Mr. Holliday said: "Real estate prices in San Diego have advanced from 10% to 15% since 1933, at which time they were approximately 50% of 1929 values. In other words, we figure that prices are now 60% to 70% of those prevailing before the depression. I might say, however, that prices are advancing very rapidly, probably on account of the increase in building costs, which are now a scant 10% less than they were in 1929, and with every evidence of higher costs to come.

"While we have had no personal experience in selling acquired real estate, our observation has been that property has been largely reconditioned before it was offered for sale.

"The popular price residence seems to be a 5-room house with two bedrooms, costing approximately $4000.00.

"Rentals have increased more rapidly than property values and are now practically back to the peak of the late "twenties". I do not believe that rentals in San Diego ever got below 70% of this peak.

"All Mortgage Institutions in San Diego are after loans and consequently the competition is very stiff, however, we feel that we are getting our share.

"We have made no F.H.A. loans largely because we have been able to employ all our funds otherwise. Our mortgages are running 95% for construction and 5% for refinancing.

"In making loans, we take into consideration both age and location and give special consideration to the moral risk; getting full credit reports on borrowers before making commitment.

"We have two independent appraisers check on every application and, if favorable reports are made, we will lend up to 75%, our average being around 67%.

"Our appraisals were checked not so very long ago by the Federal Home Loan Bank, and we were very much pleased with the result. Thirty-four appraisals were made by the Federal Home Loan Bank Appraiser, who gave them a total value of $218,500.00, whereas our appraisal on the same thirty-four properties was $219,103.00."

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