INTERVIEW WITH MR. H. E. STARKER,
Executive Vice-President, BAY CITY
BUILDING and LOAN ASSOCIATION
and
FIRST FEDERAL SAVINGS and LOAN ASSOCIATION
San Diego, California

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Mr. Starkey said: "I am not enthusiastic about furnishing the information requested, as it looks as if the Home Owners' Loan Corporation might be competitors of ours, in as much as we have quite a little real estate to sell and we anticipate that the Home Owners' Loan Corporation will also.

"We have a Real Estate Department, which is handling our sales of acquired property, selling them principally through the brokers. In setting our prices, we take into consideration both the invested amount and present market conditions. In the popular priced field, we find that houses that sold for $5000.00 in 1929 are now selling for about $3500.00, which is about $500.00 more than they could have been sold for in 1933. In other words, we figure that property went down to 60% of 1929 values and has now recovered to 70% of those values.

"We survey our property list every three months and adjust prices to meet changed conditions. Before placing on the market, however, we recondition all of our properties and have found that to do a satisfactory job, it costs from 5% to 10% of the value of the property. It is our experience that we make a profit upon the amount expended for this reconditioning.

"It used to be that six-room houses were the best sellers, but we now find five-room the most popular type.

"We have succeeded in keeping our properties rented and have never experienced more than a 5% vacancy and now have 100% occupancy.

"Building costs, after getting down to 60% of 1929 figures in 1933, have advanced to 80% of 1929 costs. In square foot cost, this range is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Per Sq. Ft.</th>
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<tbody>
<tr>
<td>1929</td>
<td>$4.00</td>
</tr>
<tr>
<td>1933</td>
<td>$2.50</td>
</tr>
<tr>
<td>1936</td>
<td>$3.20</td>
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