V. IMPACT OF TRANSPORTATION AND FINANCE ON SUBURBANIZATION

In the *Sunday Morning Star* of 27 January 1901, Moses Folsom boldly predicted that "100 years hence . . . on account of the fast and cheap travel cities will become groups of suburbs, and the poor will have air, sunshine and light."[127] The society to which he referred was poised on the edge of transformation. Like Folsom, many early writers considering the movement of population outward from the city seized upon transportation's central role in the demographic shift. Emory R. Johnson, writing in 1909, noted "The rapid transit which the electric lines gave to the cities enabled the cities to grow rapidly and spread widely."[128]

This chapter will discuss associative property types related to the economic themes of Transportation and Finance. Like the previous chapters, it will examine the local and national trends related to these themes, describe the property types, and provide criteria for evaluation of potential resources.

The economic activities that motivated the intense development of the land at Wilmington's periphery complemented the cultural trends considered in Chapter IV. As city dwellers began to look toward the newly-planned subdivisions, the extension of trolley service allowed them to pursue their impulses to move away from the crowded city and toward the promise of rural health and beauty. At the same time, cobbled-together first and second mortgages provided the financial means for at least some families to make the transition to a new home in the suburbs.

The increased popularity of the automobile spelled the demise of the trolley system, but meant an even greater degree of accessibility and flexibility for city dwellers who wanted suburban residences. The advent of easier and more readily available funding because of New Deal mortgage legislation further facilitated and promoted the outward migration. Both transportation and the various mortgage lending arrangements were economic factors which allowed the forces of change at work in society to have a material impact. The economic trends enabled city dwellers to become suburbanites, to be part of the major alterations in settlement patterns and to live out their hopes for ideal homes of their own.

Transportation and Land Development

Scholarship on suburbanization leaves little doubt regarding the importance of transportation to the process that changed both the distribution of the American population on the land and the way that large numbers of people lived. Of all the enabling technologies that facilitated the decentralization of

127 *Sunday Morning Star*, 27 January 1901, 7.

128 Johnson, 163.

cities, changes in and improvements to transportation were pivotal. They allowed large numbers of city dwellers greater access to land that had previously been too isolated for use. The increased use of public transportation has been characterized as the "single most important factor shaping the spatial evolution of the American industrial city from 1870 to 1920."[129]

The period of suburbanization may be subdivided into two phases of transportation technology, the first dominated by electric trolleys and the second by the automobile. The "golden age of America's electric railways"[130] was introduced by the transition from horse-drawn streetcars to trolleys powered by electric current. In 1888, Frank S. Sprague moved public transportation out of the age of animal power when he inaugurated America's first successful electric trolley service, operating in Richmond, Virginia.[131] As a result of the transition to electric power, trolley traffic could move at much higher speeds, 15 to 18 miles per hour, twice the speed of horses,[132] and could therefore cover longer distances, extending the commuting range to 10 miles or more from the city center.[133] Prior to these changes, many wage earners had been obliged to live near their work in the central cities. Because of their necessary reliance on slow public transportation, they had no choice of residence. If they were to arrive at work on time, they had to live close to their places of employment. With the increased speed made possible by electric trolley service, such workers could now live farther from the jobs, away from the city's core, and still commute to work in reasonable time.[134]

Trolley systems also enabled city dwellers to separate themselves from unpleasant urban conditions. K. H. Schaeffer and Elliott Sclar characterize the outward movement as an escape "from the irritating crowdedness of the walking city" that nonetheless allowed commuters to remain "involved in the city's economic activities."[135] Mark S. Foster also finds the image of flight appropriate for the migration from the city. "For the working-class suburbanite, physical mobility meant escaping from poverty and perhaps from other ethnic groups."[136] Not only could they give in to the lures of fresh air and sunshine offered by the suburbs, but they could also free themselves of the dirt and noise of the city.

Because the trolley routes were tied to permanent tracks, subdivisions that developed with the growth of the trolley systems were arrayed in linear succession, stretched out along the tracks. In many

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[129]Ottensmann, 14.

[130]Foster, 14.

[131]Johnson, 165; Schaeffer and Sclar, 23-24; Miller, 99.

[132]Muller, 5-6.

[133]Ibid.; Miller, 101-102.

[134]Ottensmann, 15.

[135]Schaeffer and Sclar, 18.

[136]Foster, 16.

cases, the trolley operators had more than a passing interest in these new subdivisions. Frequently, the trolley companies and development firms were made up either of the same individuals or of partners with intimate financial ties. The transportation companies, with future service in mind but kept secret, bought up large tracts along proposed routes. When the new lines were opened, the accumulated property was subdivided and sold as building lots at drastically increased prices. In some cases, the profits enjoyed by what were, in effect, trolley-real estate companies were made in land sales, while the transportation side of the business operated at a loss.[137]

In terms of both the number of passengers who rode the trolleys and the miles of track, the period from 1890 to 1920 was one of substantial growth. In 1890, trolley passengers totalled two billion annually, a number that increased by 700 percent to 15.5 billion by 1920; during the same three decades, the population of the United States rose a comparatively modest 150 percent.[138] In 1923, the ridership fell to 14 billion, exhibiting the first signs of the decline that marked the replacement of the trolley by the automobile. Similarly, the number of miles of trolley track grew quickly, increasing from 1,200 in 1890 to 22,000 by 1902. The total peaked in 1917 at 41,000, after which it too began to shrink, another indication of the emergence of the automobile as the popular form of transportation.

