

FEDERAL HOUSING ADMINISTRATION
WASHINGTON

STEWART McDONALD
ADMINISTRATOR

June 27, 1939

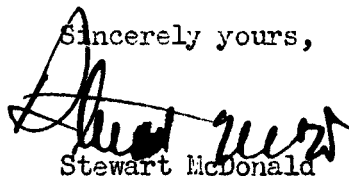
Honorable Marriner S. Eccles
Board of Governors of the Federal Reserve System
Washington, D. C.

Dear Marriner:

The attached shows that the FHA is currently receiving applications covering new homes to be constructed at the rate of approximately 3500 per week and that 2728 homes were actually started and under inspection by the FHA last week. This new home construction is now at the highest rate of any time since 1929.

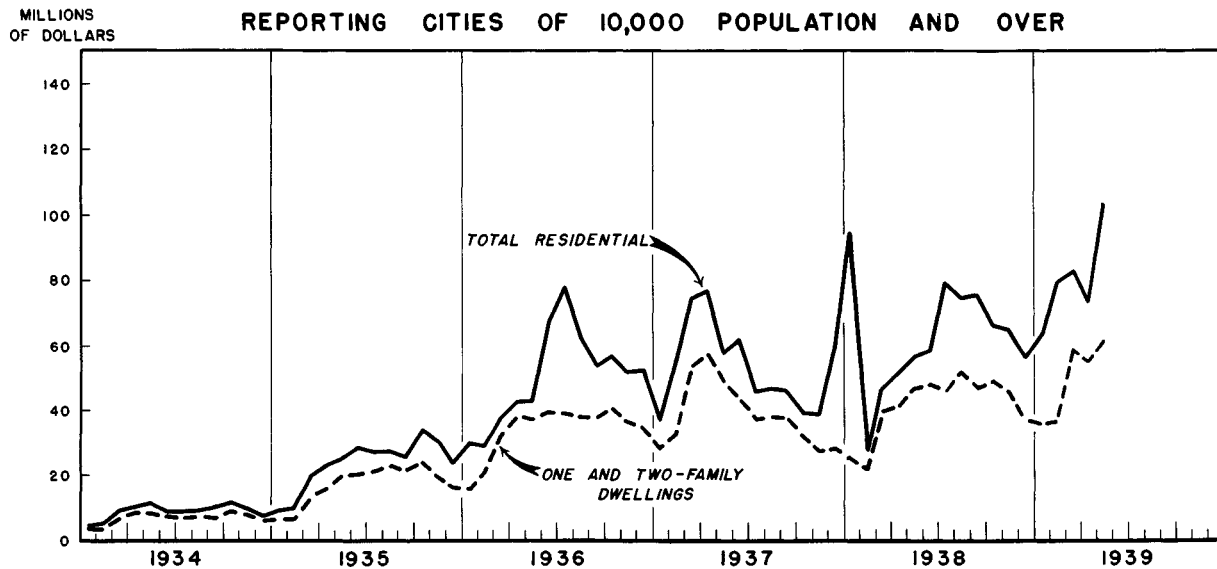
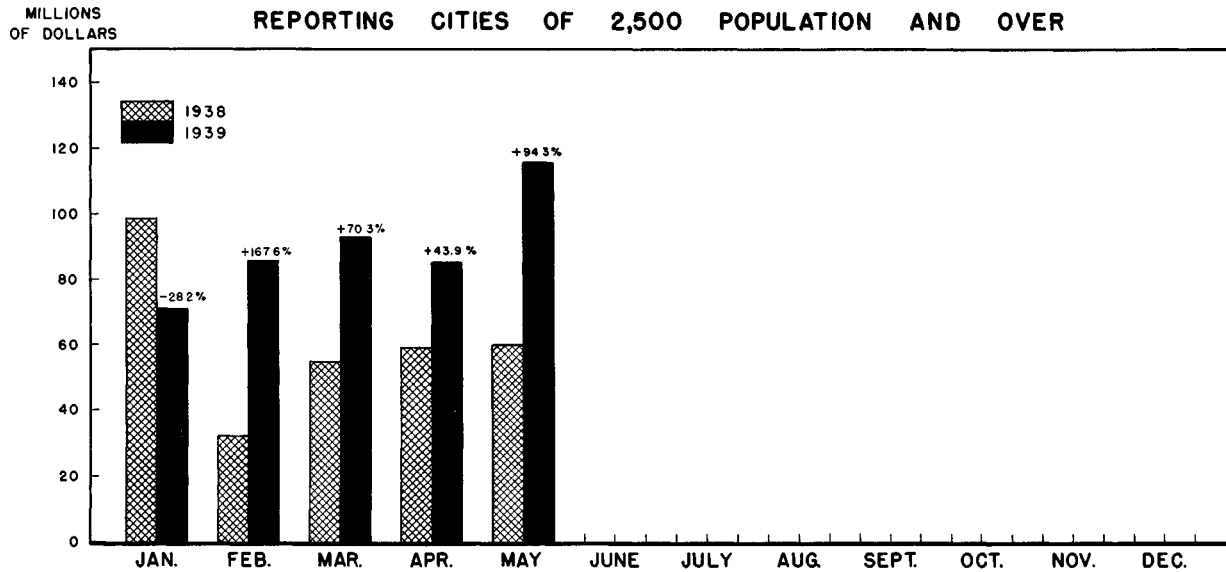
We trust that care will be taken in discussing any building plans, price investigations, possibilities of lower interest rates, etc., so as not to give prospective builders the feeling that perhaps they had better delay construction in order to secure better terms, conditions or prices.

