

The Fair: Speculator's Paradise

By M. Fixel and M. Pfeffer

Previous articles in this series spoke in general terms of rising land values in and around the New York World's Fair area. In this article it is proposed to illustrate, by means of three specific block studies, the actual rise. The data for the material presented here were taken from "The Annual Record of Assessed Valuation of Real Estate" (Borough of Queens).

The interested reader may refer to this source for more detailed information.

Let us consider, as our first illustration, Block 5061—the number assigned by the Tax Department of the City of New York to the block between Sanford and Forty-First Avenues, Fuller Place and DeLong Street. Opposite the pavilions of Portugal and Yugoslavia, this small block may be taken as an example

of an ordinary rise of real estate values in the Fair vicinity. Fig. 1 discloses two sharp advances. The first, probably due to the natural expansion of the city and the speculative fervor of the boom period; the second may be attributed directly to the Fair. In addition, it will be noted that "real estate" values, indicated by the broken line, parallel to a remarkable degree land values—the solid line.

Fig. 1. Unimproved and Improved Value, in Thousands of Dollars, of Block 5061 in the Borough of Queens, by Years, 1926 to 1939.

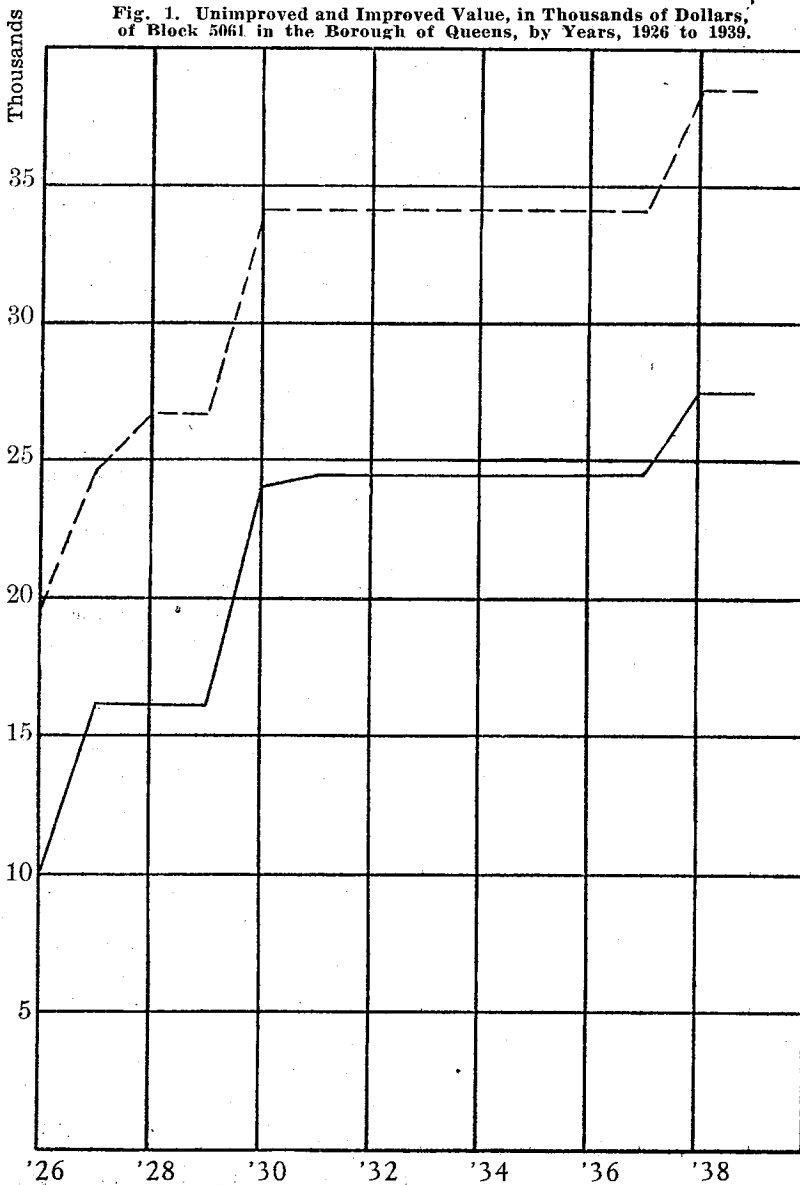
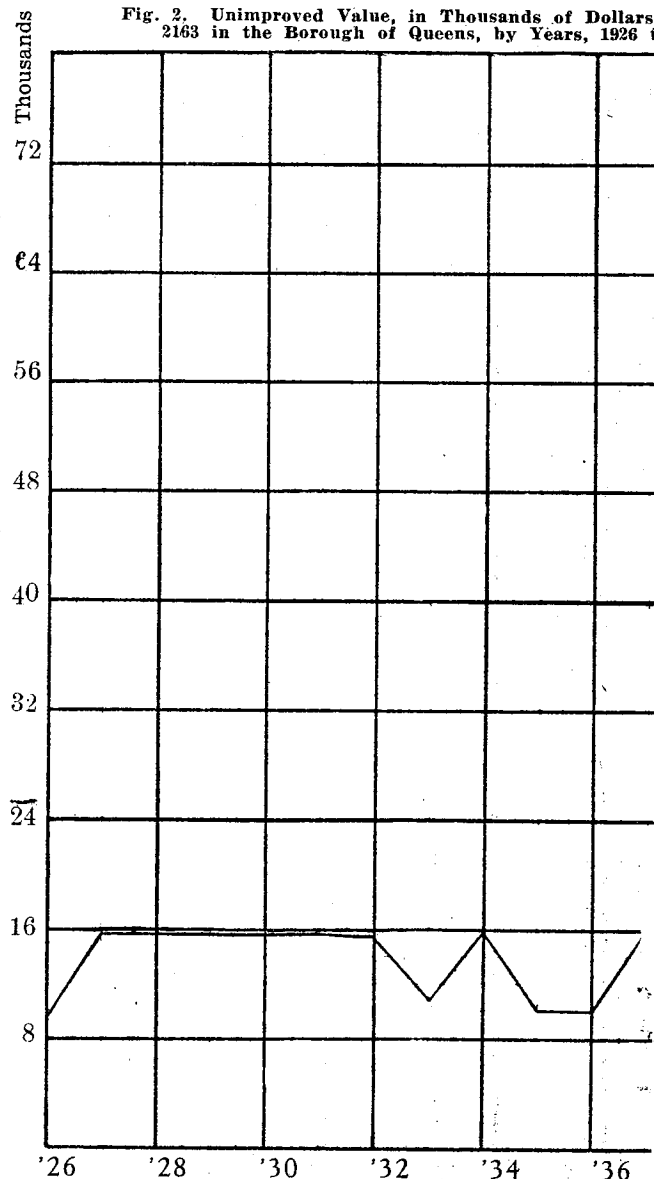


