Assuming that the State policy regarding its employees is not changed, it is thought that Mr. Bagley's estimate of 700 units is quite moderate and probably would not satisfy the situation for more than a comparatively short period. If need of demolition were taken into consideration, replacements might easily run into the thousands.

Up to this time the demand for large apartment house dwelling units seems to have been limited, the preference being for small multi-family dwellings. The most popular size has apparently been for two and four-family dwellings.

H. New Construction

On Appendix Page 3-A will be found a record of Sacramento's building permits from January 1, 1926 to August 1, 1938. This shows that there have been 2402 residential buildings constructed since January 1, 1930, containing 2863 dwelling units. This volume of construction is far below the amount needed to accommodate the increase in population without taking into consideration any decreases caused by fire, demolition, etc.

This indicates that the larger volume of new construction which has obtained during the past two years will undoubtedly be maintained or bettered during the next several years.

That this increase in construction has been quite general throughout the city is evidenced by the fact that during 1937 there was some new construction in each of the first and second-grade areas and in practically all of the third grade areas shown on the Security Map. The areas showing the greatest amount of new construction were A-2, A-3, B-1, B-10, C-8, C-14, and C-23, these areas accounting for approximately 60% of total construction.

Construction records for the first seven months of 1938 show 469 residential structures, containing 663 units, compared with 487 structures containing 541 units during the like period of 1937. The indications are that the full 12 months of 1938 will exceed 1937, both in number of structures and dwelling units, as building activity decreased materially during the last part of 1937, with the outlook being good for continued activity for the current year.

It is also noteworthy that the residential reconditioning permits in the first seven months of 1938 showed an increase of more than 200% over the same period in 1937. Reconditioning includes remodeling which usually means an increase in the number of dwelling units.