

CMHC



Central Mortgage
and Housing Corporation

Société centrale
d'hypothèques et de logement

SYSTEMS FOR CONTROLLING
THE COSTS AND PRICES OF
HOUSING FINANCED UNDER
THE NATIONAL HOUSING ACT:
A DISCUSSION PAPER

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Central Mortgage and Housing Corporation,
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FOREWORD

The establishment of maximum prices or costs of housing to receive public aid of various kinds is a major policy undertaking. Implicitly the prices or costs say what the objective of the assistance programs are.

Explicitly they delimit the exposure of public agencies to downstream subsidy expenditures. If unrealistic they may also generate added outlays on a life cycle basis if the initial investment is overly restricted. All of these and other issues had to be taken into account when recommendations were being made to the Minister responsible for CMHC about the future of housing cost/price controls.

The report which follows provides an historical background, describing the evolution of different systems of limits in use for National Housing Act programs. It also assesses the market impact of these systems, providing extensive data on their application over time. Finally, it gives a reasonably detailed appreciation of the new Maximum Unit Price system announced in April of 1979. Further consultation and policy discussion are bound to continue on the subject; this paper is intended as a contribution to that discussion.

The paper was prepared by Philip Brown of the Policy Development Division, CMHC, with the assistance of staff from the Program and Market Requirements Division, Corporate Planning Division, Direct and Insured Lending Division, Social Housing Division and the Professional Standards and Technology Sector of CMHC. Mr. Lorne Usher of Appraisal Services, CMHC, reviewed the final document.

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1. INTRODUCTION

On April 2nd 1979, a detailed series of cost and price controls for NHA financed social and market housing were announced by the Honourable André Ouellet, the Minister responsible for Central Mortgage and Housing Corporation at that time. This announcement followed a more general statement on the topic made to the annual meeting of the Housing and Urban Development Association of Canada in February 1979. The major announcements were

- a new Maximum Loan of \$70,000 for market housing financed with mortgage loans insured under the National Housing Act for every market area in Canada
- a new Maximum Lending Value for a 90 or 95 per cent mortgage of \$60,000 for the high cost areas of Toronto, Mississauga, Calgary, Edmonton, Vancouver, Whitehorse and Yellowknife
- a series of Maximum Unit Prices to be applied to housing assisted by special Federal programs involving loan and subsidy support.

These announcements were the end result of a considerable policy development and implementation process conducted by Central Mortgage and Housing Corporation.

This document has therefore been prepared in order to set the new cost and price controls, and the policy development process leading up to them, in the context of all the systems for controlling the costs and prices of housing which CMHC is currently using and has used in the recent past. It is hoped that this document will provide a sound basis for future consultations on this important topic.

The following section provides a detailed account of the house price/cost controls in effect prior to the April 2nd announcement together with a brief analysis of their historical development.

The third section provides the context and the rationale for the introduction of the Maximum Unit Price system and the reasons for changing some of the NHA Maximum Loan Limits.

The final section deals with the policy implementation process and details the manner in which the actual Maximum Unit Prices were derived.

2. HISTORICAL BACKGROUND AND POLICY CONTEXT

Federal government involvement in housing has, to a large degree, been concerned with the production and improvement of "modest" housing for rental and for homeownership.¹ Modest housing has been encouraged through the use of a variety of levers and subsidies, often in conjunction with a house price/cost control mechanism. Several different types of house price/cost control mechanisms have been used over the years.

The introduction of each mechanism was usually instigated by a specific policy objective or set of policy objectives. These have included, for example, dampening of house price inflation, increased market penetration, and increased housing production. It is appropriate to review the history of house price/cost control mechanisms up until the recent announcements. The review makes reference to the housing policy

¹An appropriate definition of "modest" housing may change over time as standards improve and housing expectations increase.

There are two basic ways of defining modest housing:

- modest housing may be defined purely in structural terms on the basis of house size, type, design and construction cost criteria.
- modest housing may be defined as "moderately-priced housing" in relation to the local housing market.

A moderate price can be determined:

- in relation to the overall distribution of house prices in the local market area (e.g. MLS prices);
- by estimating the market price of a structurally "modest" house as defined above. This is the approach adopted by the Royal Trust Survey of House Prices.
- by estimating the price of a house which low to moderate income households can afford to purchase at an acceptable shelter cost-to-income ratio.

objectives which led to their introduction or modification. As housing policy objectives change, so will the need for appropriate house price/cost control mechanisms change.

2.1: NHA MAXIMUM LOANS AND NHA MAXIMUM LENDING VALUES

The central instrument of public policy toward housing has been and still is NHA loan insurance; this, from the outset, has contained a built-in price limit. This is the NHA Maximum Loan for high-ratio lending which in turn yields a Maximum Lending Value. Prior to the recent announcements, the maximum loan to value ratio for homeownership housing was 95 per cent of the first \$50,000 of lending value. This applied to all market areas. In some market areas, additional financing for houses priced above \$50,000 was available at 75 per cent of lending value up to the Maximum Loan. For rental housing the maximum loan to value ratio was 90 per cent of the first \$52,700 of lending value plus 75 per cent of the balance up to the Maximum Loan.¹ By way of example, the figures under this system for homeownership loans in the Toronto market area are given below:

Maximum Loan for a 95% mortgage	\$47,500
Maximum Lending Value for a 95% mortgage	\$50,000
Maximum Loan	\$57,250
Maximum Lending Value	\$63,000 ²

The MLV (95%) (\$50,000) at this time clearly did not take into account market to market variation; in some market areas it was high in relation to average house prices (e.g. Hull, Montreal, Quebec City, St. John, St. John's, Windsor); in others it was low (e.g. Calgary, Edmonton, Ottawa, Toronto, Vancouver, Victoria - see Table 1).

¹Maximum Loans are also set for hostel bed and student hostel bed type accommodation.

²The following notation is used in the rest of the paper:

- Maximum Loan for a 95% mortgage = ML (95%)
- Maximum Lending Value for a 95% mortgage = MLV (95%)
- Maximum Loan = ML
- Maximum Lending Value = MLV

TABLE 1

YEAR END MLV (95%) AS A PERCENTAGE OF
AVERAGE MLS RESIDENTIAL HOUSE PRICE

FOR THE METROPOLITAN AREAS OF CANADA
1975 AND 1977

	<u>1975</u>	<u>1977</u>
Calgary	87.01	75.27
Chicoutimi-Jonquière	n/a	n/a
Edmonton	96.03	76.64
Halifax	109.86	113.22
Hamilton	93.35	99.23
Kitchener	92.49	101.34
London	102.41	109.66
Montreal	119.39	127.58
Oshawa	96.24	95.81
Ottawa	84.83	87.67
Hull	129.07	130.62**
Quebec City*	142.31	135.05
Regina	124.28	116.34
St. Catharines	114.16	119.41**
St. John	117.34	127.85
St. John's	118.32	122.99
Saskatoon	121.63	110.50
Sudbury	122.89	118.24
Thunder Bay*	123.76	108.33
Toronto	73.12	77.45
Vancouver	72.89	77.45
Victoria*	80.51	81.07
Windsor*	123.91	127.69
Winnipeg	125.83	117.65

*MLS data refer to average dollar value for all MLS transactions, including residential.

** Figures are for 1976

Before June 1974, there was one Maximum Loan figure for the whole country. In that month, Maximum Loans for homeownership were allowed to vary by market area in recognition of the fact that the price of "moderately priced housing" was not the same in all Canadian housing markets. Particularly important at this time was the fact that certain markets were experiencing rapid house price escalation while others were not.

CMHC General Memorandum #B-851 (12/6/74) stated:

"It had become evident that the previously established national loan maxima were substantially below housing costs and, in several critical market areas, even below the cost of moderately-priced housing. The changes...are expected:

- to direct a greater proportion of total mortgage resources to borrowers in the lower 2/3 income band by restricting low downpayment, high ratio loans to moderately priced housing.
- to encourage the production of housing within the financial means of this target group."

In 1975, the Maximum Loan for rental projects was also allowed to vary by market area (G.M. #B-946; 10/4/75).

The Maximum Loans (and Maximum Lending Values) have been changed from time to time in accordance with changing market conditions and policy objectives (Appendix 1). In 1975, loan limits were raised in order to encourage the increased production of new housing for families in the middle income range. The changes were "expected to attract more funds into mortgages for this income band and to make low downpayments available to more Canadians" (G.M. #B-946; 10/4/75). In 1976, 1977 and 1978, the loan limits were increased so that they might be more realistically related to prevailing construction costs (G.M. #B-1051; #B-1176; #B-1247).

In most market areas in 1977, the MLV exceeded the average MLS residential house price (Table 2). In some market areas (Halifax, Hull, Montreal, Quebec City, St. John, St. John's, Windsor) the MLV was well in excess of the average MLS residential house price. In contrast, in the high cost areas (Calgary, Ottawa, Toronto, Vancouver Victoria) the MLV was less than the average MLS residential

TABLE 2

YEAR END MLV AS A PERCENTAGE OF
AVERAGE MLS RESIDENTIAL HOUSE PRICE
FOR THE METROPOLITAN AREAS OF CANADA
1975 AND 1977

	<u>1975</u>	<u>1977</u>
Calgary	87.01	94.84
Chicoutimi-Jonquière	n/a	n/a
Edmonton	96.03	100.35
Halifax	123.77	124.55
Hamilton	111.09	119.08
Kitchener	104.20	111.47
London	102.41	109.66
Montreal	119.39	127.58
Oshawa	108.43	114.98
Ottawa	95.58	96.44
Hull	153.60	130.62**
Quebec City*	142.31	135.05
Regina	124.28	116.34
St. Catharines	114.16	119.41**
St. John	132.20	127.85
St. John's	133.31	122.99
Saskatoon	121.63	110.50
Sudbury	122.89	118.24
Thunder Bay*	123.76	108.33
Toronto	91.64	97.59
Vancouver	91.35	97.59
Victoria*	95.80	97.29
Windsor*	123.91	127.69
Winnipeg	125.83	117.65

*MLS data refer to average dollar value for all MLS transactions, including residential.

** Figures are for 1976

house price.

Over the period 1975 to 1977 changes in the MLV kept pace with rising house prices in all market areas except Hull, Quebec City, Regina, St. John, St. John's, Saskatoon, Sudbury, Thunder Bay and Winnipeg (Table 2).

Despite the rather generous loan maximums, the amount of Section 6 (new) regular activity, as a proportion of the total new housing market, has been declining steadily in recent years - from 42 per cent in 1973 to 16 per cent in 1977 (Table 3).

The major policy thrust has been and still is one of encouraging the production of moderately priced housing. The Maximum Loans, however, also have the effect of increasing or decreasing the NHA share of any one particular market. This aspect of the Maximum Loan is often considered in-house when revisions to the limits are made.

In the case of homeownership, the same loan limit still applies to both new and existing housing. This has not always been the case. Before 1972, there were separate loan maximums for new and existing housing--the Maximum Loan for new housing exceeding that for existing housing. This reflected the fact that, prior to 1972, the price of existing housing was well below that of new housing. Since 1972, however, inflation in the existing housing market has greatly reduced this gap.

In the case of rental housing, Section 6 of the NHA did not, until recently, allow loans to be made for the purchase of existing units.

Prior to 1973, a distinction was made, for rental loan purposes, between an apartment multiple family dwelling, a non-apartment multiple family dwelling and accommodation of the hostel or dormitory type. Currently only a distinction between rental units and hostel beds is made.

The relationship between the Maximum Loan, the Maximum Lending Value and the Maximum House Price is discussed in the following section.