Fig. 2. Unimproved Value, in Thousands of Dollars, 2163 in the Borough of Queens, by Years, 1926 to 1936.



A block sharply in contrast to this one is 2163 (between Horace Harding Blvd. and 62 Dr. and 111 and 112 Streets); it is unimproved land, its initial rise was not as great, and its later rise was far more rapid. The sharp increase of about 475 per cent over 1937 may be explained, in part, by the following considerations.

1. The regulation, grading and paving of Horace Harding Boulevard.
2. The similar improvement of Grand Central Parkway.
3. The grading of the block by a filling of six to eight feet.

It will be noted, then, that this ex-

traordinary increment is a direct result of a capital investment in social service.

Our last example, Block 2159, is bounded by Horace Harding Blvd. and 62 Dr. and 108 and 119 Streets. The assessed valuation of this piece of land, which is also unimproved, is shown in Fig. 3. The small fall in value which occurred in 1938 may puzzle the reader, but it is readily explainable. What occurred may be accounted for in the reduction of the size of the block by a little over 20 per cent due to the extension of Saultell Street. The resulting drop nevertheless is indicative of a real rise

in value since the drop was less than 25 per cent. Furthermore, it will be seen that the smaller block of 1939 is worth more than the larger block of 1937.

It must not be thought that the three blocks which have been examined are similar in every respect to all the surrounding land. Indeed, there are probably as many variations as there are blocks. The generalization which should be drawn is that while there has been a general rise in values, it cannot be accurately determined, upon that basis alone, how each individual parcel, lot or block, specifically, was affected. Each piece of land having somewhat individual characteristics demands individual analysis.

