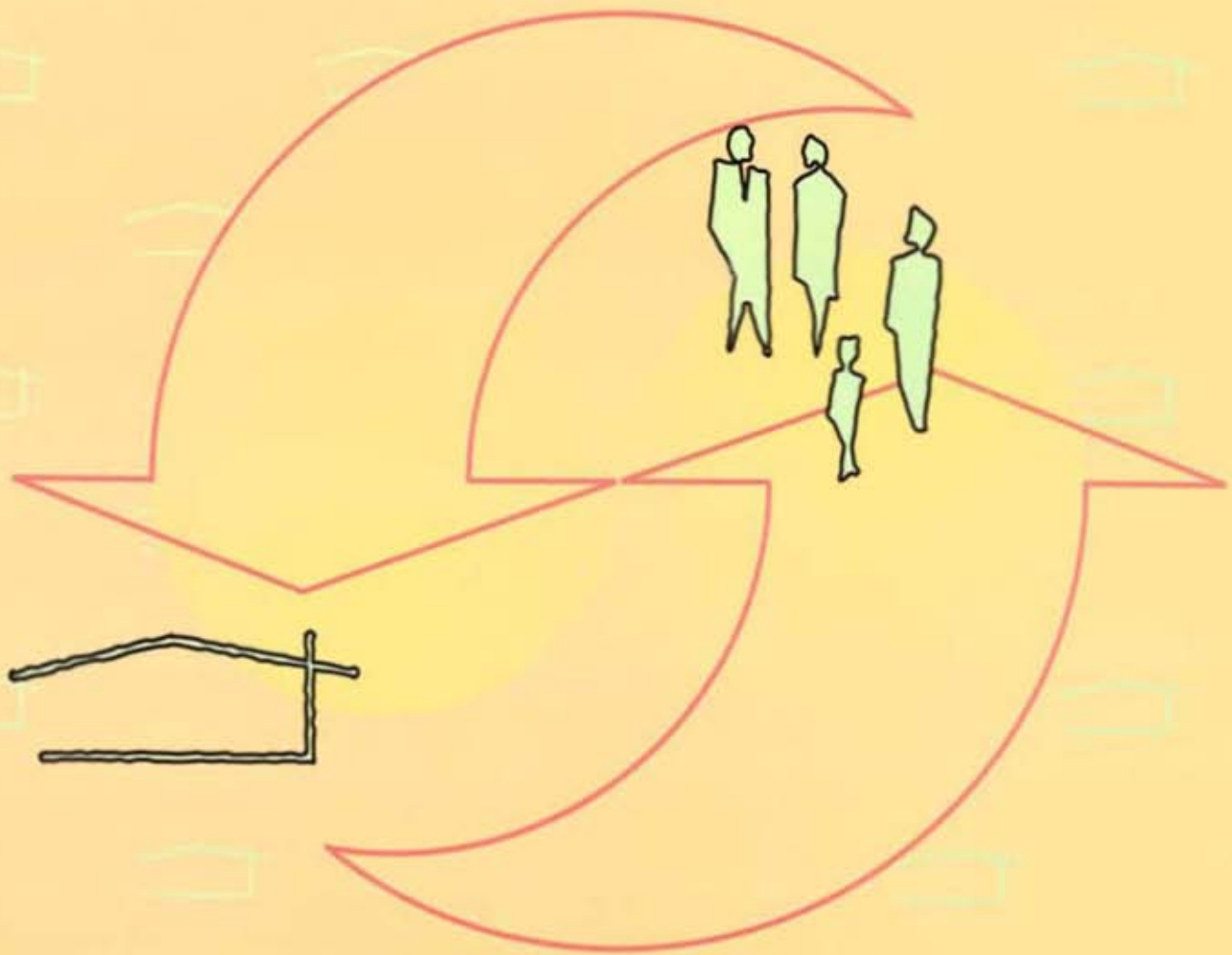


**PRESENTING
CANADA'S
HOUSING
SYSTEM**



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Canada

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INTRODUCTION

What our homes mean to us

Our homes form the stage upon which so much of daily life is played. They are essential to physical survival. They provide the calm centre of inspiration, security and repose, the cauldron of squabbles, and the engine room of family economies. Yet how do homes come to be the way they are? What is the "system" for building housing, getting it to those who need and want it, paying for it, keeping it in repair, and demolishing it when it is no longer required? How do houses as structures, as "machines" with many parts, become "homes" for people? These are the subjects of this booklet.

Each country takes a somewhat different approach to creating and supporting a system for providing housing to its residents. There is much we can learn from one another. This booklet introduces you to the Canadian system of housing. It describes the ways in which Canadians meet the challenges of providing adequate housing, in a climate that is often hostile, in a variety of forms, and at different prices to meet rapidly changing needs.

Main features of the Canadian housing system

Canada's housing system depends almost entirely on buyers, sellers, landlords, tenants, builders, lenders, and other participants pursuing their own interests, within a framework of laws, programs, and practices established by governments. The following are main features of the housing system.

- The land on which most housing rests is owned by individuals or small associations.
- Most of the construction, repair, and renovation of housing is arranged through private contracts between buyers and sellers of relevant services and products.
- Canadian houses are built with many different materials and with the help of technologies

that are complex but that can be mastered by many individuals, including occupants themselves.

- Most housing construction and renovation is financed through the use of a special type of loan called a mortgage. (About half of all Canadian dwellings owned by individuals have mortgages, secured by the property itself.)
- The rightful occupancy of housing is confirmed through private contracts between owners of dwellings and those who buy or rent those dwellings.
- All significant aspects of housing are regulated by municipal, provincial, and federal governments to ensure that dwellings are safe to occupy, provided with necessary services, adequately financed, and properly maintained.
- Governments provide a variety of supports and protections for those who cannot afford the full market rent or price of housing in order to ensure that everyone has at least basic shelter.

As you will see from this booklet, the different parts of the Canadian system work well together to provide housing units and to turn them into "homes" that reflect individual needs and tastes. While the system has some significant limitations and defects, it is one of the most successful in the world, measured according to various widely accepted indicators of quantity, quality, and progress collected in many countries. (See the statistical charts at the back of this booklet.) The Canadian housing system makes it possible for



the majority of Canadians to be adequately housed at reasonable cost, often in dwellings they own themselves.

How this booklet is organized

Presenting Canada's Housing System was prepared by Canada Mortgage and Housing Corporation (CMHC), Canada's national housing agency. CMHC seeks to promote wider domestic and international understanding of how Canadians are housed. The goal of this booklet is to describe aspects of Canadian housing that may appear obvious but are full of surprises. Canadians themselves take for granted much about their housing system. Visitors may not know where to start. A perspective on the whole system of housing readily becomes lost in individual experiences. It may be difficult to perceive that there is a working system composed of thousands of co-operating and competing parts. Canadians themselves may glimpse the system in full operation only on rare occasions—for example, when they wish to move to another community.

To present Canada's system of housing, this booklet begins with a series of everyday challenges faced by households in securing and maintaining housing for themselves. It describes how the different component systems operate to help people meet those challenges. It moves on to describe how the system works as a whole. The booklet concludes with comments on key problems and opportunities faced by Canada's housing system now and in the future.

Please note that this booklet is intended as a brief review of major elements of the Canadian system; it is a guide, not a detailed text. To obtain more specific information on any aspect of Canada's housing system, refer to the sources listed at the back of the booklet.

FINDING A NEW HOME

Deciding to move

Each year, approximately one in five households in Canada moves down the block, across the city, to the countryside, to a nearby community, or to another part of Canada. While some households remain in the same home for their whole lives, the majority of Canadians are quite mobile. For example, they may work for a large organization that reassigns them to another community in response to need or as they change positions in the corporation. They may lose or become dissatisfied with their job and look for something different in another community. They may have a child and find their existing home too small or inappropriate for a toddler. They may marry, divorce, or lose a loved one and want to make a fresh start in a new place. Their home may be about to be demolished or may be renovated to such an extent that they must move out. They may be evicted from their apartment for hosting loud parties or for not paying the rent.

Let us follow the Korchinsky/Lafortune family, who are currently renting a one-bedroom apartment and expecting their first child, to see how they meet the challenge of finding and buying a new, larger home using the Canadian system of housing.



The Multiple Listing Service

90n- 3
955
hall
or

4 on park, Golden 002-6128
bdrm split, fully room,
\$168,500, 8 Westpark.

BARGAIN 10737

WANT to sell quickly. Golden Tri-
house, Canal area, charming old
bathrooms, detached, 4 bedrooms,
hottubs, stained glass, 2nd
motivated. \$179,900. Price negotiable.

BARGAIN-RELOCATING 00580
CUSTATA single 3 1/2 charming Chin-
\$148,900, 3 bedrooms, 2 bathrooms,
fireplace, rec room, 1 car
teacuzzi, deck, garage, landscaped.
Open House Sunday.

RAVHVEN, beautiful, 1-1888
rickety, finished basement, 4 bdrm
grades. \$173,900. Open House
Sun., 1-3, 59 Pickett Dr.

HAVEN, beautiful 1-24807
4 bedroom, double garage.
10. No agents.

IVEN, beautiful 3 bedroom
1-70583
vib, 2nd vacuum, finished
\$104,900.

EN

1 plus 1 bdrm bungalow, 2 baths,
fireplace, dining room, hardwood
floors, finished basement, large por-
tals, enclosed lot/perennial
gardens. Open House Sat. Sun.
1-5. 461 Hammond Dr., \$159,900.

CUSTOM COUNTRY BEAUTY 10144
3 bdrm, 2100 sq. ft., 3 years old,
hardwood, superb view, 2 car
garage, ground source heat pump,
26 min. east of Orleans in
Hammond, \$183,000.

DOWNTOWN WATERFRONT 1-2288

LAST CHANCE!
LUXURY 3 bdrm, new City Hall,
Embassy. Cost \$260,000, it's
\$255,000 firm. by June 15 or I'll
gone. 85% financing.

ROBIN Lake estate, 3 bdrms., recent 1-8017
upgrades. Grand new Porc Ex-
\$159,900.

DUNHAWK area, newer highrise 1-6440
2 bed, 2 bath, 3

Over-
renov
LOCAT
treas
Must s
LOCKVI
on 10
Gatling
30 min
\$59,900.

LYNNE
EXECUTIVE 3
on Greenbri
ext. 828-7875

MANORADE
bdrm, burgin
3 bdrms, centr
vite. 100' Rock
\$150,900. Call
and window cov
fixable.

MANOTICK Rideau
3 bdrms, 2nd style o
franklin, centr
pump, pallet stair
floor.

posted in public places by owners, a practice common in many other countries. Finally, there are television channels in some urban regions that offer photos and brief descriptions of local homes listed for sale.

Finding out what can be afforded

The Korchinsky/Lafortune family have now visited and talked over a number of different possibilities, considering location, price, and features, and whether to rent or own. They may be overwhelmed with the amount of information they must consider in seeking a new dwelling. The couple needs to get back to basics—that is, determine what they can actually afford based on their savings and monthly income.

The couple has grown tired of renting, because they cannot make changes to their apartment without asking the landlord. They would like to be investing as well as paying money for a place to live. Both of their jobs appear to be secure, and they plan to live in whatever house they

select for at least five or six years, until their child is in primary school. As an incentive to first-time buyers, the federal government has allowed retirement savings to be withdrawn tax free in order to be used as a downpayment. However, the Korchinsky/Lafortunes simply do not have enough savings to pay cash outright for houses in the price range they want.

To debt-finance their purchase, they will likely need to make use of another major element of the Canadian housing system: the **mortgage lending system**. This system is composed of the approximately 11 000 branch offices of banks, trust companies, credit unions, and caisses populaires across Canada that make mortgage loans (loans secured by the collateral of a building and made for an amortization period that does not exceed the expected life of the building).

By visiting such a branch, the Korchinsky/Lafortunes will be able to find out how large a mortgage they are eligible for. Usually the branch will be one with which they already do business. The loans officer at the branch will ask them to provide detailed financial information about their income, assets, and debts. This information is then used to help calculate a monthly "carrying cost" that the family can afford. Typically, this amount will be about 27 to 30 percent of total monthly income. It will include money required to repay the "principal" (the amount originally borrowed), along with interest charges for borrowing and a monthly portion of the municipal taxes on the dwelling.

In calculating how much they can afford, the family must take other financial obligations into account. The size of the mortgage depends on the prevailing interest rates, the amortization period (the life of the mortgage), and the term of the mortgage (how long the mortgage will remain at the same interest rate). Generally speaking, the higher the interest rate, the shorter the amortization period, and the longer the term, the smaller the mortgage that can be afforded. Mortgage payments are made monthly, bi-weekly, or weekly.

