8. Increasing vacancy, particularly in multiple family and apartment units, contributing to a softening rental and real estate market.

9. Likelihood of future serious real estate acquisition problems in pressure-developed areas of cheap construction and undesirable location.

10. Continuing high rate of speculative building activity despite definite evidences of a slowing market.

11. Intensive competition in mortgage lending among local mortgage institutions leading to dangerous possibilities of lowered loan requirements, and potential overbuilding of the area.

12. Excessive concentration of lending activity among a small group of institutions.

Were it not for one element—war—the ultimate effects of which are unpredictable, it would be possible on the basis of the foregoing factors to arrive at definite conclusions with respect to mortgage and real estate operations in Metropolitan Los Angeles. It is much too early to gauge with accuracy the effects which the war will have on the Los Angeles economy. At the present moment, gains and losses appear to offset each other—for instance, the gain to the aircraft industry is offset by the loss of European markets to the motion picture industry. In any event, mortgagee officials are warranted in exercising the utmost caution in their commitments and loan policies. Present conditions in the Los Angeles housing market are not conducive to excessive optimism and improvement in these conditions depends not so much on the greater production, which war might engender, but rather from the utilization of the surplus of idle labor now clogging the relief rolls, and a great increase in employment opportunities generally.