If the electric trolley had a powerful impact on the process of suburbanization in the opening decades of the century, the automobile had as great an impact during the closing years of the period under study. It was, according to Peter O. Muller, "the major new spatial force underlying interwar suburban growth."[139] At the turn of the century, automobile registration stood at 8,000 vehicles; by 1905 that number had increased to 77,000 and by 1920 had surged to 9 million. The application of principles of mass production to the manufacture of automobiles lowered the prices to such an extent that the relatively new technology became available to ever-widening circles of consumers. The Model-T Ford which sold for $600 in 1913 was priced at $393 in 1923; the base price for the Chevrolet dropped during the same period from $1,200 to $495.[140]

In the early years of its appearance on the American landscape, the automobile was regarded more as a toy than a means of transportation. Like the bicycle, it was "mainly used for recreation. It was a means to escape the crowded and dirty city for an outing into the open country."[141] While earlier city dwellers had enjoyed Sunday outings by trolley to nearby amusement parks, in the 1920s interest turned, at least in certain well-to-do circles, to using the automobile for similar leisure and relaxation. Although the

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137Foster, 17; Schaeffer and Sclar, 30; Mason, 193.

138Foster, 14; Miller 116.

139Muller, 17.

140Foster, 59; see also Jackson, 161.

141Schaeffer and Sclar, 36.

vehicles "remained basically a novelty,"[142] more families were becoming owners. As ownership increased, the vehicle that had previously been seen as a luxury to be used for recreation became a necessity for commuting between suburban home and city job.

The growing number of automobiles was complemented by an increase in the number and quality of highways surrounding American cities. Mark S. Foster suggests that the need which arose at the end of the 1920s and the beginning of the 1930s for new and better roads could not have come at a better time. Planners, he writes, favored the automobile for a number of reasons:

> half a century ago, streets and superhighways appeared to be a democratic response to urban transportation needs. Unlike the turn-of-the-century parkway that transported the carriages of the rich, the urban highway of the 1930s carried not only the automobile of the middle classes, but buses for those unable to afford private transportation. . . the federal government encouraged highway building, both to revive America's single largest industry and as a means of directly employing thousands of jobless victims of the Depression.[143]

The new highway systems offered not only jobs to unemployed workers, but also a golden opportunity for technical innovation. The construction efforts were matched by engineering developments such as divided highways, traffic circles, and synchronized traffic signals,[144] all intended to keep traffic flowing smoothly. As a result, in the words of M. Christine Boyer, "the automobile and the paved highway spread the urban population over the surrounding countryside."[145]

In effect, state and federal government financing of highway construction subsidized the process of suburbanization.[146] The new thoroughfares (or old roads newly improved) allowed the automobile and suburban development to invade the spaces between the trolley routes which extended like rigid fingers out from the city (Figure 25). These interstices had been previously inaccessible for subdivision because they lacked public transportation; the families who would have been likely residents lacked private transportation and had to rely upon public systems of transportation. With the increased availability of automobiles and the enlarged network of roads and highways, formerly unusable parcels of land came onto the market as residential subdivisions. Just as the trolley had increased the distance that wage earners could live from the city, now the automobile and highway increased the range of choices again.

The provision of trolley service to Wilmington and its environs followed much the same pattern as had been established elsewhere during the early years of the twentieth century. Trolley service began in

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[142]Ottensmann, 19.

[143]Foster, 151.

[144]Glaab and Brown, 278; Wright, 207.

[145]Boyer, 173.

[146]Muller, 7; Hayden, 8.

