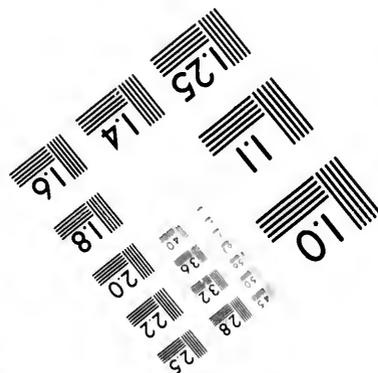
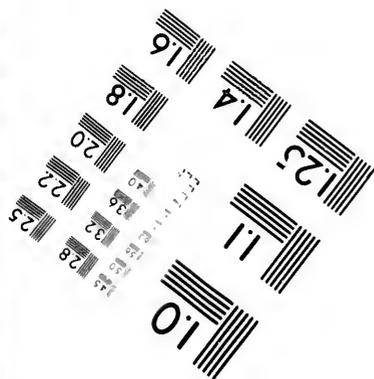
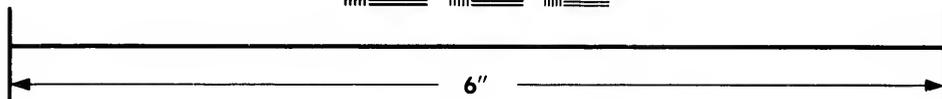
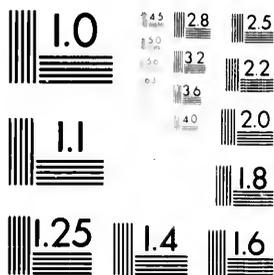


**IMAGE EVALUATION
TEST TARGET (MT-3)**



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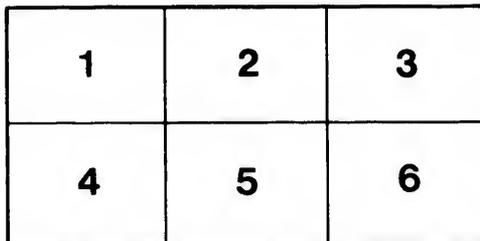
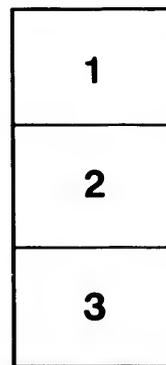
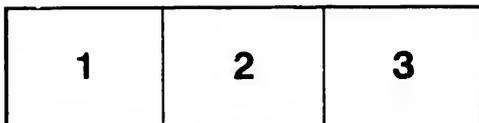
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Original copies in printed paper covers are filmed beginning with the front cover and ending on the last page with a printed or illustrated impression, or the back cover when appropriate. All other original copies are filmed beginning on the first page with a printed or illustrated impression, and ending on the last page with a printed or illustrated impression.

The last recorded frame on each microfiche shall contain the symbol \rightarrow (meaning "CONTINUED"), or the symbol ∇ (meaning "END"), whichever applies.

Maps, plates, charts, etc., may be filmed at different reduction ratios. Those too large to be entirely included in one exposure are filmed beginning in the upper left hand corner, left to right and top to bottom, as many frames as required. The following diagrams illustrate the method:



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à



PROSPECTUS

OF THE

HAMILTON

REAL ESTATE

ASSOCIATION.

CAPITAL, - - \$100,000.

INCORPORATED BY LETTERS PATENT 1874.

HAMILTON:
Times Printing Company, Hughs Street.
1875.



1875
(6)



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PROSPECTUS
OF THE
Hamilton Real Estate Association.

INCORPORATED BY LETTERS PATENT 1874 CAPITAL \$100,000,
In shares of \$25 each, payable as follows :

Ten per cent. on 31st December, 1875, and the balance on
31st March, 1876.

OR,

Ten per cent. on 31st December, 1875, and the balance in
nine quarterly payments of ten per cent. each, commencing 31st
March, 1876,

OR,

Ten per cent. on 31st December, 1875, and the balance in
Forty-five monthly payments of fifty cents per share each, com-
mencing 31st January, 1876,

As may be decided by the shareholder at the time of subscrip-
tion.

This Company has been Incorporated for the purpose
of buying land, building houses in numbers, by contract or other-
wise, and selling them at a reasonable profit, *on the instalment
plan*, the purchase money being paid in equal monthly or quar-
terly sums for a term of years.

Companies working on this plan are in active operation in
nearly every city in the United States; also in Montreal and
Toronto, and, in each instance where their reports have been
obtained they are found to be making very satisfactory profits.

The advantages to the Shareholder of *association* for
such a purpose are obvious; the possessor of a single share, on
which has been paid only fifty cents per month, having the full
benefit, in proportion to his interest in the Company, of the con-
tinual turning over and investment to the best advantage of the
whole funds of the company, while the larger capitalist, who thus
has his means invested in real estate without trouble to himself,
holds the power to recall his capital at any moment, by the dis-

posal of his shares to the highest bidder, instead of finding himself the possessor only of land or long-dated mortgages, which though perfectly good, might not be immediately convertible into cash

The Profits of the Association would be derived chiefly from :—

A.—The difference between cost of houses built in numbers and the price of same sold singly, which could reasonably be estimated at twenty-five per cent.

