

Housing activity

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The year 1975 was notable for housing in two ways. Production, slowed in 1974 and early 1975, recovered and by year end more than 230,000 housing starts exceeded by a substantial margin the government's minimum target of 210,000. The largest increases were in semi-detached, duplex and row housing which taken together increased from 25,955 starts in 1974 to 37,166 in 1975. Single-family housing starts increased slightly from 122,143 to 123,929 but apartment starts moderated from 74,025 to 70,361.

The other notable trend was a shift from more expensive housing production toward the medium and lower price ranges. This trend was reinforced by new and modified federal assistance programs and by limitations observed by lenders on high-ratio loans. It also had a significant effect on residential construction, bringing it more closely in line with the most urgent housing needs of Canadians.

During 1975 a continued effort was made by all levels of government to increase the supply of serviced land and to stabilize land prices. Progress was made to speed up approval processes and get serviced land on the market more quickly. Amendments to the National Housing Act provided for a contribution of \$1,000 to municipalities for each unit of moderate-cost medium-density housing completed, an incentive to stimulate desirable residential development.

Progress was made also in the implementation of the Rural and Native Housing Program, Residential Rehabilitation and Neighbourhood Improvement. As anticipated, these programs which depend for their success on the direct involvement of client groups grew at a steadily accelerating pace. During 1975, Parliament enacted two bills amending the National Housing Act. The first, given Royal Assent on March 26, broadened the Assisted Home-Ownership Program and the Assisted Rental Program by making interest-reducing federal grants available to qualified home buyers or rental-housing entrepreneurs who obtained their financing through private mortgage loans.

Previously these grants were available only with direct CMHC mortgages. These changes helped to draw almost \$750 million of private mortgage loan commitments into new modest housing. At the same time, the amendments allowed CMHC to acquire and lease land at favourable rates to non-profit and cooperative housing projects. They offered more generous assistance to municipalities for sewerage treatment projects and extended the program to trunk storm sewer systems for new residential development.

In December the NHA was amended again in support of the Federal Housing Action Program. By this program, the federal government committed itself to a target of a million new housing starts by the end of 1979, with a significantly greater proportion in the lower and medium price ranges. This would meet the forecast minimum needs of Canadians over the next four years, taking into account family formation, vacancies and other factors. The target for 1976 was set at 235,000 housing starts. A million new starts would mean more than a million jobs in the construction industry and associated businesses.

The December amendments made further modifications in the Assisted Home-Ownership and Assisted Rental programs. Outright grants were continued and increased under AHOP for families needing them. In addition for the first time, loans which would be interest-free during the first five years were made available to anyone, with or without children, who wished to buy a moderately-priced home within the local AHOP price limits. The loans would have the effect of reducing monthly mortgage and tax payments to the level that would apply if the