

BOOM & BUST: SKYSCRAPERS & SPECULATION 1910-1930s**HISTORICAL CONTEXT**

In the 1920s, the United States economy experienced remarkable growth that affected every industry and every market. Likewise, the economic crisis that followed the stock market crash of 1929 had consequences that extended into the far reaches of the country. The documents contained in this dossier concretely illustrate this rise and fall through the lens of the New York City skyline.

In order to evaluate these images, it's important to keep in mind that most skyscrapers (and office buildings, broadly speaking) are built as 'speculative' commercial buildings, which means that they are constructed to produce a profit for the investor. With speculative commercial investment, companies and individuals purchase land in commercial areas, such as the Financial District of New York City, and erect large buildings with ample office space. The offices are then rented to different businesses, and investors earn a profit from the rental income. As such, buildings grow taller as land prices rise and investors seek to create more space that can be rented to make a profit. Speculative real estate investment continues today.

TASK

Using at least four of the seven documents provided in this dossier, as well as your own knowledge of United States and New York City history, answer the questions that follow each document. Your answers to these questions will help you to write an essay, in which you:

- Discuss the effect of the boom economy of the 1920s on the development of the New York City skyline.
- Explain speculative real estate investment, and discuss how the growing economy increased investment funding for speculative real estate ventures, as well as demand for office space. Determine the height and location of tall buildings, as part of your discussion.

GUIDELINES

Be sure to:

- Address all aspects of the TASK by accurately analyzing and interpreting at least four documents
- Incorporate information from the documents in the body of the essay
- Incorporate relevant outside information throughout the essay
- Richly support the theme with relevant facts, examples, and details
- Write a well-developed essay that consistently demonstrates a logical and clear plan of organization
- Introduce the theme by establishing a framework that is beyond a simple restatement of the TASK or HISTORICAL CONTEXT and conclude the essay with a summation of the theme

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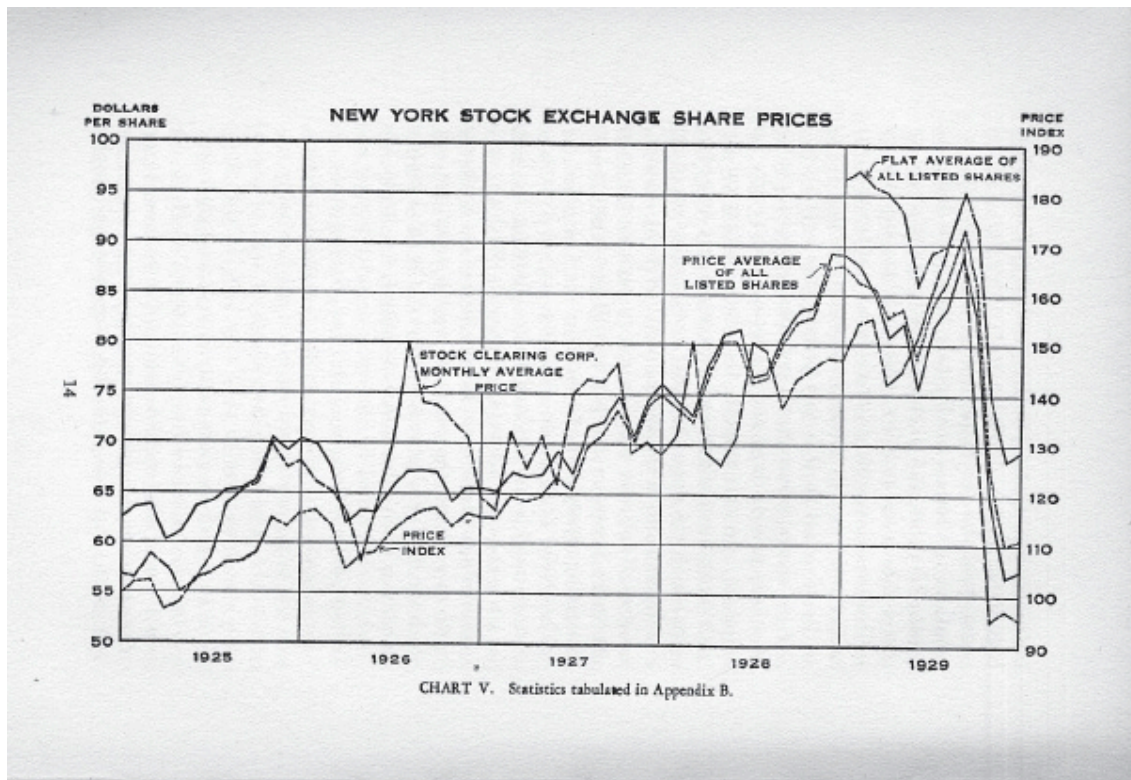
PART A: SHORT ANSWER QUESTIONS

