

# OPENING VERY BRISKLY

## RAPID APPROACH OF THE REAL ESTATE SEASON.

### INVESTORS LOOKING EVEN NOW FOR CHANCES—TALKING OVER THE MAYOR'S VIEWS ON RAPID TRANSIT.

The approach of the Spring season in real estate has been heralded this year much earlier than usual. Business is already as good among brokers as they commonly expect it to be early in March. There are inquiries on all sides for investment property, and the spirit of speculation occasionally asserts itself in spite of very discouraging conditions. All the good builders are in the flush of preparation for a busy season. Some of them have already on their books sufficient orders to keep them well employed until Summer. It is the universal prediction that as soon as cold weather shall have passed the season in real estate will be quite as brisk and prosperous as in any previous Spring in this city. It is said by the majority of dealers, indeed, that they look for the best season New-York has ever known.

The reasons for this cheerful outlook are in the main similar to those which governed the business of last Spring. City real estate is recognized as a safe depository for capital, insuring a small but sure return in the way of interest. It is recognized, as it was a year ago, that while there is no distinct boom in property, there can hardly be any recession of value, whatever may be the general condition of the market. The varied and pressing demands of the rapidly-increasing population furnish as potent a reason now as ever why values in reality should be stable. These old reasons are reinforced and emphasized by the influences attending a city of rapid financial and commercial growth. Among the reasons which are so powerful and distinct at this time as to merit the designation of new, may be stated the abundance of money and the inability of the large institutions to pay a rate of interest to depositors at all commensurate with the expectations and demands of those who have money to lay aside. Real estate will pay an adequate return to persons of moderate expectations. This fact is becoming more and more apparent each month. It can have no better illustration than the fact that the fortunes of the wealthiest families in this city, with one or two exceptions, are now lodged in real estate, and that new investments from such sources invariably go into land rather than into any other form of security.

There has been a good deal of comment over the forced sale by the New-York Insurance Company of lots on Fifth-avenue, between Eightieth and Ninetieth streets. Many have construed the low price which those lots brought into an evidence of a possible break in the market. Such a construction is not justified. The lots were not nearly as desirable as might appear to those who had not examined them. They are difficult of access, are in close proximity to the stables of a horse car company, and the character of the neighborhood does not give any assurance of the privacy demanded by those who can buy a high-priced property for dwelling purposes. Moreover, the march of the city is not on the east side of Central Park. On the west side the natural conditions are considerably better, and the facilities for transportation are certainly far ahead of anything on the east slope. While Fifth-avenue lots worth in the market for buyers at \$25,000 or \$30,000, lots on some of the cross streets on the west side are eagerly sought at prices considerably in excess of that figure. Four lots, for instance, on Seventy-second and Seventy-third streets, just east of Ninth-avenue, have been sold recently by the Clark estate for \$110,000. The two on Seventy-second-street were reckoned at \$35,000 each, and the two on Seventy-third-street, which abut the Seventy-second-street lots, at \$20,000 each. Four lots adjoining these just mentioned sold for \$104,000, and it will cost from \$6,000 to \$10,000 to take from them the rock necessary to reduce them to the street grade.

Upon the eight lots mentioned and upon the strip between seventy-second and seventy-third streets, on Ninth-avenue, having a width of two more lots, first-class apartment houses will be erected as soon as the weather will permit. Specifications have already been drawn for them, and when work shall begin it will be pushed to completion in the shortest time possible consistent with the superior workmanship that it is proposed to put in them. The corner apartments are to be erected by the real estate firm of Lesspinasse & Friedman, who intend to show their faith in their profession by investing \$250,000 in brick and stone in that section. All through the west side the same indications of extensive improvement are apparent, and on the streets and cross-streets, classed as extra desirable by reason of width or other merit, lots are quite as expensive as they are on Seventy-second-street. On Seventy-seventh and Eighty-first streets, which face Manhattan Park, on One Hundred and Sixteenth-street, and even on some of the more modest thoroughfares, this range of prices rules as a matter of course. Several builders who put houses under roof during the Fall, and were thus able to continue work upon them after the cold weather came, have found ready purchasers in capitalists. Quite a number of large apartment houses have recently changed hands in this direction.

