yet up to current reproduction costs minus depreciation. It can hardly be said, therefore, that there is any serious inflationary threat even with houses. I think our main trouble is that the country has gotten so used to depression prices of real estate during the long years from 1928, when our depression started, up to the present time that any increase or recovery in the real estate market causes undue attention.

I have just finished a trip along the Pacific Coast and throughout the South. The real estate market in both farms and homes is falling off quite sharply. Farm sales for the first quarter of this year are at least 20% below the sales last year in both number and volume. In every city where there has been any cutback at all on war contracts the house market has receded very swiftly.

Mr. Marriner Eccles

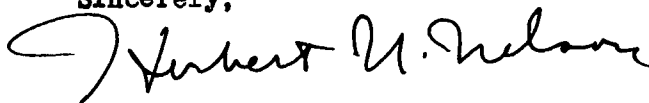
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Our own view is that if there is to be any resumption of building next year on a broad scale, for which government hopes, the capital markets must be left unimpeded. We have reasonably good assurance that by the middle of next year we can do quite a little building if the war with Japan continues to move at its present favorable rate. It won't take much building to ease off the tight housing situation that now exists in a good many of the war centers.

Do come to our meeting and meet with us. You will find our group interested in anything you may have to suggest and we certainly are not in favor of any runaway market in the real estate field.

Sincerely,

A handwritten signature in dark ink, appearing to read "Herbert H. Lehman". The signature is fluid and cursive, with a large initial "H" and a long, sweeping underline.

Executive Vice President

CONFIDENTIAL

SURVEY ON RESIDENTIAL PRICES
By
National Association of Real Estate Boards

Preliminary Report
(Covering 150 Cities)

Cities by Population Groups	War Area?	Average for Typical Single-Family Dwelling								Income	
		Selling Price		% of Change	% Under Repro. Cost	Age Repro. Cost (dollars)	No. of Stor- ies	Con- struc- tion	Rooms (inc. bath)	Occup. (Family dollars)	
		(dollars)	(dollars)								
		1940	1945	40-45							
<u>500,000 & over</u>											
Pittsburgh	Yes	5800	6500	12	21	8200	30	2½	Brick	7	2400
Detroit	"	6000	8000	33	+7	7500	16	2	Frame	7	3000
Cleveland	"	6000	9250	54	+9	8500	17½	2	Frame	7	3300
<u>100,000 to 500,000</u>											
New Haven	Yes	8500	10000	18	0	10000	15	2	Frame	7	3000
Providence	"	6000	7600	27	11	8500	12½	2	Frame	6	3000
Reading	"	3500	4500	29	18	5500	30	2	Brick	7	2000
Scranton	No	3600	5000	39	29	7100	30	2	(Frame Stucco)	6	2400
Richmond	"	5000	7000	40	+12	6200			Brick	6	3200
Norfolk	Yes	5000	6500	30	14	7600	25	2	Frame	6	3000
Birmingham	"	4000	5500	38	19	6750	20	1	Frame	7	2400
Jacksonville	"	5050	7345	45	+1	7250	15	1	Brick	7	4500
Miami	"	5500	10500	91	+52	6900	6	1	Stucco	6	3250
Atlanta	"	6000	11000	83	+22	9000	6	1	Frame	6	4000
Fort Wayne	"	4500	7000	56	8	7600	20	2	Frame	7	3600
Indianapolis	"	5000	6500	30	41	11000	18	2	Frame	7	3000
Flint	"	4200	5750	37	+12	5150	18	1½	Frame	7	2000
Grand Rapids	"	3700	6100	65	22	7800	25	1	Frame	6	3600
Akron	"	3500	5000	43	+1	4950	25	2	Frame	7	3000
Dayton	"	7250	8500	17	6	9000	20	2	Frame	7	3600
Youngstown	"	5900	8000	36	5	8400	20	1½	Frame	7	3600
Louisville	"	4000	5000	25	17	6050	17	1	Frame	5	3000
Des Moines	"	4000	5250	31	14	6000	15	1	Frame	6	2500
Minneapolis	"	4500	6750	50	+11	6100	12	1	(Stucco Frame)	4½	2500
Houston	"	4500	6500	44	16	7700	10	1	Frame	7	3300
Denver	"	4500	7500	67	+7	7000	20	1	Brick	6	3000
Kansas City, Mo.	"	7500	10500	40	+2	10250	10	2	Frame	7	4000
Tulsa	"	4000	5250	31	6	5600	7	1	Frame	5	2400
Dallas	"	4500	8000	78	7	8600	18	1	Brick	7	3500
Fort Worth	"	2500	4000	60	20	5000	15	1	Frame	6	2400
Portland	"	5000	7000	40	+10	6350	8	1½	Frame	6	3200
Seattle	"	3650	6000	64	12	6800	15	1	Frame	6	2500
Spokane	"	4250	7000	65	1	7100	15	1	Frame	6	2400

