

Chapter 14

Housing and construction

14.1 Housing

Although the federal government entered the housing field in 1918 when it made money available to the provinces for re-lending to municipalities, the first general piece of federal housing legislation was the Dominion Housing Act passed in 1935. This was followed by the National Housing Acts of 1938 and 1944. The present National Housing Act, defined as "an Act to promote the construction of new houses, the repair and modernization of existing houses and the improvement of housing and living conditions", was passed in 1954.

In general the federal government, through successive Housing Acts, has attempted to stimulate and supplement the market for housing rather than assume direct responsibilities that belong to other levels of government or that could be borne more effectively by private enterprise. The aim has been to increase the flow of mortgage money and to encourage lenders to make loans on more favourable terms to prospective home-owners. Almost half of the country's present stock of approximately 6.4 million dwelling units have been built since the first covering legislation was enacted. About one third of these were financed in one way or another under the Housing Acts.

The Farm Credit Act, providing for federal long-term loan assistance for housing and other farm purposes, and the Farm Improvement Loans Act, providing for guarantees for intermediate- and short-term loans made by approved lending agencies to farmers for housing and other purposes, are described in greater detail in Chapter 11. The Veterans' Land Act provides a form of loan and grant assistance to veterans for housing and other purposes; it is dealt with in Chapter 6. These three statutes are concerned only incidentally with housing.

All provinces have complementary legislation providing for joint federal-provincial housing and land assembly projects, and most have enacted separate legislation on housing. Details are available from the respective provincial government departments.

Central Mortgage and Housing Corporation. The Central Mortgage and Housing Corporation is a federal Crown corporation created by Act of Parliament in 1945 (RSC 1970, c.C-16). Under this Act CMHC may make loans and contributions to individuals and organizations for housing. Such funds may be used for construction of new housing or rehabilitation of existing units, urban renewal, planning and servicing new communities, land assembly, construction of student housing, the construction and expansion of sewerage projects, as "start-up funds" to enable individuals or private non-profit organizations to undertake housing projects for low-income groups, for housing on Indian reserves and various other purposes.

The Corporation may also construct and administer housing and certain other buildings on its own account and for other government departments and agencies. Its responsibilities include providing architectural and engineering designs, calling public tenders, administering construction contracts, including any necessary on-site surveying and engineering and carrying out full architectural and engineering inspections.

CMHC is concerned with building technology in formulating standards for housing construction, the use of suitable materials and the development of new building techniques. The Corporation has no laboratory facilities but has experience of performance in the field and seeks the advice of specialists in various agencies and departments of the federal government. Research is conducted into such factors as the demand for new housing, the volume of new housing being built and the supply of mortgage money available. The Corporation also coordinates and publishes statistical information on housing. Funds provided under the NHA support the Canadian Housing Design Council, the Community Planning Association of Canada and the Canadian Council on Urban and Regional Research.

14.2 Federal housing activity, 1974

A variety of economic factors in Canada and throughout the world seriously affected the housing market in 1974, resulting in a marked decline in housing starts. By the end of the year, however, house-building activity showed some improvement. After three years of steady growth housing starts across Canada declined by 17% during 1974 to 222,123 dwelling units,