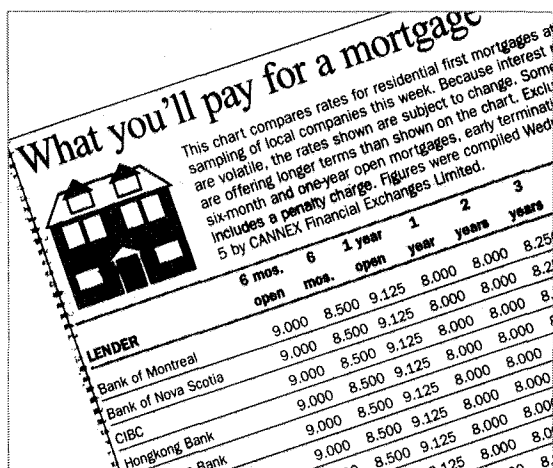
After a decade of high interest rates in the 1980s (from 11 to 18 percent per year), Canadians in the 1990s are becoming used to much lower rates, in the range of 6 to 8 percent. Rates of inflation are also much lower. Therefore short-term mortgages are cheaper than long-term ones, reflecting an expectation that inflation and interest rates may go up over the longer term.

Rate Information	
CIBC Mortgage	
1 Year	8.40
3 Year	8.625
4 Year	8.75
5 Year	8.875
CIBC GIC	
1 Year	6.125
3 Year	6.25
5 Year	6.625
CIBC Menu Account	
Balance Between \$25,000 and \$50,000	5.28
On Portion of Balance Between \$50,000 and \$100,000	6.58
On Portion of Balance Over \$100,000	6.58
RRSP Guaranteed Rate Account	
1 Year	6.375

Mortgage lending shaped by international capital markets

For a moment, let us zoom from the Korchinsky/Lafortune couple sitting in the office of a lender in their Canadian city up to the world capital market, of which the Canadian mortgage market is a part.

A key feature of the Canadian housing system is that interest rates for almost all loans are set in relation to the need to attract and retain investment of any kind in Canada from abroad. They also take into account the fact that money also has a price and that this price is largely set by how much people around the world are willing to pay for Canadian bonds and dollars.



The Bank of Canada—an institution of the federal government—sets its lending rate weekly, and privately owned lending institutions are strongly influenced by this rate. These lenders typically adjust their “prime” lending rate (the rate charged to their best borrowers) on a weekly basis as well. Otherwise, they could lose money on all the funds they borrow from the central bank when the rate goes up, or lose customers to competitors when the rate goes down. For the same reason, they are also likely to change their mortgage-lending rate if there is a shift of more than a few tenths of a percent in the Bank of Canada rate.

Mortgage interest rates reflect more than the Bank of Canada weekly rate-setting process. The shortest period for which mortgage money is lent is usually six months, and terms may extend up to five or ten years or even longer. Accordingly, those who lend mortgage money must consider what rates are likely to be in the future and how much interest they could earn by making other types of loans, for example to industrial corporations or to consumers. Juggling these factors to set mortgage-lending rates is the preoccupation of economic research staff in the head offices of the largest lenders. New rates are then issued electronically to all of the branches across the country, which immediately post them in the window or otherwise display them for potential borrowers. Typically, once one major lender moves interest rates up or down, all the others follow suit in order to remain competitive.

Thus there are multiple sources of information about what current interest rates are. This can be translated almost immediately into detailed information at the level of the Korchinsky/Lafortune household meeting with their loans officer. The household itself makes the final decision as to the term and amortization period for their loan, weighing their monthly payment requirements against the expected period during which they will live in the home and their own guess as to future interest rates.

Closing the sale

When they have decided how much they can afford, the Korchinsky/Lafortunes make a final decision about where they would like to live. They have had several conversations with a real estate agent and with the sellers of the houses that interest them, in order to gain more information. When they make their decision, they must make a formal offer, which is legally binding, meaning that if they do not keep their commitment to purchase, they may face financial penalties and even court action by the prospective seller.

Behind the scenes in the Canadian housing system is a whole legal structure based on hundreds of years of contract law and land law formulated in medieval England and France, as well as

in Canada itself from the 1600s onward. All housing in Canada is sold by contract and has some relation to a parcel of land. Housing is therefore subject to this body of laws and to precedents set by court decisions over time.

At the same time that they make a formal offer, the Korchinsky/Lafortunes are in the midst of negotiating mortgage financing with their lender. Indeed, they may make their offer conditional on approval of such financing. That is, the offer will remain valid only if the lender agrees to provide the funds toward the purchase price. There may be other conditions as well, such as inspection of the house to ensure that it is adequate in all respects, or provision made for repairs in the sale price. An appraisal of the value of the house may also be made by an independent appraiser.

It is vital to lenders that those who undertake long-term contracts in the form of

mortgages repay what they owe and on time. The lenders in turn raise the money to lend for mortgages through other contracts with those who offer their savings, often in the form of Guaranteed Investment Certificates (GICs). To increase the security of their loan, lenders require a downpayment from a borrower's own savings, usually 25 percent of the purchase price. In other words, the mortgage loan does not cover the full value of the dwelling; every purchaser must have some financial stake in wanting to keep up with their payments.

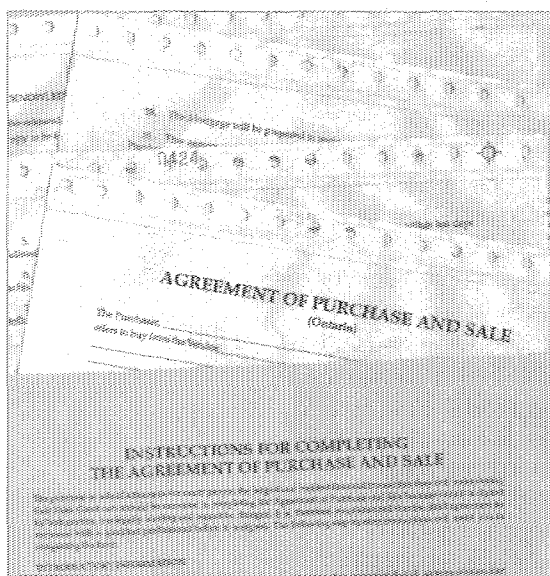
More than 75 percent of the purchase price can be lent using the **mortgage loan insurance system** operated by CMHC. Under a special government program offered by CMHC, a downpayment may be as low as 5 percent, or \$6,235 on a \$120,000 house (including a \$235 application

fee). More typical would be a requirement for a 10 percent downpayment. Mortgage loan insurance guarantees to lenders that they will be paid their interest and the principal amount that they lend, regardless of what happens to the borrower or the house itself. A private company, the Mortgage Insurance Company of Canada (MICC), offers similar insurance.

If a dwelling should for some reason lose its value over time, the first amount to absorb the loss is the original downpayment, together with any portion freed of debt through mortgage repayments by the borrower. The mortgage loan contract remains in effect until all payments have been made, regardless of the value of the dwelling upon which it is based.

In brief, everyone who buys a house in the Canadian system has an important incentive to maintain the value of the dwelling they own. From this incentive, along with personal pride and health considerations, flow very positive benefits, such as active work by individual owners to keep the dwelling in good repair and to promote a good neighbourhood. There are also some less positive effects, including discrimination against people and developments considered likely to lower property values. For example, some residents could become upset if a low-rent housing project were to be proposed for their street. They may raise the prospect, realistically or not, of more traffic and troublesome neighbours and of future buyers paying less when the owners try to sell their homes. (In most cases, all property values in an area rise together despite the presence or absence of low-rent housing.)

In addition to mortgage loan insurance, the purchasers of a dwelling can buy life insurance on a mortgage through the **mortgage life insurance system**. Mortgage life insurance pays off the entire amount of the mortgage in the event that one of the borrowers dies. This is a significant way of reducing the risks of mortgage loans, particularly when two incomes are required to carry them. Such insurance is normally purchased from the lender, who arranges for it through a life insurance company.



Moving in

After several days of negotiations over price and details, the Korchinsky/Lafortune couple has agreed with the seller on a price. Negotiation of land and house sale prices is one of the few areas of the Canadian housing market governed by the "haggling" rules that are prevalent in many street markets around the world. Most other housing-related sales—for example, building materials—are set at a fixed price and are not negotiable.

The Korchinsky/Lafortune couple and the seller also agree on a date upon which the vacant dwelling will be made available, and the couple begins to plan their move. The legal system comes into play as legal title is transferred to the Korchinsky/Lafortunes and their mortgage is registered against the title in the land registry office—that is, the lender will have a claim upon the future sale of the property until the mortgage is paid off or discharged.

With the move comes a whole stream of spending the family might not otherwise have undertaken. This

spending is a key reason that housing is important to the Canadian economy. Construction jobs and manufacturing materials jobs are obviously needed to build new dwellings. There are also many other "downstream" jobs, such as appliance, furniture, and drapery manufacturing, created as people move into new homes. Economists estimate that for every dwelling built, more than two full-time jobs are created per year.

First-time home buyers usually want to acquire some new furniture and appliances, redecorate to suit their

own taste, landscape their lot, and otherwise turn a house into a personalized living space—a home. All of this spending is in addition to moving costs, real estate commissions, legal fees, property insurance, life insurance on the mortgage, and similar items.

Keeping up with the payments

The Korchinsky/Lafortunes will find that they are spending a substantially higher portion of their combined income (approximately 35 percent) on shelter costs as owners than they did as renters, when they spent about 20 to 25 percent.

The tangible benefit to the couple is that they will face considerably lower costs over the long term as they pay off their mortgage. As well, they may over time see a rise in the value of their original downpayment or "equity" in the home, as all the dwellings in their community rise in value and as their mortgage is paid off. If they remain

Monthly Family Expenditures

		\$
Food:	- groceries, food eaten in restaurants, etc.	470.00
Housing:	- mortgage payment or rent, property tax, insurance, fuel, water, electricity	680.00
	- household furnishings, equipment, appliances and their repair	110.00
Household		
Operations:	- child-care, telephone, maintenance and cleaning, gardening	160.00
Transportation:	- private - ownership and operation of car, truck, etc.	430.00
	- public - commuting, inter-city, air	40.00
Clothing:	- purchase and maintenance	190.00
Insurance:	- life, unemployment insurance, pension plans	190.00
Health:	- health care, medicine, health insurance, personal care	140.00
Recreation:	- home and public entertainment, sports, hobbies, cable TV, package tours	190.00
	- tobacco and alcohol	120.00
Education:	- courses, publications, etc.	60.00
Gifts, Charitable Donations:		120.00
Income Taxes:		760.00
Miscellaneous:	- interest on loans, union dues, professional fees, other	110.00
Total:		3770.00

Source: Statistics Canada, *Family Expenditure Survey*, 1992.

in their home, they will be able to leave it to their children, possibly as the largest portion of their legacy.

Housing is a major way of transferring wealth from one generation to the next, but some generations are luckier than others, and Canadians who were born during or shortly after the Great Depression of the 1930s are especially fortunate. There were fewer of them, and they entered the market at the right time to buy their first house.

In addition, Canadians who were able to buy a house in the 1960s at a typical price of \$15,000, and then resell it in the 1980s for \$85,000, effectively received "free" housing, even after inflation and the costs of paying a mortgage have been removed. That is, they were repaid upon sale everything they had ever spent. As a result of the changing composition of the Canadian population, the inflation of the past two decades, and the rising real costs of building and operating housing, this experience is unlikely ever to be repeated.

There are nevertheless both monetary and emotional benefits to being a homeowner, which is why 84 percent of Canadians choose this form of tenure if they can afford it. Moreover, any gains made from the sale of a dwelling occupied as a "principal residence" are not taxable under Canada's Income Tax Act, conferring a comparative benefit upon homeowner occupiers. At the same time, however, mortgage interest payments are not tax deductible in Canada, as they are in some other Western countries.

How typical is the Korchinsky/Lafortune household?

In purchasing an existing home in an established neighbourhood, the Korchinsky/Lafortune couple are among the majority of home buyers. About 400 000 existing dwellings change hands among individual owners every year in Canada, while only 120 000 newly built homes are purchased annually. Thus, market prices for all housing are usually established by the sale of existing dwellings.

At the same time, although first-time buyers represent a substantial portion of those actually purchasing homes in a given year, married couples such as the Korchinsky/Lafortunes, expecting their first child and able to buy a house, are a relatively small minority in Canadian society. Many Canadian households simply do not have the income to permit them to buy when they wish to, and they must either save for a number of years, rely on savings of parents or other relatives, or never buy at all.

Other types of households besides the "typical" family with children, including couples who do not plan to have children, single-parent families, adults who wish to share accommodation, and single persons, also participate in the ownership housing market.

