

record of 249,914 established in 1972 (Table 14.1). This is well ahead of the annual rate of 245,000 starts that the Economic Council of Canada had forecast would be required to meet the needs of Canadians. The greatest increase in starts was in single-family dwellings, although multiple units also increased. Most of the units, about 240,000, were financed by the private sector. Of the approximately 32,000 financed directly by the Corporation, nearly all were initiated under National Housing Act programs which provide low-cost loans and other assistance for low- or moderate-income people.

The average family income of purchasers of NHA-financed houses in 1973 was \$12,856. These incomes were 7.8% higher than the corresponding averages for purchasers in 1972, in line with the general increase in incomes in 1973. As in previous years relatively few purchasers of NHA homes, 5.9% in 1973 and 9.6% in 1972, were drawn from the lower third of the range of family income. The average age of purchasers of NHA houses was 32.2 years in 1972 compared to 32 in 1973. In 1973 just under one half of the purchasers had two or more children and 26.8% had previously been home-owners.

The average cost of NHA-financed single-family dwellings purchased in 1973, including many started in the previous year, was \$24,678. On these houses purchasers provided down payments averaging \$4,515. Compared with 1972 these payments represented an increase of 9.4% in cost and a decrease of 12.9% in down payment. As in other years most of the NHA-financed single detached houses purchased in 1973 were bungalows, representing 68.9% of the total compared with 68.4% in 1972. The proportion of split-level dwellings decreased from 27.0% to 25.4%. Two-storey dwellings dropped from 5.6% in 1972 to 3.5% in 1973. Of these dwellings about 92.8% had one to three bedrooms and the remainder had four or more. Types of dwelling units started in selected metropolitan areas in 1972 and 1973 are given in Table 14.2.

14.2.1 Direct and insured lending

Direct loans. CMHC may make direct loans in the open market for both home-ownership and rental housing if, in the opinion of the Corporation, loans are not available through approved lenders. Loans are made to any eligible home-owner applicant but direct loans to builders are normally subject to a requirement that the houses be pre-sold to buyers meeting certain criteria.

A total of \$38.2 million in direct Corporation loans to the private sector was approved during 1973. This represented 2.1% of the total NHA loans for home-ownership and rental loans during the year. In the private sector, the Corporation's lending continued to be directed mainly to families with moderate incomes in smaller centres and resource areas in which mortgage financing from the approved lenders is difficult to obtain. The Corporation made loans for 898 new family housing units in 1973, compared to 6,046 units in 1972 and 13,261 units in 1971.

Direct loans and grants are also provided under the Assisted Home-Ownership Program to help low- and moderate-income families to purchase a home without spending more than 25% of their gross income on shelter. Assistance is provided in accordance with a graduated scale of adjusted family incomes. As family income decreases assistance increases. Following interest rate adjustments down to CMHC's lowest rate a maximum grant of \$300 a year is available to further reduce monthly charges. Generally the program will serve families in the income range of \$6,000 to \$11,000 per annum. The total number of new units financed in 1973 was 569 for home-owner applicants and 4,944 units for sale by builders. During the year financing was provided for 1,392 existing units. The total amount loaned was \$133,059 million.

CMHC may make loans to any organization, corporation or individual to assist in financing the construction of low-rental housing projects. In addition to self-contained units, development may include hostel or dormitory accommodation for elderly and low-income individuals. Loans may be made for a maximum of 95% of the lending value established by CMHC. The repayment period may not exceed the useful life of the project or a maximum of 50 years. Interest rates are established by the Governor in Council and specifications as well as financing and operating arrangements must be approved by the Corporation. In 1973, 81 NHA loans were approved to entrepreneurs and other private borrowers for a total of \$70.1 million. This provided 4,864 housing units for individuals and families of low- and moderate-income. These figures include eight loans amounting to \$1.5 million made to Indian bands for 119