TABLE 3

UNITS APPROVED UNDER SECTION 6 (NEW) REGULAR
AS A PERCENTAGE OF ALL NEW APPROVALS*

FOR CANADA AND THE PROVINCES
1973 - 1977

	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>
Newfoundland	12.74	17.10	17.60	11.18	7.62
Prince Edward Island	4.22	3.11	1.71	3.77	2.51
Nova Scotia	11.10	4.42	10.38	7.50	3.11
New Brunswick	16.95	7.92	11.43	5.83	5.79
Quebec	47.08	50.39	24.39	8.22	8.86
Ontario	47.17	29.90	39.51	26.91	18.99
Manitoba	67.36	34.02	44.15	33.63	19.77
Saskatchewan	53.29	32.59	26.73	14.97	8.93
Alberta	38.68	27.71	35.33	34.80	28.96
British Columbia	26.57	19.34	27.48	9.06	8.17
Yukon	89.19	76.74	60.41	35.10	62.72
Northwest Territories	99.78	98.33	92.63	64.00	28.87
CANADA	42.47	25.87	31.82	19.06	15.96

*Includes AHOP units, ARP units, Section 6 (New) Regular units and all non-NHA funded units.

2.2: ASSISTED HOME OWNERSHIP PROGRAMS, 1970-1977:
INCOME, BASIC HOUSE PRICE INDEX AND MAXIMUM
HOUSE PRICE CONTROLS

In 1970, under the \$200 Million Low Cost Housing Program, special provisions were made within the existing authority of the NHA to subsidize homeownership for low income families. The program was intended to make homeownership available to families in the \$4000 to \$6000 adjusted income range. The control mechanism in this instance operated via the income of the applicant. Any house which could be purchased by a family with an adjusted income of up to \$6,000 qualified for funding under the program. A Maximum GDS of 27 per cent was permitted. Even though existing units were eligible for aid, most of the loans under this pilot program were made for new construction. At the time and subsequently, the employment benefits of new construction were an important secondary objective.

In 1971, homeownership assistance continued with the allocation of a further \$100 million. The control mechanism again operated via the income of the family. GM#B-596 (May 18, 1971) stated that "care must be taken to ensure that the unit size, type and agreed-to-sale prices are such that they are in fact attainable by purchasers in the qualifying income range, with a minimum 5% equity". In October 1971, the Government used the program to further increase housing starts by extending it to families with adjusted incomes of up to \$7000. This meant that higher priced houses could qualify for funding.

In 1973, the Assisted Home Ownership Program was introduced as a result of amendments to the NHA. The program objectives were:

- o To extend the opportunity of homeownership in all parts of Canada to the range of incomes of those families who desire, but who are not presently able, to enter into the homeownership market;
- o To provide an increased number of families with an alternative to renting;
- o To encourage the building industry to produce modestly priced housing by the introduction of a continuing program;

- o To support existing provincial initiatives that are aimed at providing homeownership assistance. (GM#B-765; 17/7/73).

A new control mechanism was introduced at this time - the Basic House Price Index (BHPI) which "might be thought of as the point at which homeownership for new and existing housing could begin for most families" (GM #B-765; 17/7/73.). A BHPI was calculated for each market area. Given the BHPI and the adjusted income of the family applicant, the level of homeownership assistance required could be calculated.

It was soon discovered, however, that many houses were selling below the BHPI. A policy was therefore introduced whereby homeownership assistance was based on the unit price if the unit price was lower than the BHPI (GM#B-788; 2/10/73). In April 1975, the BHPI became the Maximum House Price (MHP). Maximum House Prices were set by market area together with the maximum adjusted family income which would qualify for homeownership assistance. The objectives of the program at this time were:

- o to increase the rate of construction of modest new accommodations for homeownership;
- o to make ownership of new housing possible for families presently unable to do so;
- o to encourage lending institutions to direct more mortgage financing into housing of modest prices. (GM#B-948; 11/4/75).

Originally, existing units as well as new ones were eligible for assistance under the program. In June 1974, however, as a result of increased demand, assistance was restricted to new dwelling units only. The program objectives were therefore becoming even more specifically production oriented - the production of units "modest in size and specification" became the major objective. This became especially apparent when, in 1976, with the introduction of the Federal Housing Action Program (FHAP), the income eligibility criterion was dropped altogether. Any designated new house that had a selling price below the MHP and had a mortgage insured either by CMHC or by a regulated private insurer could be purchased under the AHOP program.

2.2.1: Maximum House Prices: Definition, Measurement and Revision

The MHP for each market area was based on an estimate of the selling price of modest acceptable housing in that area. What constitutes modest acceptable housing varies regionally and the MHP's were therefore based on different house types and sizes (Table 4). For example, in Saskatoon the MHP was based on an estimate of the price of a new 900 square foot one storey single detached house. In Toronto, the MHP was based on an estimate of the price of a 1000 square foot two storey row house. In the determination of the MHP, estimates were made of the land price component and the building price component. Given that the land price component of total house price can vary considerably within a given market area, modest acceptable housing was invariably defined by CMHC Branch Offices in terms of suburban new construction where land costs are "modest". Modest housing, as defined under the MHP, therefore had a locational component as well as a structural one.

Revisions to the MHP took place from time to time and were based, in large part, on the changing costs of producing the same modest acceptable unit in each market area (Appendix 2).

The MHP was also used to exercise downward pressure on prices and to control production in some market areas. Table 5 and Appendix 3, which compare the MHP's in relation to other house price indicators, suggest that in Calgary, Edmonton, Ottawa, Toronto, Vancouver and Kitchener, the MHP's were originally set and remained at a low level in relation to average house prices¹. In addition, over the period 1975 to 1977, changes in the MHP did not keep pace with house price inflation, (as reflected in changes in average MLS sales prices) except in Calgary, Kitchener, Montreal, St John and St John's. In Halifax, Oshawa, Thunder Bay, Victoria, Windsor and Winnipeg, changes in the MHP fell well behind rising house prices (Table 5). The implication is that the MHP in some market areas did not in the end fully reflect the cost of producing modest acceptable housing.

¹See also Appendices 4 and 5.

TABLE 4

Maximum House Prices
As of November 1978

	<u>MHP</u>	<u>Land Component</u>	<u>Housing Form</u>
1. St. John's	\$40,000	\$ 8,400	S - D
2. Halifax	38,500	9,000	R
3. Saint John	37,500	6,000	S - D
4. Chicoutimi	31,000	2,500	S - D
5. Quebec	35,000	3,150	S - D
6. Montreal	33,500	2,700	S - D
7. Hull	38,000	7,000	S - D
8. Ottawa	38,000	6,500	R
9. Oshawa	45,000	16,000	R
10. Toronto	47,000	15,000	R
11. Kitchener	38,000	10,700	R
12. Hamilton	45,000	15,000	R
13. St. Catharines	41,000	11,000	R
14. London	38,000	8,500	S - D
15. Sudbury	38,500	7,500	R
16. Thunder Bay	42,000	7,000	R
17. Windsor	37,000	9,500	S - D
18. Winnipeg	39,500	8,250	R
19. Regina	39,000	8,800	D
20. Saskatoon	39,000	10,075	D
21. Calgary	47,000	13,500	R
22. Edmonton	47,000	14,900	R
23. Victoria	45,000	12,500	R
24. Vancouver	47,000	14,000	R
25. Charlottetown	35,000	7,000	D

TABLE 4 (Cont'd)

Maximum House Prices
As of November 1978

	<u>MHP</u>	<u>Land</u>	<u>Housing</u>
		<u>Component</u>	<u>Form</u>
26. Sydney	\$35,000	\$ 4,700	D
27. Fredericton	37,000	5,500	S - D
28. Moncton	33,000	5,000	D
29. Sept Iles	38,500	4,400	S - D
30. Rimouski	34,000	2,800	S - D
31. Val d'Or	34,500	3,800	S - D
32. Sherbrooke	31,000	1,480	S - D
33. Trois-Rivières	31,000	1,500	S - D
34. Kingston	37,500	8,500	R
35. Peterborough	37,500	8,500	R
36. Barrie	39,000	9,000	R
37. North Bay	37,500	9,000	R
38. Sault Ste. Marie	37,000	7,000	S - D
39. Mississauga	47,000	15,000	R
40. Timmins	36,000	8,500	R
41. Lethbridge	43,500	8,250	S - D
42. Red Deer	43,000	7,000	R
43. Yellowknife	47,000	8,800	S - D
44. Kamloops	40,000	12,000	S - D
45. Cranbrook	37,000	5,500	S - D
46. Prince George	43,000	9,200	S - D
47. Kelowna	38,000	10,000	R
48. Whitehorse	43,000	7,330	D

NOTE: D = Detached unit

S-D = Semi-detached unit

R = Row unit

Sizes ranged from 950 to 1100 square feet.

TABLE 5

YEAR END MHP AS A PERCENTAGE OF
AVERAGE MLS RESIDENTIAL HOUSE PRICE
FOR THE METROPOLITAN AREAS OF CANADA
1975 AND 1977

	<u>1975</u>	<u>1977</u>
Calgary	68.27	70.75
Chicoutimi-Jonquière	n/a	n/a
Edmonton	75.26	74.87
Halifax	93.93	87.18
Hamilton	82.03	81.37
Kitchener	76.88	77.02
London	82.69	78.95
Montreal	82.23	85.48
Oshawa	98.29	86.23
Ottawa	70.52	66.63
Hull	107.29	105.61**
Quebec City*	94.64	94.53
Regina	91.50	90.74
St. Catharines	89.48	86.38**
St. John	89.18	95.89
St. John's	95.55	98.39
Saskatoon	86.67	86.19
Sudbury	93.40	91.04
Thunder Bay*	99.94	91.00
Toronto	74.68	72.80
Vancouver	74.44	72.81
Victoria*	80.30	72.96
Windsor*	103.00	94.49
Winnipeg	98.62	92.94

*MLS data refer to average dollar value for all MLS transactions, including residential.

** Figures are for 1976

2.2.2: Relationship of Maximum House Price to NHA Maximum Loan and NHA Maximum Lending Value

The MHP pertained to "modest acceptable housing"; the NHA Maximum Lending Value to "moderately-priced housing". The distinction between the two has not often been sharply defined. In 1978, the Maximum Lending Value exceeded the MHP in all market areas. The difference varied regionally however; from \$10,000 in St. John's to \$19,000 in Chicoutimi and Hamilton.

The NHA Maximum Lending Value was intended to include a price range of housing above the MHP. What constitutes an "adequate" spread has been subject to debate. It probably varies by market area. A recent position paper suggested that when the ratio of MHP to NHA Maximum Lending Value exceeded 80 per cent, the Maximum Loan offered inadequate scope for a viable non-assisted housing program.

Table 6 presents the relationship, in percentage terms, between the MHP and the MLV for each metropolitan area in 1978. Table 6 also shows the proportion of existing units in each market area with an estimated value which fell between the MHP and the MLV. This proportion varied by metropolitan area and even between areas where the MHP/MLV ratio is similar (compare Edmonton with St. John; Hamilton with Montreal). This suggests that a definition of "spread" in percentage terms does not offer a policy guideline suitable for all market areas.

In April 1975, when the Maximum House Prices were introduced, the spread between the MHP and the Maximum Lending Value was very small. In the case of Victoria, Windsor, Sudbury and Kitchener the MHP exceeded the then current MLV. The introduction of the MHP system therefore necessitated large increases in the Maximum Lending Value for several metropolitan areas in order to maintain an "adequate" spread.

As stated in Section 2.1, adjustments to the Maximum Lending Values are based on changing market conditions and policy objectives. An additional consideration has been the need to maintain an "adequate" spread between the Maximum Lending Value and the MHP. There is, however, no current policy towards the relationship between these two variables. A recent position paper suggested that "a ... policy should be developed in the near future to standardize our method of increasing both

TABLE 6

Comparison of Maximum House Price and
Maximum Lending Value by
Metropolitan Area, 1978

	MHP as a Percentage of MLV	Proportion of Existing Units with Estimated Value between MHP and MLV*
Calgary	74.6	17.0
Chicoutimi	62.0	45.5
Edmonton	74.6	16.8
Halifax	70.0	32.5
Hamilton	68.3	43.2
Kitchener	69.1	36.9
London	72.0	27.7
Montreal	67.0	26.6
Ottawa	69.1	24.0
Hull	69.1	29.2
Quebec	70.0	27.7
Regina	78.0	16.1
St. Catharines	68.0	29.4
St. John	75.0	29.1
St. John's	80.0	9.4
Saskatoon	78.0	20.6
Sudbury	77.0	16.0
Thunder Bay	84.0	16.8
Toronto	70.1	20.8
Vancouver	75.0	21.9
Victoria	75.0	28.1
Windsor	74.0	29.0
Winnipeg	79.0	16.5

* Special computer run on 1974 SHU house price data inflated to 1978 prices. Prepared by Program and Market Requirements Division.

the AHOP-MHP and the maximum NHA loan which should be related".