The Canadian housing system so far

The discussion of the Korchinsky/Lafortune couple has helped to introduce five major elements of the Canadian housing system:

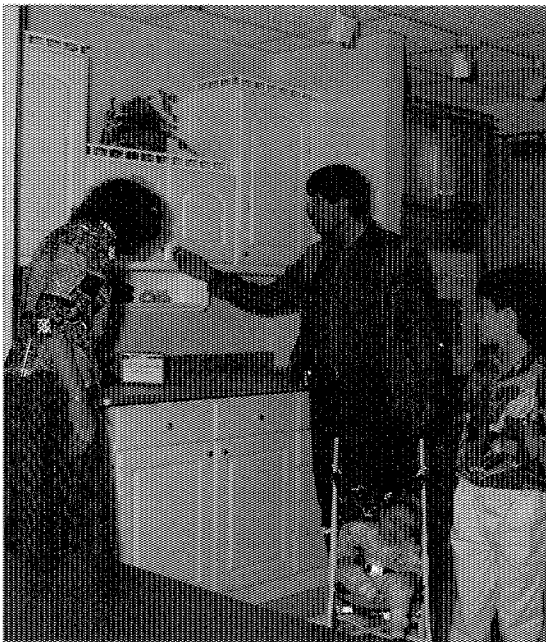
- the **real estate listing and sales system**, which works as well through national telecommunications and electronic networks, and through mass media communications, together with the appraisal system, which assesses the values of properties;
- the **mortgage lending system**;
- the **mortgage loan insurance system**;
- the **mortgage life insurance system**; and
- the **legal system**.

PUTTING AN ADDITION ONTO THE HOUSE

A family feeling crowded

Down the street from the Korchinsky/Lafortunes, the Nesrallah family is facing a decision about their future living space. Two daughters are reaching an age when they can no longer share a room comfortably. They each want their own space. Moreover, the girls' grandmother is now living with the family, having just immigrated to Canada from Lebanon.

The Nesrallah family likes their neighbourhood and house, and they have already put a lot

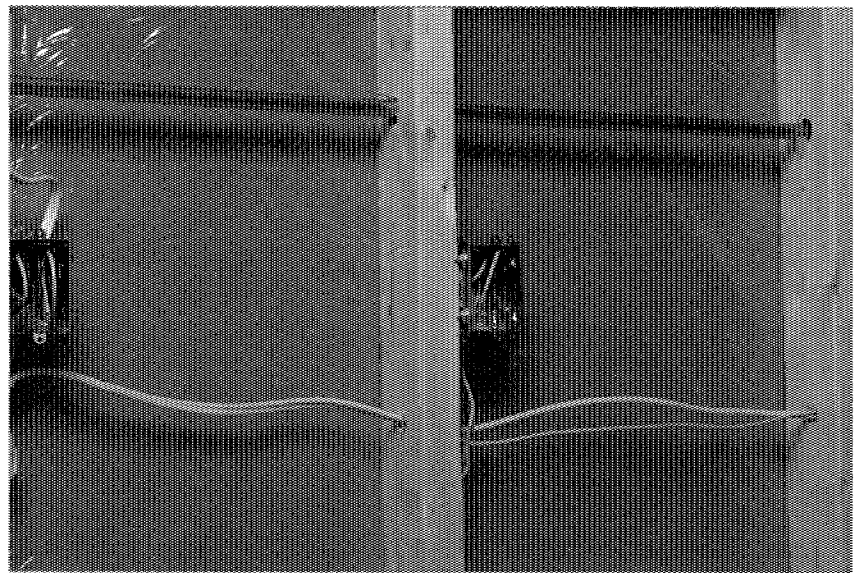


of time and money into decorating the house so that it meets their needs and reflects their Lebanese culture. Instead of moving to a larger house, they decide to put on an addition that will add two more bedrooms and a bathroom to their current three-bedroom home.

Canadian wood-frame construction

A single-detached home such as the Nesrallahs' is typically constructed using Canadian wood-frame techniques. Wood-frame construction is one of the most flexible building methods available, especially in contrast with masonry methods used in many other parts of the world. Additions can be made quickly and at relatively low cost.

Interior space can be readily redesigned, since partitions between rooms can be moved around without great difficulty, and new openings for doors and windows are simple to create. Services such as electricity, telephone, and plumbing are contained within the hollow walls and can therefore be easily extended into the new rooms.



Carrying out a renovation project

The Nesrallahs begin by approaching the **residential contracting system**. They look up different private renovation contractors in the Yellow Pages of the telephone book and invite several of them to give an estimate of the price of doing all the work required. The Nesrallahs form

a judgement of the different contractors based on how many similar jobs the contractors have done before, how well they seem to understand what is required, and, of course, how much money they want to do the work. Contractors will often provide photographs of their previous renovation jobs, along with references that can be checked by prospective new customers. In addition, good renovation contractors will be recommended by neighbours and friends.

The Nesrallah family is also approached by other renovators working in the "underground economy." These people charge less for their work because they avoid the taxation system. However, the family decides the extra security of guaranteed quality work is worth the extra money.

Based on the proposals from the contractors, the Nesrallahs choose one, and together they sign a contract that binds the contractor to do all of the listed work satisfactorily for a fixed price. An alternative to a fixed-price agreement would be one in which the contractor would work at an agreed-upon hourly rate and charge the homeowner for the cost of any building materials supplied. The contractor, in turn, may contract with an architect to ensure that the addition will fit in well with the present design of the Nesrallah home. Alternatively, the Nesrallahs could have begun by hiring an architect themselves to design the addition.

If the contractor is worried about the capacity of the soil or the building structure to support the addition, he may call in a specialist from a consulting engineering firm to determine the load-bearing capacity of the soil or structure. However, such a small project linked to a building already in place would be unlikely to call for this kind of analysis.

If the Nesrallahs were not so busy with other matters, they might decide to do some or all of the renovation themselves. About 12 percent of all Canadian householders carry out major renovation work on their own homes each year, buying tools and materials from local "do-it-yourself" stores. However, plumbing, heating, and electrical wiring must be installed by individuals with formal qualifications if the resulting work is to qualify for property insurance.

In any case, Artistic Home Renovations, the company chosen by the Nesrallahs, is able to start the job right away because all of the various materials, components, and tools required to do the job are readily available at wholesale and retail outlets of materials supply businesses that make up the **building materials supply system**. Some outlets have huge showrooms, displaying and selling under a single roof virtually every component of a house.

Securing municipal approval

Before the renovation work can proceed, the Nesrallahs must obtain a building permit from their municipality. This brings the **municipal development approval, property standards, and by-law enforcement system** into play. To obtain a building permit, the Nesrallahs provide the municipality with a sketch showing the structural and mechanical changes that they intend to make, so that qualified government building inspectors can ensure that the proposal meets standards of health, safety, and good building practice. There are often standards for each major aspect of renovation, especially plumbing, and the space occupied by the house on the lot.

When there is a change that will affect the neighbours who live near the dwelling, the municipality will inform these neighbours and



invite them, for a certain period, to submit comments on the building permit application. If the addition is planned to exceed a certain height or change the use of the lot in other significant ways, for example through a reduction in the yard at the side of the house, a slight change to the zoning might be required. This change will require the approval of a local regulatory body.

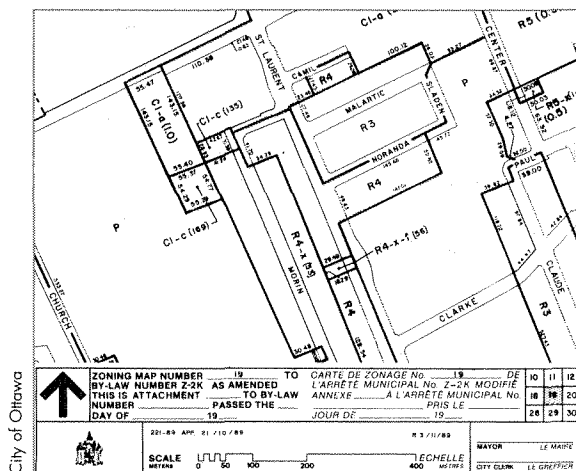
Zoning is the system by which municipalities formally define what structures and activities are allowed on each parcel of land within their jurisdiction. Canada's zoning system was adapted from the systems developed in Great Britain and the United States around the turn of the century. The system separates different land uses, such as smelly leather tanneries and homes, and provides a method of enforcing municipal plans and promoting compatible land uses.

Zoning has become a highly complex system, with local governments having large investments in property whose value is based on the continuance of a particular zoning designation, as well as large investments in the existing administrative apparatus. For example, those living in R.1 areas—the lowest-density form of residential zoning—seek to maintain everything in the surrounding area at the same density, in order to protect their property values. Density refers to the number of units per hectare of land allowed under different zoning designations. It is often accompanied by a "floor space index," which sets a limit on the number of times the floor area of the building on the site may cover the land area of the same site.

Canada's zoning system has not always had positive results. In the past, the system has helped to encourage the building of large tracts of very similar suburban housing that can be monotonous both to look at and to live in. However, a variety of mixed-use development approaches are now becoming common, including commercial offices and stores and even light industrial uses, as part of the fabric of communities. Different dwelling densities, heights, and styles are mingled.

During the 1960s particularly, zoning often had the effect of encouraging property developers to buy at cheap prices land not zoned for the intended higher-density uses. They would then seek rezoning approval, rather than pay higher prices for land already zoned for the desired density and height. Thus, the attempt to determine densities in advance was confounded by market forces, or the search for better profits.

Indeed, zoning was so highly related to the value of land that it encouraged speculation and, at times, corruption, as property holders sought approval from municipal officials for higher zoning designations. Such changed designations



resulted, at the stroke of a pen, in an instant twofold or higher increase in the value of their holdings. While there have been proposals since the early part of this century to tax these "unearned increments," no method of doing so has been adopted to date.

In the case of the Nesrallahs, none of these considerations applies, and they readily obtain a building permit without paying any amount beyond the basic fee. Once the addition has been

completed, the **building standards system** comes into play in the form of a visit from a municipal building inspector, who may come to look at the work to ensure that it has been done properly and that the heating and wiring installations in particular are safe.

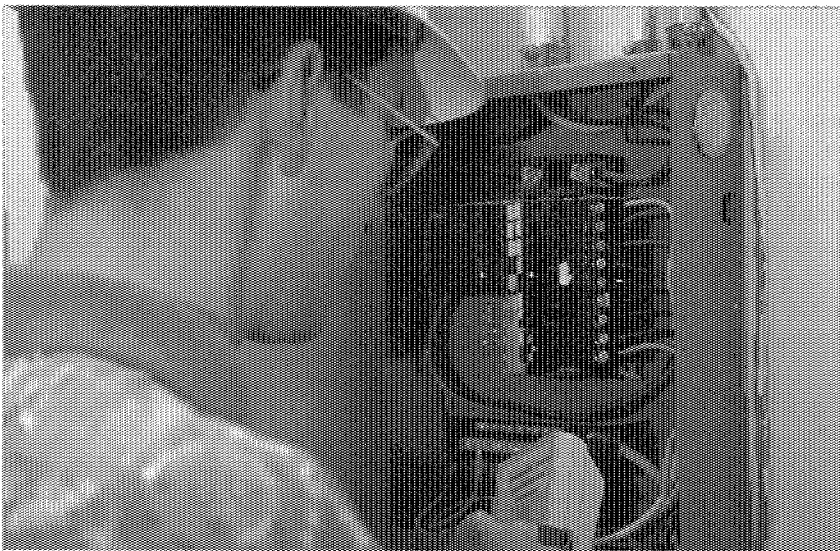
Getting a new property tax assessment

The Nesrallah family is very pleased with their addition, and the two girls are especially proud of their new rooms, showing them off to friends; however, the household is in for a bit of a shock. After a number of months, they receive a new municipal assessment notice, which indicates that, because their home is now larger and therefore more valuable, they must pay several hundred dollars more per year in municipal taxes.

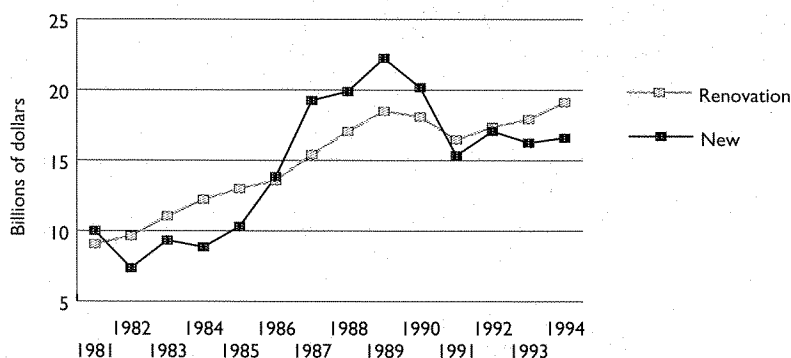
The property tax system is the largest single source of funds to provide services such as street lighting, garbage collection, police protection, and recreational facilities. This tax is collected in instalments over the year, and may amount to approximately one percent of the property value. In the case of the Nesrallahs, it amounts to just over \$2,400 on their \$240,000 home. However, the actual method of calculating the tax is not as simple as this and is beyond the scope of this booklet.

