



Planning for Permanence: the Speeches of J.C. Nichols
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The Home Building And Subdivision Department
[National Association of Real Estate Exchange], Cleveland, Ohio

Decision as to the particular order with which a complete real estate office may be organized should be given careful consideration. To create your sales force and your advertising department before you have knowledge of your properties themselves might be quite disastrous; and yet, to have selected your properties and planned their development without the counsel of a sales force and advertising advise might prove unwise. In fact, it is generally advisable to feel your market through your salesmen and your advertising as a guidance in the building of your Home Building and Subdivision business. Their relations are so intricate and dependent that I wish to raise a word of caution as to any endeavor to create a full fledged real estate business too quickly.

The problem of taking net profits above all carrying charges in a Home Building and Subdivision business is too great to permit of setting up too large and expensive an organization in the beginning. Our cities are full of failures in Subdivision and Home Building projects, if the truth were known and all costs counted. Home Building and Subdivision Building is not a get-rich-quick scheme, or an easy road to wealth, as many imagine, but should be guided by the same sane sound principles of constructive development that guide any banking, commercial or industrial undertaking.

My own feeling is that the Home Building and Subdivision business in large cities is a field sufficiently broad as to merit the sole attention of a large and well organized office; and that by such specialization all branches of our real estate profession may be improved. However, assuming that in our particular problem of today's meeting, we are including the organization of the Home Building and Subdivision business as one of the departments of a general office, I will endeavor to make a few suggestions.

First of all, the sales manager and his department should not be burdened with the problems and difficulties relating to the building of streets, the procuring of city utilities, the handling of tax matters, the purchase of additional lands, the handling of abstracts, deeds, collections and other general subdivision matters. In fact, it is better if he does not even know of the difficulties being encountered. His enthusiasm, his buoyancy and his sales powers would be seriously affected.

I assume our sales department is to supply our salesmen, but let me suggest, they should be carefully selected for each class of subdivision; and it is far better not to mix your salesmen, but let them work only on the subdivision to which they are best adapted to serve. I believe in rigid specialization in a sales force, and every small group of salesmen should be under the constant direction of a sales director.

In the very beginning, we should determine the particular class of subdivisions which we propose to develop. It is not well to endeavor to cover the whole range of subdivision business in the beginning, but rather determine the class of subdivision and trade to which you wish to appeal in your first property; and if you succeed and prosper, expand your business by adding subdivisions of higher or lower character.

Your wise real estate office will, of course, analyze their local market; take into consideration supply and demand, the price of the acreage, the cost of development and utilities, making up the total cost of the lots which you offer. Purely from a standpoint of profit, in certain periods it is more profitable to offer lands without installing the street improvements; and in other periods it is more profitable to include all such improvements. From the standpoint of our profession and for the satisfaction to ourselves and our purchasers, there is no question but that it is more desirable for the realtor to offer clients a finished product, so far as possible. This, however, calls for a greater capital investment and the absorbing power of your market, and the probable length of time necessary to sell all of your subdivision necessarily enters into your calculations and conclusions.

In procuring the lands for home building and subdivisions in this office, I wish to strongly recommend that whatever class of subdivision we offer for sale, we endeavor to create a certain character and distinction in every subdivision we offer. We can in this way write a real value into our properties – frequently overlooked by the subdivider. Just as good design creates greater value in dress, jewelry, furniture, vases or pottery, pictures and sculpture, so can good design put greater value into the subdivision we create and into the homes we build.

Let us select land for a subdivision that permits of the most interesting development. If it is of rough topography, let us give it a most picturesque and natural treatment. If our city only offers level and rather uninteresting land, then let us give it character by certain interesting gateways, plazas, squares, circles, winding streets, ornaments, artistic grouping of homes, playground features, broken building lines, the elimination of any unsightly or ugly development, or whatever other means may be reasonably available and within cost limitations for the subdivision.