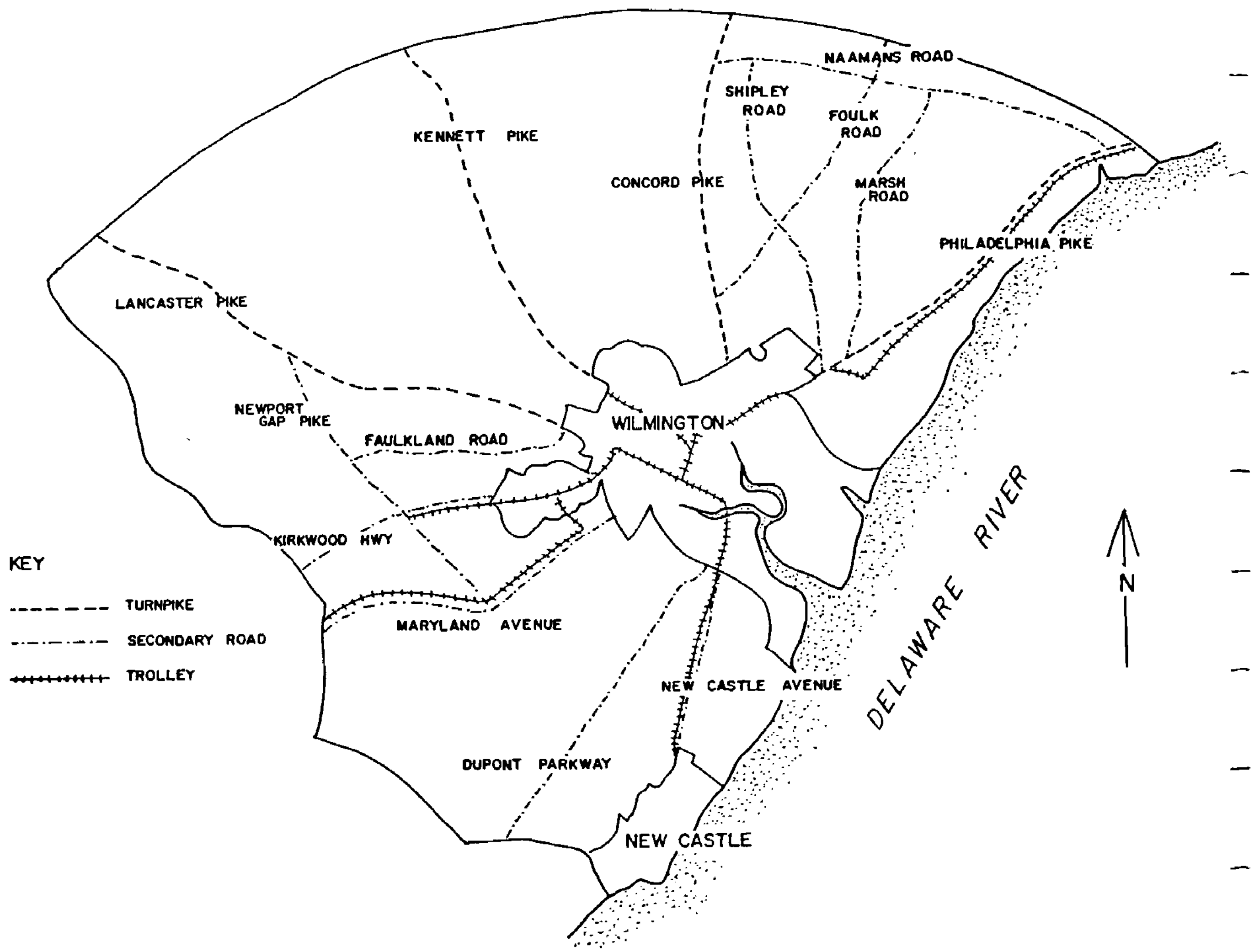

Figure 25: Wilmington Transportation Routes.

1864 when horsecars operated by the Wilmington City Railway provided transportation out newly-developed Delaware Avenue.[147] Organized by local businessman, Joshua T. Heald, the company built virtually no extensions and paid no dividends in its first 15 years of service. It was not until 1881 that the company expanded its routes, when it added service from Fourth Street to both the Christina River and Brandywine Creek. Six years later, the company extended a route up Market Street to Riverview Cemetery and it was this route that, the following year, was the first in the city to have electric trolley service. By the 1890s, electricity was replacing animal power for moving the cars and the last horse-drawn cars were retired in 1892[148] or 1893.[149]

The early years of the century were years of constant increase and improvement in streetcar service. The planned work on a track extension to New Castle from the city was characterized in the *Sunday Morning Star* as a "Big Trolley Boom."[150] Response to the trolleys was favorable. "Electricity has become the seven league boots," declared a 1901 newspaper story, "by which we step from our house door to that of a distant friend."[151] The streetcar was a means both of temporary escape from the city's crowds and noise and eventually of commuting so that city dwellers could live away from the city.

Local residents rode the trolley for pleasure. "When the average person wanted to take a ride for a diversion," recalled A.O.H. Grier, "he used the trolley."[152] Certainly the Wilmington City Railway and its constant rival, the Peoples Railway Company, encouraged Wilmingtonians to ride the streetcars in search of relief from everyday cares and both companies provided amusement parks as a place to enjoy one's leisure. At the turn of the century, the newspapers were from April through August filled with inviting advertisements for summer resorts, appealing to families who enjoyed long vacations and could take a month in Atlantic City or at Niagara Falls. Working people, however, had no such vacations and had to squeeze their relaxation into the Saturday afternoon and Sunday that was their respite from labor. For these people, the parks became summer "resorts" and the five-cent trolley ride their country excursion.

The parks promoted themselves in that role. Over the decade, the Wilmington City Railway's Shellpot Park on Philadelphia Pike was described as offering "cool breezes" and the company published a booklet describing the park's beauties and referring to it as a "popular resort." In announcing its weekly programs of music and entertainment, the promoters repeatedly stressed the park's appeal to the entire family. Brandywine Springs Park in Christiana Hundred, operated by the Peoples Railway Company, was much the same. Opening the century with a full-page ad in May 1900, it mentioned its resort features--a

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147Scharf, 669-670; Hoffecker, *Corporate Capital*, 18-20; Cox, 5.

148Grier, 20.

149Cox, 9.

150*Sunday Morning Star*, 11 March 1900, 1.

151Ibid., 21 July 1901, 8.

152Grier, 44.

boardwalk, launch rides on the lake, and band concerts. Like Shellpot Park, Brandywine Springs issued a descriptive booklet and published weekly listings of the programs offered to Wilmingtonians who ventured to the country. In both parks, the entertainment was primarily vaudeville and music, although there were other occasional treats such as opera, minstrel shows, jugglers, and illustrated songs.[153]

It is clear from the newspaper articles and advertising that the trolley companies and their park managers had identified and sought to attract a particular clientele. This same class of working people was the market on which many suburban developers focused. The appeal the developers made to potential buyers bore a striking similarity to that of the parks. The developers made widespread use of the "excursion mentality" that had been generated by the parks. Banner headlines proclaiming subdivision names were followed by such inducements as "Free Excursion Cars Sunday"[154] and "How are you going to spend Sunday? Why not take your wife out to Penn-Rose at our expense?"[155] Ashley followed the park example by providing a free band concert at the development site on 4 July 1909, stressing that, because it was Sunday, the concert would be of sacred music.[156] Promoters gave money away to the first buyers[157] and, in the case of Bellemoor, a $1,400 automobile was to be given to one of the lot purchasers.[158]

The key role of the trolleys in suburbanization was the access that the streetcars provided, enabling suburban residents to commute to the jobs in the city. A 1902 advertisement for the Cedars identified "Location, Surroundings, Accessibility"[159] as primary concerns in selecting a suburban home site. When the Wilmington City Railway experienced a power failure one Saturday in 1905, the newspaper account of the delays that resulted stressed the importance of the service. "The breakdown caused much discomfort," the paper reported, "and (those who live in the suburbs) realized how essential trolley cars are to them."[160] In 1907, the real estate page of the *Sunday Morning Star* reported that while city real estate business was "dull," suburban land companies were enjoying a "thriving business (as) many people of moderate means are preferring to build their homes along the trolley lines where they will enjoy a large lot for their home."[161]

153*Sunday Morning Star*, 24 June 1900, 7; 24 May 1903, 9; 2 April 1905, 1.

154Ibid., 30 May 1909, 6; 20 June 1909, 6.

155Ibid., 12 July 1903, 8.

156Ibid., 4 July 1909, 6.

157Ibid., Hillcrest, 9 November 1902, 8; Riverview Heights, 23 May 1909, 11.

158Ibid., 30 May 1909, 6.

