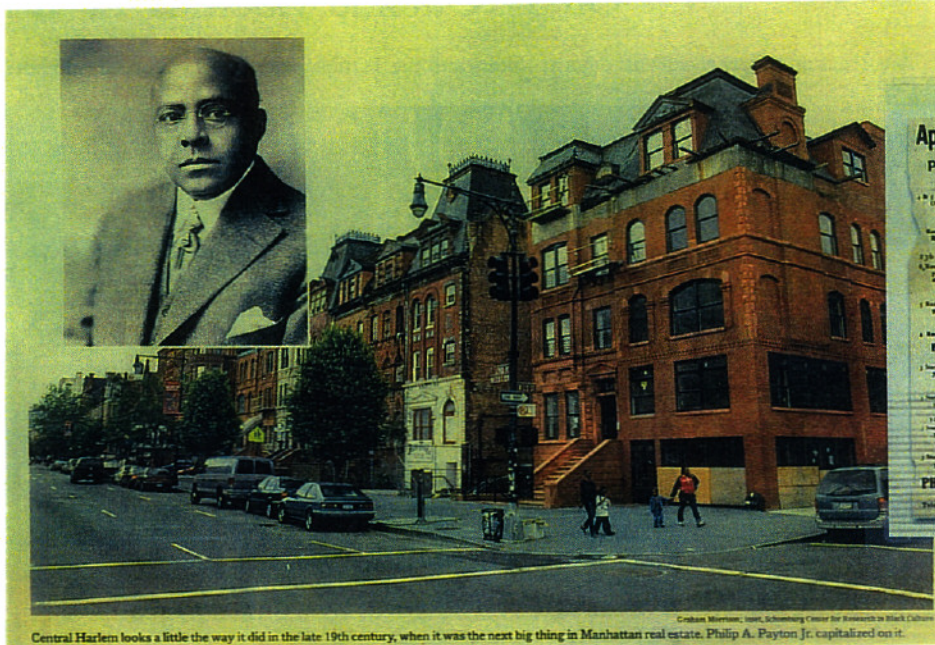


## A Neighborhood of Their Own



Central Harlem looks a little the way it did in the late 19th century, when it was the next big thing in Manhattan real estate. Philip A. Payton Jr. capitalized on it.

By EDWARD T. O'DONNELL

ONE century ago this June 15, Philip A. Payton Jr. realized his dream. For four years he had been working hard to place black families in apartments in Harlem, an area recently developed as an upscale, whites-only neighborhood. He had enjoyed some success, but nothing approaching his goal of making it home to the city's growing African-American population. So on that day he established the Afro-American Realty Company with a simple mission: erase the color line in Harlem and make lots of money in the process.

In the late 19th century, Harlem was the next big thing in Manhattan real estate. In 1889, Oscar Hammerstein opened an opulent opera house on 125th Street. In 1892, at West 112th Street and Amsterdam Avenue, the Diocese of the Episcopal Church began construction of St. John the Divine, the world's largest Gothic cathedral. And in 1897, Columbia University completed its new campus at 116th Street and Broadway.

From West 110th Street north, developers built row upon row of elegant brownstones and well-appointed apartment buildings. "Great care is taken of the property to preserve its exclusive appearance," noted a newspaper ad aimed at the city's white elite, "and a general air of being well looked after pervades the surroundings." While rents in the city's working-class neighborhoods typically ranged from \$10 to \$18 a month, in upscale Harlem they started at \$80. Still, many developers reported long waiting lists of prospective tenants. "It looks as if everybody will be rushing up here from downtown before long," one observer predicted.

The development peaked just after 1900, when the city began construction of the subway up Manhattan's west side. With easy access to the downtown business district, who wouldn't want to live in Harlem? Speculators built more housing, and dreamed of the fortunes would soon accrue.

By 1904, the boom had turned to bust. Hundreds of new homes stood unsold, and thousands of apartments remained vacant. But for Mr. Payton, it was an opportunity.