How typical is the Nesrallah household?

In the first several decades after the Second World War, the annual pattern of housing expenditures in Canada, measured in dollar terms, favoured new construction over home renovation and improvement. However, since the latter part of the 1980s, the types of renovations undertaken by the Nesrallahs have become more common and are now, in dollar terms, equal to or higher than new construction activity.



Residential Construction in Canada, 1981 to 1994



MEETING THE RENT

The Canadian housing system so far

The discussion of the Nesrallah household has introduced four more elements of the Canadian housing system:

- the residential contracting system, with its associated architectural services, specialty trades, and specialized building services;
- the building materials supply system;
- the municipal development approvals, property standards, and by-law enforcement system; and
- the building standards system.

Deciding to find a cheaper place to live

Tom Smith, a single young man, has recently lost his job and is staying with a friend in a small room within a rooming house while he both looks for work and waits for his Unemployment Insurance (UI) benefits to begin. (In order to discourage people from leaving their jobs for frivolous reasons and to allow time for administrative work to be carried out, there is always a delay between the time a person applies for benefits and the time they receive them.)

Since his current lease (landlord-tenant contract) was nearly up, Tom decided to move out of his apartment shortly after losing his job, in order to search for cheaper accommodation right away, rather than waiting in the hope of finding work at roughly the same wage so that he could afford to stay in the same place.

562 Apartments To Rent

A-1, BLAIR/Ogilvie, renovated, amenities, all incl., immed. Mody 738-7688, Metro. —20455

A-1, Canal view, Golden Triangle. Large, Equipped, July, inclusive. Mody 738-7688; Metro's —21286

A-1 downtown, sunny clean, quiet, 4 appliances, large deck, parking, \$995. —05307

A-1 Tunney's Pasture, clean, quiet, carpeted, appliances, yard, \$995. June/July —17265

ALTA Vista. Sunny, spacious. Quiet. On green space. 1.5 baths. 20' deck Dishwasher. Parking. \$1150. utilities (incl. July/Aug. —14176

AMAZING view! Immaculate condition! Hogs Back, \$1,050 includes utilities/parking/pool. —09828

ARMSTRONG/Carruthers, July. Appliances. Laundry. Utilities incl. \$750. —21278

AUGUST 1, West end. Equipped, heated, carpeted, shared parking, laundry facilities, \$995. —21049

AVAILABLE immediately, Civic Hospital, \$400 incl. heat & parking, appliances, quiet, private. —21195

SANDY Hill, Heritage, 1/2, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

Beginning the search

Tom soon discovers that it is not easy to search for a cheap and clean place to live when he does not have ready access to a telephone or automobile. Several times, he looks up an apartment for rent in the local newspaper and calls from a pay phone to arrange to see the place, only to find it already rented when he arrives there an hour or more later.

If Tom were a member of a racial minority group, and was continually being told that "the apartment has been rented already," even though an Apartment for Rent sign was still in the window of the house, he could lodge a complaint with the provincial Human Rights Commission. Landlords are prohibited from denying someone

accommodation because of race, religious belief, or other factors, including the fact that they receive their income from a government income support program. These regulations may deter some property owners from discriminating; however, their practical value in actually getting someone accommodation, given the lengthy process of investigation involved, has been questioned by some human rights advocates.

In some municipalities, Tom could receive help in his search from a housing referral centre or counselling service for unemployed adults or youth. This service would provide listings of available apartments and rooms at reasonable rents, phones for making enquiries, and advice on the individual's rights in seeking housing and keeping it. If Tom were a university or college student, he might also obtain the assistance of a housing placement office. But as a single unemployed person, Tom is pretty much on his own in the Canadian housing market. If he does not find something soon, his friend may ask him to leave, and he will be homeless.

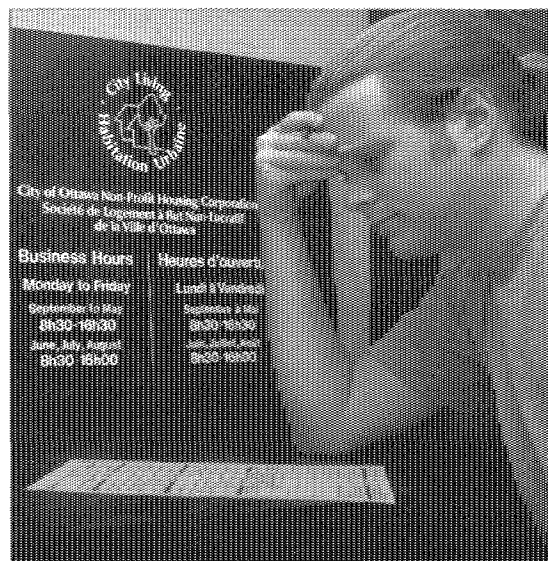
Applying for social housing

In seeking help in securing a place to live, Tom could come in contact with the **social housing system**. In his city, some social housing is avail-

able for those who meet the criteria. Social housing is housing owned by either a government body such as a municipal housing corporation or a community not-for-profit organization such as a church, or is a co-operative owned by its members and operating on a not-for-profit basis. The difference between the rents charged and the actual costs of operating the housing could be paid by the federal government through CMHC or by the ministry of housing of the province in which Tom lives.

In most cases, Tom would be asked to pay a portion of his monthly income for rent (for example, 30 percent), regardless of the actual cost of operating the apartment or room. Tom's previous income was \$7,500 a year, so his rent would be \$187.50 per month. For a room in a private rental dwelling, Tom would pay at least \$300 a month. The full cost of operating the room in the city's social housing project is actually \$450 a month because it is newly constructed. So Tom is receiving a subsidy of \$262.50 a month (or over \$3,000 a year) toward his housing costs.

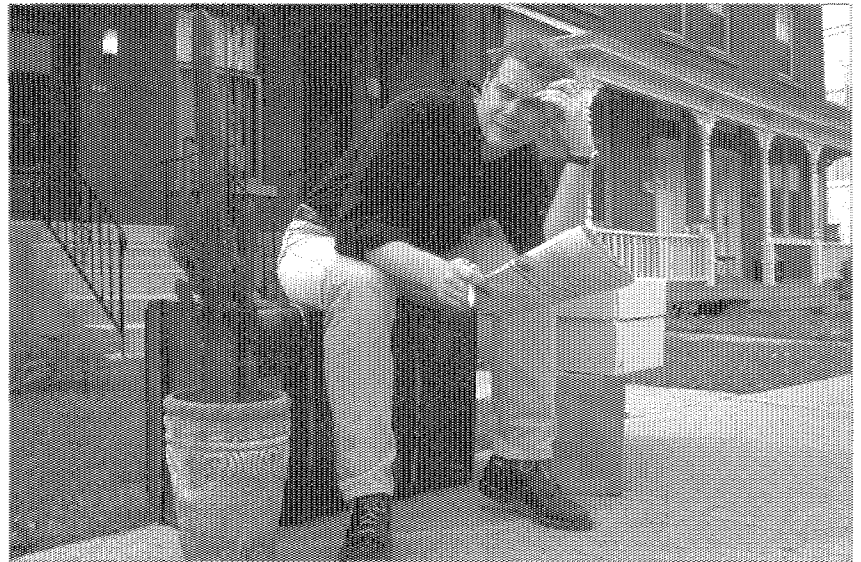
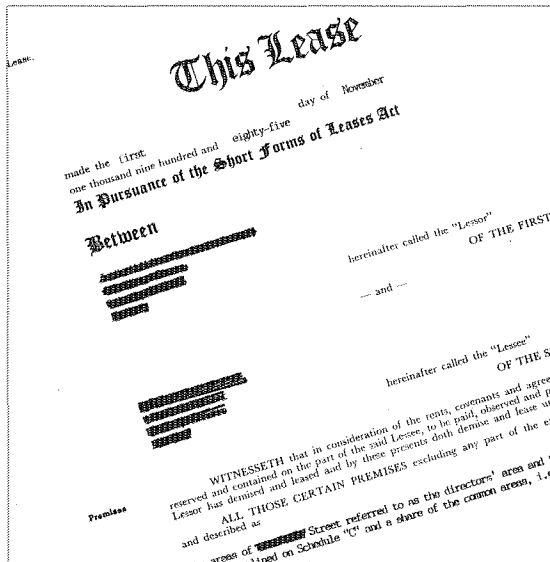
If Tom cannot find a unit to rent before his Unemployment Insurance runs out, he can make further use of the **income support system** by applying for welfare. Welfare typically pays somewhat less than UI and is not tied to previous earnings. It is funded by federal and provincial governments under the Canada Assistance Plan and is the main element in Canada's social safety



net. Welfare has provision for payment of set amounts for rent, called the shelter component. If Tom lives in social housing, this shelter component will be paid to the social housing authority.

To apply for social housing, Tom must go to the city department of housing and fill out a form. The fact that he has no room or apartment of his own gives him an advantage in obtaining

up to his obligations under the lease, the property manager may give him a warning under the Landlord and Tenant Act of the province in which he lives. Continuing problems between Tom and the building owners could result in an eviction notice, enforced by the courts. That is, the bailiff could be called upon to evict Tom and physically remove his belongings from the room.



access to the few units that become vacant each month. Even when he had a job, Tom did not earn a lot of money, so he also receives extra consideration for this fact.

After several months of waiting, Tom is settled into a small but clean and comfortable room in a city-owned rooming house. He has signed a new lease with the on-site property manager on behalf of the building's owner, in this case the municipality. This lease sets out the rules of the building and the requirements concerning the regular payment of rents.

Meeting obligations as a tenant

The landlord-tenant relations system has been put in place to protect the rights of both landlords and tenants. Should Tom create disturbances, fail to pay his rent, or otherwise not live

In this case, Tom is only too glad to have a quiet place to stay as he applies himself to a retraining course to prepare for what he hopes will be a higher-paying job in the future. He is aware that his landlord also has obligations to meet, including providing hot and cold running water, maintaining an adequate temperature, providing electricity, and managing the project in a way that permits Tom the "quiet enjoyment" of his home.

Housing and social well-being

Assured housing is, not surprisingly, an essential part of achieving a sense of security and self-worth. According to Canadian social science research, adequate housing is the basis for good health, productive work, and happy personal relations. Such housing cannot guarantee any of

these things, but the lack of it is a major contributing factor to other social problems and to a pattern of defeat that helps to perpetuate them.

Since the 1890s, urban reformers in Canada have been pressing for government action to establish basic health and safety standards for housing, to initiate community planning, and to contribute actively to achieving these standards through public housing construction and repair programs. The reforms that have taken place since the early years of the First World War reflect the efforts and ideas of these reformers.

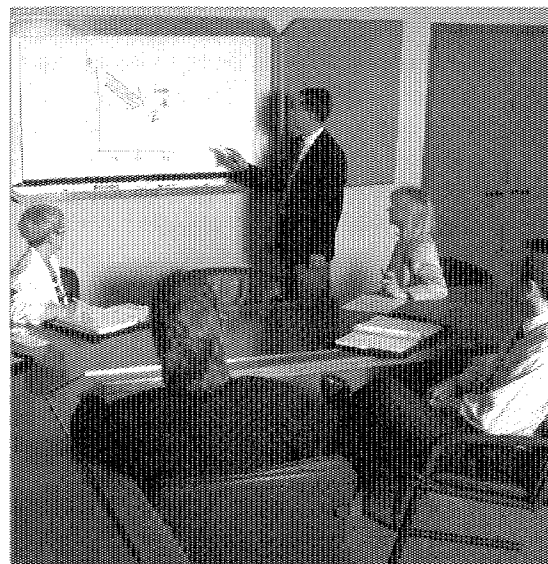
Some critics of the Canadian housing system argue that it relies too heavily on private ownership and private contractual arrangements. In their view, since housing is a basic human need, it should not be bought and sold like a commodity. They say a private housing market fails to provide adequate housing for everyone; it serves the richest households best and the poorest not at all.

Others agree that the private market fails to provide for everyone and that governments need to maintain a social safety net in the form of support programs such as Unemployment Insurance, welfare, or rental subsidies. However, most Canadian critics also note that in Communist countries, government-run approaches to housing systems failed to assure adequate accommodation for everyone, were susceptible to corruption and provided housing on the basis of political support.

Governments play a larger role in housing

Under the stresses of the First World War and the Great Depression, the first Canadian government programs to subsidize housing were initiated. When these largely failed, fresh programs were developed and strengthened after the Second World War, through the creation of a comprehensive National Housing Act and a permanent national housing agency, the Central (now Canada) Mortgage and Housing Corporation.