159Ibid., 18 May 1902, 2.

160Ibid., 18 June 1905, 1.

161Ibid., 1 September 1907, 6.

Suburban developers almost unfailingly included reference to the proximity of trolley lines when advertising their development projects. The Darby trolley line, which ran out Philadelphia Pike and served Hillcrest, put the new subdivision only "15 minutes from Fourth and Market Streets"[162] in 1903. Also served by the Darby line, Penn-Rose was only "a short ride and a single fare from any part of the city"[163] and Gordon Heights was "Twelve minutes and only one five-cent fare, from the centre of the city."[164] Belvidere (Christiana Hundred) was located "One mile from Newport trolley line. Situated between two trolley lines."[165] In Brandywine Hundred, Montrose Terrace Addition was only one five-cent trolley fare from the city,[166] as was Bellefonte Heights.[167] When there was some deterioration in the quality of the service along the line serving Claymont and running to Chester, patrons were prompt and vocal in their complaints. The response of the Holly Oak Public Service Association underscored the importance of the streetcar to suburban residents. Describing the situation as "awful," one association member complained that "When you leave home in the morning you are lucky if you get to town on scheduled time. You take the same chance going out." The association undertook a systematic collection of information about examples of poor service in an attempt to "move the traction magnates into giving value for the money that the patrons of the line exchange for transportation to and from the city."[168]

There is no doubt about the importance of trolley service to real estate development. In 1905 the real estate page of the *Sunday Morning Star* headlined a brief article with the declaration that "Trolley Increases Land Values."[169] Five years later, real estate brokers reaffirmed that conclusion when they complained that they had "experienced trouble in selling real estate in the neighborhood because of inadequate transportation service."[170] During the first two decades of the century, 82 percent of the subdivisions were adjacent to trolley lines and reliant upon them as the primary source of transportation for residents. Between 1900 and 1910, Hillcrest, Gordon Heights, and Montrose (later renamed Bellefonte) were developed along the Darby line; Ashley, Richardson Park, and Boxwood were among the subdivisions on the Newport route; Roselle and the Cedars lay along the line which ran through Elsmere to Brandywine Springs Park; and Hamilton Park was laid out on the line to New Castle. The following

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[162]Ibid., 24 May 1903, 8.

[163]Ibid., 22 November 1903, 8.

[164]Ibid., 23 May 1909, 6.

[165]Ibid., 11 August 1907, 12.

[166]Ibid., 1 August 1909, 7.

[167]Ibid., 23 May 1915, 22.

[168]Ibid., 13 June 1909, 1.

[169]Ibid., 25 March 1905, 7.

[170]Ibid., 16 January 1910, 8.

decade saw similar activity, with new projects extending the line of development. Gwinhurst and Holly Oak lay beyond the earlier subdivisions along the Darby line; Bellemoor, Elmhurst, Lyndalia, and Tuxedo Park were beyond Ashley and Richardson Park; Brack-Ex and Forest Park pushed the developed area past Roselle; Holloway Terrace and Eden Park Gardens added to the development along the New Castle route.

By the third decade of the century, only about half of the subdivisions were sited adjacent to trolley lines, as highways, largely the old turnpikes, began to play a role in the process of growth. Concord Pike, which had seen virtually no suburban development prior to 1920, was the route along which McDaniel Heights, Perry Park, and Concord Manor (previously called Farmon and then Washington Manor) were all planned between 1921 and 1930. During the same period, Kennett Pike witnessed its first suburban incursion when Westover Hills was laid out.

Delaware was brought into the automobile age early in the century. As the century dawned, the state had only 30 registered automobiles. By 1910, the state had seen motor vehicles registrations increase to 960, a number that increased to 18,300 in 1920 and 30,000 in 1923.[171] This phenomenal increase was due in part to the state legislature's 1911 endorsement of T. Coleman du Pont's plan to build a motor highway from Wilmington to the southern border of the state. That year the General Assembly authorized du Pont's Boulevard Commission to exercise the power of eminent domain in order to obtain the necessary land and rights of way for the construction.[172] Du Pont's original plan included not only pavement for motor vehicles but separate lanes for trolley traffic and pedestrians. Thirteen years and nearly $4 million after he started, du Pont turned over control of the du Pont Parkway to the state.[173] The growth in automobile registrations continued unchecked in the years following the completion of the highway, reaching 57,000 in 1930, 73,000 in 1940, and 108,000 in 1950.[174]

The reorientation away from tracked transportation to the more flexible automobile was reflected both in the location of new subdivisions and in the advertising that accompanied them. The du Pont Parkway itself became part of the development process in 1927 when the Joseph B. Stahl farm was subdivided by Koch Realty Company to create Wilmington Manor, a large scale subdivision that combined the grid form with gently curving streets. In addition, the spaces between the trolley lines were opened to development. Along Shipley Road, a secondary road between the Darby trolley line and long-established Concord Pike, Gumwood (1938), Liftwood (1940), Shellburne (1949), and Shipley Heights (1949) were all developed.

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171 *Highway Statistics Summary to 1975*, 48.

172 Hoffecker, *Delaware - A Bicentennial History*, 57.

173 Hoffecker, *Corporate Capital*, 52.

174 *Highway Statistics Summary to 1975*, 48.

As early as 1925, the automobile began to figure in the advertising for newly-developed subdivisions. Villa Monterey was situated on Philadelphia Pike, adjacent to the trolley line. Yet each house at Villa Monterey had its own separate garage and the subdivision was described as "within fifteen minutes' ride of Wilmington's business district by motor."[175] Edgemoor Terrace was laid out along Governor Printz Boulevard and built in 1939. Every house had a built-in one-car garage, but the developers covered every contingency by advising that the subdivision also enjoyed "Excellent transportation by train and trolley."[176]

Financing and the Process of Suburbanization

The improved and ever-expanding transportation network that was the hallmark of the late nineteenth and early twentieth centuries provided a means for urbanites to journey out of the city. Initially coaxed to the country to enjoy leisure moments strolling in pastoral rural cemeteries or being entertained at amusement parks, the city dwellers were soon also being tempted by hopes of houses in the country. Promises of fresh air and sunshine were offered by developers as the process of suburbanization got underway.