1 DOCUMENT 1. STOCK MARKET GRAPH (1925-1929)

The New York Stock Exchange

Report of the President May 1, 1929 - May 1, 1930 by NYSE President, E.H.H. Simmons

The four distinct lines in this graph show the fluctuations [up and down changes] in four different **indexes** related to the New York Stock Exchange. One line represents the price index, one line represents the stock clearing corporation's monthly average share price, one line is the price average of all listed shares, and the fourth line is the flat average of all listed shares. As you look at this graph, keep in mind that the stock market often provides a useful mirror for the United States' economy as a whole.



1. What is the highest price average of all listed shares on this graph, and what approximate date corresponds with this price?
2. What is the lowest price average of all listed shares on this graph, and what approximate date corresponds with this price?
3. What is the difference among these two prices, and what accounts for this difference?

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2 DOCUMENT 2. COMPARATIVE NEW YORK CITY SKYLINES

The Skyscraper Museum Collection

The two images below illustrate the dramatic growth in the Manhattan skyline between 1925, the date of the top image, and 1931, the date of the bottom image. Both photographs were taken from Brooklyn looking westward, across the East River. The Woolworth Building is located in the far right of both images, which will help to orient your perspective in both images.



Describe the difference between the two skylines.

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3 DOCUMENT 3. HEIGHTS OF BUILDINGS (1930) Regional Survey of New York and its Environs, Volume IV Committee on Regional Plan of New York and its Environs

This map illustrates the locations of tall buildings in Manhattan south of 59th Street in 1930, at the tail end of the real estate boom of the 1920s.



1. How tall are the buildings near Grand Central Terminal (42nd Street and Park Ave) according to this map?
2. What trends do you notice regarding the location of Manhattan's tallest buildings, according to this map?
3. What might account for these trends?

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4 DOCUMENT 4. PERCENT OCCUPANCY TABLE (1934) R. Armstrong and H. Hoyt, *Decentralization in New York City*

This table shows the percent of total office space that is occupied in seven Manhattan business districts. The column furthest to the left, after "Date of Survey," lists the neighborhood closest to the southernmost tip of Manhattan Island, the Financial District. Each successive district listed on the table, moving right, is slightly north of the previous district, culminating with the northernmost Columbus Circle District at 59th Street and Broadway. The final column provides an aggregate (average) of the data for all districts given.

OFFICE BUILDING OCCUPANCY OF THE CENTRAL BUSINESS AREA IN NEW YORK CITY									
Date of Survey	Financial Dist.	Insurance Dist.	City Hall Dist.	Grand Central Dist.	Plaza Dist.	Times Square Dist.	Columbus Circle Dist.	All Dist.	
Percent Occupied									
Feb. 1925	93.7	95.6	95.5	93.9					94.0
May "	90.7	95.0	94.9	93.6					91.7
Oct. "	94.7	95.2	95.1	95.4					95.0
Jan. 1926	96.5	95.8	95.7	96.7					96.2
Apr. "	96.9	95.3	95.1	96.8					95.5
Oct. "	96.9	95.4	95.0	96.8					95.8
Jan. 1927	97.2	95.5	95.4	95.1					95.8
Apr. "	97.5	95.4	95.2	95.2	District not previously surveyed				95.7
Oct. "	96.7	95.5	94.7	87.1					92.0
Jan. 1928	96.8	95.5	94.8	88.9	District not previously surveyed				89.2
May "	96.4	95.4	95.0	90.2					93.5
Oct. "	96.9	95.8	95.2	91.0	89.3		75.0		93.6
Jan. 1929	97.8	96.8	96.7	92.8	91.2		81.6		95.3
May "	98.8	97.8	94.5	91.5	92.0		86.0		94.0
Oct. "	99.1	99.0	96.6	93.2	85.8		93.6		95.9
Jan. 1930	99.1	97.4	94.3	93.1	85.9		92.1		95.7
May "	95.6	97.0	86.8	86.0	76.3		91.8		91.1
Sept. "	95.5	97.7	90.5	88.1	71.7		92.8		91.2
Jan. 1931	96.1	97.4	90.7	88.5	68.7		90.6		91.3
May "	87.0	85.1	86.8	82.7	57.7		87.2		83.6
Sept. "	87.1	86.3	85.2	81.7	60.6		86.0		83.5
Jan. 1932	86.7	86.9	85.0	80.2	62.1		83.1		82.7
May "	83.1	83.3	83.1	78.1	55.0		80.7		79.7
Sept. "	82.1	82.6	82.8	77.1	56.5		80.5		79.4
Jan. 1933	81.4	82.9	82.2	76.9	59.3	73.3	77.1		78.6
May "	75.3	76.2	77.0	74.8	60.6	72.0	77.8		75.8
Sept. "	76.6	75.6	78.5	75.0	65.4	76.8	75.8		76.6
Jan. 1934	78.8	75.9	78.4	72.1	64.6	78.2	74.7		75.2

Fig. 159 Office building occupancy of Central Business Area, New York, 1925 to 1934.