Let us realize that in residential development, our values are largely sentimental, and properly so, and are not intrinsically based upon the certain factors which definitely create business property values. Let us remember that even a good name adds value to a subdivision or a street. Let us remember that the personnel, particularly of our first purchasers, goes a long way toward establishing values; that an interesting plat, the appearance of the homes – particularly the first ones – neighborhood enthusiasm, the appearance of the back yards, the absence of unsightly fences, sheds, ash piles and other factors largely determine values.

Any realtor will take into consideration the question of distance from car line, schools, business centers, fire stations, churches, etc., but remember, that distance is becoming less and less important with the continuously greater use of the automobile.

We should take into consideration many other factors which I believe to be equally important, and which I think some of us overlook; and those are largely the ones that tend to give good or bad character to our subdivisions. And, in this we must always

remember that the character of other property in our neighborhood and the general environment have an immense bearing; and we must not, of course, become impracticable and endeavor to change the whole section of our city by our own good development of one small area. Gradations from poor to good property must necessarily be reasonable and gradual.

Let us include in our organization or procure the services from time to time of a good landscape architect. The money expended on landscape and plan services – by that I mean the planning of the street and block lay-out, its relation to the city, the lot lines and sizes, lot frontages, etc. – is perhaps our most important investment. A good landscape architect will take into consideration the prevailing breezes, the best views, the provision of ample air and sunlight around each home, the development of an impressive effect of the lay-out of your property, the efficient handling of your traffic, and the proper relation to your boulevards and various centers and activities of your city, which are of importance to your development. The amount of money that may be expended for such services must, of course, be kept in proportion to the size of your property and its ultimate selling value.

Let us give much time and study to the selection of the land; and then let us scientifically study our lot and block lines. We should not necessarily follow the customary habit of our city as to lot sizes or street widths. Perhaps 25% of the subdivision will be given over to public area. Perhaps our subdivision department can make this property produce more front selling feet by saving land through narrower, minor residential streets, and on the other hand, create broad boulevards or trafficways in other parts of our subdivision. Perhaps we can make many larger blocks, since automobiles have supplanted horse-drawn vehicles, and thereby we can gain front feet to sell and reduce lineal feet of street construction.

We do not want any blind conformance to the customary city platting, but we want a scientific study of the ground and plat layout of each subdivision which we offer. And, we want the services of men who will study the successful subdivisions of other cities, and will scientifically and professionally create real values in our subdivision. We want men who will make the last lots in our subdivision sell for far more than the first lots sell. You know, as a rule, except in boom periods, the disappointment of most subdivisions is the cleanup of the last scattered lots. In many of our own subdivisions developed in Kansas City, the last 25% of the ground has sold for two to three times as much as the first 25%. We must so organize this department that our remaining lots are increasing in value at all times more rapidly than their carrying charges.

If our subdivision department is to be a large one, it is better to organize our own construction department for the installation of public improvements. By so doing, first, you gain time. The delay in handling the installation of all public improvements by public ordinance is dangerous to most subdivisions. Frequently conformance to technical city requirements – desirable for public contracts and necessary for the making of general laws – are very inapplicable for local situations. So, if we arrange to install our own improvements, we will not only effect economy and save an immense amount of time, but we will be able to get a much better adaptation to our own particular uses. We will be much better able to time and shift construction in various parts of our properties to unexpected sales development. We will be able to co-ordinate construction progress with

sales activities. We will be able to create a greater confidence in the minds of our purchasers. We will be able to better control the physical side of our property, which is the first impression our buyer gets, but is certainly not the most important in the long run.

If our subdivision business is likely to expand and our values greatly increase, we will want a land buyer in our department delegated to study the possibilities of future expansion. Lands near our subdivisions will greatly increase in value as the result of our operations. We perhaps will not feel justified in buying large adjoining tracts in the beginning, but upon someone in our department should be placed the responsibility of constantly looking ahead and being guided by our sales progress in the procuring of options or the acquirement of adjoining properties. This is an important matter that is frequently overlooked by a busy subdivision department; and frequently they finally feel the need of additional ground and find they are penalized in their purchase by the very success they have made in their former subdivision.

