III. THE REAL ESTATE SITUATION

A. Introduction
1. The Security Area Map

Accompanying this report is a map of Metropolitan Los Angeles upon which all the residential areas in the community have been outlined and graded according to their relative desirability as residential neighborhoods. Enclosed in the same folder are detailed descriptions of each residential area, containing all the data pertaining to real estate conditions in that area. Both the map and area descriptions were constructed through first-hand observation and study of each area. Valuable aid in this undertaking was rendered by two local organizations, the California Veteran's Welfare Board - a state-operated mortgage institution with outstanding contracts on homes in Los Angeles County in excess of 23 million dollars - and the Appraisal Section of the HOLC, both of which actively assisted in the work. Furthermore, numerous realtors, principally HOLC Contract Brokers, and other informed sources, were contacted in the sections surveyed. The information thus gathered was then checked against and supplemented by data in the files of the Appraisal Department of the Bank of America, N. T. & S. A. and the California Veteran's Welfare Board.

As a result of these painstaking efforts, it is felt that the completed map and area descriptions are accurate to the highest degree and embody all the salient neighborhood information required for the intelligent operation of mortgage lending activities or the handling of owned real estate throughout the metropolitan area of Los Angeles. Moreover, the map and area descriptions are invaluable as a supplement to the analysis of Los Angeles real estate conditions following hereafter and should be used generously in order to obtain a complete picture of the local situation.

2. General Background

There are certain primary factors or influences which characterize the over-all real estate market of Los Angeles in definite, if varying, degrees. (Note: In discussing these factors, no effort was made to take them up in order of their importance or significance).

a. The first of these primary factors is the physical character of the metropolitan community. Reference to Exhibit A (Topographical map of Metropolitan Los Angeles) discloses four separate mountain ranges within or abutting on the area under survey. The Santa Susanna and the San Gabriel ranges form the northern boundaries of Metropolitan Los Angeles while the Santa Monica Mountains traverse the community from east to west and form the south wall of the San Fernando Valley. The Verdugo Mountains are a small chain of hills paralleling the San Gabriel range and expiring at their eastern extremity in the San Rafael Hills which separate Pasadena from Los Angeles and from the San Fernando Valley. Other groups of hills of varying altitudes are scattered throughout the community.

These large expanses of rugged terrain have played a vital role in directing the growth trends of the community. They have acted in one capacity by drawing the better type of "view" residential developments which cluster at their bases, penetrate the more accessible canyons, and even cover the hill sides and mountain tops (only the Santa Monica and Verdugo Mountain tops however) where absence of insurmountable construction hazards permits. The costs of hillside construction in themselves largely prevent any but the better type of development although on the slopes of the San Rafael Hills adjacent to downtown Los Angeles and Pasadena, poorly conceived subdivision and lack of adequate deed and zoning restrictions have led to an entirely different type of development. These are the first hillside developments in Los Angeles and have degenerated into such state that they are now known as "poverty perches".

These mountain ranges have affected the trend of development in another important way also, particularly the Santa Monica Mountains and to a lesser extent the San Rafael Hills and the San Gabriel Mountains. The Santa Monica range for years blocked direct expansion to the north and most residential development until quite recently has therefore followed the base of the mountains westward.