2.2.3: Implementation of the Maximum House Price

Once the MHP has been established, the form, size, standards and specifications used in establishing the MHP are not directly significant to the review of applications received under the Program provided they are within the price constraint.

(GM#B-1210; 27/9/77)

In theory, the MHP system had no control over the type, size, quality and location of housing units built under AHOP. What was constructed depended entirely on the choice of the builder, providing total costs came within the MHP and the house met national and local building standards. In practice, however, the builder had a limited set of trade-offs with respect to house size, density, quality, type and location if he wanted to build within the MHP. This was especially so in areas where the MHP had been kept at a lower level in relation to costs. The following situations arose:

- o In some locations small luxury units were built for less than the MHP.
- o For cost reasons, certain house types (singles, semis) were not built under the MHP in some areas.
- o Difficulty was experienced in building accommodation under AHOP with a higher bedroom count than was used to calculate the MHP. Indeed, there was often little latitude between municipally imposed size minimums and the size maximums implicit in the MHP.
- o In some market areas, AHOP units were constructed on low cost (marginal) lands with limited accessibility to environmental and social amenities.
- o Builders were tempted to reduce construction standards and material quality in order to bring units within the MHP.
- o AHOP activity was restricted in areas where land costs were high, the inner cities of large metropolitan areas being a prime example. Family ground oriented accommodation was especially restricted in such areas.

- There was a tendency for house prices above the MHP to be lowered to the MHP and for house prices below the MHP to be raised. A somewhat artificial new housing market was created with a wide range of value available at one price. This effect may also have spilled over into the market for existing housing.

If the MHP was not adjusted to accommodate changing market trends and construction costs (i.e. it was kept at a low level for other reasons), the options open to the builder became more and more limited. This was indeed another rationale for keeping MHP's at a low level in certain areas - to encourage the production of higher density forms of housing (e.g. row housing, condominium apartments). The analysis presented on page 11 suggests that in most market areas changes in the MHP did not keep pace with rising house prices.

2.3 BASIC RATES

CMHC's land and building appraisals have continuously exerted a downward pressure on the cost of housing financed under the National Housing Act. This has been achieved partly through the use of "basic rates".

Basic rates are used to estimate the building component of lending value in an equitable manner consistent with mortgage security. They have been in use at CMHC for many years. For each market area, basic rates are established for different "base" house types and floor area groupings.¹ They are calculated in terms of dollars per square metre. Basic rates always reflect the lower of cost or market valuations. They do not, however, exert any control over the cost of land.

There are a range of criteria used in the establishment and review of basic rates. GM#B-1193 (9/8/77) provides the following guidelines:

¹Table 7 presents a description of the Base House Specifications currently used in the Appraisal Division.

TABLE 7

CMHC BASE HOUSE SPECIFICATIONS

- A. Base House Specifications - Single Family Dwellings *
(Bracketed figures refer to paragraph number in Schedule of Adjustments - see Section E.)
1. (3) General
A detached, four-cornered bungalow, $1\frac{1}{2}$ storey or 2 storey design of normal perimeter is assumed.
2. (1&2) Basement
Full basement with unreinforced footings and either concrete block or poured concrete basement walls. Posts and beams of wood or steel or 2" x 4" bearing wall.
- 3.(4&12) Exterior Walls
Either; (a) clay brick veneer over sheathing and 16" O.C. studs or solid masonry with clay brick veneer facing, or, (b) wood siding finish over sheathing and 16" O.C. studs.
- 4.(4&7) Roof
Asphalt shingles or tar and gravel over sheathing and 16" O.C. rafters or acceptable roof trusses, with 24" overhang; gutters and downspouts are included if reported as typical by individual offices.
5. (8) Electrical
100 amp service with 100 amp breaker and 10 circuits.
6. (9) Heating and Air Conditioning
The system and fuel reported by individual offices as typical for their area.
- 7.(10) Plumbing
 - Single or double laundry tubs
 - One bath with shower, W.C. and lavatory basin, white or coloured
 - One single, or double compartment steel or stainless steel kitchen sink
 - Glass lined or equivalent domestic hot water tank, with either:
 - (a) a capacity of 30 imp. gallons and either one 1500 watt element, or two 1000 watt elements, or,
 - (b) a capacity of 16 imp. gallons and the ability to raise 12 gallons 100 deg. F. in one hour, if gas. If the tank is reported by individual offices to be typically rented, no tank is included in the base house for that office area.

* Also applicable to semi-detached and row dwellings.

TABLE 7 (cont'd)

8. (11) Chimneys
Prefabricated metal class 'B', if gas fired heating;
Class 'A', or masonry, if oil fired.
- 9.(4&13) (a) Interior Walls and Ceilings
With 16" O.C. joists and studs and either:
(i) $\frac{1}{2}$ " mechanically taped drywall with two coats of
acceptable paint, or
(ii) 3/8" gryproc lath and plaster unpainted.
Ceramic to bathroom dado or bath enclosure.
- (b) Flooring
Hardwood or good quality broadloom on underlayment over
subfloor and 16" O.C. joists, except in kitchen and
bathroom where vinyl asbestos tile or sheet linoleum
is assumed.
- 10.(14) Doors and Windows
Storm doors with built-in fly screens to both doors. Sash-
less horizontally sliding windows in wooden frames with
built-in storm sashes and fly screens.
- 11.(15) Built-ins
- Kitchen cabinets or cupboards, 10 lin. feet inclusive
of sink, with plastic laminated countertop.
- Bathroom vanity, three feet long, with laminated
plastic surface, two drawers and mirror above.
- 12.(16) Entrances
(2) Primary - concrete steps and platform
Secondary - entry at grade with concrete pad.
- 13.(18) Site Improvements
&(19)
- Gravel or crushed stone driveway 45 feet long
- Poured concrete or concrete slab walkway to each
entrance, total length, 35 feet
- Service laterals from street connection to house,
total length 25 feet.
- 14.(20) Standard Allowances
Typical allowances for house plans, inspection, appraisal
and legal fees and interest charges during construction.

TABLE 7 (cont'd)

B. Base House Specification - Duplexes

1. As for Single Family Dwellings, except

Item 6 - Heating & Air Conditioning
Combined furnace for two units

Item 12- Entrances

Primary - vestibule for two units
Secondary - steps and platform for lower unit, external stairs for upper unit

C. Base Apartment Specification

1. The basic rates are calculated on the basis of 2 and 3 storey buildings of simple design and specifications.
2. The base specifications are similar to those for single family dwellings, with the following exceptions:
 - (a) Heating and Air Conditioning - oil fired, hot water heating system with convector radiation - no air conditioning.
 - (b) Floors - one hour fire resistive wooden construction.
 - (c) Sound Insulation - between units - as required by Residential Standards.
 - (d) Bathroom - ceramic tile: floor and dado or bath enclosure.
 - (e) Windows - with storm sashes and fly screens.
 - (f) Laundry Equipment - no mechanical equipment is included.
 - (g) Site Improvements - no driveways or walkways.
 - (h) Standard Allowances - none is included.

SOURCE: Appraisal Guide, CMHC.

"In performing and documenting an in-use rate review the Senior Appraiser is expected to ensure the following outline is followed:

1. Collect materials and labour costs for the forthcoming period and compare to the last available data.
2. Obtain typical cost breakdowns from several local builders and sub-trades on typical housing forms and determine impact of size on costs. These estimates should be carefully checked from the Appraiser's knowledge. They should also be checked against each other and with the sub-trades and others who influence this cost.
3. Analyse actual sales in as much volume as possible. If sales are scarce owner applicant activity should also be analysed.
 - Exclude CMHC adjustments for extras.
 - Exclude builders allowance for land.
 - The remainder is divided by the L.F.A. to give an indication of the basic rate indicated in the market.
 - Establish pattern of rates by housing form and floor area groupings.
 - Identify trends in these rates over time.
 - Also of interest will be a comparison of actual sales prices to prices the builders proposed at the time of loan application.
- The degree of sophistication of the analysis should depend on the volume, range and reliability of the data, particularly with regard to the extras in the buildings and to the validity of the land cost information.
4. Analyse builders' unsold inventories in terms of:
 - Location.
 - Housing form and quality.

- Time on the market.
 - Comparison of asking price to appraised value.
 - Number of units available.
5. Examine builders' proposed price schedules and programs for current and upcoming period.
 6. Have extensive discussions on the state of the market with realtors, lenders, builders, sub-trades, organized labour and others to assist with the assessment of near term future trends.
 7. Assemble all of the above information so as to enable reasonable short term future projections to be made in establishing basic rates that will strike the most appropriate point between the market influence and the cost influence on our lending value".

Table 8 presents an example of a current basic rate table. Rates are in dollars per square metre. (To convert to dollars per square foot multiply by 0.0929).

When an appraisal is carried out, the livable floor area of the house is multiplied by the basic rate to give an estimate of the gross building reproduction cost. Various adjustments to this figure are made depending on to what extent the house differs from the "base" house. A net building reproduction cost figure is derived which, when added to the land cost, gives the total reproduction value or lending value of the property. A typical homeownership appraisal is reproduced as Figure 1.

2.4 CONSTRUCTION COST BENCHMARKS

Construction Cost Benchmarks were introduced in 1975 with the decentralisation of decision making authority for loans made under Sections 15, 15.1, 34.18, 40 and 43. A Construction Cost Benchmark was defined as "the average new construction cost per square foot, exclusive only of land, recently experienced in the financing of Part I and Section 58 projects of similar characteristics (form and bedroom count) and location" (GM#B-1066; 30/3/76). The Construction Cost Benchmark therefore referred to the average new construction cost per square

TABLE 8
BASIC RATE TABLE: AN EXAMPLE

TABLE BASIC RATE — TABLEAU DE TAUX DE BASE

		r^2	60	70	80	90	100	110	120	130	140	150	160	170	Aire de percevoir	r^2
1	F. ext. Aire	r^2		10.21	9.78	2.81	.57	2.39	2.51	3.27	.67	1.48	1.29	0.50	exterieur	
2	BUNGALOW		362.79	352.57	342.79	339.98	333.41	337.02	331.45	330.51	329.09	327.80	327.30			
3	BRNGLW.		455.32	394.83	333.92	360.73	330.14	377.46	374.65	370.99	370.24	368.58	367.14	366.59	PANS DE BOIS	
4	PLEX. + 2.5 Storey		391.81	380.78	370.21	367.18	66.56	1363.98	361.27	357.74	357.02	355.42	354.02	353.48		
5	PLEX. + 2.5 Storey	r^2		25	35	45	35	45	55	35	45	55	45	55	Aire du rez-de-chaussée m^2	
6	PLEX. + 2.5 Storey	r^2		5.00	3.90	3.08	2.63	2.07	1.71	1.61	1.26	1.13	1.01	.93	Aire du étage m^2	
7	PLEX.														ETAGE	
8	PLEX.		299.67	302.04	304.30	297.08	299.24	301.39	291.59	293.85	296.33	288.80	291.06	293.21	PANS DE BOIS	
9	PLEX. + 2.5 Storey															
10	PLEX. + 2.5 Storey	r^2														
11	PLEX. + 2.5 Storey	r^2														
12	PLEX. + 2.5 Storey	r^2														
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113	PLEX. + 2.5 Storey	r^2														