In the 1960s, the ten provincial and two territorial governments also formed housing corporations and ministries to undertake public housing policy and programs. Under the Canadian Constitution, the provinces have formal



responsibility for housing regulations and subsidy programs as part of "municipal and local matters."

Throughout the 1970s and in the early 1980s, governments continued to assume responsibility for more and more aspects of the Canadian housing system in which the market was judged to be failing. From modest beginnings, a stock of over 600 000 social housing units was built or purchased; however, this number still amounts to under six percent of the total housing stock in Canada.

Governments reconsider their role

In the 1990s, the whole approach of the past 50 years is being reconsidered as the federal and provincial governments grapple with severe budgetary deficits. Spending on the existing stock of social housing units will continue, but new social housing projects could be sharply curtailed. Along with governments in the United States and Western Europe, Canadian governments are rethinking the idea of building or buying enough units to meet the needs of those who cannot afford private market housing. Recently, they have put a freeze on most new initiatives to support production of social housing.

The Canadian government estimates that one million households, or about 10 percent, need some form of housing subsidy to keep their housing costs below 30 percent of income and to live in an adequate and sufficiently spacious home. Under current conditions, all the governments together seem unlikely to find the extra \$3 billion or more that would be required to provide every household considered to be in core housing need with a subsidy the same size as the one that Tom is receiving. However, any funds that are available for new initiatives are most likely to be devoted to subsidizing the costs of housing, for example through vouchers that permit people to pay their rent, rather than to making efforts to stimulate supply.

This booklet does not describe the portions of the Canadian housing system that support construction of new social housing or offer subsidies for renovation. You are most likely to get current information on these programs from the sources listed at the end of this publication.

How typical is Tom?

While Tom is lucky enough to live in a city with social housing available for single persons, this is not a common situation across Canada. Most metropolitan areas have some short-term accommodation for people who are "homeless" in the sense either of living in the streets or of having no fixed address or accommodation of their own. But few cities have longer-term housing specifically allocated to the needs of young people. Most social housing is geared either to families with children or to seniors. It is therefore more likely that a person in Tom's situation will be forced to rent a place that is quite small or in poor physical condition.

In recent years, seniors have had adequate pensions and been given a form of guaranteed annual income. Accordingly, in some urban regions, demand for publicly owned social housing for seniors has fallen. Some existing building units, therefore, have been converted for use by younger persons, including the unemployed, refugees, and students.

Thus the Canadian social housing stock has faced some of the same difficulties in adjusting to new population trends as those in Western Europe, where the average age is higher, population growth is slower, and the social housing stock is often larger than in Canada.

The Canadian housing system so far

Tom Smith's problems in meeting his rent have introduced three more components of the Canadian housing system:

- the **income support system**, including Unemployment Insurance and welfare;
- the **federal, provincial, and municipal social housing system**; and
- the **landlord-tenant relations system**.

MAKING A HOME SAFE AND HEALTHY

It is minus 35 degrees Celsius in the community of Haines Junction in Yukon, and Jane Nansen has left a pot of cooking oil on the stove while she goes to see why the baby is screaming. As she turns from tending little Jessie, she sees some strange dancing reflections on the living room wall. The smoke detector in the hallway is starting to beep loudly. The pot on the stove is aflame!

Not quite sure what to do, Jane runs into the kitchen and grabs the pot by the handle to take it off the stove, but burns her hand in the process and drops the pot. The flaming oil spreads across the kitchen floor and ignites the kitchen curtains. Jane has no choice but to rush herself and her three children out of the house, grabbing only their parkas hanging near the door.

Luckily a neighbour has looked out and seen the fire. The local fire truck is soon on its way, but the Nansen home is badly damaged and cannot be lived in without major repairs. In the dead of winter, these repairs are difficult to carry out. Jane and her family must live with relatives until spring. However, since their home has been insured, most repair costs will be covered by the insurance company, which is a part of the **property insurance system**.

The Nansens' insurance policy was issued by a local broker representing a national fire and property insurance company. Nationwide insurance companies are able to spread the risks associated with different regional locations across the widest area possible.

From the earliest days of Canadian settlement, personal safety in the home has been a key concern. Fire in the middle of winter could not only destroy the dwelling itself, but lead to the death of the whole household from exposure to the cold, since the nearest settlement with shelter and food might be several days' journey away.

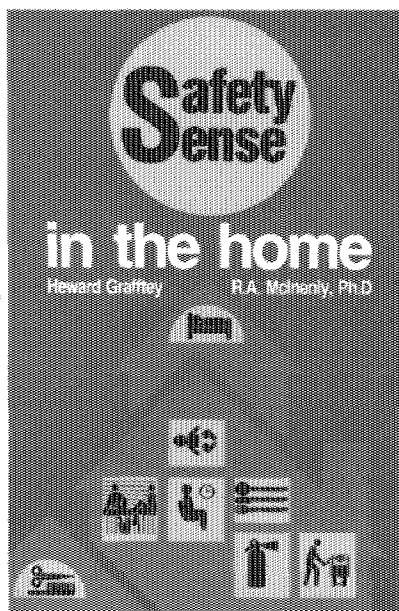
Fire prevention efforts and early fire services were sometimes sponsored by the privately owned fire insurance companies in an effort to keep

their losses down. Gradually, municipalities developed both fire services and municipal standards for maintenance and occupancy of dwellings to help prevent fire and disease. Provincial governments provided broad legislative guidance and specific services to support municipalities in this field. Under the **dwelling safety system**, newly constructed dwellings in Canada must meet building standards prescribed by the provincial governments and usually enforced by the municipalities in which the construction is taking place. Because it is not economical for each province to start from scratch in developing its own standards, a federal organization called the National Research Council of Canada (NRC) has worked over the years to develop a National Building Code. Formally, this is only an advisory document, not a directive from the NRC or the federal government. However, since it reflects a wide process of consultation that involves all the various interests and has been backed up by the research and expertise of the NRC, it has been adopted by all the provinces and territories virtually in its entirety.

Fire safety is a vital aspect of the Code, especially as it relates to multiple-dwelling structures such as high-rise apartment buildings. The Code also provides for features intended to contribute to health, safety of children, structural soundness, and energy efficiency of residential buildings. It is complemented by provincial and municipal property standards legislation designed to keep dwellings in good repair, yards clear of dangers to occupants, and units occupied by no more people than can safely live in them.

The National Building Code is only one aspect of a much larger system called the **housing research and development system**, which is employed to find methods and technologies to solve practical problems associated with housing and to put them into the hands of industry and other users as quickly as possible.

Those involved in research and development include the NRC's Institute for Research in Construction, CMHC's Research Division, the Energy Efficiency Division of Natural Resources Canada, and some provincial research institutes.



SECURING HOUSING WITH SPECIAL FEATURES

One result of this housing research and development system is the R-2000 house. This dwelling is a uniquely Canadian invention that pays special attention to the details of airtightness by using higher levels of insulation and to achieving quality construction. While the R-2000 house began as a way to conserve energy, it has evolved to take into account concerns about the health of occupants who want to breathe clean air and avoid allergies. It is now being licensed for production in Japan.

Canadian builders want to meet the growing desire of residents for housing that causes less damage to the environment. This is leading builders to change the ways in which they dispose of construction waste and to install water-saving toilets and shower heads, energy-saving light fixtures, high-efficiency furnaces, and other new technologies that produce less pollution and save energy.

The Canadian housing system so far

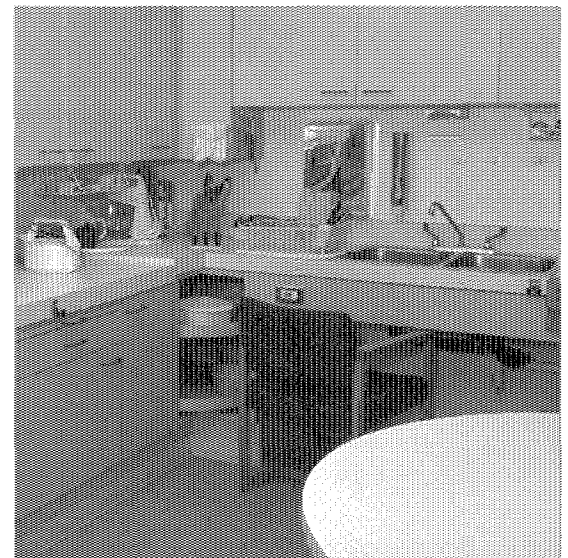
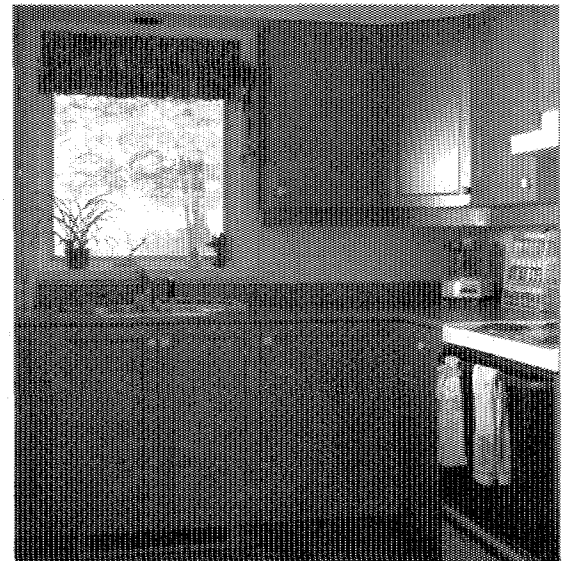
Jane Nansen's house fire has introduced three more elements of the Canadian housing system:

- the **property insurance system**;
- the **dwelling safety system**, with related building and property standards regulations; and
- the **housing research and development system**.

Senior Mrs. Soong Ling and her family are facing a difficult decision. Mrs. Ling has become unable to take care of herself in the family home. The rest of the household is away during much of the day earning a living and is now returning to find that she has not eaten properly or been able to manage other basic functions. Because of the Chinese tradition of extended families, the idea of placing Mrs. Ling in an institution that would offer medical care in addition to room and board is considered only as a last resort.

The family has several meetings to try to determine what to do. Mrs. Ling's son and daughter-in-law visit a neighbourhood health clinic that has a counselling program for problems associated with aging. The counsellor, Mrs. Wong, suggests that they may want to begin by hiring a visiting homemaker who will come in every day to ensure that Mrs. Ling eats and keeps as active as possible.

The Lings could also make some changes to their home to help Mrs. Ling move around more easily and look after herself. For example, safety bars could be installed in the bathroom to help her get on and off the toilet, and taps that turn on more easily could be installed on the sink. Indeed, when the Lings look at their home as a whole,



they can see that it is really designed only for able-bodied persons. Governments have recognized this problem and have provided subsidies, as well as promotional information, to assist families to adapt their homes to meet the needs of seniors and people with disabilities.

The visiting homemaker arrangement proves to be the best next step for the Ling household, since for a relatively modest daily amount, they are assured of their mother's comfort and health. They also install an electronic system that permits Mrs. Ling to call for help in an emergency when the homemaker is not present, simply by pressing a button on a cord she wears like a piece of jewellery.

If the Lings had not been so committed to keeping their mother at home, or if her health and ability to get around had been worse, they might have decided to move her to one of Canada's several thousand nursing homes. In such a residence, all meals, medical care, and recreation are provided on site. Compared with other developed countries, Canada has a high proportion of such facilities. In recent years, health care and housing professionals have been working to develop less expensive and more personal ways of meeting the needs of seniors, including changes to existing dwellings and home-care arrangements such as those used in the case of Mrs. Ling. This is a particularly important development, since the proportion of those over 65 years of age is rising in the Canadian population and is expected almost to double within the next decade.

LOOKING AT THE SYSTEM AS A WHOLE: BUILDING A NEW HOUSING PROJECT

Getting into the housing development business

Georgina Scott and Carol Greyeyes are two aboriginal women who have just graduated from an architecture program and completed their qualifications to practice. Both women previously worked for several years in the building industry as supervisors and construction managers on small projects. They have also taken contractor training courses offered by the Canadian Home Builders' Association.

Finding the opportunities for the practice of architecture very limited in today's building market, the two women have set up their own small development company using capital from a group of local backers who believe in them.

The new company, Wise Owl Developments, will assemble sites for construction and act as a general contractor on the jobs. Most builders in Canada are small companies, even though the majority of houses are built by medium-sized and large firms. All sizes of companies must go through roughly the same process.

Finding suitable land

Georgina and Carol believe that there is a market for small townhouse developments within the central area of their city, in neighbourhoods that are becoming attractive to professional couples. They begin by identifying sites that are not already so high in price as to rule out profitable development once buying the land and erecting the townhouses are figured in.

