II. GENERAL TRENDS

1. Los Angeles is attaining its maturity and the rate of population growth will drop sharply hereafter.

2. General business conditions are not good despite pronounced recovery in industrial payrolls, paced by the booming aircraft industry, and despite the heavy numerical population increase since 1930.

3. There is a very bad unemployment and relief problem in the community with future intensification of the problem evident.

4. Although freedom from labor difficulties has set Los Angeles apart from other Pacific Coast cities, the trend is toward stronger labor organization with probable future strife involved.

5. The situation with respect to the ill-conceived and vicious special assessment districts is improving as a result of refunding activities, although 115 of such districts still survive as a blight on real estate values and activity in the affected areas.

6. Lot utilization in recent heavy residential construction activity has reduced slightly the heavy excess of vacant subdivided lots (now estimated at 40% of the total lots in the area) but no effective control has yet been established to prevent further and unnecessary subdivision activity.

7. But slight improvement has been effected in the unsound zoning ordinances in the community or the abuses thereof.

8. Banks and savings and loan associations are accommodating over 80% of the present home mortgage demand (banks did 53%, savings and loan associations 35% of recent business), with the former assuming an increasingly important position by virtue of the FHA activity of two large branch banks. Banks will doubtless continue to do an increasing portion of total lending so long as the FHA continues to insure mortgages as at present.

9. Other important conditions presently operative in the Los Angeles market which are discussed fully in the summary are: increasing vacancy, particularly in apartments and multi-family dwellings; declining rents and the proposed addition of 2,100 units to an already glutted market through FHA large scale rental developments (5,600 new units through USIA under construction or awaiting approval, with number of demolitions unknown); heavy and continuing speculative building activity spurred by intense competition among local institutions to place mortgages; the consequent depressing effects of this construction on sales activity and prices for existing dwellings; and the increasing hazard of overbuilding in the area.

A brief digest of the preceding items is given in the following pages and in the attached tables. Full supporting data for the observations previously made herein and in the general summary are available in the complete Survey Report which, together with the Security Area Map, is in our files.