

bear the brunt of efforts to stabilize the economy. I am somewhat skeptical of the study, and even more skeptical of the view that the fluctuation in housing production is a major cause of the current housing cost crisis. While a violent fluctuation such as took place between 1972 and 1975 is clearly undesirable, fluctuations in housing production have not become much greater in relative terms over the decades. Fluctuations in housing production may make housing costs higher than they would be with stable production, but it is unlikely that they could cause housing costs to increase rapidly. Some degree of moderation of the housing cycle would be desirable, however, even if no great slowdown of housing inflation resulted.

The major enemies in the war against rapidly increasing housing costs may be the thousands of individual communities which have unreasonable restrictions in forms such as large lot zoning and unnecessary building codes. "A recent report by an American Bar Association commission notes that in the New York metropolitan area 99.2 percent of the undeveloped land zoned for residential use is restricted to single-family housing." The statement sounded familiar, so I reached for my copy of the Douglas Commission report, *Building the American City* (New York: Praeger, 1969) and found the following sentence on page 215: "Of the undeveloped land zoned for residential purposes in the New York metropolitan area, 99.2 percent is restricted to single-family dwellings." This example of recycled research may be of interest only to pedantic scholars concerned that people might think the particular finding had just been discovered, but it also points out that the Douglas Commission's findings over 10 years ago remain very relevant to the problem of high housing costs. The HUD Task Force has added some discussion of more recent developments such as "no-growth" policies and environmental protection issues, but it also repeats many of the findings of the Douglas Commission and the Kaiser Commission.

The most powerful recommendation of the

HUD Task Force, and the most controversial, is that HUD should cut off funding to communities that persist in restrictive practices. The tendency of some communities to keep out low cost new housing has various causes, but there is fierce opposition to federal control of this formerly local prerogative. It will be interesting to see how far this proposal gets.

There are many other specific recommendations in the HUD Task Force report, and it is worthwhile reading for anyone interested in the problem of the high cost of housing.

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Gorham, William, and Glazer, Nathan, editors. *The Urban Predicament* (Washington, D.C.: The Urban Institute, 1976) 363 pages (71 tables, 17 figures, index); \$10.00 cloth, \$4.95 paper.

The co-editors and contributors (largely Urban Institute staff members) synthesize current knowledge of urban problems and identify major demographic trends which have jeopardized the functioning of center cities, including: the economic shift from NorthEast/North Central to West/South; decline and population change in older central cities; and persistent low income minority populations in and around most large central cities. Five critical problems (finance, housing, crime, education, and transportation) are examined and underlying forces affecting them are analyzed. Both a description of government impact on cities and their conditions, plus guidelines and proposals for further government intervention are offered. "Confidence in our ability to frame solutions has declined as understanding of problems has grown," however.

Although it is erroneous to ignore the interdependent nature of the five problems, this review will discuss only the highlights of the finance and housing chapters. George Peterson outlines the financial predicament of older central cities: massive, accelerated loss of white and middle-income

taxpayers and dramatic, abrupt drop in local tax revenues in the face of necessary improvement or maintenance of costly public services to preserve the remaining taxpaying population. Additionally, external aid triggered rapid growth in big city spending between 1965 and 1973, but since then there has been a failure of that intergovernmental assistance to grow, resulting in current pressure on city budgets. Peterson sees as the most plausible long-term aid solution, the principle of statewide equalization of tax bases (now incorporated in many states' school aid programs.)

The chapter on housing, authored by de Leeuw, Schnare, and Struyck, focusses on improvement of housing quality, composition of urban housing markets, trends in housing costs, residential racial segregation, and the housing situation of the poor in inner-city slums. Predictions include: "further housing improvement will make only a modest contribution to the more difficult improvement of neighborhoods;" "nearly a decade of increasingly burdensome housing costs is in prospect;" "remaining discriminatory forces are sufficient to cause highly segregated residential patterns;" and "enormous progress has been made in improving the overall housing situation of the poor, but more is possible through income and housing policies." While the housing discussion cannot in one chapter present the complete picture, the topics chosen include inclusive, up-to-date, and well-documented information. Part or all of this volume should be required reading following that on the Great Society housing policies and programs, to provide not only hindsight, but limited and cautious foresight.

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Case, Fred E. *The Investment Guide to Home and Land Purchase* (Englewood Cliffs: Prentice-Hall, Inc.) 1977, 179 pp., \$3.95 paper.

This short volume is directed at the purchase of a home as a means of building a financial estate.

Its primary feature is a series of checklists, scorecards, and tables which can be used without reading the text. In fact, the text may not mention all items in a list or may only define them in brief general terms. Full coverage would require a much longer book; this should at least put the right questions into the minds of consumers. Many "rules of thumb" and guidelines are given, but Case recommends local adjustments and notes, "It's your decision." Two interesting lists: "Most Frequent Compromises in Home Buying for Investment Purposes" and "Tradeoffs in Setting the Price."

One finds the same content as in other similar offerings, but with a few additions. There are checklists for lot and house (exterior and interior room-by-room). Simplified, "do-it-yourself appraisal" methods are presented. There is a discussion on when to buy into a growing area. A segment on locating information gives a four-page listing of sources (with addresses) of data on national trends in real estate markets. Regional sources are given for California; local types of sources are suggested. The chapter on legal instruments shows in table form the process of buying and selling a house: buyer/seller does/pays and documents involved. The format for information on obtaining advice is helpful: selection, services, fees, agreements.

A chapter on condominiums, cooperatives, and townhouses defines, discusses differences, and adds rating sheets for management and operation and for quality of living. One can learn about selecting a condominium property management firm and about renting a condominium for investment. "Land fever" gives tips and pitfalls for speculators in raw land in recreational developments and urban fringe areas. General information is given on federal income tax advantages associated with buying and selling homes with no reference to the 1976 Tax Reform Act or changes involving the elderly. The book closes with a short summary of 11 investment principles. An index is included.

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