

compared with the record total of 268,529 starts in 1973. Multiple-unit dwellings, such as apartment buildings, showed the greatest decline — 30% while starts on single-family houses were down by 7%. The construction of semi-detached houses and duplexes declined by 17%, and row housing was down 14% (Table 14.1).

While starts were down, the number of completions reached a record level of 257,243 during 1974, a result of the high volume of starts in the previous year. Most of the increase in completions was in single-family and row housing. Housing starts financed directly by CMHC during 1974 showed a modest increase of 5% to 30,352, due principally to a substantial increase in the Assisted Home-Ownership Program, which produced 11,773 starts.

The average family income of purchasers of NHA-financed houses in 1974 was \$13,538. These incomes were 5% higher than the corresponding averages for purchasers in 1973, in line with the general increase in incomes in 1974. As in previous years relatively few purchasers of NHA homes, 3.6% in 1974 and 5.9% in 1973, were drawn from the lower third of the range of family income. The average age of purchasers of NHA houses was 31.4 years in 1974 compared to 32 in 1973. In 1974, 46.5% of the purchasers had two or more children and 30.8% had previously been home-owners.

The average cost of NHA-financed single-family dwellings purchased in 1974, including many started in the previous year, was \$27,065. On these houses purchasers provided down payments averaging \$5,000. Compared with 1973 these payments represented an increase of 10.0% in cost and 12.0% in down payment. As in other years most of the NHA-financed single-family houses purchased in 1974 were bungalows, representing 72.7% of the total compared with 68.9% in 1973. The proportion of split-level dwellings decreased from 27.0% to 23.7%. Two-storey dwellings dropped from 3.5% in 1973 to 2.8% in 1974. Of these dwellings about 95.9% had one to three bedrooms and the remainder had four or more. Types of dwelling units started in selected metropolitan areas in 1973 and 1974 are shown 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 suitable buyers.

A total of \$40.0 million in direct Corporation loans to the private sector was approved during 1974. This represented 1.9% 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 is difficult to obtain. The Corporation made loans for 542 new family housing units in 1974, compared to 898 units in 1973 and 6,046 units in 1972.

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 \$600 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, although this figure can range up to \$16,000 in high-cost areas.

Since the inception of the program 25,181 families have purchased homes with help from the Assisted Home Ownership Plan, involving \$568 million in loans and contributions. Overall activity has supported the purchase of 9,129 existing housing units and 16,052 new homes. In the fall of 1974 the program was directed exclusively to new construction to encourage housing starts and to increase employment opportunities in house-building.

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 1974, NHA