Real estate situation in San Diego is satisfactory. Sales activity has steadily increased from the 1933 low and is greater than in most cities. Homes under $5,000 in northern sections of the city are selling fast. Valuation shrinkage was heaviest in high priced properties but all types have advanced under stimulus of a 99% occupancy. Medium priced homes sell at 70% to 80% of the 1933 level. Rental prices have steadily increased, particularly in the lower bracket where a housing shortage is evident. Prices for this bracket are 85% of the peak. Dollar volume of residential construction at the 1933 low was only 7.3% of the peak year, 1926, but the annual rate for 9 months of 1936 is 41% of 1926 and equal to 1929. There is little overbuilding of residential property, and potential acquisitions are reported to be negligible. Principal deterrent to mortgage lending is the ad valorem assessment districts affecting one-sixth of the city's residential area. The city's financial condition is excellent and no taxing unit has been in default. Economic stability has prevailed throughout the depression due to large enlisted personnel of the permanent naval base and the fixed incomes of retired residents who have been attracted by the equable climate. Population has almost doubled in each of last two decades. Relief load is decreasing. Ample funds are available to meet mortgage demand.

Commercial Banks: The eight banks and trust companies operating in San Diego have local resources of $89,429,000 (Bank of America - estimated); residential mortgages $12,419,000, and residential real estate $1,294,000. They report unlimited funds available for residential loans up to 65% of appraisal, periods 1 to 20 years, interest 4% to 7%. During 1935 and first 9 months of 1936 this group made 3,387 residential loans totaling $6,075,000 (much of which was recasting) and sold 197 residential properties for $625,000. All but Southern Title & Trust Company make Title II loans and a combined total of $900,000 has been made to October 1, 1936. Banks pay 2% interest on savings.

Savings and Loan Associations: The 5 Federal and 3 State-chartered associations combined have assets totaling $9,407,000, residential mortgages $4,621,000, and residential real estate $1,406,000. Loans are made up to 75% of appraisal periods 5 to 20 years, interest 5% to 7.2%. Commission 2%. All but Home Federal S&LA are making some Title II loans. During 1935 and first 9 months of 1936 this group made 1,116 residential loans totaling $3,449,000 (little recasting), and sold 167 residential properties for $490,000. Dividend rate is uniformly 4%.

Insurance Companies: Combined residential mortgages of six leading companies total $3,990,000, residential real estate $657,000. During 1935 and first 9 months of 1936 this group made 323 residential loans totaling $1,692,000, and sold 42 residential properties for $154,000. Lending terms: 60% of appraisal, periods 12 to 15 years, interest 5½ to 6½, no commission.

The eight mortgage companies with 780 residential mortgages totaling $1,938,000, and 333 parcels of residential property carried at $1,166,000, as a group are not an active factor in the mortgage field. Lending terms are from 50% to 70% of appraisal, 3 to 10 year periods, interest 5½ to 7.2%, commission 2%.

C.A.F.