B. VALUATION SHRINKAGE.

In discussing this head, it is necessary to classify real estate as follows:

- Oakland downtown improved business property.
- Oakland downtown unimproved business property.
- Central business property in other cities.
- Apartment house property.
- Unimproved residential property.
- Improved residential property.

and in order to avoid confusion, each of the above classifications will be discussed in the order in which it is named.

The Oakland downtown business district, roughly, might be said to extend from First to Twenty-fourth Streets and from Grove to Fallon Streets.

Mr. Porter Giles, Secretary-Manager of the Oakland Real Estate Board, in his interview, which will be found in the Appendix of this report, makes the following statement in regard to Oakland downtown business property:

"There was a business property building 'boom' in Oakland which reached its peak in September, 1925. As a result of this, the business district was expanded very rapidly. While the business 'boom' reached its peak in the 1925-26 period, prices continued to climb, until in 1928-29 they reached 150% of the 1925-26 prices. During the low point of the depression, 1933-34, prices had sagged to such an extent that they were probably not more than 40% of the 1925-26 prices. They have since regained a portion of the loss but are still only approximately 65% of what they were in 1925-26. This only applies to business property in the city center. In the sub-business centers, values are now thought to be approximately what they were in 1925-26."

In Mr. Giles' interview he did not attempt to express his own personal views, and the statements he made were the result of information which he gathered, for the purpose, from the best qualified members of his organization. From interviews and conversations with other informed real estate men, it is believed that, while there was a decided increase in these business property values between 1925 and 1929, it is not thought that increases such as Mr. Giles mentioned were general throughout the business section.

At the beginning of the "boom" referred to the main business section was south of Fourteenth Street but moved rapidly northward during the first years of the period of expansion and eastward during the latter part of the period. At the present time this movement toward and around Lake Merritt continues, and it is felt that property located in the old business section below Twelfth Street will probably never