higher rentals are being demanded upon renewals. The amount of advance is by no means uniform, nor is there indication of any concerted action in the matter. It is understood that rentals to satisfactory tenants who renew their leases are very much more moderate than when it is a case of a new tenant and a new lease. While there is seemingly no concerted effort to raise rentals, there is a universal tendency to do so, the raises on a percentage basis being relatively the same in all of the areas.

In view of the very general demand for rental residential property, it is hard to designate any particular areas in which the demand is greatest and rentals higher. However, it is the impression that properties located in the following sections are somewhat more popular than in the others:

All the districts in Piedmont.

The better districts in Albany and Berkeley, including what is known as the Elmwood District which extends beyond the borders of Berkeley.

Areas B-34, B-35, B-36, and B-39 in what is known as the Elmhurst District of Oakland.

Areas B-40 and B-42 in the City of San Leandro.

The areas in which demand is least urgent are in the "D" districts west of San Pablo Avenue and south of Fourteenth Street, not including D-19 in San Leandro and D-20 in Alameda.

In order that these designations will not prove to be misleading, it should be stated that there is an excellent demand for habitable houses in all the areas.

3. Need for Housing.

It would seem that 2½% per annum would be a minimum requirement to cover obsolescence, depreciation, and other destructive elements. According to the 1937 occupancy survey shown on Appendix Page 17-A, there are, roughly, 143,000 dwelling units in the East Bay cities. Upon the hypothesis that 2½% per annum is a minimum requirement to cover obsolescence, depreciation, and other destructive elements, 3600 dwelling units would have to be constructed each year to offset the inevitable factors mentioned. This would mean that in the last seven and one-half years there should have been constructed at least 20,000 more dwelling units than the records show were built during that period. It might be said, therefore, that this amount of new housing is necessary to "catch up."