P. R. S. L.	LAHO NO 4		
1. Livable Floor Area X Basic Rate			
<input checked="" type="checkbox"/> \$ 1270	\$ 2451.50		
\$ 1270	\$ 31130		
TOTAL → \$ 31130			
2. Adjustments to Building			
(A) 04	Ext. Const. \$ 035	PLUS	MINUS
(B) 03	Basement		
(C) 4	Fireplace		
(D) 000	Rec. Rms <input checked="" type="checkbox"/>		
(E) 1	Plumbing		
(F) 39	Heating		
(G) 30	Garage/Car Pt.	950	
(H) 01	Int. Const.		
(I) 72	Windows		
Split-level Allowance		2095	
Party Wall			
Landscaping		300	
FRANKE COSTS		2500	
H.D.R.C...		085	
SMK.E.NCT.		073	
BUSH.L.W.O		750	
SP.R.E.W.R		450	
P.C.R.S.I.L		070	
(J) <input checked="" type="checkbox"/> Part II Adjustment			
NO STCK. DR.		125	
MARKET VAL.		2000	
SUB-TOTALS		7215	2220
NET ADJUSTMENTS ... Plus = (1) Minus = (2)		1	\$ 4995
3. Building Reproduction Cost <small>(item 1 plus or minus Net Adj.)</small>			\$ 36,125
4. Serviced Land Valuation			\$ 16,500
5. Total Reproduction Value			\$ 52,625
6. Depreciation/Obsolescence			
Functional: _____			
Economic: _____			
TOTAL			
7. Market Price Adjustment		→	\$ _____
8. Lending Value			\$ 52,600
9. Loan by Lending Value			
95	X on 50000	\$ 47,500	
75	2,600	1,950	
			\$ 49450
10. Maximum Loan by Regulation			\$ 57,250
1			
11. Loan Applied For (Excluding Insurance Fee)		\$ 52250	
Card No.		4	

Figure 1

REPORT APPRAISAL
FORM FOR NEW
HOUSING
(HOME OWNERSHIP).
CMHC 19 (JAN 1975)

metre of units built in the private market. A set of benchmarks, by housing form and bedroom count, was developed and maintained for each geographical area where construction costs were significantly different. The Construction Cost Benchmark therefore differed significantly from the basic rate which reflects a much wider variety of cost and market factors.

Construction Cost Benchmarks have acted as a cost control on projects funded under the social housing programs. For each project application received, the square metre construction cost estimate of the project prepared by CMHC was compared with the appropriate Construction Cost Benchmark. If the square metre construction cost estimate exceeded the Construction Cost Benchmark, then an explanation and justification was required.

It was generally recognised, however, that publicly sponsored projects incur special costs which privately sponsored projects do not. This is often the result of the procurement method used eg. public tendering which usually implies extra architectural and professional fees and additional specification and inspection procedures. In order to provide some latitude, therefore, square metre construction cost estimates were allowed to exceed the relevant Construction Cost Benchmarks by certain percentages depending on the program under which the project was funded:

Entrepreneur Housing:	5 per cent
Non-Profit and Cooperative Housing:	10 per cent
Public Housing:	15 per cent

For existing projects the appropriate Construction Cost Benchmark was compared with the acquisition cost plus the cost of any rehabilitation or conversion. A problem arose here in the estimation of the land component of acquisition cost, since the square metre cost estimate for existing units could be lowered by increasing the land component of acquisition cost. The land component of acquisition cost has often been difficult to estimate especially for single units.

Table 9 presents an example of a Construction Cost Benchmark table, in dollars per square metre.

TABLE 9
CONSTRUCTION COST BENCHMARK TABLE: AN EXAMPLE

Housing Form/Forme de Maison	Detached Semi & Duplex/ Unifamiliale Jumelée et Duplex	Row/ en Bande	Walk up Appartements/ Appartements avec Escalier	Elevated Apartments/ Appartements avec Ascenseurs
Average Bedroom Count/ Nombre Moyen de Chambres	1.5-2.5 2.5-3.5 3.5-4.5	1.5-2.5 2.5-3.5 3.5-4.5	.5-1.5 1.5-2.5 2.5-3.5 H	.5-1.5 1.5-2.5 2.5-3.5 H .5-1.5 1.5-2.5 2.5-3.5 H
Location				
A	347.00 323.00	318.00 307.00	301.00 296.00	296.00 280.00 264.00
B	347.00 323.00	318.00 307.00	301.00 296.00 530.00	417.00 323.00
C	414.00 385.00	379.00 363.00	358.00 350.00 638.00	447.00 441.00
D	560.00 552.00	544.00 522.00	514.00 506.00	484.00

Recently, there was concern that the application of the Construction Cost Benchmark system resulted in some highly subsidised units costing more than moderately subsidised units, especially in the older central parts of metropolitan areas. Several CMHC local offices therefore informally adapted the MHP system to social housing units in order to prevent such occurrences.

2.5 UNIT SIZE MAXIMUMS

2.5.1 Description

Unit size maximums have generally been applied in conjunction with other house price/cost control mechanisms. For example, under ARP, unit size maximums and Maximum House Prices were used jointly as control mechanisms; in practice, however, it was the size maximums which exerted a greater influence on the costs of rental units produced. Under the social housing programs, unit size maximums were used in conjunction with Construction Cost Benchmarks. Maximum square foot norms were developed by house form and bedroom count. Under ARP the following norms applied:

MAXIMUM FLOOR AREAS UNDER ARP TYPE OF STRUCTURE

<u>Units</u>	<u>Non-Apartment Forms</u>	<u>All Apartment Forms</u>
Studio/Bachelor	-	400 sq. ft.
1 Bedroom	650 sq. ft.	600 sq. ft.
2 Bedroom	900 sq. ft.	800 sq. ft.
3 Bedroom	1,100 sq. ft.	1,000 sq. ft.
4 Bedroom	1,300 sq. ft.	1,200 sq. ft.

Individual units in a project could exceed the floor area maximum, provided that the average square footage per unit in the project as a whole did not exceed the weighted average per unit calculated by using the floor area maximum. Table 10, taken from GM#B-1067 (30/3/76), provides an illustration of how this weighted average procedure worked.

TABLE 10
CALCULATION OF PROJECT ELIGIBILITY
FLOOR AREA MAXIMA CRITERION

NOTE: Individual units in a project may exceed the CMHC floor area maxima, provided that the average square footage per unit in the project as a whole does not exceed the weighted average per unit calculated by using the CMHC floor area maxima.

EXAMPLE

Project X contains 20 units of row housing with unit sizes as follows:

(10) 2-bedroom units at 930 sq. ft.
(10) x 930 = 9,300

(7) 3-bedroom units at 1050 sq. ft.
(7) x 1050 = 7,350

(3) 4-bedroom units at 1210 sq. ft.
(3) x 1210 = 3,630

Weighted Average per Unit Floor Area

9,300 + 7,350 + 3,630 = 20,280 sq. ft. : 20 units = 1014 sq. ft.
per unit average

USING MAXIMA AS COMPARISON

(10) 2-bedroom units at 900 sq. ft.
(10) x 900 = 9,000

(7) 3-bedroom units at 1100 sq. ft.
(7) x 1180 = 7,700

(3) 4-bedroom units at 1300 sq. ft.
(3) x 1300 = 3,900

Weighted Average Per Unit Floor Area

9,000 + 7,700 + 3,900 = 20,600 sq. ft. : 20 units = 1030 sq. ft.
per unit average

CONCLUSION

Actual Project: 1014 sq. ft. per unit

Guideline: 1030 sq. ft. per unit

Project X qualifies under the floor area maxima criterion.

Source: GM #B-1067 (30/3/76)

The maximum floor areas detailed above also applied to the social housing programs. In addition, however, a different set of floor area maximums were provided for non-apartment forms in remote locations (eg Yukon and NWT) since this is the predominant housing form.

MAXIMUM FLOOR AREAS FOR
NON-APARTMENT FORMS IN REMOTE LOCATIONS

Bachelor	-
1 Bedroom	650 sq. ft.
2 Bedroom	950 sq. ft.
3 Bedroom	1,150 sq. ft.
4 Bedroom	1,350 sq. ft.
5 Bedroom	1,500 sq. ft.

No maximum floor areas as such were provided for hostel accommodation.

Under the social housing programs, density was regulated through the use of a Floor Space Index. A Floor Space Index indicates the ratio of the total floor area of the project to the lot area on which the project is built.¹ A range of Floor Space Indices were prepared by housing form. They were intended to discourage exceptionally low and exceptionally high unit densities.

FLOOR SPACE INDICES

<u>Housing Form</u>	<u>Normal Range of Floor Space Indices</u>
Detached	0.17 to 0.25
Semi-Detached	0.25 to 0.35
Row	0.40 to 0.50
Walk-up Apartments	0.40 to 0.80
Elevator Apartments	0.80 to 4.00

¹Note that total liveable floor area is defined as the aggregate of all floor areas, measured from the outside faces of enclosing walls, less any area which does not form an integral part of habitable accommodation.

2.5.2 Application of Unit Size Maximums to Existing Units

The maximum floor area criteria were developed with reference to new construction. The average size of existing dwelling units, however, tends to be larger than the average size of newly constructed dwelling units. This suggests that any application of the above maximums to existing dwelling units could be inappropriate. They would restrict the number of units eligible for funding under any housing program.

Tables 11 & 12 support this contention. Table 11 compares the unweighted average gross floor area of existing units by bedroom count and housing form across the 23 metropolitan (SHU) areas in 1974 with the maximum unit sizes which applied to ARP and the social housing programs. Table 12 provides similar figures for Calgary, Montreal, St. John's, Toronto and Winnipeg. In almost every case, the average gross floor area of existing units exceeds the prescribed maximum. The percentage difference between the two also increases with increasing bedroom count for both apartment and non-apartment forms. The implication here is that these maximum floor area criteria would render a greater number of large existing units ineligible than small ones. This is important for the provision of low income family accommodation in inner city areas, since many units are provided through acquisition as opposed to new construction. The application of the current unit size maximums to existing units was therefore called into question.

TABLE 11

COMPARISON OF MAXIMUM FLOOR AREAS OPERATIVE UNDER ARP AND THE SOCIAL HOUSING PROGRAMS WITH THE UNWEIGHTED AVERAGE GROSS FLOOR AREA OF EXISTING UNITS, BY HOUSING FORM AND BEDROOM COUNT, FOR THE TWENTY-THREE METROPOLITAN AREAS¹ IN 1974.

<u>Non-Apartment</u>	<u>Average Gross Floor Area (A)</u>	<u>CMHC Maximum Floor Area (B)</u>	<u>(A-B) As a Percentage of (B)</u>
Bachelor	568	-	-
1 Bedroom	689	650	6.0
2 Bedroom	990	900	10.0
3 Bedroom	1300	1100	18.2
4 Bedroom	1694	1300	30.3
5 Bedroom	2020	-	-

<u>Apartment</u>	<u>Average Gross Floor Area (A)</u>	<u>CMHC Maximum Floor Area (B)</u>	<u>(A-B) As a Percentage of (B)</u>
Bachelor	382	400	(4.5)
1 Bedroom	640	600	6.7
2 Bedroom	904	800	13.0
3 Bedroom	1131	1000	13.1
4 Bedroom	1503	1200	25.2
5 Bedroom	1743	-	-

¹Includes Charlottetown.

Source: Survey of Housing Units (1974). CMHC.

TABLE 12
COMPARISON OF CMHC MAXIMUM FLOOR AREAS OPERATIVE UNDER ARP AND THE SOCIAL HOUSING PROGRAMS WITH THE AVERAGE GROSS FLOOR AREA OF EXISTING UNITS, BY HOUSING FORM AND BEDROOM COUNT, FOR CALGARY, ST. JOHN'S, MONTREAL, TORONTO AND WINNIPEG IN 1974.

