from the prevailing moderate rentals which characterize the Los Angeles housing market. (The median rental paid by tenant families in 1930 was $35.94, while 37% of tenant families paid less than $30 per month and 81% 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 substantially 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 Descriptions. 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 432,807 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 include: (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.