Scattered throughout established neighbourhoods are pockets of land that for various reasons were not developed in the past or that have older, rundown buildings on them. One day, driving through a neighbourhood less than three

kilometres from the downtown area, Georgina spots a double lot with an abandoned store on it for sale.

Establishing project viability

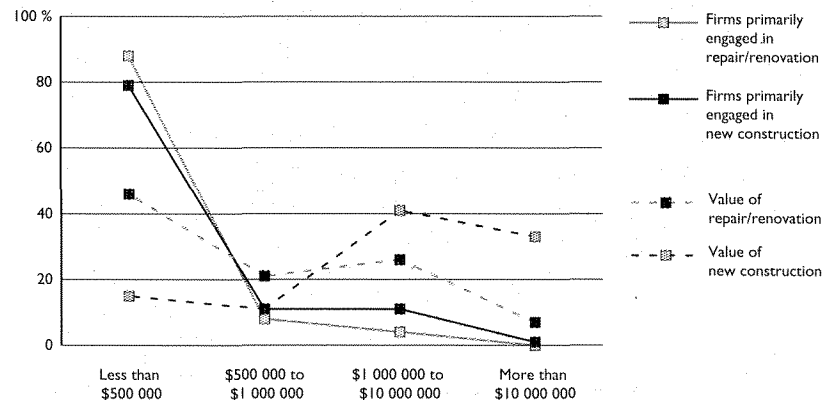
The two women approach the real estate agent who listed the store site to check out the price. They then figure out that by offering 20 percent less, which is \$150,000, they can make a four-unit row of townhouses work. This gives them a per-unit land cost of \$37,500. To build each dwelling with the right features and quality will cost \$75,000. They will then be able to sell each unit for \$135,000, giving them a 20 percent profit of \$22,500 per unit. The price at which they plan to sell the units is set by the regional market as a whole.

In the immediate streets surrounding the store lot, older homes can be bought for between \$95,000 and \$140,000. The new townhouses will be smaller and on smaller lots than these existing dwellings. But Georgina and Carol believe that the attractions they can put into the townhouses will still secure buyers at or near the price they want. To offer the same features, the older homes at \$140,000 would require a great deal of renovation. Georgina and Carol can also see that the neighbourhood is probably the next one to become a "hot" location to live in.

Georgina and Carol use the different parts of the Canadian housing system

The first stop the two women must make is to the **real estate listing and sales system**, where they take an option on the land (an offer to purchase by a specific date), which allows them to arrange other aspects of the housing project before proceeding, but without the need for larger amounts of capital (money invested) and risk.

Structure of the Residential Construction Industry, 1987



They then approach the **mortgage lending system** and the **mortgage loan insurance system** to seek financing for building their project. They will leave the **mortgage life insurance system** to be approached by the future purchasers of the dwellings. Georgina and Carol must also use the legal system as they proceed with the purchase in order to secure title to the land on which they will build.

In addition, they must deal with the **municipal development approvals, property standards, and by-law enforcement system**, to secure a building permit and a zoning change from commercial to residential, and to arrange for their townhouses to be hooked up to the municipal sewer and water systems. They arrange the electrical services with the local hydro authority, which is a part of the provincially owned hydro-electric power corporation.

Before Georgina and Carol can begin to build, they need to secure from the city a site plan approval, which will show exactly how the four townhouses are to be situated on the building lot and ensure that all the zoning by-laws are followed.

To complete final designs for the dwellings and help ensure that they will receive approval to build, the two women make use of the specialized building services available in most Canadian

cities. First, they approach a local architectural firm with their own plans and pay for a review of their feasibility; then they obtain advice on costs from a quantity surveyor.

Wise Owl Developments is acting as the developer of this small project, assembling the land, putting together a proposed project for using it, and carrying out the project. The firm will also act as general contractor, which means that it will be responsible for getting the construction done on schedule and according to plans, specifications, and cost estimates. As the general contractor, the firm will also hire and pay different specialty trades or sub-trades, including excavators, carpenters, bricklayers, plumbers, insulators, electricians, roofers, drywallers, and painters.

Carol and Georgina hire labourers from the local union hiring hall or employment service to construct the forms into which the cement footings and foundation are to be poured. The cement is delivered in "readi-mix" trucks and poured directly into the footing forms and wall forms. The two women also hire a crew of experienced framers to erect the basic structure in wood and to nail on a sheathing made of chips of wood glued together, called wafer board. Such materials are purchased at wholesale or contractor prices through the **building materials supply system**.

To guard against losing their investment in a fire or windstorm, Wise Owl Developments purchases insurance from the **property insurance system** during the construction process. The firm also buys liability insurance as a protection against other costs that might arise if someone is injured while working on or visiting the site.

Finally, Wise Owl Developments must register with the home warranty program. This program was established in the 1970s by the organization of home builders then called the Housing and Urban Development Association of Canada (now the Canadian Home Builders' Association) to help protect against and to respond to complaints of faulty workmanship among its members. To avoid conflicts of interest between the association and the warranty system, the program is operated by separate warranty councils in each province or region. These councils register and deregister builders, collect fees to be used in responding to

complaints, and record the types of complaints received in order to guide future training programs for builders.

In addition to the home warranty program, a variety of other consumer protections operate in Canada. All electrical systems and devices must be tested and approved by the Canadian Standards Association. Various building materials go through a materials acceptance system operated by the Canadian Construction Materials Centre, a unit of the National Research Council. Some materials, such as insulation, are regulated under the Hazardous Products Act by Health Canada. Another federal bureau within Industry Canada gives assurance that the materials are provided according to proper weights and measures.

Construction standards are regulated by the provincial building codes, which closely follow the National Building Code. The competence of the various sub-trades is also regulated by both provincial codes and municipal inspectors. These sub-trades must obtain licences to carry on specific business with the municipality and must register as firms with the provincial registrar of proprietorships, partnerships, and corporations.

Reflecting on why they are in the housing business

Over supper at a local restaurant at the end of a hard day's work, Georgina and Carol agree that the whole process is much more complicated than they ever imagined when, just a year ago, they first dreamed of having their own company. They must closely watch every penny in order to pay themselves adequately and make a profit after sale. It is this hope for interesting and pleasurable work, coupled with financial reward, that drives the Canadian building construction and renovation system and pushes it to become more efficient.

While the multiple systems of regulations operated by different government bodies all play important roles, the essence of the Canadian system is self-regulation by the industry. Self-

regulation works because builders know that consumers are selective, that they can go elsewhere in a competitive market place, and that they have recourse when things go wrong.

The fact is, to stay in business Georgina and Carol will have to provide a quality product at a competitive price. If they do not, they will become bankrupt. They could also face criminal charges or civil lawsuits if they cut corners to save on costs.

On a wider plane, the costs of learning everything there is to know and becoming established with the various business management systems, registrations, taxation arrangements, and so on, are simply not worth incurring for just one project. The costs must be spread over a series of projects well into the future.

The two women, having established their own business, will not want to go back to working for others, as they did while in architecture school. They want to build a reputation, so that people will say, "Oh, there's another development by that Wise Owl firm that built those great townhouses on Spruce Street."

The townhouses are purchased and occupied

As we know, Georgina and Carol plan to sell the four townhouses when they are completed. If the lots on which they rest can be given individual title deeds, they may be sold freehold. If they share common elements, such as a garage and landscaping, they may be sold as condominiums. As such, the units will be owned by a condominium corporation composed of the individual owners who are collectively responsible for keeping the common elements clean and in good repair.

As it happens, Wise Owl Developments is approached before the dwellings are even completed to sell all of them to a pension fund. The fund will in turn rent them out to earn revenues and eventual capital gains (the difference between the purchase price and the selling price) should the project as a whole or individual units be sold. Once dwellings enter the realm of rental property, a whole other layer of systems comes into play.



One of these systems may be the **residential property management system**. Pension funds that own real estate are likely to contract with a professional property management firm for the day-to-day management of the units. For a management fee, this firm will look for tenants, sign leases with them, collect rents, make repairs, and generally maintain the project in reasonable condition.

There are also additional regulatory systems of government that come into play for rental property. In one province, for example, the rents that can be charged, as well as any major change in the tenure arrangements for the buildings, may be subject to regulation by the ministry of housing. The rental property management firm engaged by the pension fund will need to operate within the **landlord-tenant relations system**, the **dwelling safety system**, and the **property insurance system**.

The property management firm may decide to rent one of the townhouses to a family receiving social assistance or welfare payments because the main earner is unemployed. The firm would then operate within the **income support system** and perhaps the **social housing system** in the form of the Rent Supplement Program, which will pay the difference between the actual market rent for the townhouse and 30 percent of the family's monthly income.

LAYERS OF THE CANADIAN HOUSING SYSTEM

We have looked into the many detailed systems that make up the Canadian housing system as a whole. Let us now go back to see how all these systems work together and how they are arranged over Canada's immense geography.

At over 3 million square kilometres, Canada is the second largest country in the world in geographic size. Its population, which approached 27 million people in 1993, is spread over a million square kilometres, mainly in the southern third of the country. However, some 60 000 people live north of the Arctic Circle, and there are settlements of some size up almost to the North Pole.

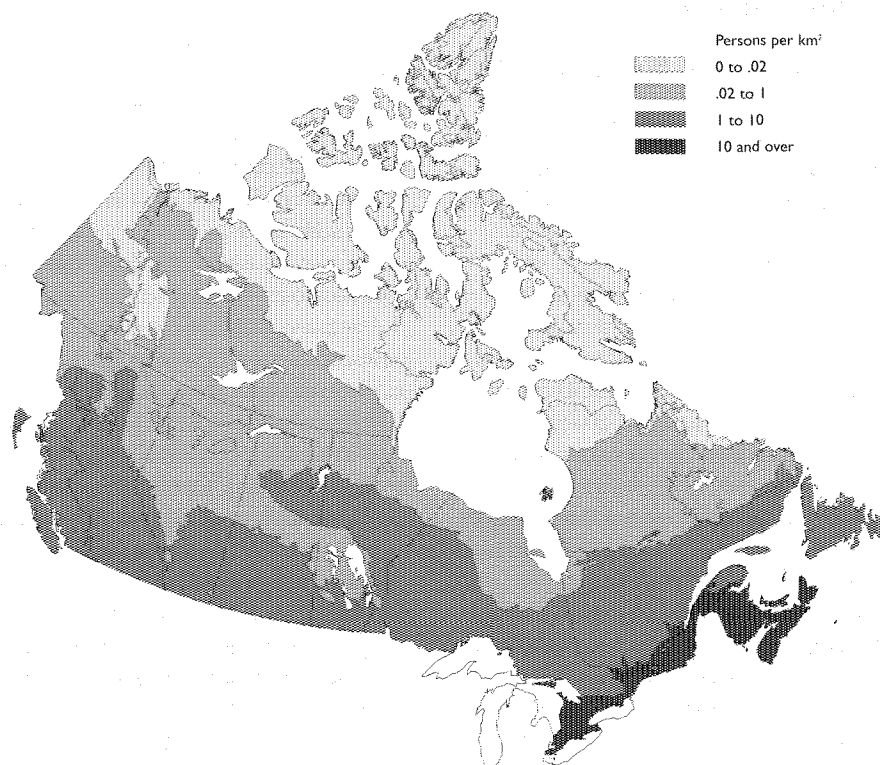
In describing the different parts of the Canadian housing system, we have set aside the question of over how wide a territory they operate. In several cases, we have given some figures that show how many participants, for example,

how many real estate agents, there are in Canada. However, the systems described are by no means all national in the sense of being centrally organized and directed. Almost all have a great deal of latitude for regional and local control, and some are fully or almost entirely regional and local in both leadership and operations.

The Canada-wide layer

Some of the systems are national; that is, they act under the general direction of a single head office and operate across provincial and territorial boundaries. These national systems are typically composed of local branches or service centres. While the different companies within the systems compete, the national systems are, on the whole, co-operative. For example, mortgage insurers co-operate with lenders, even though they are in different organizations.

Population Density by Ecozone, 1991



In all, there are seven national systems:

The **real estate listing and sales system** consists of locally owned brokerages and branches of large national corporations or franchises of international companies, such as Century 21 and Coldwell Banker, together with associated appraisal services.

The **mortgage lending system** operates through branches of national banks and trust companies, together with regionally and locally controlled credit unions and caisses populaires.

The **mortgage loan insurance system** is composed of two major corporations, Canada Mortgage and Housing Corporation, owned entirely by the federal government, and the Mortgage Insurance Company of Canada, which is privately owned.

The **mortgage life insurance system**, often operated in tandem with the mortgage lending system, is offered by various national and international life insurance companies and may be sold separately through brokers.

The **building materials supply system** is composed of branch or franchise operations of large Canada-wide enterprises such as Beaver Lumber, Canadian Tire, and Home Hardware, as well as many regional and locally owned firms. This system is national and international in scope, since so many materials and components move across regional or national boundaries.