Calgary		(A-B) AS a Percentage of (B)	
<u>Non-Apartment</u>	<u>Average Gross Floor Area(A)</u>	<u>CMHC Maximum Floor Area (B)</u>	<u>(A-B) AS a Percentage of (B)</u>
Bachelor	-	-	-
1 Bedroom	679	650	4.5
2 Bedroom	981	900	9.0
3 Bedroom	1319	1100	20.0
4 Bedroom	1824	1300	40.0
5 Bedroom	2276	-	-

Calgary		(A-B) AS a Percentage of (B)	
<u>Apartment</u>	<u>Average Gross Floor Area(A)</u>	<u>CMHC Maximum Floor Area (B)</u>	<u>(A-B) AS a Percentage of (B)</u>
Bachelor	348	400	(13.0)
1 Bedroom	601	600	0.16
2 Bedroom	917	800	14.6
3 Bedroom	1160	1000	16.0
4 Bedroom	1524	1200	27.0

TABLE 12 (CONT'D)

COMPARISON OF CMHC MAXIMUM FLOOR AREAS OPERATIVE UNDER ARP AND THE SOCIAL HOUSING PROGRAMS
WITH THE AVERAGE GROSS FLOOR AREA OF EXISTING UNITS, BY HOUSING FORM AND BEDROOM COUNT, FOR
CALGARY, ST. JOHN'S, MONTREAL, TORONTO AND WINNIPEG IN 1974.

		<u>Montreal</u>			
				<u>(A-B) As a Percentage of (B)</u>	
<u>Non-Apartment</u>		<u>Average Gross Floor Area (A)</u>	<u>CMHC Maximum Floor Area (B)</u>		
Bachelor	-	-	-	-	-
1 Bedroom	706	650	8.6	-	-
2 Bedroom	994	900	10.4	-	-
3 Bedroom	1275	1100	16.0	-	-
4 Bedroom	1761	1300	35.5	-	-
5 Bedroom	2777	-	-	-	-

		<u>CMHC Maximum Floor Area (B)</u>			
				<u>(A-B) As a Percentage of (B)</u>	
<u>Apartment</u>		<u>Average Gross Floor Area (A)</u>	<u>CMHC Maximum Floor Area (B)</u>		
Bachelor	385	400	3.8	-	-
1 Bedroom	646	600	7.7	-	-
2 Bedrooms	854	800	6.8	-	-
3 Bedrooms	1159	1000	15.9	-	-
4 Bedrooms	1423	1200	18.6	-	-
5 Bedrooms	1576	-	-	-	-

TABLE 12 (CONT'D)

COMPARISON OF CMHC MAXIMUM FLOOR AREAS OPERATIVE UNDER ARP AND THE SOCIAL HOUSING PROGRAMS WITH THE AVERAGE GROSS FLOOR AREA OF EXISTING UNITS, BY HOUSING FORM AND BEDROOM COUNT, FOR CALGARY, ST. JOHN'S, MONTREAL, TORONTO AND WINNIPEG IN 1974.

St. John's		(A-B) As a Percentage of (B)	
Non-Apartment	Average Gross Floor Area (A)	CMHC Maximum Floor Area (B)	
Bachelor	453	-	-
1 Bedroom	613	650	(5.7)
2 Bedroom	908	900	0.89
3 Bedroom	1230	1100	11.8
4 Bedroom	1582	1300	21.7
5 Bedroom	2232	-	-

St. John's		(A-B) As a Percentage of (B)	
Apartment	Average Gross Floor Area(A)	CMHC Maximum Floor Area (B)	
Bachelor	450	400	12.5
1 Bedroom	602	600	0.33
2 Bedrooms	815	800	1.9
3 Bedrooms	1028	1000	2.8
4 Bedrooms	1530	1200	27.5
5 Bedrooms	1709	-	-

TABLE 12 (CONT'D)

COMPARISON OF CMHC MAXIMUM FLOOR AREAS OPERATIVE UNDER ARP AND THE SOCIAL HOUSING PROGRAMS WITH THE AVERAGE GROSS FLOOR AREA OF EXISTING UNITS, BY HOUSING FORM AND BEDROOM COUNT, FOR CALGARY, ST. JOHN'S, MONTREAL, TORONTO AND WINNIPEG IN 1974.

<u>Toronto</u>		<u>(A-B) As a Percentage of (B)</u>	
<u>Non-Apartment</u>	<u>Average Gross Floor Area(A)</u>	<u>CMHC Maximum Floor Area (B)</u>	<u>(A-B) As a Percentage of (B)</u>
Bachelor	375	-	-
1 Bedroom	854	650	31.4
2 Bedroom	1013	900	12.6
3 Bedroom	1391	1100	26.5
4 Bedroom	1756	1300	35.1
5 Bedroom	2179	-	-

<u>Average Gross Floor Area(A)</u>		<u>CMHC Maximum Floor Area (B)</u>		<u>(A-B) As a Percentage of (B)</u>			
<u>Apartment</u>	<u>Average Gross Floor Area(A)</u>	<u>CMHC Maximum Floor Area (B)</u>	<u>(A-B) As a Percentage of (B)</u>	<u>Apartment</u>	<u>Average Gross Floor Area(A)</u>	<u>CMHC Maximum Floor Area (B)</u>	<u>(A-B) As a Percentage of (B)</u>
Bachelor	430	400	7.5	1 Bedroom	701	600	16.8
1 Bedroom	1044	800	30.5	2 Bedroom	1200	1000	20.0
3 Bedroom	1360	1200	13.3	4 Bedroom	-	-	-
5 Bedroom	-	-	-				

TABLE 12 (CONT'D)

COMPARISON OF CMHC MAXIMUM FLOOR AREAS OPERATIVE UNDER ARP AND THE SOCIAL HOUSING PROGRAMS WITH THE AVERAGE GROSS FLOOR AREA OF EXISTING UNITS, BY HOUSING FORM AND BEDROOM COUNT, FOR CALGARY, ST. JOHN'S, MONTREAL, TORONTO AND WINNIPEG IN 1974.

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		<u>Winnipeg</u>		<u>(A-B) AS a Percentage of (B)</u>	
		<u>Average Gross Floor Area(A)</u>	<u>CMHC Maximum Floor Area (B)</u>		
<u>Non-Apartment</u>					
Bachelor	511	-	-		
1 Bedroom	698	650	7.4		
2 Bedroom	915	900	1.7		
3 Bedroom	1255	1100	14.1		
4 Bedroom	1543	1300	18.7		
5 Bedroom	1927	-	-		
<u>Apartment</u>					
Bachelor	355	400	(11.3)		
1 Bedroom	671	600	11.8		
2 Bedroom	902	800	12.6		
3 Bedroom	1069	1000	6.9		
4 Bedroom	-	1200	-		
5 Bedroom	1678	-	-		

2.6 SUMMARY

From the above discussion it is clear that

- house price/cost control mechanisms have been used to achieve a wide variety of objectives;
- house price/cost control mechanisms have been primarily oriented towards new production. Any application to the existing stock has been of secondary importance;
- house price/cost control mechanisms have often been interrelated; the level of basic rates has had a direct bearing on both Maximum House Prices and Construction Cost Benchmarks; the MHP and the Maximum Lending Value have also been related through the need for an "adequate" spread;
- only under the MHP/MLV systems has there been any implicit control over the price of land; the tradeoff between land and non-land inputs has, however, been made by the builder.

3. HOUSE PRICE/COST CONTROLS AND THE NEW HOUSING PROGRAMS: RATIONALE FOR THE NEW MEASURES

3.1 MAXIMUM UNIT PRICES

Several policies pertaining to house price/cost controls were announced in the spring of 1978 as part of the new housing programs. Decisions were made:

- to eliminate the subsidies under the AHOP program and replace them with the Graduated Payment Mortgage (GPM) instrument;
- to allow the GPM instrument to be used for the purchase of existing housing;
- to extend the quick settlement provisions of the GPM to new and existing units coming within the Maximum House Price (MHP);
- to extend the MHP system to social housing programs.

The rationale for the extension of the MHP system to social housing and to quick settlement GPM's was simple: 1) As discussed in the previous section a total cost control mechanism was required for social housing and the old Construction Cost Benchmark system did not provide this since it did not control land costs, and 2) It was agreed that assisted housing, be it social housing or units provided via the quick settlement provisions of the GPM, should operate under similar house price or cost controls. In addition, a system was desired for social housing delivery which would involve a reduction in inter-governmental cross-checking in order to support the policy of "disentanglement".

Following these decisions, however, concern was expressed by outside interest groups that it would be difficult to build and/or acquire social housing under the MHP in high cost regions such as inner cities and remote areas (eg Northern Saskatchewan). The provision of ground oriented family accommodation in high cost areas under the MHP was argued to be a particular problem since the MHP was inflexible and did not take into consideration the different bedroom counts and types of units anticipated. As discussed in the previous section this concern had been raised previously

in the context of the old AHOP program. A second concern was that in some market areas only a limited number of existing units would be eligible for GPM financing (with quick settlement) using the MHP system. In view of these concerns, therefore, the validity of the MHP system was called into question.

As a result of these concerns, alternative systems of house price and cost controls were examined. Table 13 presents an original assessment of a range of house price/ cost control mechanisms when checked against a range of factors relevant to the new housing programs.

3.1.1 AHOP, ARP and the Maximum House Price: An Evaluation

The AHOP program was primarily intended to increase the stock of modest housing in each market area. In this regard, the program was a success. Many units were built at or near the MHP creating a peaked effect in the house price distribution of new units coming onto the market. Between 1975 and 1977 approximately 50 per cent of all new homeownership units approved under the NHA were AHOP financed (Table 14). Between 1976 and 1977 approximately 83 per cent of all new rental units approved under the NHA were ARP financed (Table 15). Combined, AHOP and ARP units comprised 31 per cent of all new units approved in 1976 and 46 per cent in 1977 (Table 16). In market areas where AHOP and/or ARP were "the only game in town", these figures were much higher.

Under AHOP, the MHP system was an effective tool of public policy. In addition to the main objective, the MHP (in conjunction with AHOP subsidies) was used to exert downward pressure on house prices and to encourage production of higher density forms of housing in different market areas. As a result it became clear that the MHP had become a less reliable indicator of the production costs of modest housing even in suburban areas. In addition, its rigid application led to a large number of relatively standardised units being added to the stock over a short period. Some of these units have not proved acceptable to the market (eg high-rise condominiums in Toronto) and are consequently still unsold. Many are in suburban locations often on marginal sites. In contrast AHOP activity in the inner city was minimal.

Furthermore, it should be recalled that the MHP system was geared to homeownership units and had little relevance to rental units of different types and sizes.

