

REAL ESTATE AND THE AUTOMOBILE TRADE

Motor Car Dealers Have Taken Over a Mile of Broadway.

FROM TIMES SQUARE NORTH

Formerly "Dead" Section Which Has
Taken on New Life—Little Store
Space Now Available.

It has been estimated that there is at present not far from \$200,000,000 invested in the automobile industry in this country, and, as is the case with most industries, New York real estate has exacted its toll from this large amount.

It might be difficult to determine in dollars and cents just how much the automobile has benefited real estate in this city, in the shape of increased values, increased rentals, and building improvements, but it would certainly be difficult to recall any industry which has within so brief a period given so much new life to an entire section as has the automobile trade to the whole of Broadway from Times Square to Seventy-second Street and even beyond.

Up to two years ago there was no more thoroughly lifeless part of Broadway, from the Battery to 125th Street, than that from Times Square northward to the Grand Circle—unless it was that stretch just beyond from Fifty-ninth to Sixty-fifth Street. The former had enjoyed some slight distinction as the centre of the horse and carriage trade, and also boasted of two or three of the earlier examples of apartment house construction, but its real estate was practically stationary in value and attracted little attention on the part of either owners or operators. From the Circle to Sixty-fifth Street, Broadway was famous for what it did not contain, for its magnificent stretches of billboards, and for its "Sunken Village" between Sixty-first and Sixty-second Streets.

Almost overnight all this has been changed. To-day there is almost a solid line of motor vehicle signs all the way from Times Square to Sherman Square, and only a few days ago it was announced that two prominent automobile concerns had taken quarters as far north as Eightieth Street. In the earlier days of the popularity of the automobile it seemed as though Seventh Avenue, south of Forty-second Street, and the surrounding territory might become the centre of the industry, but with the invasion of the upper stretches of Broadway the Seventh Avenue region was speedily abandoned, and has since been practically deserted by the trade.

To accommodate this rapidly expanding business real estate has been converted to its use in every conceivable way. Old buildings, which formerly commanded little more than rentals, have been remodeled, and now show excellent returns. Operators have gone into the field and, buying sites, have put up new buildings for motor car concerns under long-term leases. Finally several of the larger companies have bought or leased their own sites and have erected costly structures. Some of the latter type of operations have involved at least \$500,000, and one, at least, with the completed building, will call for the investment of \$750,000 to \$800,000.

To what an extent the automobile has claimed Broadway property within the limits mentioned may be seen along the old "Hoffman" block, between Fifty-seventh and Fifty-eighth Streets, now owned by the United States Realty Company. Out of eleven stores on the Broadway side of this block eight are already given over to salesrooms for motor cars and accessories. There seems to be as yet little willingness on the part of motor concerns to leave Broadway for more moderate-priced property in the side streets, although the new home of the Automobile Club of America on Fifty-fourth Street, between Broadway and Eighth Avenue, promises to give that block some peculiar advantages in this direction.

The building of garages has become almost a separate branch of construction and has incidentally afforded a much wider field for the use of concrete than that material would otherwise have had. Two of the largest structures yet erected in the new "garage belt" are those put up by John G. Wendel—one at Fiftieth Street and the other at Sixty-second Street. The Wendels are among the largest landowners in the city and are famous not only by reason of the extent of their holdings but also because they have never been known to make any adequate improvement of their properties. In view of these facts it has been a matter of much comment among real estate men that the Wendels should now see fit to put several hundred thousand dollars into two buildings of a special class and of very limited utility.

In speaking of the range of rentals for store space in the automobile district, a member of the Gross & Gross Company, which has recently handled many transactions there, said: "Small stores, under short-term leases, are commanding from \$2.50 to \$3 a square foot, and after an unusually busy season we can say that the supply of space, and particularly of desirable space, is not up to the demand."

One feature of the renting situation in this territory that adds to the trouble of agents is that owners very generally feel that this Broadway property will be needed at no very distant date for re-improvement, and so are unwilling to tie up old buildings with long leases.

Land values have at least doubled within the last five or six years in the region which has been invaded by the automobile trade. The operation of the Subway is, of course, responsible for a very large part of this increase, but the improved renting conditions have not been without influence in sustaining the higher values. The advance in prices has been particularly noticeable between the Circle and Sixty-fifth Street. The plot at the northeast corner of Broadway and Sixty-second Street was sold at one of the Eno estate sales for \$175,000. After changing hands several times, it came into the possession of George C. Boldt something over two years ago at about \$300,000. Mr. Boldt put up the six-story building on the site, leased it to the American Locomotive Company at an annual net rental of \$33,600, and only a few weeks ago sold the property to C. F. and W. M. V. Hoffman for about \$660,000. Another corner plot, the southeast at Broadway and Sixty-third Street, which would probably command \$350,000 or \$400,000 to-day if it were on the market, was sold in 1901 for \$188,500.