at less than $65,000 and about one in five at $100,000 or more.

The average home value was highest in British Columbia where 58% of homes had an owner-estimated value of $100,000 or more. Alberta had the second highest at about $94,000. Average owner-estimated home values were lowest in the Atlantic provinces, ranging from $38,610 in New Brunswick to $42,995 in Nova Scotia.

Ontario had 37% of Canadian homeowners in 1981 and the average owner-expected value was $78,218, slightly above the national figure of $73,955. Quebec, Manitoba and Saskatchewan homeowners expected an average of just over $51,000 if they were to sell. In Yukon, the average estimated value was $61,528 and in Northwest Territories, $49,123.

7.2 Housing markets

7.2.1 Rental units

A predominant feature of housing markets in Canada's largest metropolitan areas has been the relatively low vacancy levels in the rental stock. Canada Mortgage and Housing Corp. (CMHC) has been conducting a semi-annual survey every April and October of rental units in structures containing six or more units.

An increased volume of completions of multiple-unit buildings in 1982 eased some of the pressures in the rental market. This was reflected in the increased average vacancy rate, excluding inventories, which rose to 2.1% in October 1982 from 1.2% in October 1981. Some further easing of rental markets was anticipated because of an increase in completed and unoccupied apartments at the end of 1982.

Housing analysts stated that to operate smoothly rental markets required the level of vacancies to be 3%, often referred to as the "frictional rate". Unless there are some vacant units, movement into and within the market is impeded.

Rent levels were going up but many of the metropolitan areas still had rent controls. Although these controls did not apply to new units, by affecting the overall rental level they tended to depress the rents charged for new accommodation. New units did come under rent controls, however, after an initial grace period. Rent controls are provincially imposed and there was no general trend across the country.

The choice confronting potential rental entrepreneurs was between the likely return on buildings for rent and on investing their capital elsewhere. Rental development has not rated favourably because of high interest rates and increasing construction costs. Before 1978 the government's assisted rental program (ARP) paid some of the difference between an economic return and prevailing rents. This program was eventually discontinued, although there was still a tax incentive available for rental investors which allowed them to write off rental losses, mainly depreciation, against other income.

In individual markets the problems were most acute in Toronto and the growth areas in Western Canada. The vacancy rate for Toronto was 0.3% in 1981, for Vancouver and Victoria 0.1% and in Calgary 0.7%. Prolonged low vacancy rates and pressures to push up rent could have discouraged the formation of new households particularly the non-family variety formed by young persons previously living at their parental homes.

7.2.2 Single detached dwellings

First-time buyers do not usually have much cash for a down payment, so their capacity to buy a house is determined largely by the amount of mortgage debt they can carry. This in turn depends largely on household income and the cost of mortgage funds. Thus higher house prices or increased mortgage interest rates are major factors in reducing access to home ownership.

Because variations in incomes across market areas are not as pronounced as those in house prices, whatever the interest rate, the percentage of householders who can afford an average-priced house in high-priced areas is significantly smaller than in lower-cost areas. But in high-priced areas the effects of increase in mortgage interest rates are more severe than in low-cost areas, so the total effect of high interest rates and high prices reduces the size of the potential client group to a small number.

Factors in speculation about the long-term housing market are a 7% decrease in the proportion of children under 15 in the population of Canada and a 17.9% increase in the age group over 65 years between 1976 and 1981. These results from the 1981 Census indicate that a different mix of dwelling units might be required in the early years of the 21st century.

7.2.3 Condominiums

Data were compiled for the first time in the 1981 Census on the distribution of dwellings forming part of a registered condominium. This recent phenomenon is particularly widespread in Ontario, British Columbia and Alberta where almost one out of 20 homeowners have condominium tenure.

The total number of condominium loans under the National Housing Act (NHA) increased slightly, by 2% in 1982. The most active areas were Toronto and Vancouver. Prices averaged $50,861 for metro areas and $35,879 in smaller centres. Vancouver, Calgary and Victoria commanded the lead in sale price levels. There was a continuation in the trend to higher ages of condominium buyers than of owners of single detached homes: 34.7 years as opposed to 31.9 years. This suggests older people selling single-family homes to move into condominiums and young families buying their first homes. This conclusion is supported by the fact that 55.1% of purchasers of existing NHA condominiums were previous owners in 1981. Borrower incomes in