Cities by Population Groups	War Area?	Average for Typical Single-Family Dwelling							Income		
		Selling Price		% of Change	% Under Repro. Age Repro. Cost	No. of Con- Stor- struc- tion	Rooms (inc. bath)	Occup. Family			
		(dollars)	(dollars)								
		1940	1945	40-45	Cost (dollars)	Yrs	ies				(dollars)
100,000 to 500,000 cont'd											
Salt Lake City	Yes	4250	6500	53	+16	5600	16	1	Brick	5	2400
Long Beach	"	3500	6000	71	+25	4800	6	1	Stucco	5	2500
Sacramento	No	5500	9600	75	+22	7850	5	1	Frame	5	3000
San Diego	Yes	4000	6800	70	3	7000	15	1	Frame	6	2200
25,000 to 100,000											
Pawtucket	Yes	5500	7500	36	25	10000	17½	2	Frame	7	2500
Hackensack	"	5500	7500	36	12	8500	20	2	Frame	4½	3800
East Orange	"	8000	10000	25	9	11000	20	2	Frame	7	3500
Niagara Falls	"	5000	5800	17	25	7700	20	2	Frame	6	2750
Amsterdam	"	5000	6000	20	21	7575	30	2	Frame	7	2500
N. Tonawanda	"	4200	5000	19	29	7000	20	2	Frame	7	2600
Altoona	No	2400	2600	8	53	5500	40	2	Frame	6	2500
Ardmore	Yes	12000	12000	0	25	16000	20	2	Brick	4	5000
McKeesport	"	4000	5000	25	24	6600	25	2	Frame	7	3000
Norristown	"	4800	6750	41	2	6900	20	2	Brick	7	3000
Sharon	"	5500	6000	9	23	7800	20	2	Frame	6	2500
Huntington	"	6000	9350	56	0	9350	20	2	Brick	7	2400
Wheeling	"	7000	8000	14	16	9500	30	2	Frame		2400
Charleston	"	7500	11000	47	+9	10100	5	2	Frame	7	4500
Arlington	"	7000	10500	50	0	10500		2	Brick	7	3500
Lynchburg	"	4500	6500	44	+4	6250	5	2	Frame	6	2500
Orlando	"	4500	8000	18	+11	7200	8	2	Frame	6	2400
Savannah	"	3500	4500	29	14	5250	20	1	Frame	6	2750
High Point	No	3400	4000	18	11	4500	15	1	Frame	6	2400
Winston-Salem	"	5350	6750	13	6	7200	15	1	Frame	7	3600
Raleigh	No	5000	6500	13	7	7000	10	1	Brick	7	3000
Rocky Mount	Yes	4000	5500	38	0	5500	12	1	Frame	5	3000
Rock Island	"	5000	6000	20	15	7050	20	1	Frame	6	3000
Springfield, Ill.	"	6700	7300	9	6	7800	20		Frame	5	2400
Joliet	"	5500	6500	18	8	7050	18		Frame	5	1800
Quincy	"	4500	5200	16	24	6800	20	1	Frame	6	3000
Anderson	"	4250	6000	41	18	7300	15	1	Frame	6	2400
Evansville	"	3750	5250	40	16	6250	17½	1	Frame	6	5000
Hammond	"	5500	7000	27	0	7000	20	1	Frame	6	2500
Muncie	"	3750	5250	40	5	5500	18	1	Frame	6	3000
Kokomo	"	3800	5250	39	21	6600	25	1	Frame	6	2650
New Albany	"	3250	5750	77	14	6660	19	1	Frame	6	2400
Richmond	"	4250	6800	60	+4	6550	17	1	Frame	5	2500
Jackson	"	4500	6500	44	10	7200	22	2	Frame	7	3600
Mansfield	"	5000	6800	36	20	8500	17	2	Frame	7	3500
Springfield, Ohio	"	5500	7000	27	25	9300	21	2	Frame	7	4000

