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 16 years; monthly amortization requirements are.

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-fice-ment. 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 districts 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 66% to 75%, and up to 16 years. The average amount of all our loans is approximately $2,000. The average of our loans, however, is $4500. From 80% to 85% of the loans which we are currently making are for construction purposes, and 15% are for refinancing. Our new loans are running about 50% 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 re-sidential prices to be as follows: 1929, 110%; 1928, 100%; 1927, 85%; 1925, 95%. 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 salable, the work being done by day labor under our own supervision on small jobs. Larger undertakings are let on contract bids through the Property Management Department of the Kerrick McMillan Company. While we have not kept