accurate account, we know that this reconditioning work has returned us hand-
some profits and has also enabled us to sell our properties. Our experience
in selling residences in the condition in which they come back to us has not
been very good. Usually the only offers come from speculators.

The greatest demand for dwellings is for five and six room houses selling
from $4,000 to $5,000, located in the City of Albany and in northeast Berkeley.
There is quite a sales resistance to property located southwest of Dwight and
Grove Street in Berkeley. 10 to 15 years; monthly amortization requirements are
4%.

Our experience has been that a house that rented for $50 in 1929 got down
to $35 in 1933 and is back up to $45 now. As reduced terms, it is hard to get suf-
fi cient offers. Building costs are going up rapidly and are already 5% to 10% above 1929
costs.

This association is confining its loans to the East Bay Area. Both age
of property and district in which located are taken into consideration by our
appraisers who are salaried officers of the association. Upon the values they
set we will lend from 65% to 75%, and up to 15 years. The average term of all
our loans is approximately $4,000. The average of our loans, however, is $4500.
From 80% to 90% of the loans which we are currently making are for construction
purposes, and 85% are for refinancing. Our new loans are running about 5% FHA
Title II, and we are endeavoring to increase this percentage. As a matter of
fact, we have found that these loans offer the best medium for meeting the com-
petition of the banks.

In the liquidation of our acquired real estate holdings, we have taken into
consideration both the market and amount invested. In other words, if we cannot
sell the property for the amount we have in it, we are inclined to hold it for
better prices. Using 1929 values as 100%, we have found the fluctuation of resi-
dential prices to be as follows: 1927, 110%; 1928, 100%; 1929, 115%; 1930, 85%.
From this it will be seen that prices are on the increase, which probably
influences our policy in connection with our holdings.

Before we place a property on the market, we recondition it just enough to
make it saleable, the work being done by day labor under our own supervision on
small jobs. Larger undertakings are let to contract bids through the Property
Management Department of the United States Government. While we have not kept