Cities by Population Groups	War Area?	Average for Typical Single-Family Dwelling								Income	
		Selling Price		% of Change	% Under Repro. Cost	Age Repro. Cost	No. of Yrs	Con- Struc- tion	Rooms (inc. bath)	Occup. Family	Income (dollars)
		(dollars)	(dollars)								
25,000 to 100,000 cont'd		1940	1945	40-45							
Lima	Yes	4750	6500	37	2	6650	20	2	Frame	7	2750
Davenport	"	6500	8500	31	3	8800	22	2	Frame	7	3800
Sioux City	"	4000	5000	25	30	7158	20	1	Frame	6	2500
Fargo	Yes	6500	7500	15	6	8000	6	1	Frame	6	3000
Madison	"	6000	7500	25	9	8200	20	2	Frame	7	2400
Beloit	"	4000	5200	30	7	5600	10	1	Frame	5	2400
Albuquerque		4600	9000	20	+39	6500	5	1	Stucco	6	2500
Austin		4000	4600	15	3	4750	10	1	Frame	5	2000
El Paso	No	3500	6000	71	8	6500	20	1	Brick	6	2750
Galveston	Yes	3500	5000	43	23	6500	15	1	Frame	5	1800
Corpus Christi	"	3500	6000	71	+9	5500	6	1	Frame	6	2500
San Angelo	"	4500	5750	28	+13	5000	15	1	Frame	6	3300
Waco	"	3000	4750	25	+6	4500	12	1	Frame	6	2000
Little Rock	"	4000	5600	40	10	6200	20	1	Frame	6	3000
Tucson	"	5000	8500	70	+12	7600	15	1	Brick	5	3000
Pasadena		5850	11000	88	+29	8500	18	1	Stucco	7	3000
Huntington Park	"	5750	9000	57	+10	8200	6	1	Stucco	7 ¹ / ₂	4000
San Pedro	"	5750	8500	48	5	8900	15	1	Stucco	5 ¹ / ₂	6000
Santa Monica	"	7500	12500	67	+39	9000	10	1	Stucco	6	4000
South Gate	"	3750	6250	67	+14	5500	5	1	Stucco	6	3000

10,000 to
25,000

Guilford	Yes	3500	5000	43	0	5000	40	2	Frame	7	2500
Waterville		5500	5800	6	42	10000	25	2	Frame	7	3600
Millburn	Yes	15000	17000	13	8	18500	8	2	Frame	7	6000
Westfield	"	7000	8500	21	29	12030	17	2 ¹ / ₂	Frame	7	3500
Fulton		4000	4200	5	24	5500	20	1	Frame	6	2000
Batavia City	Yes	4500	6000	33	14	7000			Frame	7	2000
Lockport	"	6000	6700	12	19	8300	25	2	Frame	7	3500
Oswego		2200	2500	14	38	4000	40	2	Frame	7	1800
Shamokin	No	3000	4500	50	20	5650	30	2	Frame	7	1500
Staunton		3500	5000	43	17	6000	20	2	Frame	6	1800
Daytona Beach	No	5000	7500	50	+15	6500	10	1	Frame	5	3000
Hattiesburg	Yes	3500	5500	57	11	6200	16	1	Frame	6	3300
Champaign		5000	6300	26	11	7100	20	2	Frame	6	3000
Bedford	Yes	1800	2600	44	44	4600	35	1	Frame	7	2000
Owosso City	"	4800	6500	35	30	9300	27	2	Frame	7	3000
Alliance	"	4000	5500	38	20	6900	17 ¹ / ₂	2	Frame	6	2500
Findlay	"	4000	6000	50	14	7000	25	2	Frame	6	3000
Iowa City		5000	6500	44	7	7000	13	1 ¹ / ₂	Frame	6	1800
Watertown		3200	4200	31	37	6700	20	1 ¹ / ₂	Frame	7	2800
Waukesha	Yes	4500	5500	22	13	6300	18	1	Frame	5	2400