B.—The interest on mortgages held by the Company for purchase money of houses sold.

C.—The advance in price which could be obtained for land bought by the company in large blocks, when sold *by the foot*, as well as the natural increase in the value of all land held for building purposes.

The capital being called up only by degrees the Company would commence on a comparatively small scale, and gain experience as they extended their operations; and if it should be found at any time that it was desirable to cease building for a few months, they would have the power to invest their funds in mortgages on the usual Savings and Loan Society plan, making the same profits as those Societies.

The advantages to the Purchaser of a house would be so great that the Company would probably find the demand *always* greater than the supply, this being in fact the only system on which a person of limited income and without capital available for the purpose can ever **become his own Landlord**.

The purchaser gets a house which, for the sake of the Company's own reputation, must be well built and in a good situation, his title will be perfect, he pays no greater price than it would have cost him *with cash in hand* to build the house himself, and he pays it (within reasonable limits), in the way that suits his own circumstances best, either in equal monthly or quarterly payments *amounting to little more than his usual rent*, or in amounts which gradually increase or gradually decrease with each payment; and finally, he is dealing with a Company which would always be in a position to build him an addition to his house if he should wish it, taking payment in the same way as for the house and lot; or, on the other hand, to grant him extra time on his payments if he was obliged to ask for it, or to accommodate him in many other ways, such as assisting him to sell his house if necessary. A Building Association in the States, now

selling an average of *one house a day*, claims that not one of its purchasers has ever resold at a loss.

EXAMPLE No. 1.

A nine-roomed two-and-a-half storey brick house, of 19 feet frontage, with bathroom, &c., piped for gas and hot and cold water, and well finished inside and out in modern style, can be built (a contract being let for several at once) for \$1,500, on a lot costing say \$10 per foot. Such a house can be rented for \$18 a month and taxes, and could easily be sold for say \$400 cash and a payment of \$5 a month, for ten years, over and above the ordinary rent.

The purchaser would then pay in cash, - - - - -	\$ 400
And \$23 a month for ten years, - - - - -	2,760
	<hr/>
	\$3,160
Instead of paying in rent \$18 a month for ten years, -	2,160
	<hr/>
	\$1,000

Showing him to have paid, over and above the usual rent, \$1,000 for a house which would cost him at least \$2,250 to build.

(In this case, a purchaser paying *no cash* would have to pay \$28 a month for the same time.)

The profit to the Company would be as follows, supposing them to borrow from a third party one half the value of the house when finished, and pay off the loan as they receive money from the purchaser.

Cost of house, - - - - -	\$1,500
19 ft. land at \$10, - - - - -	190
Legal expenses, say, - - - - -	10
	<hr/>
	\$1,700
Deduct cash received from purchaser, - - - \$ 400	
“ amount borrowed on mortgage, - - - 1,000	1,400
	<hr/>
Showing the whole amount of Co.'s investment to be,	\$300
They would then receive each month, for ten years, - -	\$23
And would pay for principal and interest on their loan of \$1,000, each month, - - - - -	\$12
And for expenses of management, insurance, &c., each month, say, - - - - -	2
	<hr/>
	\$9

Leaving them, in return for an investment of \$300, a clear income of \$9 a month, for ten years, the "present value" of which, at 8 per cent., would be \$750.

EXAMPLE No. 2.

A four-roomed, painted wooden cottage, of 17 feet frontage, and detached, can be built complete for \$350, on a 30 ft. lot, costing say \$5 a foot, and could be rented for \$6 a month, or sold for say \$100 cash and \$8 a month for ten years.

Company's outlay would then be, for house and lot, - -	\$500	
Less cash payment by purchaser, - - - - -	\$100	
" borrowed on mortgage, - - - - -	300	400
		<hr/>
		\$100

And the returns from the investment would be

A monthly payment of - - - - -	\$8.00	
Less required to pay off mortgage per month, -	\$3.60	
" " for expenses per month, say, .	.80	4.40
		<hr/>
Leaving a monthly income for ten years of - - - -	\$3.60	
present value of which would be \$300.		

In practice, the sums borrowed *by* the Company would probably not be repaid in monthly instalments, but the result would be the same, provided the rate of interest did not exceed eight per cent.

The purchaser of a house would receive an agreement for a deed, to be given him when a certain number of payments had been made, by which time the Company would have paid off the amount borrowed by them on the property; or if the purchaser wished a deed at time of sale, he could assume the Company's mortgage, give them a second mortgage on the property, paying off both at the same time.

Subscriptions will be received, or further information given, by

BAKER & HEBERT,

Stock Brokers,

Hamilton, November, 1875.

72 James Street North.

BUILDERS' CERTIFICATE.

Hamilton, 12th Nov., 1875.

We certify that, to the best of our knowledge and belief, houses such as described in Examples Nos. 1 and 2 herein can be built and finished in good style for the sums mentioned, or less, by a Company letting a contract for several at a time ; and we are of opinion that a number of such houses could be readily sold in the manner and for the price proposed.

PETER BALFOUR.

E. VAN ALLEN.

