that activity in residential properties is very nearly as great or greater now than it was in the 1927-28 period and is probably running better than 110% of the 1928-29 volume. The record of residential building permits in San Jose for the first eight months of 1937 indicates a much higher percentage than this.

2. Type of Property.

While there is activity in all types of single-family dwellings, the great volume during the past eight months has been new five and six-room dwellings costing from $5,000 to $7,500. In the past two months, due to the high cost of construction, this picture has changed somewhat, and it is believed that currently existing structures of the same size, selling for from $3,500 to $6,000, have led in sales volume. This probably would not be true were it not for the fact that the supply of low-priced dwellings, running from $2,500 to $4,000, is very limited.


There is a very strong demand for the five and six-room dwellings in almost all of the areas. During the past eight months, activity has been particularly noticeable in Areas A-1, B-7, C-3, and C-15. The demand for the low-priced dwellings is far beyond the supply, and residences of this type located in all of the "U" and "D" areas, with the exception of D-5 and D-8, are readily sold whenever placed upon the market at a fair figure.

4. Terms of Sale.

As a result of the strong demand for single-family residences, there has been in the past six months a decided stiffening in the terms of sale of acquired property. This is particularly true in the amount of down-payment required. Where 10% was formerly the minimum down-payment, from 20% to 25% is now usually required. There is also a tendency to shorten maturity and amortization periods and stiffen interest rates. In sales of other than acquired property, the usual terms are patterned after those accorded by the various lending institutions, and in a great many cases, F. H. A. loans are used to finance the purchase. This is particularly true where new construction is involved. In the present highly competitive state of the mortgage loan market, transfers are usually being made on a cash basis, so far as the buyer and seller are concerned.