The effect of enterprise and of social improvements on land values is generally recognized. But these graphs, showing the stupendous rise in land used for the Fair demonstrate to what extent human ingenuity is reflected in rent, to the economic advantage of the land speculator.

Canned Nationalism

When a housewife goes to market she buys where she can get the most, in quality and quantity, for the family's fund. When Uncle Sam goes to market he brings the citizens' money, and the citizens should expect him to get the most for it.

Yet, when President Roosevelt OK'd the Navy Department's purchase of Argentine canned beef because it was better and cheaper than the American canned beef (the foreign bid was sixteen cents as against the American canners' twenty-four cents) the landlords' shibboleth of "Eat American" was raised by the vested interests in the American cattle country, and echoed by their satellites in Congress. One wonders whether these men were elected to represent the paying or the collecting citizens of America.

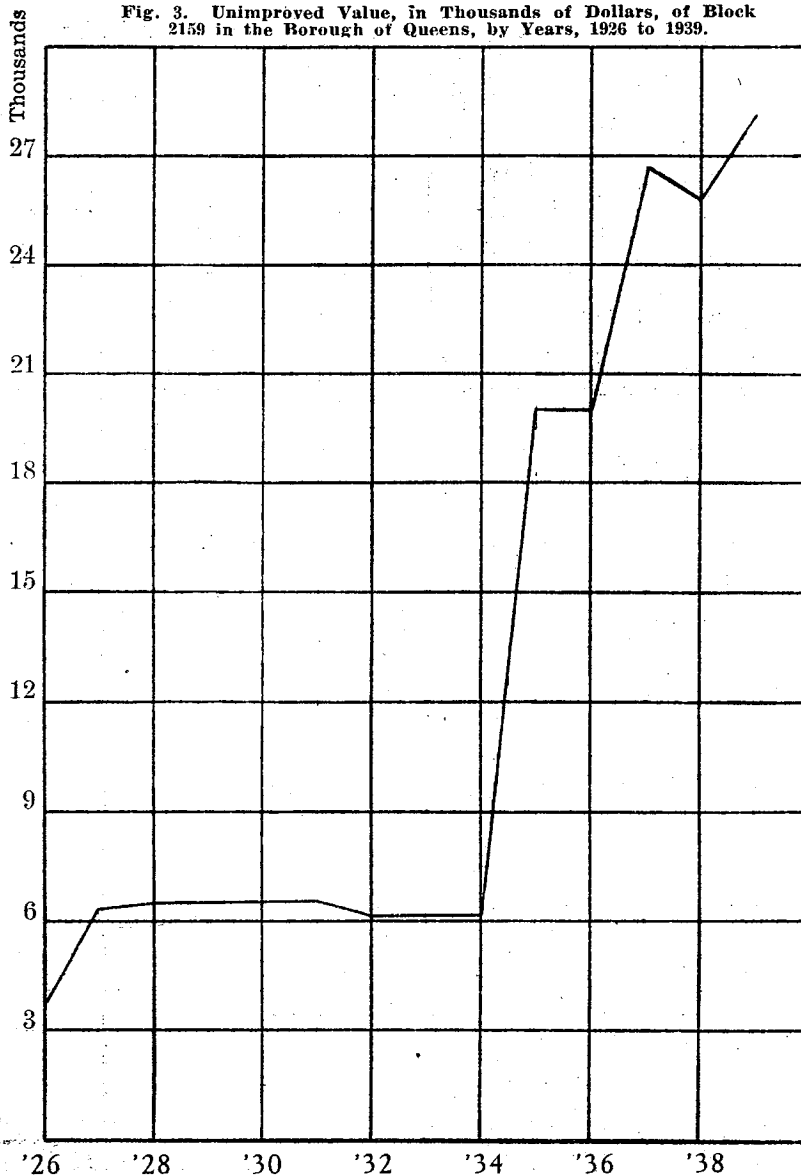
From a Farmer's Wife

Lesson 2 — Ques. 16 —

Q. Do we live on current or past production?

Ans. Past, my coat is 20 years old.

Fig. 3. Unimproved Value, in Thousands of Dollars, of Block 2159 in the Borough of Queens, by Years, 1926 to 1939.



f Block 1939.

