

REAL ESTATE IN 1917.

The conditions of the real estate market during the year 1917 were somewhat more encouraging, and there are visible signs of at least a partial recovery from an extended period of depression in real estate which set in a year or so before the beginning of the war and was aggravated by the breaking out of the war.

From that time sales of real estate have slowed down, prices have receded, and quietness has been the chief characteristic of the market. Notwithstanding the apparent dullness, there were 6,838 registered sales of real estate in Montreal in 1917, amounting to \$35,590,303, and 1,050 sales in the adjoining municipalities of Westmount, Outremont, Maisonneuve, Verdun and Montreal West, amounting to \$6,308,414.

Of the city wards the largest amount of sales in any ward during the year was in Notre Dame de Grace, with 714 sales, amounting to \$3,347,885, and the largest number of sales was in Bordeaux ward, with 1,293 sales, amounting to \$2,707,581.

During the previous year (1916) there were 6,931 registered sales of Montreal real estate amounting to \$35,324,721, and 1,135 sales in the adjoining municipalities amounting to \$7,413,861.

When the sales of Montreal real estate in the year 1917 are compared with those of 1912, with its 13,618 recorded transfers amounting to \$141,605,548, one can easily imagine that a satisfactory amount of liquidation has taken place in the interim and that prices now are likely to be at their lowest point.

At no time has there been less speculation on small margin than there is to-day. Boom features are entirely absent.

A fair amount of money has been available for good mortgage loans and the prevailing rates of interest are six and a half and seven per cent. The depression in Montreal real estate has scaled down values, and this has had the effect of reducing the borrowing demands of real estate owners to such a reasonable level that the mortgage loans now being made are on a sound and conservative basis.

There was a decided improvement in the renting situation in the fall of 1917, and especially in the demand for heated flats and apartments. Few houses to rent have been built since the beginning of the war, and, as the population continues to increase, the shortage in residential space becomes more evident and will doubtless manifest itself in an increase of rents. There is also a better demand for business premises for factory and other purposes.

An improvement in the renting situation is usually the forerunner of increased activity in real estate, and leads to increasing values.

From the Department of Building Inspection in Montreal we learn that during the past year 781 permits were issued for new buildings to cost \$3,252,757, and 798 permits for repairs and alterations, representing a value of \$1,134,881, making in all \$4,387,638.

Since the commencement of the war there has been a steady decline in building operations in Montreal, and the figures for 1917 are the lowest of any year since 1904. These figures are for Montreal only and they do not include building operations in the adjoining municipalities of Westmount, Outremont, Verdun and Maisonneuve.

The extent of the decline in building construction may be better estimated when we consider that in 1913 the permits issued in Montreal represented a value of \$27,032,097.

Owing to the difficulty in getting mortgage money at reasonable rates for building construction, and to the high prices of materials and labor—which may continue for some time—building operations are likely to be limited to the minimum of actual necessity. Increase of rents will follow, and, as a natural sequence, increase in land values.

The assessed valuation of real estate in the city of Montreal for the current civic year ending first of May next (1918) amounts to \$824,630,229; out of which properties to the amount of \$206,931,108 are exempt from civic taxation—the assessed value of the taxable properties being \$617,699,121.

The properties exempt from taxation are owned as follows:

City of Montreal, about \$58,000,000
Exempt by by-law or agreement, about 15,000,000
Dominion and Provincial Governments, and
Montreal Harbor Commissioners, about 42,000,000
Churches, parsonages, etc., schools, institutions and hospitals, etc., about 91,000,000

The outlook for the real estate market in 1918 has many elements of encouragement for the future. The market is healthy and gives promise of a steady growth when normal conditions are restored.—The Cradock Simpson Company Annual Review.

