from the prevailing moderate rentals which characterize the Los Angeles housing mar-
ket. (The median rental paid by tenant families in 1930 was $35.94, while 57% of
tenant families paid less than $30 and 31% less than $50 per month).
Until the recent extensive building program fostered by F.H.A. guaranteed mortgages
enabling low-income home seekers to purchase homes for small down payments and carry
them on 'rental type' payments, it was difficult for the low-income groups to become
home owners. Because of this recent residential building activity, (primarily under
F.H.A. type financing), it is believed that the home ownership ratio is now sub-
stantially larger than in 1930—possibly as high as fifty percent of Los Angeles
families now own their own homes. (Note: This percentage of home ownership must
not be confused with the home ownership ratio as developed in the Security Area De-
scriptions. The latter ratio was based on ownership of 1 to 4 family dwellings, while
the census figure was based on owner families regardless of habitation).

C. The third general characteristic of the Los Angeles real estate market
is the excessive subdivision activity which has been permitted to continue without
restraint of any character, despite repeated warnings from such civic bodies as the
Regional Planning Commission and from other informed authorities locally. This
situation was set forth by Mr. Charles D. Clark, Subdivision Engineer of the Los
Angeles County Regional Planning Commission, in a pamphlet entitled "Penalties of
Excessive Subdividing". The following is quoted from Mr. Clark's pamphlet. "During
the past ten years........Great profits were made by some subdividers and even
some purchasers of these lots, and the successes were shouted from the rooftops; large
losses were incurred and spoken of in hushed voices. Money flowed into the
county........and large amounts were invested in real estate. Then suddenly
business activity receded. The sale of real estate stopped and today millions of
dollars lie idle, invested in vacant lots for which there are no buyers".

While Mr. Clark's study dealt with conditions as they existed in 1934, there is little change today in the amount of vacant, idle subdivided land. With
the return of economic activity, the real estate market quickened and during the
past three years has proceeded at rapid pace. But new construction since 1934 has
utilized little of the vacant subdivided land.

According to Mr. Clark, 44 percent, or about 483,992 of the subdivided
lots in the county were unimproved in 1934. From January 1, 1935 through April 30,
1939, 25,193 new lots were added through subdivision or through Licensed Surveyor's
Maps, making 509,135 lots available for building in the county for the period under
inspection. Permits for new residential construction in the county during the same
period totaled 76,373, leaving a net vacancy of 432,762 in subdivided lots or 39
percent of the total platted lots in the county. (No data are available for the
lots utilized for other than residential construction, but they are not believed to
have been in sufficient amount to materially alter the above results).

The effects of this excessive subdividing could not be summarized better
than in Mr. Clark's own words and we quote again from his pamphlet:

"The carrying charges on vacant lots may be divided into two classes: (1)
the cost to the owner, and (2) the cost to the community. The charges against the
owner includes: (a) capital outlay; (b) interest on investment; (c) taxes; and (d)
assessments. A further charge against the owner is the shrinkage of his investment.
An oversupply of vacant lots, as truly as of any commodity, will lower the average
values. The lowering of land values does not, however, lower the assessments or
the cost of upkeep, and soon it becomes a question whether the property is an asset
or a liability. In 1931 the assessed valuation of vacant lots was approximately
$392,259,823, which represents a true value of about $784,519,646. The interest
of this investment amounted to more than $47,600,000. The tax bills during that
year were approximately $15,000,000, and the assessments collected other than on
the tax bills were $4,500,000. These charges bring the total costs to owners for
retaining this vacant property during 1931 to $66,500,000. In addition, more than
three quarters of a billion dollars were tied up in idle land.

The charges against the community are more difficult to ascertain, since
many factors are involved. Some clarification may be obtained by classifying and
analyzing the various charges as follows: first, the increased cost of government in
Los Angeles County and in the incorporated cities, as indicated by increased taxes

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