TABLE 13

HOUSE PRICE/COST CONTROLS AND THE NEW HOUSING PROGRAMS

PRICE/COST CONTROLS	DOWNTWARD PRESSURE ON PRICES	PRODUCTION TAKE UP	LAND COST CONTROL	QUALITY CONTROL	SIZE DENSITY CONTROL	DISENTANGLEMENT
1) Current MHP System	Yes, if used in conjunction with subsidies and set below average market price.	Yes, if used in conjunction with subsidies	Yes - marginal lands often used.	Yes - Low quality probable with higher maintenance costs later.	Yes - higher densities can be encouraged.	Supportive
2) Maximum Unit Price System - by House Type and Bedroom Count and Client Group	In short term may lead to some inflation in house prices if larger dwellings favoured by builders.	May encourage increased production, especially of larger units, given that house type and size are now explicitly considered.	Yes	Higher quality encouraged.	Less control than in 1).	
3) Construction Cost Benchmarks	Effective cost control	No impact	No control	Yes	More control over size and quality since house type and bedroom count explicitly considered.	Less control than in 1).
4) Size limits	Some control but does not prevent "high grading".	No impact	No control	No control	Yes	Supportive
5) Maximum NHA Loan (95% mortgage); Maximum Lending Value (95% mortgage).	Yes, if set below average market price.	No impact	Yes	Yes	Yes	Supportive
6) Basic Rates	Yes - market factors considered when basic rates set.	No impact	No control	Yes	Yes	Supportive

TABLE 1.3 (Cont'd)

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APPLICABILITY TO EXISTING STOCK	ADMINISTRATIVE SIMPLICITY	COMPREHENSIBLE TO USE	GPM	SOCIAL HOUSING	INNER CITY
1. Proportion of eligible stock varies by market area and would be very small in most areas.	One MHP per region.	Builders now used to the MHP system.	If GPM is to be used to improve accessibility to modest housing/encourage production of modest housing then there is a rationale. May distort price structure of new and existing market. Too restrictive a control for an as yet untried program.	Ensures that social housing will not cost more than less subsidized housing such as AHOP. Little rationale as present social housing cost control system seems to be working well. In some markets current MHP's too restrictive.	Separate MHP for inner city - little rationale - administratively unmanageable
2. Proportion of eligible stock varies by market area. Exact proportions would be difficult to determine.	Many MHP's per region - could be confusing. Potential conflict with provinces.	Gives builders more leeway, particularly in the construction of larger units.	Less distortion of the price structure of the new and existing market than in 1).	As above, but gives builders more flexibility, particularly in the construction/acquisition of larger units.	Separate set of MHP's for inner city - little rationale - administratively unmanageable
3. Applies equally well although problem of estimating land component of total property value.	Table of CCB's in use since 1975. Problems with estimation of CCB's. Conflicts with provinces.	Yes - builders use similar system.	Not applicable since benchmarks are based on projects funded under Part I.	Currently used - system seems to work effectively. Proponents could be responsible for any cost overruns. Administrative problems with this system though.	Separate set of CCB's for inner city - little rationale since land costs not included - administratively unmanageable
4. Higher size limits required for the existing stock.	Size limits by bedroom count and apartment/non-apartment forms.	Yes - already used under ARP and social housing programs.	New house size limits applicable under the GPH - important distributional policy objectives. Existing stock.	Currently used - same size limits apply to new and existing stock.	No rationale for separate inner city size limits.
5. Proportion of eligible stock varies by market area and would be high in most areas.	One maximum NHA loan per market.	Yes	Highest appropriate limit for the GPH if objective of GPM is to improve accessibility to moderately priced new and existing housing.	Lower maximum loan possible for social housing than for market housing to ensure social housing costs do not exceed those for market housing. But MHP in some areas equal to maximum lending value. Therefore combine MHP system with Section 6 house price control system.	Separate set of maximum loans for the inner city - little rationale and indeed need - administratively unmanageable
6. Applies equally well	Table of basic rates in use for many years. Revisions at least twice a year.	Yes - builders use similar system.	Appraised value will continue to set the maximum for the GPM.	Appraised value will continue to set the maximum for social housing.	Separate set of basic rates for the inner city - little rationale since land costs not included - administratively unmanageable

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TABLE 14

UNITS APPROVED UNDER AHOP AS A PERCENTAGE OF
ALL NEW NHA HOMEOWNERSHIP APPROVALS*

FOR CANADA AND THE PROVINCES
1973 - 1977

	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>
Newfoundland	41.84	70.19	73.10	77.10	71.84
Prince Edward Island	49.25	87.50	92.59	97.08	85.32
Nova Scotia	58.77	66.95	90.86	90.84	82.89
New Brunswick	16.55	66.12	65.30	85.98	70.76
Quebec	24.11	53.14	65.36	81.06	74.85
Ontario	2.42	22.66	31.56	51.85	51.62
Manitoba	3.83	15.23	21.66	26.71	45.60
Saskatchewan	27.75	60.74	60.54	62.94	79.28
Alberta	10.57	20.76	19.75	14.35	26.79
British Columbia	10.91	33.40	38.14	70.97	79.59
Yukon	2.94	33.96	46.31	34.85	7.02
Northwest Territories	0.00	12.50	22.73	48.33	44.85
CANADA	12.69	35.90	42.62	58.95	59.49

*Includes AHOP units and Section 6 (New) Regular homeownership units.

TABLE 15

UNITS APPROVED UNDER ARP AS A
PERCENTAGE OF ALL NEW NHA RENTAL APPROVALS*

FOR CANADA AND THE PROVINCES
1976 - 1977

	<u>1976</u>	<u>1977</u>
Newfoundland	0.00	97.04
Prince Edward Island	37.93	100.00
Nova Scotia	64.26	100.00
New Brunswick	85.77	100.00
Quebec	95.86	96.99
Ontario	68.82	89.46
Manitoba	88.05	92.08
Saskatchewan	95.16	100.00
Alberta	39.16	58.39
British Columbia	93.93	92.56
Yukon	0.00	100.00
Northwest Territories	0.00	65.41
CANADA	81.25	86.42

* Includes ARP units and Section 6 (New) Regular rental units.

TABLE 16

UNITS APPROVED UNDER AHOP AND ARP AS A PERCENTAGE OF
ALL NEW APPROVALS*

FOR CANADA AND THE PROVINCES
1973 - 1977

	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>
Newfoundland	6.04	27.10	38.62	60.02	56.08
Prince Edward Island	4.10	21.76	21.37	24.70	28.68
Nova Scotia	4.72	7.68	17.22	35.44	54.85
New Brunswick	2.25	12.73	21.40	35.58	24.19
Quebec	8.45	38.52	28.79	54.93	55.88
Ontario	0.48	5.84	15.26	32.84	42.38
Manitoba	1.38	5.43	9.35	26.90	56.23
Saskatchewan	18.41	32.48	27.41	58.69	60.29
Alberta	3.24	5.41	5.82	11.43	29.15
British Columbia	1.78	7.49	13.85	34.17	58.02
Yukon	2.70	20.93	35.03	55.92	11.83
Northwest Territories	0.00	1.67	5.26	32.58	70.60
CANADA	3.08	10.12	18.02	31.31	46.30

*Includes AHOP units, ARP units, Section 6 (New) Regular units and all non-NHA funded units.

3.1.2 A More Flexible System

Evaluation of the operation of the MHP under the AHOP program suggested that, for social housing and for units funded via the GPM with quick settlement, a more flexible system of price controls together with more realistic estimates of the costs of modest house production and/or acquisition were required. Such a system would ensure that a wide range of units could be funded in a wide variety of locations. These basic criteria provided the rationale for the Maximum Unit Price system. The advantages of this refined system are obvious:

- 1) It is a total cost control system;
- 2) It is flexible taking into consideration house type, bedroom count and client group;
- 3) It is equally applicable to new and existing housing, and to rental and homeownership housing;

With the introduction of the MUP system, explicit size and density controls were eliminated thus allowing for even more flexibility since the analysis in the previous section had shown that size controls are often biased against existing housing.

The final stage in the development process was to accurately estimate the costs of producing and/or acquiring modest housing in each market area by bedroom count, house type, and client group. This procedure is discussed in the final section.

3.2 MAXIMUM LOANS AND MAXIMUM LENDING VALUES

As discussed in Section 2, the amount of Section 6 (new) regular activity, as a proportion of the total new housing market, has been declining steadily in recent years (Table 3). Although this has been in part due to the success of AHOP and ARP it is still viewed with some concern. Accordingly it was decided to raise the Maximum Loan for rental and homeownership housing financed either by NHA insured graduated or level payment mortgages to \$70,000. This ceiling now applies to all market areas in Canada.

In addition, a two tier system of Maximum Lending Values

for 90 and 95 per cent mortgages was adopted in order to take into consideration variations in house prices across different housing markets as discussed in Section 2. For the high cost areas of Toronto, Mississauga, Calgary, Edmonton, Vancouver, Whitehorse and Yellowknife, NHA loans for homeownership are now calculated on the basis of 95 per cent of the first \$60,000 of lending value (90 per cent in the case of rental loans) plus 75 per cent of the remainder. In all other market areas, loans for homeownership are calculated on the basis of 95 per cent of the first \$50,000 of lending value (90 per cent in the case of rental loans) plus 75 per cent of the remainder. Note that in the case of GPM's a minimum downpayment of 10 per cent is now mandatory.

4. MAXIMUM UNIT PRICES: ESTABLISHMENT

The final phase of the policy development process was to establish Maximum Unit Prices for each CMHC branch office area. This phase was divided into two parts: Establishment of Maximum Unit Prices by CMHC branch offices and National Office synthesis.

4.1 ESTABLISHMENT OF MUP'S BY CMHC BRANCH OFFICES

In order that the MUP's would be established on a consistent basis across the country a set of criteria were developed for use in each branch office. They are detailed below. It should be emphasised at the outset that MUP's were established for each client group, house type and bedroom count combination and that the prime data source for this exercise was CMHC's well established system of basic rates.

MAXIMUM UNIT PRICES ESTABLISHMENT CRITERIA

1. BASE: Three bedroom ground oriented unit.
2. BASE DEFINITION: Housing form used to establish the AHOP Maximum House Price.
3. CONSTRUCTION COST
COMPONENT OF THE
MUP: Apply usual costing techniques using latest approved basic rates and schedule of current adjustments to the unit size maximums previously used under ARP and the social housing programs.
4. LAND VALUE
COMPONENT OF THE
MUP: Utilize land values which will permit the development of housing projects in the city proper.
5. ELDERLY AND
SPECIAL GROUPS
MUP'S: Special adjustments, as necessary.

6. RURAL AND REMOTE
HOUSING MUP'S: Make special adjustments for factors affecting costs in the program which are not reflected in the basic rates and schedule of adjustments.
7. CONSISTENCY
CHECK: Prices for different bedroom counts and housing forms should be adjusted to be consistent.

4.2 NATIONAL OFFICE SYNTHESIS

In order to simplify the overall list of MUP's so that it would be easily comprehensible to any potential client, the branch office MUP's were grouped, by house type, into similar price ranges. A consistency check, by province, branch office area, house type and bedroom count was then conducted. The resultant list of MUP's, for family accommodation alone, is presented as Table 17.

MAXIMUM UNIT PRICES

TABLE 17

FAMILY ACCOMMODATION

OFFICE	GROUND ORIENTED		
	2 BED	3 BED	4 BED
Trois-Rivières			
Charlottetown			
Sherbrooke	33,500	38,000	41,500
Sydney			
Fredericton			
Moncton			
Chicoutimi			
St. Catharines	34,500	39,000	42,500
Saint John			
Peterborough	36,500	41,000	44,500
Rimouski			
Montreal			
Halifax			
Kitchener			
North Bay			
Winnipeg	38,500	43,000	46,500
Val D'Or			
Barrie			
Quebec			
Hull			
Kingston	39,500	44,000	47,500
London			
Timmins			
Sudbury			
S.S. Marie			
Windsor			
Cranbrook			
Kelowna	40,500	45,000	48,500
Ottawa			
Red Deer			
Kamloops	41,500	46,000	49,500
Hamilton			
Sept-Iles	42,500	47,000	50,500
Regina			
Saskatoon			
Prince George	43,500	48,000	51,500

MAXIMUM UNIT PRICES

TABLE 17 (Cont'd)

FAMILY ACCOMMODATION

OFFICE	GROUND ORIENTED		
	2 BED	3 BED	4 BED
St. John's			
Oshawa			
Victoria			
Thunder Bay	44,500	49,000	52,500
Lethbridge	45,500	50,000	53,500
Vancouver	47,500	52,000	55,500
Toronto			
Mississauga	50,000	54,500	58,000
Calgary			
Whitehorse			
Edmonton	52,000	58,000	63,000
Yellowknife	58,000	66,000	71,000

MAXIMUM UNIT PRICES

TABLE 17 (Cont'd)

