The consensus of opinion among realtors is that both labor and materials have contributed equally in the increased costs.

Officials of mortgagee institutions differ widely in their opinion of comparative construction costs. Their estimates being all the way from 90% of 1929 costs to 130%. Those best informed, however, seemed to agree that present costs are from 100% to 105% of the 1929 level.

There are some 14 or 15 contractors in San Jose who do speculative building, all of them on a comparatively small scale. In discussing the matter of costs with one of them, he stated that it was hard to compare present costs with those of 1929 because of the difference in standards, and he further stated that it would be hard to sell a 1929 model home in 1937.

Based upon what was learned from all sources, it is thought that the average new dwelling in San Jose is costing from $3.50 to $4.00 per square foot, which is approximately the same as 1929 costs, but the purchaser is getting a more complete home now than he did then. It is thought that the average cost of materials is slightly lower now than in 1929 but that labor costs are higher.

1. Detrimental Influences.

The following are considered the major detrimental influences affecting the community:

Earthquakes - San Jose is located upon the same "earth-fault" as San Francisco and the East Bay cities, and it suffered quite severely from the earthquake of 1906. When considered in conjunction with the subterranean conditions described on Page 25 of this report, it is believed that a severe earthquake shock might prove quite disastrous in San Jose.

"Melting Pot" - Reference has already been made on Pages 13 and 24 of this report to San Jose's large foreign population of poor quality. While this affects most seriously areas D-1, D-3, D-4, D-9, D-10, and D-11, it indirectly affects the whole city and is a direct threat to the areas bordering those mentioned.

Low Income Levels - This influence has already been mentioned on Pages 14 and 24 of this report. It is undoubtedly one of the