Ann Durkin Keating accurately describes the changes that have occurred in the development process when she writes that "Real-estate developers offered outlying residents service packages, which became more sophisticated in the twentieth century, culminating in completely planned communities."[177] Starting with the developers of the late nineteenth century who offered purchasers varying levels of improvements, the process evolved to the point that buyers were, at the end of the period, provided Levittown's landscaped lots and appliance-equipped Cape Cod houses.

Between 1880 and 1950, substantial changes occurred in the way land was subdivided, improved, sold, and occupied. Prior to World War I, the developer acquired a tract of land on which he laid out streets and lots. He constructed, or at least graded, roads, and occasionally provided some limited utilities, according to how readily they were available from the nearest supplier. The building lots were sold to a range of buyers. Some parcels were purchased by individuals, either as investments or for the construction of a house. Other lots were sold to builders who, operating on a small scale, acquired a few sites and built one or two houses at a time, using the proceeds from the last house sold to finance the next house to be built. The subdivision developer himself might retain some lots, either as a site for his

175 *Sunday Morning Star*, 22 November 1925, 28.

176 *Journal-Every Evening*, 6 May 1939, 17.

177 Keating, 124.

own residence or on which he would build dwellings for resale. Real estate brokers also purchased lots, intending to find builders and buyers to whom the land could be sold for the construction of houses.[178]

As the opening years of the century gave way to the 1920s, the process had changed relatively little. Individual buyers began the process of acquiring a house by finding an attractive lot and paying for it. Once the land was fully theirs, they found a contractor or builder to construct a dwelling on the site. In the alternative, hopeful homeowners had the option of purchasing a house that was already built. Builders still generally worked on a small scale, building no more than four to six houses at a time. The provision of improvements was not a foregone conclusion even at this date. As late as 1928, *One-Two-One-Four* warned readers that the price of a lot should reflect whether there were improvements, defining an unimproved lot as one where "streets, curbing and sidewalks are not yet laid, and where water, gas, electricity and sewerage have not been provided."[179]

The challenge facing many families during the 1920s was finding a means of financing the ownership of their own houses. A national meeting of realtors in 1925 declared that using a land contract and second mortgage was the only method by which a house could be purchased.[180] In the average case, they concluded, a buyer had little cash although he might have paid for a lot. Such a purchaser's options were limited. He could borrow the money he needed by seeking both a first and a second mortgage. The first mortgage, from a bank, amounted to only 50 to 60 percent of the cost of the house. The five- to seven-year loan would be made at 6 percent interest. The bank, however, could not provide a second mortgage. Only the builder or contractor could arrange the second mortgage, which carried a heavy cost, referred to as a "bonus." On the average, the bonus paid for a second mortgage of one year was 10 percent of the amount borrowed, for two years it was 15 percent, and for three years, 20 percent. The size of the bonus varied with the desirability of the property and the buyer's reputation.[181]

An alternative method of financing was for the buyer to join a building and loan association. The associations' savings plans required participants to make deposits over several years. The associations emphasized long-term deposits and assets thus accumulated were expected to remain with the association until they reached maturity. The association controlled withdrawals and, when the accounts had matured, the funds were available to be used for financing the purchase of a house.[182] Frequently, the account was sufficient for the initial payment and the buyer could then borrow from the building and loan association up to two-thirds of the money needed to arrange for dwelling construction. The association paid installments directly to the contractor as stages of construction were completed. State

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[178]Jackson, 133-137; Warner, 122; Vance, 406-407.

[179]*One-Two-One-Four*, January, 1928, 4.

[180]Ibid., July, 1925, 1.

[181]Ibid., 3.

[182]Ewalt, 6.

law determined the amount of interest the association could charge and loans were written for periods of up to ten or twelve years. Because the building and loan association could not lend the full amount, the buyer still had to rely on the contractor for the necessary and expensive second mortgage to cover the balance of the purchase price.[183]

The financial hardships of the 1930s toppled many of these precariously-erected mortgage arrangements and by 1933, mortgages were being foreclosed at a rate of 1,000 per day.[184] The intervention of the federal government with the Home Owners' Loan Corporation (HOLC) and the Federal Housing Administration (FHA) plans reshaped both the methods by which families purchased houses and the landscape on which those houses were constructed.

In April, 1933, when the HOLC legislation was enacted

> the overwhelming part of the home mortgage debt was in the form of unamortized loans secured by short-term mortgages written for from one to three years -- sometimes up to five years. The borrowers expected automatic renewal for a similar period so long as the appraisal remained satisfactory, and without any need to reduce the principal.[185]

If there was ample money available for mortgages, this situation presented no serious problems, but the extremely tight money of the 1930s precipitated massive numbers of foreclosures. In the three years after its creation, HOLC refinanced over one million mortgages valued at a total of $2.75 billion. The old, short-term, unamortized mortgage instruments were replaced by amortized 15-year loans at 5 percent interest,[186] with borrowers making monthly payments directly to the government.

A year later, the National Housing Act established the Federal Housing Administration, whose program insured housing loans. The program made substantial, permanent changes in mortgage lending standards and practices. The insurance applied primarily to new construction and was available both to individual homeowners and to large-scale developers. Initially, the plan increased to 80 percent the portion of a dwelling's value that could be loaned and by 1938 that limit had been raised to 90 percent, a marked increase over the previous 50 to 60 percent that could be covered on a first mortgage. In addition, the length of the mortgage jumped from a standard of three to five years to 20 years as the period over which the mortgage could be amortized. With program amendments in 1938, the length of an insured mortgage was increased to 25 years. By 1940, "the amortized mortgage had become the norm for all lenders."[187]

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[183]*One-Two-One-Four*, April, 1928, 3.

