Sacramento, Calif.

Net bonded indebtedness for the city as of June 30, 1938 ($3,607,200) equalled 3% of assessed valuations (debt limit 15% and $38.50 per capita. Including overlapping school and county debt, the per capita debt equals $100.46 (based on 1930 census). There has been no default on any of the above obligations and the bonds rate high with the investing public.

II. THE REAL ESTATE SITUATION

BACKGROUND

Residential structures in Sacramento are predominantly of frame (71%) or stucco (20%) construction and over half are less than 20 years old according to the Real Property Inventory completed in 1934. Only 58% of the city's dwelling units are contained in single family structures - a below average ratio - apartments and two-family dwellings accounting for 26% of the total. Owner families numbered 10,820, or 41% of the 26,363 families in Sacramento during 1934, a sharp drop from 1930 when the Bureau of Census tabulated owner families at 11,403 or 46% of the 24,687 families living in the city. The decrease is the more notable in view of the 1,676 increase in the number of families between 1930-34. Both the low ownership ratio and the low percentage of single family dwellings arise from the large numbers of government employees living in the city whose employment is not considered permanent and who are thereby discouraged from home purchase.

SALES PRICES AND FLUCTUATIONS

The shortage of desirable housing units brought about by the rapidly increasing population in Sacramento enabled a sharp recovery in sales prices which at the present time are about 85-90% of 1929 in all but the "D" areas. Prices in these low grade areas average about 75% of 1929. Present price levels represent an advance of nearly 20% since 1935 when post-depression real estate activity first developed. Price increases closely parallel recovery in local business.

REAL ESTATE ACTIVITY AND DEMAND

There is an active market for real estate in Sacramento. The trend of activity as indicated by document recordations in the city (about 90% of all recordations represent deeds or deeds of trust) has been strongly upward since 1933. Total recordations attained a new peak during 1937, and recordations during the first 7 months of 1938 exceeded the same period of 1937 by 3 points or 2%. The bulk of sales activity has been confined to the 4-6 room single dwelling class in a price range of $2,500-5,000, and demand is currently strongest for that type dwelling. There is such an abundance of mortgage money available that private owners can easily finance their property sales and thus, with the down payment, are enabled to obtain all cash.

Document Recordations
City of Sacramento

<table>
<thead>
<tr>
<th>Year</th>
<th>1925</th>
<th>1929</th>
<th>1933</th>
<th>1934*</th>
<th>1935</th>
<th>1936</th>
<th>1937</th>
<th>1937</th>
<th>1938</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recordations</td>
<td>24,402</td>
<td>23,262</td>
<td>14,957</td>
<td>18,830</td>
<td>16,437</td>
<td>21,378</td>
<td>24,439</td>
<td>14,679</td>
<td>14,986</td>
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<tr>
<td>Index (1929-100)</td>
<td>105</td>
<td>100</td>
<td>64</td>
<td>81</td>
<td>71</td>
<td>92</td>
<td>105</td>
<td>126</td>
<td>129</td>
</tr>
</tbody>
</table>

*The high rate of recordations in 1934 was due to HOLC refinancing activity.

Institutions have benefited from the strong market and their sales for 1936-1937 and the first 7 months of 1938 ($1,165,400) equalled 229% of their present small overhang. Sales terms are usually 10-15% down, interest of 5-7% and principal amortization over a period of 10-15 years.

OVERHANG OF RESIDENTIAL REAL ESTATE

There has been no overhang problem in Sacramento at any time during the past depression. Present overhang ($508,300) equals 3% of combined institutional mortgage accounts and the aggregate of this overhang and the total property sold since the beginning of 1936 is equivalent to only 7% of the present institutional mortgage portfolio. None of the institutions in the city is troubled by excessive