Sincerely yours,

A handwritten signature in dark ink, appearing to read 'Stewart McDonald', written over a horizontal line.

Stewart McDonald
Administrator

VALUE OF RESIDENTIAL CONSTRUCTION AS SHOWN BY BUILDING PERMITS



COMMENTS

THESE OFFICIAL SERIES REPRESENT THE REPORTED ESTIMATED COST OF RESIDENTIAL CONSTRUCTION OF ALL TYPES FOR WHICH PERMITS WERE ISSUED IN REPORTING CITIES THROUGHOUT THE UNITED STATES. THE COST SHOWN BY PERMITS MAY NOT CONFORM TO ACTUAL COST, BUT THE FIGURES NEVERTHELESS INDICATE THE DIRECTION AND AMOUNT OF CHANGE IN CURRENT RESIDENTIAL CONSTRUCTION.

THE UPPER CHART REPRESENTS THE MOST COMPREHENSIVE SERIES OF PERMITS NOW AVAILABLE FOR URBAN COMMUNITIES. THE CITIES REPORTING ACCOUNT FOR SOME 86% OF TOTAL URBAN POPULATION, AND INCLUDE APPROXIMATELY 1,500 REPRESENTATIVE COMMUNITIES OF ALL SIZES DOWN TO 2,500 POPULATION. THE CITIES ARE IDENTICAL IN EACH MONTH FOR BOTH YEARS, BUT FROM MONTH TO MONTH THEY ARE NOT IDENTICAL.

IN THE LOWER CHART THE NUMBER OF REPORTING CITIES VARIES FROM 708 TO 797, BUT THIS VARIATION AFFECTS TOTALS ONLY SLIGHTLY. SHARP PEAKS IN 1936 AND AT THE BEGINNING OF 1938 ARE DUE LARGELY TO CHANGES IN NEW YORK CITY BUILDING CODE.

SOURCE OF BASIC DATA:
BUREAU OF LABOR STATISTICS

FEDERAL HOUSING ADMINISTRATION
DIVISION OF ECONOMICS & STATISTICS
CHART NO. C - 516 B

FEDERAL HOUSING ADMINISTRATION
MEMORANDUM

TO: Mr. Stewart McDonald

DATE June 26, 1939

FROM: Shirley K. Hart

SUBJECT:

Comparison of Mortgages Selected for Appraisal Covering New Homes to be Constructed (for Weeks May 6 through June 24)

| <u>Weeks Ending</u> | <u>No.</u> | <u>-1938-</u> <u>% of Total</u> | <u>No.</u> | <u>-1939-</u> <u>% of Total</u> |
|---------------------|------------|------------------------------------|------------|------------------------------------|
| May 6 | 2,597 | 53.3 | 3,452 | 63.4 |
| May 13 | 2,578 | 52.2 | 3,664 | 64.2 |
| May 20 | 2,561 | 52.2 | 3,755 | 65.7 |
| May 27 | 2,940 | 56.7 | 3,525 | 65.8 |
| *June 3 | 2,107 | 56.0 | 2,853 | 66.6 |
| June 10 | 2,622 | 52.7 | 3,446 | 66.1 |
| June 17 | 2,611 | 53.9 | 3,409 | 66.4 |
| June 24 | 2,277 | 46.2 | 3,414 | 67.0 |

* Memorial Day holiday

Comparison of Mortgages Selected for Appraisal Covering New Homes Started Each Week.

| <u>Weeks Ending</u> | <u>-1938-</u> | <u>-1939-</u> |
|---------------------|---------------|---------------|
| May 6 | 1,537 | 2,920 |
| May 13 | 1,707 | 3,055 |
| May 20 | 1,740 | 2,946 |
| May 27 | 1,711 | 3,113 |
| June 3 | 1,603 | 2,429 |
| June 10 | 1,926 | 2,810 |
| June 17 | 1,870 | 2,945 |
| June 24 | 1,969 | 2,728 |

Shirley K. Hart