[184]Ewalt, 36; Abrams, 54.

[185]Ewalt, 37.

[186]Ibid.

[187]Ibid., 165; Wright, 241

Interestingly, an examination of the percentage distribution of home mortgage loans based on dollar volume suggests that the initial impact of the FHA and its 1944 companion Veterans Administration mortgage guarantee legislation was not so much in absolute dollars as it was in the standards and examples that the legislation set. In 1940, 81 percent of the home mortgage dollars were loaned via conventional loans where none of the risk was shared by the government and only 19 percent of the mortgage money was FHA-insured. By 1945, the distribution was 89 percent to conventional loans, with a mere 8 percent FHA-insured and 3 percent guaranteed under the provisions of the newly-enacted VA legislation. The share of mortgage dollars loaned conventionally dropped to 66 percent in 1950, while the portion that enjoyed VA guarantees rose to 19 percent and FHA-insured loans increased to 15 percent.[188]

The powerful intervention of the federal government into the field of home financing reoriented lending institutions in ways that made basic changes in the physical landscape. Mortgage bankers, James E. Vance asserts, began to consider houses and lots together. They took account of a subdivision's potential for future resale, seeing new value in curving streets, large lots, and conservative housing styles.[189] The catalogue of the FHA's impact is familiar. The program encouraged new construction of single-family, detached, individually-owned houses[190] of traditional designs.[191] FHA guidelines decreed that insurance would not be provided for loans to African-Americans nor would it cover loans to inner city neighborhoods, so the benefits of the program went to white families buying new suburban houses on large lots along attractive, winding streets.[192]

The process of suburbanization in Wilmington followed the pattern that evolved nationally. In the early years of the century, construction was undertaken by a variety of participants acting as builders. In many cases, an individual, having paid for his lot, contracted with an builder for the construction of his house. George H. Pote, for example, had a dwelling built for himself and his family in Hillcrest in 1905[193] as James F. Fox did the following year.[194] The practice of individual contracts did not disappear even as other building schemes became popular. In 1924, *One-Two-One-Four*, reporting on the activities among the local builders, catalogued a number of houses under construction. Jacob Wagner was completing work on houses for Mr. Teilman in Gordon Heights and for Mr. Anderson on Lore Avenue, H.D. McCrea

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188Ibid., 137.

189Vance, 406-407.

190Cohn, 168.

191Wright, 242.

192Marsh, 155, 184.

193*Sunday Morning Star*, 17 September 1905, 7.

194Ibid., 4 March 1906, 7.

was starting a house for Mr. Jackson in Gordon Heights, and George W. Rodman was nearly finished with the Bullock house on Penny Hill.[195]

Many builders undertook construction of more than single houses, but continued to operate on a small scale. Frank A. Levering operated simply as a builder in the Richardson Park area beginning in the 1920s. Buying two or three lots at a time, he erected a sign on the vacant site, announcing his intention to construct houses there and advising passers-by of his phone number. Frequently, he had down payments and contracts for the finished bungalows before the ground had been broken.[196] In 1925, William T. Potter, purchased lots along the northeast side of Laurel Street, Gwinhurst, as the site for a set of six identical bungalows. Advertising them on the real estate page of the Sunday paper, Potter identified himself as "Owner and Builder."[197]

Although most subdivision developers did not become large scale builders until the late 1930s, some developers undertook limited construction for families that purchased lots. Aaron K. Taylor, who created Brack-Ex on the Bracken Farm in Christiana Hundred, offered in a 1914 advertisement "First: You buy the lot. We build the home and You pay for it in monthly installments on the rent plan."[198] A decade later, C.A. Perkins was reported as developing "a large tract of land by installing a central water system and a central sewage system." Not only did Perkins and his son build houses on the developed land in Brandywine Hundred but some of the dwellings were constructed of "granite-faced block, which Mr. Perkins manufactures."[199]

Real estate brokerage firms also acted as contractors. "Why Pay Rent," inquired Walters and Ash, "when we will sell you a lot on easy terms, and build you a home."[200] National Real Estate Trust Company announced in September 1910 that their Home Building department had "closed contracts for a number of new dwellings to be erected (at) Hillcrest."[201] The following spring, the company, which sold lots in all the suburbs, offered to "Build The Home for You"[202] after the land had been purchased. They provided this service to John A. Branch by October, reporting that the company had arranged with the Delaware Construction Company to build a bungalow at Gordon Heights for Mr. Branch.[203]

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195 *One-Two-One-Four*, November, 1924, 4.

196 Interview with Blair Levering, Frank Levering's son, 10 February 1992.

197 *Sunday Morning Star*, 11 October 1925, 28.

198 Ibid., 20 September 1914, 10.

199 *One-Two-One-Four*, June, 1924, 2.

200 *Sunday Morning Star*, 14 March 1909, 6.

201 Ibid., 18 September 1910, 14.

202 Ibid., 26 February 1911, 14.

203 Ibid., 1 October 1911, 23.

These diverse arrangements for the construction of houses continued until the financial crisis of the 1930s. During the 1930s, the local building trades newsletter urged renters to consider building and becoming homeowners while prices were low. "How long they will stay down is hard to guess. It is very doubtful if materials and labor can go lower."[204] Addressing their entreaties to builders, the newsletter's editors advised, "If you are a contractor and builder and construct homes for re-sale, you can build now for less money and give a better home than at any time since the war."[205]

These suggestions were of little avail, however, without funds to finance residential construction. The situation remained depressed until 1939 when Wilmington Construction Company proposed to use FHA financing to build several hundred single-family detached houses in a newly-planned subdivision called Edgemoor Terrace. For $550 down and $29.61 a month, Wilmingtonians could buy both house and lot as a unit.[206] There were three basic dwelling styles which were varied by turning neighboring houses by 90° for a contrasting appearance. It was, as Carol Hoffecker points out, the first example of tract housing that became common in the 1940s:

> a limited number of styles, furnished models, standardized lot sizes and materials, . . . and a package-deal mortgage backed by the FHA. The mass production concepts of the automobile industry had been brought to the construction industry.[207]

Among the features promoted by the Wilmington Construction Company for Edgemoor Terrace to attract buyers was the promise to pave all streets. First residents discovered that it was sometimes necessary to assume some of that responsibility themselves. In Edgemoor Terrace, the new home owners organized a civic association in order to undertake street improvements, including grading and paving. Having assessed themselves for the cost of the work, the group then negotiated with the county to take over the jobs of upkeep and plowing on the subdivision's streets.[208]

The provision of improvements had always been part of the development process. A 1905 newspaper account of Hillcrest identified the improvements undertaken or planned for the subdivision.