Investors find that they can do better up town with their money than they can do down town. They feel quite certain of 5 per cent. in the upper section, while on Broadway or any of the busy streets below Union-square they consider themselves very fortunate to get 4 per cent., and in some cases are willing to take 3 per cent. or less. Two sales may be instanced to show the eagerness of those who want only business property to pay a high price for it. A small house on Grand-street, near Thompson, was sold in November for \$8,500 at auction. It rents for \$420 a year. At a recent sale a house adjoining the one just mentioned sold at auction for \$9,000. It also pays \$420 a year, or about \$300 above taxes and other expenses. It will be noticed that there is nothing attractive about the neighborhood, and the buildings would certainly not commend themselves to critical taste. The fact that the land was handy to the business quarter commanded these prices for it. These new owners will now have to wait their chances for higher rents or tear down the buildings and replace them by structures more remunerative. In any case, they cannot expect for several years to net much more than 3 or 4 per cent. on the property. Lots on streets ranging in importance from Broadway to Grand-street below Union-square are generally sought with the same eagerness for possession. Nearly all of it has been withdrawn from the market, and that fact only whets the desire of those who want it to offer top prices whenever it is put on sale.

Comment has been quite general among dealers down town upon the recommendations of Mayor Hewitt in regard to rapid transit. Any project for the improvement of property is welcomed in the real estate quarter, and in so far as Mayor Hewitt's plan looks to that end it meets with cordial approval. There is also a wide disposition to stamp disapproval upon the stock-watering methods of private corporations who feed upon the public bounty, and whose greed leads them to abuse every trust reposed in them. The more conservative among dealers and investors, however, see many difficulties in the way of what the Mayor proposes. They say that a scheme can be very easily outlined on paper, but that, plausible as it may then appear, it is very likely to develop far otherwise than is in the first instance promised. This is especially the case when projects involving the expenditure of the public money are undertaken. If Mr. Hewitt were likely to remain in office for a length of time sufficient to complete a system of underground transit upon the lines laid out by himself, and if such a work could have his official supervision, taxpayers would feel much safer in regard to the feasibility of the plan than they do at present.

It seems to be the common impression that the actual cost of construction by the City Government of such a system as is outlined by the Mayor would exceed his estimate by at least 50 per cent. There is a good deal of apprehension also that if the system were completed it perhaps could not be operated as honestly and as much to the advantage of the city as if it were under exclusively private control. It may be said, however, that no proposition coming from an official source has excited such kindly comment as this one, and that the discussion of it will be watched with wider interest among those having property in this city than has any other subject for many years.

It is assumed by dealers that there will be no lack of discussion. The private capitalists who are ready to form themselves into corporations for the purpose of furthering rapid transit in this city, and those who have already so formed themselves, will be alert to pick out the flaws in the Mayor's scheme, and may be relied upon, it is believed, to keep alive agitation in every possible way. None are more anxious than such men to learn the public feeling upon the subject, and if they shall be satisfied that it favors and will repay large expenditures for rapid transit there will be unlimited money to oppose any scheme which the city may undertake unaided to carry out. On this account many are already disposed to think it would be a good plan for the city authorities to have a consultation with such men as are ready to advance capital for improved rapid transit, and thus to give the subject very thorough investigation and ventilation before proceeding further. It is urged in this connection that if a body of men could be brought together who would like to take hold of the project upon a fair basis the Legislature in dealing with them could provide ample protection for the public. Means could be devised, it is thought, to prevent watering the stock and the other evils to which corporations are inclined. This view is

not urged in opposition to the Mayor's scheme, but rather as indicative of defects, which may creep into its development. Those who advance such a view say that while the construction of rapid transit lines by the city might prevent watered stock, it could not prevent watered structure and prices and material, while on the other hand an enterprise undertaken by private capital would be guarded by greater care than could be enlisted in behalf of any public enterprise. The Mayor's recommendations in regard to the water front are approved without dissent by property owners, and what he suggests in regard to the construction of new streets with a view to permanent improvement is quite in the line of suggestions long since made by real estate owners through the columns of THE TIMES.

Business has been remarkably good at the Real Estate Exchange during the week. The prices brought have been more than fair, and good feeling has prevailed. The books of the brokers are fast filling with orders for the coming season, and several of the best auctioneers already have their time fully engaged. After all the talk about blacklisting delinquent tenants the brokers who rent houses have decided to be very cautious about what they do. They were advised that such a proceeding might lead them into trouble, and accordingly have submitted their case to lawyers for an opinion in regard to the liability to which they might subject themselves. At their meeting on Thursday afternoon several letters were read from lawyers which gave the brokers a very good idea of what constitutes privileged communications. It was then decided that although the brokers might do more or less blacklisting, they would do it in the capacity of private individuals, and not as members of the Real Estate Exchange.