- Describe the changes in the occupancy of available office space in Manhattan, according to this table. How does this compare to your understanding of the U.S. economy in the late 1920s and early 1930s?
- Note that data is not available for all of the districts during the timeframes given in the table. What might account for the absence of data in these neighborhoods?

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5 DOCUMENT 5. EMPIRE STATE BUILDING POSTCARD (1930) The Skyscraper Museum Collection

This is a postcard of the Empire State Building dating from the early 1930s; the skyscraper was completed in 1931 and is located at the corner of 34th Street and Fifth Avenue in Midtown Manhattan. The building contained over two million square feet of office space, more than twice that of the Chrysler Building, its nearest competitor for the title of tallest building. Though the Empire State Building was constructed as a speculative real estate venture, the building became an icon representing New York City, as indicated by its representation on a historic postcard. At the time, postcards were used to show important places and advertise them to visitors, even as they are today.



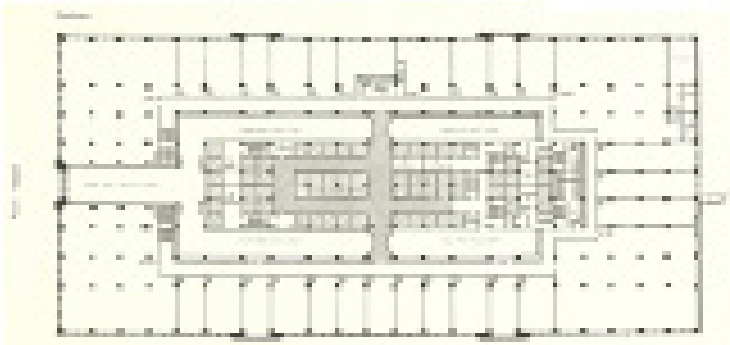
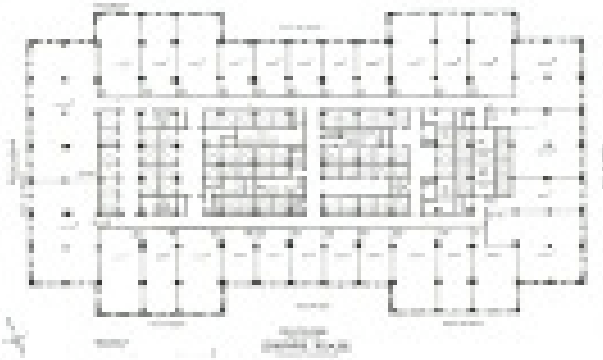
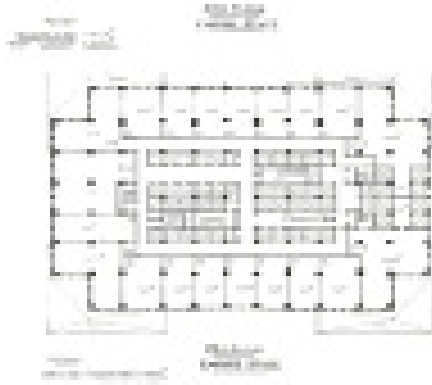
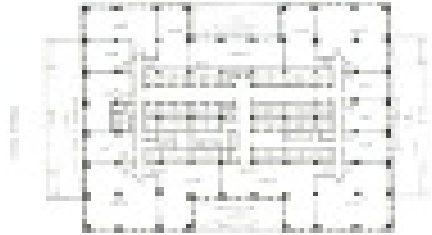
1. What does this postcard reveal about the location of the Empire State Building with regards to the neighborhood surrounding it? Why do you think this location was chosen?
2. Based on your observations about the location and size of the building, as well as what you know about the Midtown Manhattan area from the other documents and your understanding of the economy in 1931, discuss whether or not you think the Empire State Building was a profitable investment.

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6 DOCUMENT 6. EMPIRE STATE BUILDING FLOOR PLANS (1929)

The Architectural Forum
Volume LII, June 1930



These are sample floor plans for the Empire State Building. The Empire State Building was built in a “setback” or “wedding cake” style that was common at the time due to New York City zoning laws. When completed, the building was estimated to have over two million square feet of rentable office space. The enormous volume of the building derived in part from the large size of the lot, which was nearly two acres. The first five floors almost covered the full site, then stepped back in stages as the tower rose and as elevator banks and shafts were eliminated.