Born in Westfield, Mass., in 1876, a barber by trade, he arrived in the city in 1899 and struggled to earn a living as a barber, handyman and custodian. Eventually, a custodian's job in a real estate firm led him to his calling. He opened an office and scraped together the last of his savings to take out ads in several real estate publications:

"COLORED TENEMENTS WANTED/ Colored man makes a specialty of managing colored tenements; references; bond./ Philip A. Payton, Jr., agent and broker, 67 W. 134th."

By 1900, the energetic Mr. Payton had begun to manage several buildings housing African-American tenants, but he still struggled not only to cover his costs but also to remain confident. "All my friends discouraged me," he later remembered. "All of them told me how I couldn't make it. They tried to convince me that there was no show for a colored man in such a business in New York."

His perseverance eventually paid off. Within two years he was managing nearly a dozen properties and had begun to buy his own buildings. By 1904, he was the most prominent black in New York real estate, a friend of Booker T. Washington and others in the black elite. He turned to them for investment in his visionary enterprise — the Afro-American Realty Company.

The city's blacks had never had a neighborhood entirely of their own, typically sharing areas with the very poorest whites and immigrants. In the early 20th century most of Manhattan's black population lived in a crowded district in the West 50's and 60's known as San Juan Hill, coexisting uneasily with the poorer Irish. Housing was run down and overcrowded, and there was frequent violence. The worst occurred in the summer of 1900 after a black man fatally

stabbed a white policeman. White mobs, aided in many cases by vengeful policemen, terrorized African-Americans for a week. In the aftermath, many in the black community concluded that it would be best to move. The question was, where?

Mr. Payton's answer was Harlem. His real estate company was chartered on June 15, 1904, and capitalized at \$500,000 (50,000 shares, sold at \$10 each). As Mr. Payton made clear in one of his ads, it would pursue the twin goals of profit and justice: "The books of the Afro-American Realty Co. are now open for stock subscription. Today is the time to buy, if you want to be numbered among those of the race who are doing something toward trying to solve the so-called 'Race Problem.'"

Some whites fiercely opposed Mr. Payton's plan, and he had to rely on his wits to achieve his ends. One time, the Afro-American Realty Company sold three buildings on West 135th Street to the Hudson Realty Company. The white-owned company promptly evicted the black tenants and filled the buildings with whites. Mr. Payton retaliated by buying two adjacent properties and evicting the white tenants in favor of blacks.

**B**EFORE long the Hudson company gave up its re-colonization effort and resold the original three buildings back to Mr. Payton at a big loss. "The fight I am making," he said after the incident, "has got to be made sooner or later and I see no better time than now."

The incident boosted Mr. Payton's reputation and drew more investors to his company. Soon its assets exceeded \$1 million, with annual rent receipts of \$114,000. But the Afro-American Realty Company soon fell victim to Mr. Payton's overeager buying and the same problem that faced white landlords — empty buildings. As the company faltered, stockholders grumbled about

Mr. Payton's management, and what was left of the enterprise died in the 1907-08 recession.

By then, the die had been cast. Harlem was well on its way to becoming the world's largest black enclave outside of Africa. Some white property owners resisted, forming block associations and requiring buyers of their houses to sell only to whites, but they were fighting superior numbers. "Although organizations to prevent the settling of colored citizens in certain sections of Harlem mushroom overnight," one black newspaper noted with glee, "the colored invasion goes merrily along."

Before long the black elite had moved there, bringing with them their institutions, like St. Philips Episcopal Church (1910) and the Harlem YMCA (1913). By then, 50,000 African-Americans called Harlem home.

Mr. Payton's Harlem, a product of both African-American ambition and white racism in the form of segregation, reached its peak of promise in the 1920's. By that time Harlem had been transformed from a residential haven to a place of cultural ferment, as African-American artists, writers and musicians flocked there and produced what came to be known as the Harlem Renaissance.

Mr. Payton never lived to see that historic moment. He continued to work in real estate after his company failed, but he suffered from poor health and died in 1917 at age 41.

Even before his death, however, people had begun to refer to Harlem as the "Capital of Black America." And so, although few remember his legacy, Mr. Payton doubtless was aware of the great shift that his real estate efforts began.

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