If our business will justify it, we should have a conveyancing department, preferably in charge of a man with legal knowledge, who will look after all abstracts, deeds, etc.

We also would like to have all financial, bookkeeping and collection matters in our department handled by employees or officers other than those charged with the responsibility of making sales.

Our subdivision department would hope to occupy a conspicuous position in the physical arrangement of our main office for publicity reasons; and we would probably feel, under most circumstances, that we should have grounds offices on the subdivisions. We would feel that we should be in intimate touch with the advertising department – suggesting not only sales publicity material – but news stories as to the progress of our construction work, general improvements in our end of the city and other matters tending to create general interest in our property.

If our business is large enough, we, of course, would want a general manager, who would study the local conditions as to marketing possibilities, competing subdivisions, general price tendency, forecasting future growth and needs of his department, and harmonizing and coordinating all branches of the subdivision end of this business. Frequent conferences of heads of all departments should be held – all departments constantly keeping the sales viewpoint before them.

I have purposely delayed so far mentioning the Home Building department because I consider it, not second in importance, but second in order of consideration, inasmuch as the type of home you build and the comparative employment of capital in the home building department depends largely upon the subdivision and local conditions. It is advisable in any large subdivision business to do a certain amount of building; first, to start activity in the various parts of the subdivision; second, to control the character of the first homes built; and third, to create confidence in the minds of the buyers of your vacant lots. By not depending entirely upon other firms or individuals to do the building of homes in your subdivision, you are able to get your homes at the exact time or in the exact place they will do you the most good. For instance, we might increase the value of the land in our subdivision at least \$1,000.00 per acre by the timely erection of only two well designed houses at the gateways of our property at the time we first offer it for sale.

A certain part of our subdivision might lag and not sell, but by being able to promptly do the proper building – even of a small number of homes – we may not only be able to possibly make some profit on the houses themselves, but to bring about immediate activity in the sale of that part of our subdivision.

I recommend the building of a certain number of homes in each subdivision we offer, even though there is no profit at all in the building of these homes, and even though they may not bring more than the wholesale value of our land. And, I recommend that this building, so far as possible, be studied in advance and the subdivision get the benefit of it in its opening days, rather than later on.

If our business is sufficiently large to justify it, I recommend that we have our own architectural department – some good young architect with practical experience, who will not lead us into too great extravagance, and who will be an integral part of our subdivision department, in close touch with our subdivision needs and our sales department needs. Our salesmen should be free to call upon this architect to talk to various prospective buyers, helping to visualize the possibilities of various lots, and perhaps even preparing sketches for prospects where the amount involved justifies this expense.

I recommend that the subdivision department retain the approval of the homes which may be built. Even though it may be in the section of smaller homes – a little house of two or three rooms or more – we should have control over the placing of the house, its design, color, material, the grading of the lot, the erection of fences, etc.

In subdivisions of small homes, whole blocks of land can be injured in value by the erection of a tar paper two room house, or the erection of an old fashioned board fence, almost as quickly as a poorly designed home of hideous color combination can affect the value in subdivisions for larger homes. Adjoining lots can be greatly injured in value by a house built too high above the ground, or by the terracing of the dirt excavated from the basement in a manner entirely unfair to the adjoining lots; or injured in many other uncontrolled ways.

Whether our home building department does its building by day labor or contracts with the various crafts, or lets the work out upon general contract, depends largely upon local conditions. In any event, there should be a manager of our Building Department whose sole responsibility will be the general superintendence of the building of all our own company houses. As a rule, I will recommend that we do not do our building by general contract. It does not give us the necessary control and does not, as a rule, give one the character of construction; nor does it give one the benefit of the confidence in our company which can be created through the building being done by the company itself.