This diagram stacks typical floor plans from various levels one above the other to illustrate how the circulation core (containing elevators, stairs, areas for mechanical systems) shrinks as the building rises, while the perimeter ring of office space, a standard 28 feet deep, remains constant. This maximum depth from the windows to the internal public corridors ensured that natural light would illuminate the entire office area.

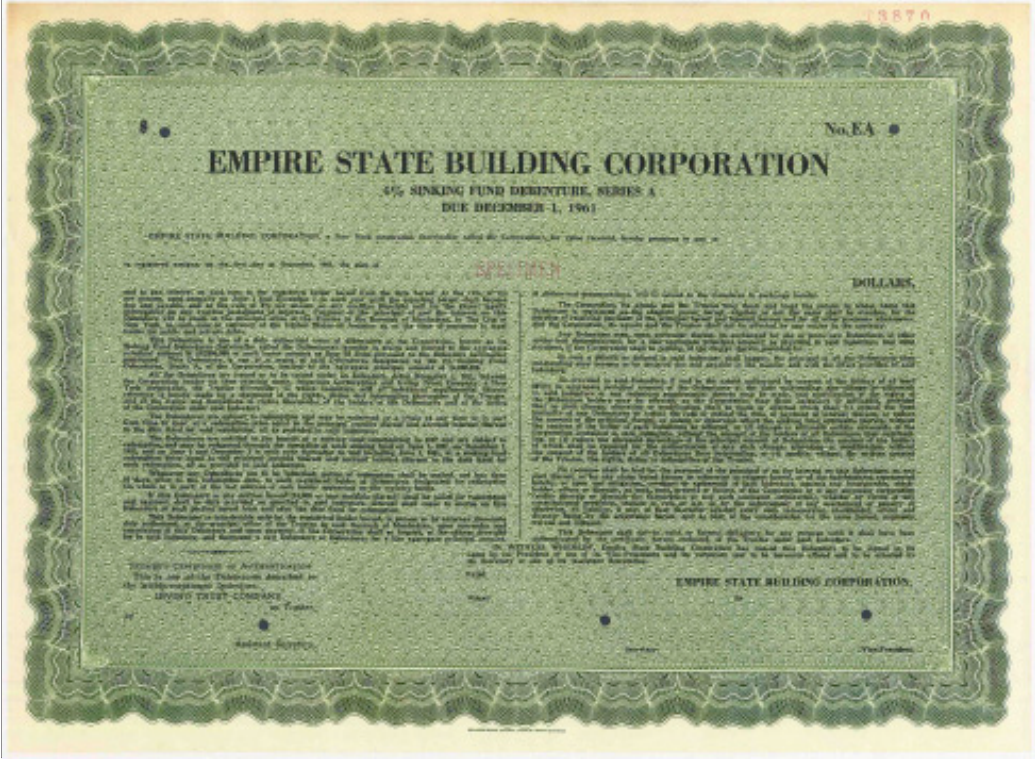
1. How have the floor plans been designed to maximize the amount of rentable office space on each floor?
2. Describe your observations about the role elevators and other non-rentable spaces played in the design of each floor.

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7 DOCUMENT 7. EMPIRE STATE BUILDING STOCK CERTIFICATE The Skyscraper Museum Collection

This stock certificate, issued by the Empire State Building Corporation, was typical of the certificates issued in order to raise funds for construction ventures. The term “debenture,” used below, refers to a type of debt that is not guaranteed by collateral. In other words, the Empire State Building Corporation needed to raise money to fund the construction of its skyscraper. A person (or a banking or investment institution) would buy stock in the company, which meant that they would be issued a certificate such as this one, promising later payments based on the expected profit of the building. If profitable, the Empire State Corporation would pay the stock holders a percent of their investment, as specified in this certificate. If these payments were all made, the investor would make a generous profit. However, if the building were not profitable, it is possible that none of the payments would be made and the investor’s money would be lost.



1. In what way could investing money into a construction project be a risky venture?
2. Do you think that all construction investors made their money back, as the certificate suggests? Why?

END OF DBQ DOSSIER 2 DOCUMENTS

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PART B: ESSAY

DIRECTIONS

Write a well-organized essay that includes an introduction, several paragraphs, and a conclusion. Use evidence from at least four documents in the body of the essay and additional outside information. Support your response with relevant facts, examples, and details.

TASK

Presented here are seven documents that related in different ways to skyscraper development and city building in the early 20th century. Using at least four of the seven documents, as well as your own knowledge of United States and New York City history, answer the questions that follow each document. Your answers to these questions will help you to write an essay, in which you:

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