The **property insurance system** is operated by different brokers selling the insurance products of international and national property insurance companies.

The **housing research and development system** is concentrated mainly in two federal government agencies—Canada Mortgage and Housing Corporation and the National Research Council—but has about a dozen other significant participants, such as the Canadian Home Builders' Association.

The provincial and territorial layer

Canada's system of government differs from that of its neighbour to the south, the United States, in being substantially more decentralized. Both

countries have federal systems, which share powers with the provincial (Canada) and state (U.S.) levels of government. But the Canadian provinces spend proportionately twice as much money as do the U.S. state governments and operate with substantially greater freedom from national or federal government influence and control.

Operating on a provincial basis, with somewhat different legislation in each province, are five major systems:

The **building standards system** is based on provincial legislation and may operate in conjunction with some provincial building inspectors, for example for elevator systems, but is mainly delegated to municipalities for enforcement in detail.

The **legal system** focuses mainly on the law of property (a provincial responsibility), but also involves provincial laws concerning contracts, health and safety, housing programs, and planning legislation. These laws are enforced by a system of provincial courts and are implemented by provincial agencies for housing, municipal affairs, and planning. There is also the federal Criminal Code, to deal with matters such as fraud and extortion, and housing legislation in the form of the National Housing Act and Canada Mortgage and Housing Corporation Act.

The **income support system** is also based on provincial legislation in the areas of welfare and pensions, although there are major federal programs such as Unemployment Insurance, the Canada Pension Plan, and the Canada Assistance Plan, which contribute to provincial social assistance payments. Provincial social assistance programs are typically delivered by municipal agencies such as social service departments of regional and municipal governments.

The **landlord-tenant relations system** is based on provincial laws specific to the leasing of buildings and dwellings and is enforced by a combination of provincial courts and agencies and, in some cases, federal courts.

The **social housing system** too is based on provincial legislation and the operation of provincial housing corporations and agencies, but it also involves major municipal

organizations, along with private not-for-profit corporations, such as those sponsored by churches, community associations, and co-operatives. The social housing system was initiated by the federal government in the 1940s and developed as a result of federal subsidies, so there is continuing federal involvement in most aspects of the system as well.

The local layer

In addition to the municipal elements of the systems described above, there are four major systems that operate in municipalities and unorganized districts across Canada:

The **residential contracting system**, with associated architectural services, specialty trades, and specialized building services, consists of tens of thousands of private firms, ranging in size from several hundred employees to a single entrepreneur, such as an electrician.

The **residential property management system** operates and maintains rental properties on behalf of owners, as well as of condominium corporations that wish to contract out these services.

The **municipal development approvals, property standards, and by-law enforcement system** operates at some level in 4000 municipalities. However, the sophistication and complexity of the system vary substantially, from large departments dedicated solely to these purposes in major urban centres to individual officials also responsible for other duties in rural townships.

The **dwelling safety system** operates through several thousand local fire and police departments. It is also supported by municipal by-law enforcement, provincial and federal legislation, and research and development programs.

RELATIONS BETWEEN THE LAYERS

It is evident that the 16 systems identified and described above operate side by side, simultaneously, and in conjunction with one another. For example, on the same construction job site, you might see finishing materials being delivered by a building supply firm, specialty trades at work on landscaping, a city inspector carrying out a review of how closely work has followed standards, and a real estate agent putting up a For Sale sign.

There are four main ways that relations among the different systems are forged and managed.

1. Householder management of tasks. Householders are the ones who initiate many of the tasks carried out in the various systems. They arrange for the repair of, say, a broken pipe, by calling in a plumber, changing their schedule to be home when the plumber arrives, and perhaps bringing in a carpenter to do associated repair work afterward.
2. The contractual system of business. People are able to predict what others will likely do by contracting with them, either verbally or in written form. When different systems must co-operate, they will typically write up a contract or agreement setting out respective and joint responsibilities.
3. Management and co-ordination by pivotal positions in the industry, especially the developer and builder. As we have seen, home builders play a key role in Canada's housing system by assembling all of the different parts needed to go into the complex machine that is a dwelling. Builders also push their development project through the various steps of the regulatory process. There are also people in different organizations responsible for co-ordinating their own company's activities with the other parts of the system—for example, a vice-president in charge of customer relations or a director of government liaison.

There exist in Canada various organizations representing whole sectors of the housing system. The following are typical:

- The Canadian Home Builders' Association
- The Canadian Housing and Renewal Association

INDIVIDUAL RESPONSIBILITY AND THE HOUSING SYSTEM

- The Canadian Institute of Planners
- The Canadian Institute of Public Real Estate Companies
- The Canadian Manufactured Housing Institute
- The Canadian Real Estate Association
- The Federation of Canadian Municipalities
- The Royal Architectural Institute of Canada
- The Urban Development Institute of Canada

In addition, various industry and professional associations represent smaller parts of the system, such as insulation manufacturers and lumber manufacturers. These associations all seek to promote their own interests, along with the viability of housing in Canada. Co-ordination across sectors and regions is carried out informally, since there is no single organization representing all housing interests in Canada.

4. Government co-ordination mechanisms, including committees, legislative approval processes, and boundary management activities.

As might be expected, relations among governments are considerably more formal than those of other associations and are managed by full-time civil servants who have specific responsibility for these tasks. For example, there is an annual meeting of the provincial and federal ministers of housing, along with a meeting of deputy ministers. There is a National Housing Research Committee that meets twice a year, bringing together representatives from government and other interest groups.

In addition to these formal co-ordination mechanisms, there are formal global and operating agreements that govern the transfer of funds from the federal to the provincial and territorial governments and that set out respective responsibilities for various activities such as planning and program evaluation.

Finally, there is a series of national conferences for those involved in the housing business to exchange views and network with each other. These conferences are organized and hosted by national associations such as the Canadian Housing and Renewal Association and by the federal government through CMHC.

It is important not to create the wrong impression about the 16 different component systems involved in the provision, maintenance, and operation of housing across Canada—that is, an impression of individuals passively awaiting their activities and directives. No image could be further from the truth.

At almost every stage of the housing process, it is the individual household that takes the initiative and the systems that respond. Even such regulatory processes as inspection of dwellings under construction are typically driven by individual builders calling for inspectors to come so that they may receive progress advances (more money to continue construction) from a lender.

Applications for housing programs must be made by individual households. Enforcement of landlord and tenant legislation operates, like that of human rights legislation, on the basis of individual complaints by either party.

To be sure, people such as building materials suppliers, building contractors, real estate agents, and mortgage lenders, who stand to benefit from sales of their goods and services to individual householders, do not hide themselves from the public eye. They actively promote and advertise their products and services. But no one can force a prospective buyer through their doors. Even when a sale has been made, “cooling off” periods and return policies may apply.

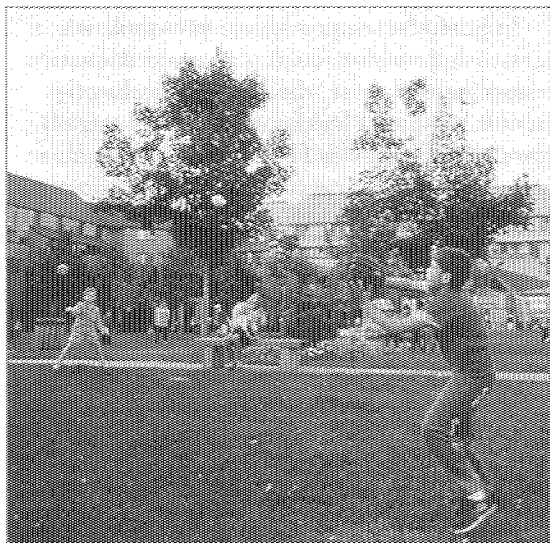
In brief, the housing system as a whole is a service and an investment that awaits the active engagement of those who will benefit directly from it. No one is looking after the housing of the people in Canada beyond those people themselves. There is no central control over allocation of housing or movement of people from one locality to another. There are no internal passports or occupancy permits. Housing is a system based on competition, co-operation, and freedom of action among millions of individuals and households.

BEYOND HOUSING

As well as being a focus of many special purpose systems, a valuable commodity, and a vital element of personal identity, housing is a key element in a wider "life-support system." Housing is closely integrated with a web of other services and physical systems that make it possible to function. These services and systems include roads, water and sewer pipes, electric wiring, shops for food and other necessities, and cultural and recreational amenities. Only in very remote locations is there little or no visible link between the housing system and these other systems.

To see housing in its full complexity, we must also consider its location within communities. Canada is composed of 23 metropolitan regions, within which over 56 percent of the population lives. In urban centres of 1000 people or more, 77 percent of the people own their own dwellings. In brief, Canada is a highly urbanized country, on a par with Japan, France, and the United States. Its cities are "high-tech," serviced by complex telecommunication systems, cable television systems, transitways, and computerized road traffic and air traffic control systems.

According to the social and environmental indicators available, Canadian cities perform as well as or better than most others in the Western world, with relatively few instances of social unrest, comparatively low crime rates, and high rates of social co-operation and economic growth.



THE CANADIAN HOUSING SYSTEM IN THE FUTURE

It is difficult to predict accurately how the Canadian housing system is likely to evolve. It is clear, however, that there must be some important changes to the system as Canada enters the next century.

Perhaps the most important of these changes will be necessitated by the rise of senior households as a proportion of the population. A whole range of modifications to the existing stock of dwellings, as well as important shifts in the marketing of new homes, will likely occur to reflect the fact that every year, we get one year older. Another key change is already reflected in Canadian housing activities and may accelerate in the next decade. This is the concern for the environment at all stages of housing design, construction, operation, and demolition. For example, to avoid rising costs of water and to reduce excessive water use, water conservation technology has come into much wider use by plumbers and homeowners.

A third area of continuing change is the reduction of differences between work life and home life, as more people work out of their homes and the technology of home offices and communication networks continues to improve and to decline in cost. The 1990s are also expected to see a resurgence of home-based entertainment and leisure, as more people seek to live within their means and the reality of zero or limited real growth in family incomes sinks in.

By the year 2000, over half of all the existing Canadian housing stock will be over 30 years old, as a combined result of lower rates of new construction and the building boom of the 1960s and 1970s. The current high levels of investment in home modernization and renovation can therefore be expected to continue for at least another decade. Huge do-it-yourself warehouse stores are spreading from the United States into Canada or are being developed by established Canadian firms. A noticeable change from the past four decades of active government involvement in housing is also possible, since governments have become committed to reducing deficits. More and more, governments are likely to seek partnerships with the private sector, as well as full-cost pricing of services provided to dwellings and increased leverage of available public funds.

COMPARING CANADA'S SYSTEM WITH THE SYSTEMS OF OTHER COUNTRIES

If much of what has been presented in this booklet seems familiar to you, it's no surprise; if you live in Canada, the whole system is almost second nature. If you live in another developed nation, you have probably found most aspects of how the Canadian system functions familiar, with some differences in specific practices. After all, even in the most dissimilar of developed countries with market economies, the basic tasks and methods of providing housing are quite similar. It is the precise details that make up the areas of real difference.

Contrasts with housing systems in developing countries and in newly emerging democracies are more dramatic. The main dimensions of comparison with other countries include:

- the geography of the system: Canada's is one of the largest and most extensive;
- the respective roles of the government and the private sector: Canada has a mixed economy but a predominant role for the private sector;
- the economic base upon which the system rests and, accordingly, the standards achieved: Canada has one of the highest standards of living in the world and therefore one of the highest quality stocks of housing;
- the precise designs and technologies used: Canada uses a wide variety, but the main ones are wood construction for low-density dwellings and concrete for high-density ones; and
- the degree of disparity of housing conditions across different income groups and regions: In Canada, about 15 percent of the households live below the norm and about 10 percent of the housing stock is in deteriorated condition; this compares favourably with the rest of North America, though not with Scandinavia.

CONCLUSION: HOUSING IN A NORTHERN MULTICULTURAL DEMOCRACY

In Canada, as in other countries, housing is vital to human health, safety, and well-being. Accordingly, it receives a significant portion of national spending (between 5 and 6 percent of the economy) and forms a significant focus of extensive regulations to protect occupants.

Housing is the chief form of personal savings for Canadians and is at the centre of a culture of conservation, consumption, and display. It is also a key means of self-expression, since about 50 percent of all waking hours are spent in the house. Thus it attracts a variety of technologies and products for leisure and entertainment.

We should not lose sight of the fact that housing is not just an end in itself but also a support to many other economic, social, and cultural activities. For example, labour markets require adequate housing in order to function, but they typically bring housing into being, rather than being created to serve housing already built. Housing on its own pulls along only a fraction of the economy.

