"Building costs have gone up comparatively more than property prices, and I would judge that they are now fully as high as they were before the depression, dwelling house construction being between $3.50 and $4.00 per square foot.

We are greatly pleased with the treatment which we have received from the Federal Home Loan Bank and the Home Owners' Loan Corporation, and are doing everything in our power to justify the confidence which they have reposed in us."

We feel it is more profitable to lend upon our own plan. We make but few commitments for other than single family dwellings. We are very careful both as to the age and location, these factors being given full consideration in making appraisals.

The loan applications are first passed upon by our directors, and the plans and specifications for construction loans are carefully considered. If the application is favorably noted upon, it is then given to an outside appraiser who reports to us upon our own forms, which have been prepared after a long period of research.

"Our loans since the first of the year have been 90% construction, 20% refinance and 95% purchase money.

"Real estate values have staged a remarkable come-back in San Diego, and I believe that currently property here is approximately 90% of the 1929 value, whereas at the low of the depression it went down as low as 50% of 1929 values. Of course we have had no acquired property to sell, but our observation has been that the greatest demand is for a 5-room house, selling for about $4500.00.

"Owing to the large number of governmental employees, principally connected with the Navy, who has head-quarters in San Diego, we did not feel the effects of the depression as much as other localities, which probably accounts for the fact that our rentals, as well as real estate values, were not nearly so much affected. Rentals and real estate values declined and increased about the same, getting down to about 50% of 1929 values, and being now about 90% of that level."