

out about \$4,000 to \$5,000 per lot. This includes also industrial and commercial lots and parcels. A lot of people are buying on speculation, recognizing that the future will be there and they are buying on the grounds.

Mr. WIDNALL. How large are the lots?

Mr. WINDHAM. The lots would average from the minimum 7,500 square feet and the average on the golf course is 12,500—100 by 125 feet.

Mr. WIDNALL. Are many of these people buying the lot to build a home for retirement purposes or for active use—earning a living there close by? There is not anything close by.

Mr. WINDHAM. We are now underway with the development of the first industrial-commercial complex and we have our first EDA financed complex progressing, which is a 54,000-square-foot manufacturing plant which is expanding and we enticed them to expand to Lake Havasu City. EDA has the necessary programing or financing that would enable the development to offer them an enticement which would be lower rents, since the area is qualified under the EDA program.

To answer your question more specifically, it is very interesting if you flew over a year ago and fly over it now, you would see homes spotting here and there all over the development. These people who are now building those homes are arranging their own conventional financing based on their financial stability and they are primarily financing away from there, from where they come from, St. Louis, Chicago, or wherever it might be. They are paying off their lots in advance. The lot sales call for 10 percent downpayment and balance paid out over a period of time and when 50 percent of the sales price has been paid in, then the developer will subordinate the balance of his position, the first position, to home mortgage financing.

These people, as I said, are financing from their own sources so far, outside of the FHA tracts that we now have underway. A lot of them are building second homes with the idea that eventually they will move to Lake Havasu when a more solid base of economy for the development has taken place. They evidently elect to migrate to the sunny country for some reason or other.

In just one moment I will give you a brief incident that just happened recently. While at Lake Havasu City one day I got a haircut. While talking with the barber I asked him where he was from. He said he was from St. Louis. I said, "How long have you been out here?" He said "3 years." I said "the city has not been here that long." He said, "I have been in Phoenix 3 years." I said, "What brought you here?" He said, "When I left St. Louis I was in a wheelchair." I said, "What was your problem?" He said, "I had arthritis" and as he was cutting my hair, standing cutting my hair, I turned around and looked at him. I said, "This is interesting. What do you attribute this to?" He said, "The sunshine." I said, "It would be pretty hard to get you to leave the desert?" He said, "Absolutely."

Mr. BARRETT. Mrs. Sullivan?

Mrs. SULLIVAN. Just one question. I think you have made a great contribution.

Mr. WINDHAM. Thank you.