

have even better crops and more of them this year. The State and coast are growing rapidly in an agricultural sense, while there never was a time in which there was more honest and intelligent development of the mining resources of this State. We do not look for real-estate activity based, as that of the last period largely was, on stock-gambling; the next advance will be based on honest and intelligent development, growth, and progress, and we here take occasion to say that any increase of real-estate sales that is not based on these elements is unsound and but temporary, inducing foolish buyers to incur debt and to buy property at high prices, only to be subsequently compelled to sacrifice or to lose it through foreclosure of mortgage, when the reaction and depression come, as come they always do, one, two, and three years thereafter.

General prices have not been so low in San Francisco for a great many years as they were in 1879. There was an average fall from even the low prices of 1878 of at least 10 per cent: We were able at the close of 1878 to point to a few places where sales had been made at higher rates than any ever before paid, but we cannot point to a single district of the city in which prices advanced in 1879, while in a few places at North Beach, below Folsom, and between First and Ninth streets, and on the flat east of Howard street, at the Mission, many sales were made at exceedingly low prices. Indeed, in some of these places it has been next to impossible to say what land *would* bring, buyers have been so scarce. Nor did even reductions of 20 to 40 per cent. always result in attracting customers and the making of sales. Inside business property alone held its own firmly last year, and only property lying between Kearny, Front, California and Market streets, well rented, was recognized as inside property in 1879. For property in that region there has been far more buyers than sellers, especially within four months. Owners were not offered fancy prices, and they have generally refused to sell. Much business property that would have been looked upon as at least A 2 four years ago hung upon the market in 1879. We include in this list property on Third street, between Market and Mission, on Fourth street, between Market and Howard, on Market street, between Fifth and Seventh, on Market street, between Battery and the ferries, on Kearny street, between California and Clay, and on Front street, between Sacramento and Washington. From these facts it will be seen that buyers sought only the very choicest business properties, and as owners of such real estate did not care to sell, not knowing what to do with their money, the number of business sales effected in 1879 was not large.

There was very little demand, indeed, for expensive residence property, either vacant or improved. The price of the best class of such property is now thought by owners to be decidedly low, though it ranges at \$200 to \$300 a front foot.

Considering the great dullness in real estate, there was a very fair and constant demand for lots at \$1,000 to \$3,000, and for houses and lots at \$3,000 to \$5,000. The Western Addition, between Clay, Post, and say Laguna and Pierce streets, was most in demand. Next to that the Mission was most sought after, especially along Valencia, Mission and Howard, or the cross streets close to those thoroughfares, between Sixteenth and Twenty-fourth. An almost new town has within a year or so sprang up at the southwestern outskirts of the Mission, between Twenty-fifth, Thirtieth, Guerrero and Sanchez streets. The buyers and builders were all people of small means.

The building of the new bulkhead and the grading of the sand hills on Polk, Van Ness avenue and Bay street, together with the consolidation of the two new woolen mills and the erection of a very large additional mill at Black Point, will all tend to benefit North Beach. The section of it lying between Jones, Van Ness avenue, Bay street and the bay will probably be in demand for cheap lots and houses before long; but before such demand can be supplied the streets will have to be opened, by grading and macadamizing. They are now all, or nearly all, in drifting sand.

Transactions in outside lands were very dull in 1879, yet there never was a time when they had such good prospects. The promised Presidio railroad on the north, the Haight street cable railroad on the south, and the California and Geary street cable railroads in the center, will make communication with First avenue and the Cliff House road, with the Presidio, and with Stanyan and Haight streets as cheap and rapid as can reasonably be desired. There will be no crowding, either; on these cable lines seats can be had at all times. All who want cheap homesteads can now or can soon be accommodated, at lower prices than those prevailing across the bay.

The amount of business done in the loaning of money on city real estate shows a much larger reduction than that exhibited by the sales. The sum of \$24,367,773 was loaned on city real estate in 1877; \$15,643,957 in 1878, and but \$9,555,904 in 1879. The releases of last year amounted to \$10,343,174; so that they exceeded the mortgages by \$387,270. In 1877, the releases amounted to only about half the total sum of the mortgages. Building enterprise lagged, and real estate speculation was dead. Dullness and distrust prevailed, and therefore few persons wished to borrow money, although it was cheaper than it was ever before known in the history of the city. Now, and for the past five months, the leading savings bank (the Hibernia) has been loaning at 8 per cent. per year, it agreeing to pay the mortgage tax, which will consume $1\frac{1}{2}$ or 2 per cent. of the 8. This is practically loaning money at 6 per cent., which for California is certainly a low rate; but, indeed, it is high enough, all things