Mr. Forêt said: "We are experiencing somewhat of a boom in Coronado. I do not believe that 1% of the houses on the Island are unoccupied, and this is true in the face of advancing rents. Our rental situation was never as bad as in many other localities. I judge that at the worst of the depression our rentals were 35% off, and they are currently less than 20% below pre-depression levels. Residential values suffered more than rentals, getting as low as 50% of 1929 values in 1933, and are still between 30% and 35% below 1929 prices.

"There is a good market for all classes of residential property, including vacant lots, but there seems to be less sales resistance to those ranging in price from $6500.00 to $7500.00; six-room bungalows being the favorite type.

"We expect real estate prices to continue to improve. One factor which points to this is the continued increase in building costs, which are already within striking distance of the high levels of the late "twenties", being certainly not less than 10% or 12% below those figures.

"We are finding competition for loans very keen indeed, other Federal Savings and Loan Associations being our worst competition. This may be partially caused by the fact that our President is a lumber dealer, and that one of the other Federals, the Central, is also controlled by lumber dealers. The competition with us is not a matter of rate or time, but wholly upon the basis of the amount of the appraisal that will be loaned. We realize that this is a dangerous point of competition and are guarding ourselves very carefully to avoid over-lending. To accomplish this, we have an outside appraiser check our own estimates upon every commitment except those made under F. H. A. Title II."