All this is to say that housing is a vital part of the fabric of Canadian society, as of other societies, but that it fits within a larger picture. The styles of housing, the forms of tenure, and the modes of housing throughout history reflect the reality of Canada as a northern, free-market economy and an open, multicultural society, operating within a parliamentary democratic system of government. Our homes are where our hearts are. If you are from Canada, we hope this booklet has helped you to better understand your national housing system and made you curious to learn more. If you are not from Canada, we hope this booklet has provided an orientation to the housing system in operation in Canada.

GLOSSARY OF TERMS*

Amortization period — Length of time or term that a mortgage exists until it is fully paid off and discharged.

Canada Assistance Plan (CAP) — A federal program of cost-sharing with the provinces for social services, including welfare assistance.

Canada Mortgage and Housing Corporation (CMHC) — Canada's national housing agency, established in 1946 as the Central Mortgage and Housing Corporation and renamed in 1979; responsible for administering federal housing legislation, particularly the National Housing Act.

Canadian Housing Statistics (CHS) — An annual report that provides data and some analysis on residential construction and mortgage lending activity in Canada based on data from CMHC and Statistics Canada. CHS replaced its predecessor, *Housing in Canada*, in 1955, and from 1955 to 1960 was published quarterly. Since 1961, it has been published annually with monthly supplements.

Canadian Institute of Public Real Estate Companies (CIPREC) — Created in 1970 to improve accounting principles and standards in publicly traded companies, CIPREC has since grown to include many privately held firms and to represent Canada's largest property developers.

Condominium tenure — Form of property ownership whereby dwellings, typically in multiple-unit structures, are individually owned, while ownership and management of common elements are shared. In 1966, British Columbia and Alberta were the first provinces to pass enabling legislation. By 1970, all provinces but one had a condominium act; Prince Edward Island held off until 1977. The Territories adopted a condominium ordinance in 1969.

Co-operative housing — A form of ownership tenure whereby multiple-unit dwellings are collectively owned and managed by their occupants.

Core housing need — Refers to households unable to afford adequate, suitable housing in their community without spending more than 30 percent of their household income.

Gross debt service ratio (GDS) — Calculation made by mortgage lenders by dividing the monthly sum of principal, interest, and property taxes into the applicant's gross monthly income.

Home warranty programs — Ontario is the only province in Canada with a mandatory warranty program. Its New Home Warranty Program, introduced in the late 1970s, gives new home buyers limited protection against defective materials and construction, including the return of deposits up to \$20,000 if a builder enters bankruptcy before home completion. In March 1987 limits were placed on the extension of closing dates, and home buyers were given the option of cancelling their contract after this time.

Mortgage Insurance Company of Canada (MICC) — The only remaining private insurer of high-ratio mortgage loans in Canada. Unlike CMHC's Mortgage Insurance Fund (MIF), MICC serves only the larger urban areas and does not provide insurance for social housing projects.

Multiple Listing Service (MLS®) — A registered trademark of the Canadian Real Estate Association. MLS® refers to the system by which member firms share information on houses that they have each listed for sale and under which they can sell each other's listed houses, sharing the commission under an agreed-upon formula.

National Building Code — Code developed by the National Research Council to promote uniform building construction standards, materials, and methods throughout Canada. By the mid-1970s, all provinces had adopted variants of the Code.

National Housing Act (NHA) — First passed in 1935 as the Dominion Housing Act, the NHA marked the beginning of a greater federal role in housing. The primary intent of the initial legislation was to stimulate housing production and employment and to create a direct federal role in the provision of housing for low-income households. Amendments to the NHA have followed periodically since that time.

* Adapted from John R. Miron, ed., *House, Home and Community: Progress in Housing Canadians, 1945-1986* (Montreal: McGill Queen's University Press, 1993).

REFERENCES FOR FURTHER READING

National Housing Research Committee —

National committee formed in 1987 and made up of government, industry, consumer, and social organizations interested in housing, who meet semi-annually to discuss and co-ordinate research activities.

National Research Council (NRC) — Federal agency responsible for developing the National Building Code. Its Institute for Research in Construction (IRC), originally established in 1947 as the Division of Building Research, conducts research in building technologies and provides advisory services to the construction industry, as well as to public agencies such as CMHC.

Non-profit housing — Housing owned and operated on a not-for-profit basis by public or private corporations.

Public housing — In its most restrictive sense, housing developed under NHA Housing Sections 35, 40, 43 and 44. The term is often broadened to include all housing administered by public-housing agencies.

Rent regulation — A legislated third-party review of rent increases, usually with guidelines setting out acceptable increases. By 1975, several provinces had either adopted or were about to adopt rent regulation. The federal government imposed wage and price controls in October 1975 and asked the provinces to impose matching rent regulation. By April 1976, all provinces had rent regulation. Since 1976, rent regulation has been removed in British Columbia, Alberta, and New Brunswick.

Rent supplements — Subsidies provided to landlords by government to assist low-income tenants in paying their rent.

Social housing — Broadly, encompasses housing developed under various programs at all government levels. Typically includes public, co-operative, and not-for-profit housing programs, as well as rent supplement programs. Represents the largest single category of federal direct expenditure on housing.

Urban Development Institute (UDI) — National organization that represents the land and property development industry.

The Canadian Housing Information Centre of Canada Mortgage and Housing Corporation offers a wide variety of housing information and lends documents to the public. The Centre also has many useful booklets and videotapes for sale.

Most of the following are selected from the CMHC List of Priced Publications and Videos. For further information, or to order, please contact CMHC Publications, Canada Mortgage and Housing Corporation, 700 Montreal Road, Ottawa, Ontario, Canada K1A 0P7.

Prices of all CMHC publications and videos are subject to change.

Publications

The Canadian Home: From Cave to Electronic Cocoon. A unique social history that describes the early evolution of dwellings in Canada, and sketches some of the dynamics of housing and housing policy since World War II. Dundurn Press, 1994. 256 pp.

Canadian Housing Markets. Quarterly publication containing in-depth analysis of current trends affecting Canada's housing markets and their implications for the future. Annual subscription \$44.00.

Canadian Housing Statistics. An annual report providing comprehensive current and historical statistical information on housing, particularly house construction and mortgage-lending activities. NHA 5958. 111 pp. \$10.00.

The Canadian Housing System in the 1990s. Publication providing a general introduction to housing in Canada and the basic dimensions of its various components. Chapters discuss how housing needs are met, the housing market, housing finance, the housing industry, housing design and production, and challenges for the future. 48 illustrations. NHA 6800. 51 pp. \$3.00.

Canadian Wood-Frame House Construction. Explains in detail how a wood-frame house is built in Canada. Presents the most commonly employed construction methods and provides suggestions for the selection of suitable materials. NHA 5031. 60 pp. \$9.99.

Communities of Diversity: Regional Differences in Canada's Housing. The first comprehensive look at the nature, extent, and causes of regional differences in housing across Canada. NHA 6629. 43 pp. No charge.

Details of House Construction. A cutaway illustration of a house, showing and naming the various construction components. NHA 5011. Poster. \$2.99.

50 Years of Innovation. Booklet paying tribute to 50 years of innovation by the Canadian housing industry and to the Canadian Home Builders' Association on its 50th anniversary. Includes housing statistics and trends over the last five decades. NHA 6717. 28 pp. No charge.

Healthy Housing: A Guide to a Sustainable Future. The health of both our living and our natural environments is of great importance in building toward the future, yet the notion of environmentally sound housing is commonly perceived to be economically unfeasible. This publication explores housing design and development techniques that are both environmentally and economically sound. NHA 6725. 34 pp. No charge.

Home Care. Hints on how to maintain your home in good condition. 143 illustrations. NHA 5624. 116 pp. \$5.99.

House, Home and Community - Progress in Housing Canadians 1945-1986. Analyses, by many of Canada's leading academic experts, of the nation's progress in addressing the major aspects of housing since World War II. McGill-Queen's University Press, 1993. 454 pp.

Housing Choices for Canadians with Disabilities. A wide-ranging report on innovative housing, support services and technologies designed to enhance the independence and lifestyles of persons with disabilities. 268 illustrations. NHA 6619. 168 pp. \$4.99.

Housing Information Monthly. Reports on house-building activity, absorption, prices of new construction, and vacancies and rentals. \$79.00 per year or \$7.00 per issue.

How to Improve the Quality of Air in Your Home. A guide produced by CMHC to provide basic information about the problems associated with indoor air pollution. Provides advice on how to help control the levels of pollutants in the home. 13 illustrations. NHA 6177. 18 pp. \$3.99.

Inspection Checklist for Maintenance and Repair. A checklist to identify symptoms, causes, and cures for common problems found in a home. 42 illustrations. NHA 5731. 57 pp. \$3.99.

Mortgage Market Trends. Publication offering timely information on developments in Canada's primary and secondary mortgage markets, as well as insights into applicable trends in the U.S. Annual subscription \$44.00.

National Housing Outlook. Publication offering Canada's most comprehensive assessment of future housing market conditions. Annual subscription \$66.00.

National Renovation Markets. Annual publication on the renovation industry to help renovators plan and market their services. \$15.00.

Protecting Your Home against Burglary. A guide prepared by CMHC to make homeowners more aware of the importance of good security. Describes a range of home-security options, from simple do-it-yourself techniques to the more costly electronic devices available today. 78 illustrations. NHA 5394. 44 pp. \$3.99.

The State of Canada's Housing. Report assessing the state of Canada's housing and analysing trends in the housing sector. Demonstrates the most salient features of the housing stock and observes problems and issues to be addressed. 21 illustrations. NHA 6776. 38 pp. No charge.

Videotapes

A Place to Call Home. Overview of the Canadian housing system and the roles played by CMHC, the construction industry, non-profit associations, financial institutions, and various governments. It also shows some recent initiatives in the field of sustainable housing, including the healthy house and the advanced house. VE 0055 Length: 28 min. Released 1994. \$9.99.

Facing the Challenge. Documents the history and development of the Rural and Native Housing Program since 1974. The program's transition and current challenges are presented in various regions and communities across Canada. VE033 Length: 25 min. Released 1991 \$9.99.

Inspecting your Home. Uses the CMHC Home Inspection Checklist to identify clues to a variety of household energy and structural problems, and provides solutions. VE0023. Length: 27 min. Released 1990. \$19.99.

Maintaining Seniors' Independence through Home Adaptations. Describes ways in which seniors can adapt their homes to help them carry out daily activities and enhance their comfort and safety. Seniors and professional consultants present a wide variety of successful adaptations and discuss how individuals can identify and carry out the adaptations that are best for them. VE0045. Length: 34 min. Released 1993. \$9.99.

Not Just a Place to Live. Examines housing co-operatives in Canada from the perspective of four families living in co-ops in Vancouver. VE0006. Length: 25 min. Released 1984. \$9.99.

Varieties of Accommodation for Older People—Part I and Part II. Part I illustrates some international approaches to seniors' housing. Included are shared housing, sheltered housing, dwellings in Northern Canada, some Danish examples, and some seniors' apartment buildings. Part II deals with North America and Australia. Included are congregate housing, retirement villages, and continuum of care retirement communities. VE0039. Length: 25 min. Released 1991. \$9.99.

SOME STATISTICS: ARE CANADIANS THE BEST-HOUSED PEOPLE IN THE WORLD?

The following statistical indicators are adapted from the Final Report of the Organization for Economic Co-operation and Development (OECD) Project Group on Housing, Social Integration and Livable Environments in Cities, (Paris: OECD Environment Directorate, 1994). All figures are for the period 1986-90.

What percentage of income is spent on housing?

Germany	9.00
Belgium	8.30
Canada	4.05
France	3.99
Sweden	3.53
Finland	3.48
United Kingdom	3.05

What average percentage of income is spent on rent?

Switzerland	24.6
United Kingdom	23.0
Germany	19.7
Finland	19.0
Canada	18.0
Sweden	17.0
France	15.1

What percentage of housing is owner-occupied?

United Kingdom	67.1
Finland	66.7
Belgium	65.0
Canada	62.9
France	54.4
Sweden	53.0
Germany	39.3
Switzerland	29.9

What is the annual percentage rate of increase of house prices?

Belgium	15.75
United Kingdom	15.00
Sweden	13.00
Finland	11.70
France	11.30
Canada	9.50
Germany	4.00

What is the annual percentage rate of increase of land prices?

Canada	18.55
Sweden	18.00
United Kingdom	15.00
Belgium	5.75
France	4.00
Germany	0.60

What is the annual percentage rate of increase of construction costs?

Sweden	12.00
United Kingdom	9.20
Canada	8.125
Finland	5.20
Belgium	4.50
France	2.07
Germany	0.70

How many dwellings are built, per thousand people?

Belgium	5.79
Canada	5.74
France	5.50
Switzerland	5.50
Sweden	4.86
United Kingdom	N/A
Germany	4.00