> A natural spring . . . has been deepened, increasing the daily capacity to 10,000 gallons. A pumping station has been erected and a water tower . . . Both the gas and electric light companies are now considering the extension of their respective systems to Hillcrest . . . Streets and sidewalks are laid out and being improved.[209]

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[204] *Four-One-Two-One*, June, 1930, 1.

[205] Ibid., April, 1931, 1.

[206] *Journal-Every Evening*, 6 May 1939, 17.

[207] Hoffecker, *Corporate Capital*, 111.

[208] Interview with Carl Haugerrer of the Edgemoor Terrace Civic Association, 24 July 1991.

[209] *Sunday Morning Star*, 4 June 1905, 7.

In 1908, the improvements to Montrose Terrace included laying out streets and planting trees[210] and Bellemoor (Christiana Hundred) promised "High-class improvements. Substantial cement walks will be laid in front of lots."[211]

But as Edgemoor Terrace residents learned, promises and fulfillment may be separated by a period of time. Although Richardson Park's developer, Aaron K. Taylor promised electric lights, purest spring water, and other unspecified improvements that would cause buyers' investments to appreciate,[212] the Women's Civic Club of Richardson Park was formed in 1916 because

> The streets were unlighted, and sidewalks unpaved. The school was antiquated and unsanitary. Streets and gutters needed cleaning out, cinders spread on streets. There was no collection of rubbish or garbage, and residents dumpted (sic) same on back streets and nearby fields.[213]

The previous year, a newspaper account of the suburban growth that had linked subdivisions across the landscape noted that having contiguous populated areas was "beneficial to the suburban dwellers for it has enabled them to have electricity, water and modem conveniences which smaller sections cannot now enjoy."[214]

Financial arrangements for the purchase of subdivision lots around Wilmington were similar to those elsewhere. In the early years of development, the prices for lots ranged from $99 to $250 and most were available for $5 or $10 down and $1 per week, with a 10 percent discount for cash.[215] Repeatedly, developers stressed the profit to be made by judicious investment. The Ashley Syndicate suggested that their new subdivision was suitable for buyers interested in building a house or in investing for speculation.[216] Another developer proposed that purchasers "Build a pair of houses. Live in one and sell the other. The profit from the one you sell will greatly reduce the cost of the one you keep."[217]

While some development companies specified easy terms or offered "Easy Payments"[218] for the purchase of lots, other developers extended their services to financing building as well. Referring to their Bellefonte Heights (Brandywine Hundred) project, Larter and Morris offered to "finance any building

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210 Ibid., 24 May 1908, 6.

211 Ibid., 23 May 1909, 6.

212 Ibid., 26 April 1908, 6.

213 *History of the Women's Civic Club of Richardson Park*, undated MS.

214 *Sunday Morning Star*, 16 May 1915, 15.

215 Ibid., 19 November 1911, 23, ad for Roselle; 26 July 1914, 7, ad for Montrose Terrace.

216 Ibid., 30 May 1909, 6.

217 Ibid., 4 June 1911, 15.

218 Ibid., 11 April 1909, 6, ad for Bellemoor.

operation desired on this property."[219] Aaron K. Taylor announced that once purchasers had paid for their lots in Brack-Ex, "We build the home and you pay for it in monthly installments on the rent plan."[220] The National Real Estate Trust Company advertised a savings plan to assist families to save toward their first mortgage[221] and the Standard Home Company promoted a lending scheme that would allow borrowers to "buy, build or improve."[222] Similar practices continued through the 1920s, when unemployment and tight money curtailed house construction in all but the wealthiest subdivisions.

Associative Property Types for Suburbanization: Transportation and Finance

Property types related to the suburbanization historic context have both physical characteristics and associative characteristics. As the discussions of subdivisions in Chapter II and of the dwelling styles in Chapter III made clear, physical characteristics are represented by structural forms, architectural styles, building materials, and site types.

The characteristics of the subdivisions and the dwellings are also associative. Associative characteristics are related to events, activities, specific individuals, groups, or the kind of information a resource may yield.[223] Every historic resource may be linked to more than one property type. The primary associative characteristics linking suburbanization to economic trends are the clear connections between the subdivisions and Transportation and Communication and between the subdivisions and Finance.

Property Types Related to Suburbanization and Transportation

Three major types of subdivisions can be identified through associative links to Transportation and Communication. The earliest is the **streetcar/trolley subdivision** which was developed adjacent to a trolley line on which residents depended for transportation to and from the city. Because there was limited private vehicle traffic, the streets are often narrow and the houses designed without garages. The second type is the **turnpike subdivision**, developed adjacent to existing major transportation routes, most frequently long-established turnpikes. Because the developers expected residents to own and use automobiles as their primary form of transportation, the subdivisions were laid out with wider roads and the dwellings often were complemented by garages. The final type of subdivision is the **automobile subdivision**, laid out on the land between earlier major transportation routes such as trolley lines and turnpikes. These subdivisions were on land that was previously inaccessible due to lack of transportation,

[219] Ibid., 6 July 1913, 11.

[220] Ibid., 20 September 1914, 10.

[221] Ibid., 9 July 1911, 9.

[222] Ibid., 3 August 1913, 11.

