The Oakland-Berkeley area is predominantly a residential area of San Francisco, although industry, which is diversified, is increasing in importance. General business activity is well above 1929, and in some instances exceed 1929 levels. Labor is strongly organized, and recent disturbances have been serious. The real estate market is active. Institutional sales ($8,657,800) during 1956 and the first 6 months of 1957 were almost one and one-half times the present institutional overhang ($6,921,600), which is small. Foreclosures have receded almost to the 1928 level. Real estate market values and rents have recovered but moderately, to 75-80% of their respective 1928-29 levels from the lows of 60-86%, but the trend is upward. Occupancy averages 97.4%.

Residential construction volume during 1956 was practically back to 1929 levels but the 1956 rate of increase slackened in 1957, attributed to the high construction costs, which were 5% above 1929. Tax collections have been good. Municipal net bonded debt is high. Infiltration of negroes and orientals is a problem. Ample mortgage funds are available at interest rates ranging from 4% to 7.2%, with commission of 1.5% being charged in some cases.

The four local banks and trust companies hold 11% of the combined residential mortgage investment of all institutions and did 11.4% ($5,287,700) of the residential mortgage business during 1956 and the first 6 months of 1957. Title II loans made total $1,213,000. Resources are 25% above 1929. Interest rate on savings deposits is 3%.

The ten local savings and loan associations hold 13.6% of the combined residential mortgage accounts and did 20.7% ($7,186,400) of the recent lending. Both Federals and state-chartered associations are active lenders. Title II loans made total $984,400. Private share investments have been increasing substantially, except in one insured state-chartered association, where a decrease is reported. Dividend rate is 4%.

Twelve insurance companies hold 24.8% of the combined residential mortgage accounts but did only 8.5% ($2,875,400) of the recent lending. This volume is small because many of them have not reentered the local mortgage field since the depression. Title II loans total $562,800.

The one local mortgage company, Pacific Bond and Mortgage, deals primarily in loans for the construction period and has only $456,200 of residential mortgages and $257,200 of residential real estate.

The thirteen outside institutions operating in the area, mostly banks in San Francisco, hold almost one-half of the institutional residential mortgages in this area, and did almost 60% of the recent institutional residential lending. Over 80% of this lending volume was written by the Bank of America NTSA and the American Trust Company combined. These two banks also made almost all of the Title II loans written by the group and amounting to $10,846,800.

Individuals are estimated to be doing about 40% of the total mortgage business.

Six institutions in liquidation, (all building and loan associations) have $782,800 of residential mortgages and $711,200 of residential real estate. Their liquidation is proceeding rapidly.

A recapitulation of residential mortgage and real estate activity of reporting institutions by groups and their current lending terms is shown on the attached sheet.