The things I have just said about the Home Building Department apply largely to the building of homes as incidental to the development of subdivisions. The same general principles, however, apply to an independent home building department not necessarily related to the subdivision, and being handled purely as a separate department of the business. Keeping control of the work instead of letting it out under general contract, having your own architectural department and building only homes of good design can be made to pay in your Home Building Department.

If we operate this department on a large scale, we want a good practical man of wide experience to head the department that buys our material. We want to run time charts on the construction of the houses, realizing the great saving and speeding of the time required for building. We want to standardize interior plans with many adaptable exteriors, giving variety of design by efficiency of construction. We want to save costs in building of houses of plain simple design, depending upon mass, form, line, and proportion for good architecture. We will build houses of varying size and cost so as to broaden our market. The house market is too susceptible to quick change to depend entirely upon homes all selling within a narrow range.

We will of course, offer these homes on the recognized installment plan of payment; and to carry on an extensive business without a large amount of capital, we must plan an outlet for the financing of our second mortgages. It is better to have certain salesmen who devote themselves entirely to the selling of houses and others who devote themselves entirely to the selling of lots. Our department cannot afford poorly built houses and we are only willing to offer houses that will prove a credit to our firm in the years to come.

In all our subdivisions, we should require every purchaser to become a member of a neighborhood maintenance association. And if our business is large enough to justify it, part or all the time of a man or woman in the subdivision department should be given to looking after such maintenance associations and the developing of neighborhood and community spirit; not only good residential morale can be created, but actual value can be added, to be reflected in increased selling prices of the lots and homes in the subdivision by such activity. Upon some individual in the subdivision department should be placed the responsibility of maintaining a complete ownership list of all buyers in the property, keeping all changes in ownership up to date and furnishing a list – complete at all times – for not only advertising material to be sent to those already owners, the importance of which is frequently overlooked, but making such a list available for all communications of a general nature from the subdivision department or the general office, tending to maintain the closest friendly relations with our clients.

The subdivision department should realize that REPEAT BUSINESS can be made quite important in every subdivision. Satisfied buyers will sell their house in one subdivision and buy in a subdivision of a little higher class – or they will acquire an additional lot to be added to their house grounds after they have built – or they will buy another for investment – or their family will increase or grow less in size, and they will sell their home and be in the market for a home of different size.

We must create a policy that will always have in mind additional business with every customer we procure. It will ever be the policy to so handle our department that all its activities will be a credit to this company – that none of our subdivisions will ever become a discredit to the company and an eyesore to the community – that none of our vacant lots will become trash catchalls of rubbish heaps or weed patches, or be covered with unsightly billboards – that good order and beauty will be regarded as the greatest asset in our department. We will not be timid in announcing that beauty in home surroundings, good design and artistic development are becoming more and more important every year. We will constantly be striving to do a little better in architecture, landscape design, subdivision lay – out and community life than has ever been done

before in our city, and perhaps go so far at times as to temporarily create less profit in our subdivision than a less advanced method would produce. We will frequently recommend the expenditure of money, the return of which will not be immediate. We will frequently recommend the providing of certain conveniences and environments in our properties which, in the beginning, will reduce our profits, but pay in the long run.

We will not necessarily recommend the procuring of the highest price possible at all times, but will make a price with a reasonable profit and one which, under ordinary circumstances, we should not only be able to maintain throughout the future of the subdivision, but will be able to increase from year to year, even after our property is all sold.

We regard subdivision and home building as the most fundamental factor in city building. Good family life itself, development of proper character of the children, good citizenship and even national patriotism are largely affected by subdivision and home building.

The greatest ills confronting scientific city planning today result from either selfish or poorly planned subdivisions by the real estate operator in the beginning.

Our department will co-operate in every way with the city planning departments of our city, and we will endeavor to be a step beyond the present needs at all times. We will not hesitate to place a high value upon the things that by some operators might be regarded as effeminate and unessential. The encouragement of abundant bird life in our subdivision, the encouragement of luxuriant growth of flowers, trees and shrubs, the encouragement of playgrounds, clubs, churches, schools, tennis, golf, horseback riding, pedestrian clubs, nature study clubs, and every other kind of such organization will be regarded by us as important in varying degree and deserving of the attention of even the company itself.

