D. Speculative and General Public Buying.

As has been indicated, the general public is in the market for homes but is buying them for use and not as a matter of speculation. Realtors and mortgage men, without exception, stated that there was little or no speculation in San Jose real estate at the present time. While this may be literally true at the moment, it is believed that in 1936 and the earlier part of 1937, there was a distinct tendency toward speculation in the construction of new dwellings in such districts as Areas A-1, B-2, B-3, B-7, C-13, and C-15; however, the financing agencies did not permit it to get very far before they began to require the speculators to sell as they built.

It is understood that a large majority of the new residences have been constructed under contract. Some of the homes in Areas B-7 and C-15, which were built by speculators, have the appearance of "Jerry building", but this class of construction is hard to detect when stucco is used unless inspection is made during the work's progress.

There are a number of rumors relative to new sub-divisions; the most definite of these are in connection with the "yellow hatched" areas west of Area B-7 and the "red hatched" area south of Area D-7. When conditions are deemed to be favorable, it is thought that the areas mentioned will be developed along the line of small, low and medium-priced, single-family dwellings.