Cities by Population Groups	War Area?	Average for Typical Single-Family Dwelling							Income	
		Selling Price		% of Change	% Under Repro. Age	Repro. Cost	No. of Con- Stor-ies	Frame- struc- tion	Rooms (inc. bath)	Occup. Family (dollars)
		(dollars)	(dollars)							
		1940	1945	40-45		(dollars)	Yrs			
10,000 to 25,000 cont'd										
Cleburne		3000	4000	33	25	5348	20	1	Frame	2400
Fort Collins	No	3500	5700	63	+9	5650	27	1	(Frame Brick	2250
Grand Junction		4000	6000	50	.8	6050	15	1	Frame	1900
Greeley	No	3000	5000	67	17	6000	15	1	Frame	2400
Lawrence	Yes	3500	4200	20	44	7500	25	2	Frame	3000
Manhattan	"	3000	4500	50	0	4500	20	1	Frame	1400
Salina		4250	6500	53	4	6750	25	1	Frame	2400
Sherman	Yes	3500	5000	43	+11	4500	4	1	Frame	2000
Billings	"	4500	5500	22	25	7300	14	1	Frame	2500
Bend		2900	3000	3	14	3500	10	1	Frame	2000
Aberdeen	Yes	3000	4000	33	6	4250	18	1	Frame	2800
Wenatchee	No	4500	6250	39	3	6450	15	1	(Frame Stucco	2750
Ogden	Yes	4000	6000	50	20	7500	20	1	Brick	3000
Bellflower	"	5000	6500	30	+15	5650	5	1	(Frame Stucco	3600
Ontario-Uplands	"	3500	6500	86	+13	5750	10	1	Stucco	2500
Bell	"	4000	6500	63	+30	5000	18	1	Frame	2500
Under 10,000										
Bloomsburg	Yes	4200	4800	14	17	5750	20	2	Frame	3000
Milton	"	2750	4500	64	18	5500	35	2	Frame	2200
Logan		5000	5650	13	19	7000	12	1	Frame	3000
Hollywood, Fla.	No	3300	10000	233	+43	7000	4	1	(Con. block Stucco	4000
Ocala		3995	6350	59	+10	5750	5	1	Frame	3500
Vero Beach		3500	4750	36	+19	4000	20	1	Stucco	3500
Wauchula		2900	4000	38	2	4100	12½	1	(Frame Stucco	1650
Valparaiso	Yes	5000	6500	30	0	6500	15	1	Frame	3500
Rock Rapids	"	2000	3750	88	56	8500	40	1	Frame	2000
Early	No	2750	4000	46	33	6000	16	1	Frame	2000
Holdrege	"	3500	5500	57	+4	5300	20	1	Frame	2000
Yankton		5000	6000	20	9	6600	15	1	Frame	2400
North Bend & Coos Bay		2000	2500	25	29	3500	15	2	Frame	2500
Toledo, Ore.	Yes	1500	2200	47	30	3150	8	1	Frame	1500
Chehalis		4000	5500	38	0	5500	10	1	Frame	2000
El Monte	Yes	3600	7500	109	+15	6500	6	1	Frame	2500
Walnut Park	"	4500	7000	56	0	7000	15	1	Stucco	3000