

New York Real Estate Securities Exchange

The object of this booklet is to collate and publish statistics regarding real estate bonds and mortgages and earnings on the properties against which such securities have been issued. The data we have been able to collect may be incomplete and perhaps contain some errors. However, it in nowise attempts to judge the merits of any security but merely states the facts in so far as industrious research has been able to reveal them. In certain respects transfers of properties have hampered the procuring of reliable information. Where a property has changed hands after a mortgage is given, the maker of the bond and the new owner of the property may have conflicting ends to serve in either giving or withholding data.

Appraised values are given where same are available and wherever the name of the appraiser has been furnished it has been set forth.

Earnings: The ability of a given building to earn sufficient income to meet the interest and carrying charges and set up a reserve fund, or amortize the outstanding indebtedness to offset the depreciation of the building, is reflective of the calibre of the security. These facts we have sought to procure in each case. In some instances both the property owner and the underwriting house refused the data.

Certain issues are noted as "Legal for the Investment of Trust Funds in the State of New York." Whether a security is, or is not, a legal investment for trust funds, depends on four factors which can positively be stated yes or no, and one factor which is not a fixed one, but rather one of opinion, namely, value. That is, the loan cannot be more than 66 2-3s of the value of the property mortgaged. Underwriters and obligors of bonds attempt to establish this factor by basing value on appraisals. Appraisals are worthy or not, dependent upon the acumen, judgment, reliability and experience of the appraiser. Attorneys, however, in each of these cases, have rendered a legal opinion, based on the law, the known facts, and the appraisal, that in their opinion these issues are legal for the investment of trust funds. These opinions of validity are on deposit with the Trustee in each case where any inquirer rely-