If our subdivision becomes sufficiently large, we may even encourage the publication of a little subdivision monthly newspaper which can be made a most valuable adjunct to the advertising department and of direct influence to the increase of property value.

The term "Back yard" will be taboo and garden-front homes will be encouraged, and such things as building occasional kitchen-front homes, holding all our houses low to the ground, doing away with the brackets, gargoyles and other unnecessary ornaments so frequently employed by builders, making their houses hideous. We will not use flashy decorations and ornaments, but will encourage good taste and subdued tone.

We will not necessarily always try to provide just what the public taste of today may select, but will, to a reasonable degree, study good design at all times and in all things, and endeavor to educate buyers to a better standard than they may as yet recognize. We will take the time, and go to the expense to endeavor to do away with some of the hideous manners of treating sleeping porches and overhanging butlers' pantries, without precedent in architecture; discourage garage doors always thrown open to the street and passersby; discourage the poorly graded lawn, and unsightly flight of long straight narrow terrace steps.

We will encourage side or garden side porches, rather than front porches; encourage the things which make the lawn the living space of the house, with its little lily or fish pool, its pergola, its tea-house, its hidden trash can and rubbish receptacle, its planted enclosure, giving privacy to the family and safety for the children's play yard. We will discourage the use of harsh and unsightly roof materials. We will discourage the inharmonious use of color in exterior or interior painting. We will even discourage the use of clashing colors on adjoining houses. We will discourage the building of a tall house adjoining a low bungalow, giving a ragged sky line to the block. We will encourage little triangular parks at street intersections. We will encourage the placing of some occasional object of beauty in each subdivision at a point to be enjoyed by all and an inspiration to everyone for the greater beauty of their home and grounds.

We believe that all the information we can disseminate as to good architecture, good landscape design, good interior decoration, good furniture, good pictures or good paintings, good objects of art of all nature, have a definite, tangible value in our properties. We will, of course, regulate such activity in proportion to the character of our subdivision. But we believe, to a certain extent, all such matters have a direct relation to the subdivision – in the smallest workman's home, as well as the great estate – and in our department we want to gradually bring men of talent and ability, with progressive ideas, who will really treat our department as a constantly advancing profession along scientific lines, ever improving the product of our hand, and ever making our property, the subdivisions which we create and the homes which we build, not only a satisfaction and joy to our clients, but a greater and greater asset to our city, and an honor to the National Association of Real Estate Exchange.

The J.C. Nichols Company Records (KC106) – Speech JCN002

Arguably Jesse Clyde Nichols (1880-1950) was the single most influential individual to the development of metropolitan Kansas City. Moreover his work, ideas, and philosophy of city planning and development had far-reaching impact nationally – so much so that the Urban Land Institute has established the J.C. Nichols Prize for Visionary Urban Development to recognize a person or a person representing an institution whose career demonstrates a commitment to the highest standards of responsible development.

Nichols' objective was to “develop whole residential neighborhoods that would attract an element of people who desired a better way of life, a nicer place to live and would be willing to work in order to keep it better.” The Company under Nichols and his son, Miller Nichols (1911-), undertook such ventures as rental housing, industrial parks, hotels, and shopping centers. Perhaps the most widely recognized Nichols Company developments are the Country Club District and the Country Club Plaza Shopping Center, reportedly the first shopping area in the United States planned to serve those arriving by automobile rather than trolley car.

The J.C. Nichols Company Records (KC106) contains both personal and business files concerning J.C. Nichols' private and business life. Included are personal correspondence, family related material, and speeches and articles written by him. Business and financial files pertain to actions of the Company, including information about different developments and the securing of art objects; and printed materials produced by and about the Company.