

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. CMHC 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.

The average family income of purchasers of NHA-financed houses in 1975 was \$15,192. These incomes were 12% higher than the corresponding averages for purchasers in 1974, in line with the general increase in incomes in 1975. As in previous years the majority of purchasers of NHA homes were drawn from the middle third of the range of family income. The average age of purchasers of NHA houses was 31.0 years in 1975 compared to 31.4 in 1974. In 1975, 47.4% of the purchasers had two or more children and 20.3% had previously been homeowners.

The average cost of NHA-financed single-family dwellings purchased in 1975, including many started in the previous year, was \$36,999. On these houses purchasers provided down payments averaging \$8,175. Compared with 1974 these payments represented an increase of 20.0% in cost and 13.0% in down payment. As in other years most of the NHA-financed single-family houses purchased in 1975 were bungalows, representing 68.7% of the total compared with 72.7% in 1974. The proportion of split-level dwellings increased from 23.7% to 25.6%. Two-storey dwellings rose from 2.4% in 1974 to 5.0% in 1975. Of these dwellings about 95.1% had one to three bedrooms and the remainder had four or more. Types of dwelling units started in selected metropolitan areas in 1974 and 1975 are shown in Table 14.2.

Direct and insured lending

14.2.1

Direct loans. CMHC may make direct loans in the open market for both homeownership and rental housing if, in the opinion of CMHC, 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 \$13.6 million in direct corporation loans to the private sector was approved during 1975. This represented 1.2% of the total NHA loans for homeownership 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 604 new family housing units in 1975, compared to 542 units in 1974 and 898 units in 1973.

Direct loans and grants were 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 was 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 was available to further reduce monthly charges. Generally the program served families in the income range of \$6,000 to \$11,000 per annum, although this figure could range up to \$16,000 in high-cost areas. In December 1975 the form of assistance was changed as a result of amendment to the NHA. Outright grants were replaced by loans, interest free for five years, designed to reduce the effective interest rate during the first years to a basic 8%.