

THE CLEVELAND PLAN

THE NEW YEAR

AND

THE NEW DEAL

A PLAN TO PUT THREE MILLION MEN TO WORK
BUILDING HOMES

HARRY D. KOBLITZ
REALTOR
EMPIRE BUILDING
CLEVELAND, OHIO

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A NATIONAL PLAN TO START HOME BUILDING

Lot to be free and clear of all encumbrances.

Complete plan showing detail cost of material and separate cost of labor.

Plan and cost to have proper approval of government housing department.

Government to give to the home owner an amount equal to 50% of the total labor cost including architects fees, in the form of Self-liquidating Home Owners Bonds bearing 3% interest.

The proceed of the bond to be paid by the escrow agent to the Home Owner on Architects final estimates of material and labor.

Plan for self-liquidating bonds:

The County shall assess the property for taxes in the regular manner, the amount of tax allocated to the House Only shall be put in a special account by the County Treasurer and paid to the Self-liquidating Home Owner Bond Fund until the entire interest and principal are paid in full.

EXAMPLE

The Home Owner to Construct a house to cost,
including labor and material, \$5,000.00

Labor represents 50% of this cost, or \$2,500.00

The Government to subsidize the Home Owner
as an outright grant 50% of the labor cost in
the form of Home Owners Self-Liquidating
3% Bonds 1,250.00

The Net Cost to the Home Owner for labor 1,250.00

Material Costs 2,500.00

The Net Cost to the Home Owner of a \$5,000 house \$3,750.00

This plan results in a saving to the Home Owner of 50% of the labor
cost or 25% of the total cost.

Assuming that the lot which is free and clear valued at, \$1,500.00
Contract for the construction of the house, labor and
material, 5,000.00

Total Present Day value of lot and house \$6,500.00

A first mortgage loan of less than 60% of the total cost of land and
building would enable the Home Owner to construct a new home
with no additional investment other than a lot free and clear of
encumbrances.

For additional information and detail of this plan, write:

HARRY D. KOBLITZ,
Realtor,
Empire Building,
Cleveland, Ohio