Eighty-Sixth



Annual Report

The Bank of Nova Scotia

Capital Paid-Up, \$6,500,000. Reserve Fund, \$12,000,000

PROFIT AND LOSS

Balance Dec. 30th, 1916	\$ 584,653 95
Net profits for year, losses by bad debts estimated and provided for	1,295,315 52
	<u>\$1,879,969 47</u>
Dividends for year at 14%	\$ 910,000 00
War Tax on circulation to December 31st, 1917	65,000 00
Contribution to Halifax Relief Fund	100,000 00
Contributions to Canadian Patriotic, British Red Cross and other Funds	44,700 00
Contribution to Officers' Pension Fund	50,000 00
Writer off Bank Premises Account	150,000 00
Balance carried forward December 31st, 1917	560,269 47
	<u>\$1,879,969 47</u>

RESERVE FUND

Balance December 30th, 1916	\$12,000,000 00
Balance forward December 31st, 1917	<u>\$12,000,000 00</u>

GENERAL STATEMENT AS AT DECEMBER 31st, 1917

LIABILITIES	
Capital Stock paid in	\$ 6,500,000 00
Reserve Fund	12,000,000 00
Balance of Profits, as per Profit and Loss Account	560,269 47
Dividends declared and unpaid	229,008 50
	<u>\$19,289,277 97</u>
Notes of the Bank in circulation	12,171,422 84
Deposits not bearing interest	\$26,102,809 54
Deposits bearing interest, including interest accrued to date	78,235,361 00 104,338,170 54
	<u>116,509,593 38</u>
Balances due to other Banks in Canada	511,554 12
Balances due to Banks and Banking Correspondents in the United Kingdom	73,699 23
Balances due to Banks and Banking Correspondents elsewhere than in Canada and the United Kingdom	1,268,291 83
	<u>118,363,138 56</u>
Acceptances under Letters of Credit	664,828 53
ASSETS	
Current Coin	\$ 9,701,042 43
Dominion Notes	10,426,962 00
Notes of other Banks	1,508,880 26
Cheques on other Banks	6,689,872 81
Balances due by Banks and Banking Correspondents in the United Kingdom and sterling exchange	3,435,721 08
Balances due by Banks and Banking Correspondents elsewhere than in Canada and the United Kingdom	2,002,382 04
	<u>33,764,860 62</u>
Deposit in the Central Gold Reserves	6,500,000 00
Dominion and Provincial Government securities, not exceeding market values	12,704,328 27
Canadian municipal securities and British, Foreign and Colonial public securities other than Canadian, not exceeding market value	13,094,847 21
Railway and other bonds, debentures and stocks, not exceeding market value	3,804,295 30
Demand loans in Canada secured by grain and other staple commodities	10,310,598 00
Call and demand loans elsewhere than in Canada	7,928,753 00
	<u>88,107,682 40</u>
Call and demand loans in Canada secured by bonds, debentures and stocks	3,927,564 88
	<u>92,035,247 28</u>
Deposit with the Minister of Finance for the purposes of the circulation fund	321,015 06
Loans to governments and municipalities	501,204 72
Other current loans and discounts in Canada (less rebate of interest)	34,145,581 49
Other current loans and discounts elsewhere than in Canada (less rebate of interest)	7,373,289 89
Liabilities of Customers under Letters of Credit, as per contra	644,828 53
Overdue debts, estimated loss provided for	129,638 92
Bank Premises at not more than cost, less amounts written off	2,991,418 98
Real Estate other than Bank Premises	89,600 00
Other assets not included in the foregoing	65,420 19
	<u>\$138,297,245 06</u>

CHARLES ARCHIBALD,
Vice-President.

H. A. RICHARDSON,
General Manager.

AUDITORS' CERTIFICATE

We have examined the books and accounts of The Bank of Nova Scotia at its Chief Office and have been furnished with certified returns from the Branches, and we find that the above statement of Liabilities and Assets as at December 31st, 1917, is in accordance therewith. The Bank's investments and the securities and cash on hand at the Chief Office and at several of the principal Branches of the Bank were verified by us at the close of business December 31st, 1917, and in addition we visited the Chief Office and certain Branches during the year, when we checked the cash and verified the securities and found them to be in agreement with the books. We have obtained all information and explanations required, and all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank. And we certify that the above statement of Liabilities and Assets as at December 31st, 1917, is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

A. B. BRODIE, C.A.

D. McK. McCLELLAND, C.A.

Of the firm of Price, Waterhouse & Co.
Auditors.

Toronto, Canada, 15th January, 1918.