FAMILY ACCOMMODATION

OFFICE	WALK-UP APARTMENT (Frame)				ELEVATED APARTMENT (Masonry)			
	STUDIO	1 BED	2 BED	3 BED	STUDIO	1 BED	2 BED	3 BED
Trois-Rivières								
Sherbrooke	13,500	20,000	26,000	30,000	18,500	25,000	31,000	35,000
Chicoutimi								
Sydney								
Kitchener								
Rimouski								
Val D'Or	15,500	22,000	28,000	32,000	21,500	28,000	34,000	38,000
Quebec								
Montreal								
Hull								
Cranbrook								
London	18,500	25,000	31,000	35,000	24,500	31,000	37,000	41,000
Ottawa								
Kingston								
Peterborough	19,500	26,000	32,000	36,000	25,000	31,500	37,500	41,500
St. John's								
Halifax								
Fredericton								
Moncton								
Saint John								
Sept-Iles								
Barrie								
Windsor								
North Bay								
Timmins								
Sudbury								
S.S. Marie								
Winnipeg								
Regina								
Saskatoon								
Kelowna								
Kamloops	20,500	27,000	33,000	37,000	25,500	32,000	38,000	42,000
Hamilton								
Prince George	22,500	29,000	35,000	39,000	26,500	33,000	39,000	43,000
Oshawa								
Lethbridge								
Red Deer	23,500	30,000	36,000	40,000	27,500	34,000	40,000	44,000

MAXIMUM UNIT PRICES

TABLE 17 (Cont'd)

FAMILY ACCOMMODATION

OFFICE	WALK-UP APARTMENT (Frame)				ELEVATED APARTMENT (Masonry)			
	STUDIO	1 BED	2 BED	3 BED	STUDIO	1 BED	2 BED	3 BED
Victoria	25,500	32,000	38,000	42,000	28,500	35,000	41,000	45,000
Thunder Bay	26,500	33,000	39,000	43,000	29,000	35,500	41,500	45,500
Calgary Edmonton Whitehorse	28,500	35,000	41,000	45,000	32,000	38,500	44,500	48,500
Toronto Mississauga Vancouver	30,000	36,500	42,500	46,500	33,500	40,000	46,000	50,000
Yellowknife	34,500	41,000	47,000	51,000				

APPENDIX 1

NHA MAXIMUM LOANS AND LOAN INCREASES:
FOR MAJOR CANADIAN URBAN CENTRES, JUNE 1974 TO JANUARY 1978

CMHC SOURCE DOCUMENT'S: GM - B 851
B 881
B 946
B1051
B1176
B1274

Policy Development Division,
CMHC
November, 1978

NHA MAXIMUM LOANS AND LOAN INCREASES;
MAJOR CANADIAN URBAN CENTRES, JUNE 1974 - JAN. 1978

MARKET AREA											PERCENTAGE CHANGE FROM JUNE 1974 %	
	JUNE 1974	\$	AUG. 1974	\$	APRIL 1975	\$	JAN. 1976	\$	JUNE 1977	\$		
CALGARY	Maximum 95% Loan	30,000	30,000 n/c	40,000	33	44,650	12	47,500	6	47,500	n/c	58
	Maximum Lending	31,580	31,580 n/c	42,105	34	47,000	12	50,000	6	50,000	n/c	59
	Value 95% Loan	35,000	35,000 n/c	40,000	14	47,500	19	51,250	8	57,250	12	64
	Maximum NHA Loan											
	Maximum Lending											
	Value	38,246*	38,246* n/c	42,105	10*	50,800	21	55,000	8	63,000	15	64*
CHICOUTIMI	Maximum 95% Loan	30,000	30,000 n/c	40,000	33	44,650	12	47,500	6	47,500	n/c	58
	Maximum Lending	31,580	31,580 n/c	42,105	34	47,000	12	50,000	6	50,000	n/c	59
	Value 95% Loan	30,000	30,000 n/c	40,000	14	44,650	12	47,500	6	47,500	n/c	58
	Maximum NHA Loan											
	Maximum Lending											
	Value	31,580*	31,580* n/c	42,105	33*	47,000	12	50,000	6	50,000	n/c	58*
EDMONTON	Maximum 95% Loan	30,000	30,000 n/c	40,000	33	44,650	12	47,500	6	47,500	n/c	58
	Maximum Lending	31,580	31,580 n/c	42,105	34	47,000	12	50,000	6	50,000	n/c	59
	Value 95% Loan	35,000	35,000 n/c	40,000	14	47,500	19	57,250	8	57,250	12	64
	Maximum NHA Loan											
	Maximum Lending											
	Value	38,246*	38,246* n/c	42,105	10*	50,800	21	55,000	8	63,000	15	64*
HALIFAX	Maximum 95% Loan	30,000	30,000 n/c	40,000	33	44,650	12	47,500	6	47,500	n/c	58
	Maximum Lending	31,580	31,580 n/c	42,105	34	47,000	12	50,000	6	50,000	n/c	59
	Value 95% Loan	35,000	35,000 n/c	44,000	26	47,500	8	51,250	8	51,250	n/c	46
	Maximum NHA Loan											
	Maximum Lending											
	Value	38,246*	38,246* n/c	47,438	24*	50,800	7	55,000	8	55,000	n/c	46*
HAMILTON	Maximum 95% Loan	30,000	30,000 n/c	40,000	33	44,650	12	47,500	6	47,500	n/c	58
	Maximum Lending	31,580	31,580 n/c	42,105	34	47,000	12	50,000	6	50,000	n/c	59
	Value 95% Loan	37,500	37,500 n/c	46,000	14	53,500	16	55,000	3	55,000	n/c	47
	Maximum NHA Loan											
	Maximum Lending											
	Value	41,580*	41,580* n/c	50,105	20*	58,800	17	60,000	2	60,000	n/c	44*

**NHA MAXIMUM LOANS AND LOAN INCREASES:
MAJOR CANADIAN URBAN CENTERS, JUNE 1974 - JAN. 1978**

MARKET AREA	PERCENTAGE CHANGE FROM JUNE 1974 TO JUNE 1975						PERCENTAGE CHANGE FROM JUNE 1975 TO JUNE 1976						PERCENTAGE CHANGE FROM JUNE 1976 TO JUNE 1977						PERCENTAGE CHANGE FROM JUNE 1977 TO JUNE 1978					
	JUNE 1974	\$	AUG. 1974	\$	APRIL 1975	\$	JAN. 1976	\$	JUNE 1976	\$	JAN. 1977	\$	JUNE 1977	\$	JAN. 1978	\$	JUNE 1978	\$						
KITCHENER	Maximum 95% Loan	30,000	30,000	n/c	40,000	33	44,650	12	47,500	6	47,500	n/c	47,500	6	47,500	n/c	47,500	n/c	58					
	Maximum Lending	31,580	31,580	n/c	42,105	34	47,000	12	50,000	6	50,000	n/c	50,000	6	50,000	n/c	50,000	n/c	59					
	Value 95% Loan	32,500	32,500	n/c	44,000	35	47,500	8	51,250	8	51,250	n/c	51,250	8	51,250	n/c	51,250	n/c	57					
	Maximum NHA Loan																							
	Maximum Lending	34,913*	34,913*	n/c	47,438	35*	50,800	7	55,000	8	55,000	n/c	55,000	n/c	55,000	n/c	55,000	n/c	57*					
LONDON	Maximum 95% Loan	30,000	30,000	n/c	40,000	33	44,650	12	47,500	6	47,500	n/c	47,500	n/c	47,500	n/c	47,500	n/c	58					
	Maximum Lending	31,580	31,580	n/c	42,105	34	47,000	12	50,000	6	50,000	n/c	50,000	n/c	50,000	n/c	50,000	n/c	59					
	Value 95% Loan	32,500	32,500	n/c	40,000	35	44,650	12	47,500	6	47,500	n/c	47,500	n/c	47,500	n/c	47,500	n/c	46					
	Maximum NHA Loan																							
	Maximum Lending	34,913*	34,913*	n/c	42,105	20*	47,000	12	50,000	6	50,000	n/c	50,000	n/c	50,000	n/c	50,000	n/c	43*					
MONTREAL	Maximum 95% Loan	30,000	30,000	n/c	40,000	33	44,650	12	47,500	6	47,500	n/c	47,500	n/c	47,500	n/c	47,500	n/c	58					
	Maximum Lending	31,580	31,580	n/c	42,105	34	47,000	12	50,000	6	50,000	n/c	50,000	n/c	50,000	n/c	50,000	n/c	59					
	Value 95% Loan	30,000	30,000	n/c	40,000	33	44,650	12	47,500	6	47,500	n/c	47,500	n/c	47,500	n/c	47,500	n/c	58					
	Maximum NHA Loan																							
	Maximum Lending	31,580*	31,580*	n/c	42,105	33*	47,000	12	50,000	6	50,000	n/c	50,000	n/c	50,000	n/c	50,000	n/c	58*					
OSHAWA	Maximum 95% Loan	30,000	30,000	n/c	40,000	33	44,650	12	47,500	6	47,500	n/c	47,500	n/c	47,500	n/c	47,500	n/c	58					
	Maximum Lending	31,580	31,580	n/c	42,105	34	47,000	12	50,000	6	50,000	n/c	50,000	n/c	50,000	n/c	50,000	n/c	59					
	Value 95% Loan	35,000	35,000	n/c	44,000	26	53,500	22	55,000	3	55,000	n/c	55,000	n/c	55,000	n/c	55,000	n/c	57					
	Maximum NHA Loan																							
	Maximum Lending	38,246*	38,246*	n/c	47,438	24*	58,800	24	60,000	2	60,000	n/c	60,000	n/c	60,000	n/c	60,000	n/c	56*					
OTTAWA-HULL	Maximum 95% Loan	30,000	30,000	n/c	40,000	33	44,650	12	47,500	6	47,500	n/c	47,500	n/c	47,500	n/c	47,500	n/c	58					
OTTAWA	Maximum Lending	31,580	31,580	n/c	42,105	34	47,000	12	50,000	6	50,000	n/c	50,000	n/c	50,000	n/c	50,000	n/c	59					
	Value 95% Loan	37,500	37,500	n/c	46,000	14	47,500	3	51,250	8	51,250	n/c	51,250	n/c	51,250	n/c	51,250	n/c	39					
	Maximum NHA Loan																							
	Maximum Lending	41,580*	41,580*	n/c	47,438	14*	50,800	7	55,000	8	55,000	n/c	55,000	n/c	55,000	n/c	55,000	n/c	32*					

NHA MAXIMUM LOANS AND LOAN INCREASES
MAJOR CANADIAN URBAN CENTERS, JUNE 1974 - JAN. 1978

MARKET AREA							PERCENTAGE CHANGE FROM JUNE 1974					
	JUNE 1974	\$	AUG. 1974	\$	APRIL 1975	\$	JAN. 1976	\$	JUNE 1977	\$	JAN. 1978	\$
HULL	Maximum 95% Loan	30,000	30,000 n/c	40,000	33	44,650	12	47,500	6	47,500	n/c	58
	Maximum Lending											
	Value 95% Loan	31,580	31,580 n/c	42,105	34	47,000	12	50,000	6	50,000	n/c	59
	Maximum NHA Loan	32,500	37,500 n/c	46,000	14	44,650	(3)	51,250	15	51,250	n/c	39
	Maximum Lending											
	Value	34,913*	41,580* 19*	50,105	20*	47,000	(6)	55,000	17	55,000	n/c	57*
QUEBEC	Maximum 95% Loan	30,000	30,000 n/c	40,000	33	44,650	12	47,500	6	47,500	n/c	58
	Maximum Lending											
	Value 95% Loan	31,580	31,580 n/c	42,105	34	47,000	12	50,000	6	50,000	n/c	59
	Maximum NHA Loan	30,000	30,000 n/c	40,000	33	44,650	12	47,500	6	47,500	n/c	58
	Maximum Lending											
	Value	31,580*	31,580* n/c	42,105	33*	47,000	12	50,000	6	50,000	n/c	58*
REGINA	Maximum 95% Loan	30,000	30,000 n/c	40,000	33	44,650	12	47,500	6	47,500	n/c	58
	Maximum Lending											
	Value 95% Loan	31,580	31,580 n/c	42,105	33	47,000	12	50,000	6	50,000	n/c	59
	Maximum NHA Loan	30,000	30,000 n/c	40,000	33	44,650	12	47,500	6	47,500	n/c	58
	Maximum Lending											
	Value	31,580*	31,580* n/c	42,105	33*	47,000	12	50,000	6	50,000	n/c	58*
ST. CATHARINES	Maximum 95% Loan	30,000	30,000 n/c	40,000	33	44,650	12	47,500	6	47,500	n/c	58
	Maximum Lending											
	Value 95% Loan	31,580	31,580 n/c	42,105	34	47,000	12	50,000	6	50,000	n/c	58
	Maximum NHA Loan	32,500	32,500 n/c	40,000	33	44,650	12	47,500	6	47,500	n/c	46
	Maximum Lending											
	Value	34,913*	34,913* n/c	42,105	20*	47,000	12	50,000	6	50,000	n/c	43*
SAINT JOHN	Maximum 95% Loan	30,000	30,000 n/c	40,000	33	44,650	12	47,500	6	47,500	n/c	58
	Maximum Lending											
	Value 95% Loan	31,580	31,580 n/c	42,105	34	47,000	12	50,000	6	50,000	n/c	59
	Maximum NHA Loan	30,000	30,000 n/c	44,000	47	44,650	1	47,500	6	47,500	n/c	58
	Maximum Lending											
	Value	31,580*	31,580* n/c	47,438	33*	47,000	(1)	50,000	6	50,000	n/c	58*