[223] *Delaware Plan*, 24.

either public or private, and were developed only when the private automobile became widely available. They were designed with streets wide enough to accommodate cars and the dwellings have garages.

At first glance, it may be difficult to distinguish certain of the Wilmington subdivisions because they appear to satisfy more than one description. Villa Monterey, for example, was developed on a site adjacent to the Darby trolley line which ran up Philadelphia Pike. Rather than being considered a streetcar subdivision, however, it might more accurately be considered a turnpike subdivision because the developer emphasized the travel time by car along Philadelphia Pike between the subdivision and Wilmington. In addition, he built an individual garage for each dwelling he constructed in his original dozen houses. Similarly, Edgemoor Terrace fits the description of an automobile subdivision, with its location adjacent to Governor Printz Boulevard clearly pointed out in its early advertisements. In addition, each of the dwellings had a built-in garage, indicating that the development company anticipated the residents would drive cars. Still, the same advertisements that pointed out the easy access to the highway also noted that the subdivision was served by trolley and train transportation as well.

The necessary associative link between the subdivision and transportation must be established by examining the location of the subdivision in relation to transportation routes at the time of its development. In addition, the design of the subdivision and its dwellings must be considered in forging an associative connection. Finally, documentary sources should be included in the establishment of this association.

To establish an early subdivision as a **trolley subdivision** one must obviously determine that it was created near or on an operating trolley line and that the development company stressed the proximity of the trolley route and the convenience of trolley service as selling points in marketing the subdivision. This connection is strengthened to the extent that contemporary newspaper articles either about developing suburbs or about trolley routes mention the subdivision as one served by public transportation. If possible, one should also attempt to document to what degree the subdivision residents used the trolley for commuting to and from the city.

An associative connection can be established for a **turnpike subdivision** by demonstrating that the subdivision was developed along an old turnpike route, rather than on a trolley line. That such turnpikes as Concord Pike, Lancaster Pike, and Kennett Pike appear on nineteenth century maps of the county is sufficient to consider them well recognized as major transportation routes prior to the advent of suburbanization. The link between the subdivision and transportation is strengthened by a clear demonstration that the developers' advertising referred to the highway as one of the advantages of the subdivision's location. Further, the streets of the subdivision should be designed for automobile traffic. The dwellings in a subdivision that is considered one of this type should have garages as a standard feature. The deeds that conveyed the building lots to new residents should be examined to identify deed restrictions addressing such issues as the placement of the garages on the building site, the size of the garages, and the materials of which they were to be constructed. Such deed provisions will establish the growing importance of the automobile on the suburban landscape.

The associative link between the **automobile subdivision** and transportation is established by pursuing many of the same threads that are followed in examining the turnpike subdivision. The subdivisions are developed not along any previously major transportation route but instead fill in the spaces between them. Because these subdivisions were remote from major transportation paths, it is unlikely that the developers would mention adjacent highways in their advertising. Rather, the subdivision and dwelling designs themselves must provide the link to transportation as an associative theme. The roads of the automobile subdivisions should be sufficiently wide to allow not only moving traffic but also parked vehicles, as families progress to multiple cars. The dwellings will have built-in garages, often to accommodate two cars.

Property Types Related to Suburbanization and Finance

Three major types of subdivisions can be identified as having associative links to Finance. The earliest is the **pre-FHA subdivision**, developed prior to the 1934 enactment of the National Housing Act and the establishment of the Federal Housing Administration. Subdivisions developed during the opening years of the century can provide essential insights into the suburbanization process and into the financial crises that arose during the 1930s. To establish an associative link between a pre-FHA subdivision and finance, one must determine who the developers and builders were and the scale on which they operated. This requires an examination of the deeds by which entire suburban tracts were assembled and individual building sites were conveyed during these early years in order to compile a history of ownership and construction. One must determine from this legal history the degree to which it reflects the financial problems that emerged during the 1930s. Specifically, this deed study should establish whether there were a significant number of foreclosures which would suggest that mortgages had been precariously piled atop one another. If there were foreclosures, it is also essential to identify the parties against whom foreclosure was brought--developers, builders, or owner-occupants.

The second type of subdivision with an associative link to finance is the **FHA-insured subdivision**, in which some or all of the financing was arranged with the oversight of the Federal Housing Administration. Establishment of this connection can be made most easily if the subdivision developer advertised that FHA mortgages were available for houses in the subdivision. With the creation of the mortgage insurance program, substantial mortgage money could be arranged by developers for large-scale subdivisions, like Edgemoor Terrace. Thus a developer who was also operating as a builder might market his subdivision and its houses by emphasizing the availability of low-interest, long-term, amortized FHA mortgages. In addition, an associative link can be established by examination of individual mortgage instruments applicable to individual dwellings to determine the extent to which FHA-insured mortgages were used in financing. If there was substantial FHA participation, it is essential to determine the extent to which the dwellings adhere to the suggestion that FHA guidelines favored traditional, conservative housing styles.

An associative link can be found to tie a third type of subdivision, the **conventional loan, post-FHA subdivision**, to finance. Considering that during the 1940s, FHA-insured loans accounted for between 4 percent and 25 percent of all mortgage dollars, there is some merit in identifying and assessing the subdivisions that were developed after the passage of the National Housing Act but which did not utilize FHA-insured mortgages. It has been suggested that part of the impact of the FHA legislation was not the money that it made available, but the standards that it set for the mortgage lending community. As banks began to follow the FHA example by writing mortgages for higher amounts over longer periods of time, construction that had previously been impossible for lack of funds could be undertaken. Therefore, subdivisions that were developed after the passage of the FHA program but which did not take direct advantage of its provisions are nonetheless connected to the theme of finance. An examination of mortgage instruments that lacked FHA insurance should reveal the extent to which the lending institutions followed federal guidelines voluntarily. Further, it is important to the associative link to discover the degree to which dwellings constructed using conventional loans without FHA guidelines were similar in design to those subject to FHA standards.