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**NHA MAXIMUM LOANS AND LOAN INCREASES
MAJOR CANADIAN URBAN CENTERS, JUNE 1974 - JAN. 1978**

MARKET AREA	PERCENTAGE CHANGE FROM JUNE 1974					
	JUNE 1974	AUG. 1974	APRIL 1975	JAN. 1976	JUNE 1977	JAN. 1978
ST. LOUIS	26.200	20.000	-1.000	22.000	12.500	17.500

NHA MAXIMUM LOANS AND LOAN INCREASES
MAJOR CANADIAN URBAN CENTERS, JUNE 1974 - JAN. 1978

MARKET AREA							PERCENTAGE CHANGE FROM JUNE 1974 \$						
	JUNE 1974	\$	AUG. 1974	\$	APRIL 1975	\$	JAN. 1976	\$	JUNE 1977	\$	JAN. 1978	\$	
VANCOUVER	Maximum 95% Loan	30,000	30,000	n/c	40,000	33	44,650	12	47,500	6	47,500	n/c	58
	Maximum Lending	31,580	31,580	n/c	42,105	34	47,000	12	50,000	6	50,000	n/c	59
	Value 95% Loan	40,000	40,000	n/c	48,000	20	55,000	15	57,250	4	57,250	n/c	43
	Maximum NHA Loan												
	Maximum Lending												
	Value	44,913*	44,913*	n/c	52,771	17*	60,800	15	63,000	4	63,000	n/c	40*
VICTORIA	Maximum 95% Loan	30,000	30,000	n/c	40,000	33	44,650	12	47,500	6	47,500	n/c	58
	Maximum Lending	31,580	31,580	n/c	42,105	34	47,000	12	50,000	6	50,000	n/c	59
	Value 95% Loan	35,000	35,000	n/c	46,000	31	55,000	20	55,000	n/c	55,000	n/c	57
	Maximum NHA Loan												
	Maximum Lending												
	Value	38,246*	38,246*	n/c	50,105	31*	60,800	21	60,000	(1)	60,000	n/c	30*
WINDSOR	Maximum 95% Loan	30,000	30,000	n/c	40,000	33	44,650	12	47,500	6	47,500	n/c	58
	Maximum Lending	31,580	31,580	n/c	42,105	34	47,000	12	50,000	6	50,000	n/c	59
	Value 95% Loan	32,500	32,500	n/c	40,000	23	44,650	12	47,500	6	47,500	n/c	46
	Maximum NHA Loan												
	Maximum Lending												
	Value	34,913*	34,913*	n/c	42,105	20*	47,000	12	50,000	6	50,000	n/c	43*
WINNIPEG	Maximum 95% Loan	30,000	30,000	n/c	40,000	33	44,650	12	47,500	6	47,500	n/c	58
	Maximum Lending	31,580	31,580	n/c	42,105	34	47,000	12	50,000	6	50,000	n/c	59
	Value 95% Loan	35,000	35,000	n/c	40,000	14	44,650	12	47,500	6	47,500	n/c	36
	Maximum NHA Loan												
	Maximum Lending												
	Value	38,246*	38,246*	n/c	42,105	10*	47,000	12	50,000	6	50,000	n/c	30*

* Calculated from data presented in CMHC Source Documents.

n/c - Refers to no change.

APPENDIX 2

**CMIC MAXIMUM HOUSE PRICES AND MAXIMUM HOUSE PRICE INCREASES
BY MARKET AREA APRIL 1975 TO NOV. 1977**

SOURCE DOCUMENTS :	
B	765
B	821
B	876
B	948MHP
B	993MHP
B	1041MHP
B	1043MHP
B	1062MHP
B	1115MHP
B	1166MHP
B	1179MHP
B	1189MHP
B	1238MHP

*Policy Development Division,
CMHC*

November, 1978

MAXIMUM HOUSE PRICE INCREASES - NEWFOUNDLAND

MARKET AREA	CMHC OFFICE	DATE OF INCREASES AND PERCENTAGES						PERCENTAGE CHANGE FROM APRIL 1975 \$
		APRIL 1975	JAN. 1976	MARCH 1976	AUG. 1976	JUNE 1977	NOV. 1977	
ST. JOHN'S OFFICE AREA	ST. JOHN'S	34,000				38,000	12	40,000
CORNER BROOK	"	34,000						N/C
GANDER	"	34,000						N/C
GRAND FALLS	"	34,000						N/C
WINDSOR	"	34,000						N/C
LABRADOR CITY	"	36,000						N/C
WABUSH	"	36,000						N/C
OTHER AREAS	"	30,000						N/C

N/C refers to no change.

MAXIMUM HOUSE PRICE INCREASES - PRINCE EDWARD ISLAND

DATE OF INCREASES AND PERCENTAGES

MARKET AREA	CMHC OFFICE	DATE OF INCREASES AND PERCENTAGES						PERCENTAGE CHANGE FROM APRIL 1975 \$					
		APRIL 1975	\$	AUG. 1975	\$	MARCH 1976	\$	AUG. 1976	\$	JUNE 1977	\$	NOV. 1977	\$
CHARLOTTETOWN	CHARLOTTETOWN	29,000		32,000	10			33,000	14			35,000	1
SUMMERSIDE	"	29,000								35,000	1	6	21
PARKDALE	"	29,000								35,000	1	21	21
WILMOT	"	29,000								35,000	1	21	21
SHERWOOD	"	29,000								35,000	1	21	21
ST. ELEANORS	"	29,000								35,000	1	21	21
MONTAGUE	"	29,000								33,000	2	14	14
SHERBROOKE	"	29,000								33,000	2	14	14
SOUTH PORT	"	29,000								33,000	2	14	14
HILLSBOROUGH PARK	"	29,000								33,000	2	14	14
BUNBURY	"	29,000								33,000	2	14	14
WEST ROYALTY	"	29,000								33,000	2	14	14
CORNWALL	"	29,000								33,000	2	14	14
MISCOUCHE	"	29,000								33,000	2	14	14
CRAPANEL	"	29,000								33,000	2	14	14
ALL OTHER AREAS	"	26,000		29,000	12					33,000	2	14	27

¹ Re-organized as new market area: Charlottetown Area I November 77.

² Re-organized as new market area: Charlottetown Area II November 77.

MAXIMUM HOUSE PRICE INCREASES - NOVA SCOTIA

MARKET AREA	CMHC OFFICE	DATE OF INCREASES AND PERCENTAGES						PERCENTAGE CHANGE FROM APRIL 1975 TO APRIL 1975
		APRIL 1975	JAN. 1976	MARCH 1976	AUG. 1976	APRIL 1977	NOV. 1977	
HALIFAX OFFICE	HALIFAX	36,000	38,500	7				7
HALIFAX PENINSULA	"	36,000	38,500	7				7
HALIFAX PERIPHERY	"	36,000						1
DARTMOUTH METRO	"	36,000	38,500	7				N/C
SYDNEY-PORT HAWKESBURY	"	34,000						N/C
SYDNEY	"	34,000						4
TRURO-BRIDGEWATER	"	31,000						3
BALANCE OF MAINLAND	"	31,000						3
								6
								6
								2

¹Re-organized as new market area; Halifax Area I November 77

²Re-organized as new market area; Halifax Area II November 77

³Re-organized as new market area; Halifax Area III November 77

⁴Re-organized as new market area; Halifax Area IV November 77

N/C refers to no change.

MAXIMUM HOUSE PRICE INCREASES - NEW BRUNSWICK

DATE OF INCREASES AND PERCENTAGES

MARKET AREA	CMHC OFFICE	APRIL 1975				JAN. 1976				MARCH 1976				AUG. 1976				JUNE 1977				NOV. 1977				PERCENTAGE CHANGE FROM APRIL 1975			
		\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%		
SAINT JOHN	FREDERICTON	32,000		34,500	8					34,500	8					37,500	9					37,500	9				17		
FREDERICTON	"	32,000		34,500	8					34,500	8					37,000	7					37,500	1				17		
OROMOCTO	"	32,000																									N/C		
ROTHESAY	"	32,000																									N/C		
MONCTON	"	29,000		32,000	10					32,000	10					33,000	3					33,000	3				14		
DIEPPE	"	29,000																									N/C		
RIVERVIEW	"	29,000																									N/C		
BATHURST	"	29,000																									N/C		
CAMPBELLTON	"	29,000																									N/C		
DALHOUSIE	"	29,000																									N/C		
EDMUNSTON	"	29,000																									N/C		
SUSSEX	"	29,000																									N/C		
ST. ANDREWS	"	29,000																									N/C		
FAIRVALE	"	29,000																									N/C		
QUISPAMSIS	"	29,000																									N/C		
OTHER AREAS	"	27,000																									N/C		

N/C refers to no change.

MAXIMUM HOUSE PRICE INCREASES - QUEBEC

MARKET AREA	CMHC OFFICE	DATE OF INCREASES AND PERCENTAGES						PERCENTAGE CHANGE FROM APRIL 1975 *					
		APRIL 1975	\$	AUG. 1975	\$	JAN. 1976	\$	AUG. 1976	\$	JULY 1977	\$	NOV. 1977	\$
MONTREAL OFFICE AREA	MONTREAL	29,000		31,500	9	33,500	6	33,500	1	33,500	1	N/C	16
QUEBEC OFFICE AREA	QUEBEC	28,000		31,000	11	33,000	6	33,000	1	35,000	6	25	
SHERBROOKE OFFICE AREA	SHERBROOKE	25,000		27,000	8	29,000	7	31,000	7	31,000	1	N/C	24
TROIS RIVIERES OFFICE AREA	TROIS RIVIERES	27,000		29,000	7	31,000	7	31,000	1	31,000	1	15	
LONGUEUIL OFFICE AREA	LONGUEUIL	29,000										N/C	
LAVAL OFFICE AREA	LAVAL	29,000										N/C	
METRO-HULL	HULL	35,000		38,000	9							9	
HULL-OTHER AREAS	HULL	28,000										N/C	
SEPT-ILES OFFICE AREA	SEPT-ILES	32,000		35,000	9	37,500	7	37,500	1	35,500	(5)	11	
CHICOUTIMI	CHICOUTIMI	27,000		29,000	7	31,000	7	31,000	1	31,000	1	7	
LAC ST. JEAN	CHICOUTIMI	30,000		32,000	7	34,000	6	34,000	1	34,000	1	N/C	
CHIBOUGAMEAU	RIMOUSKI	30,000		32,000	7	34,500	8	34,500	1	34,500	1	13	
VAL-D'OR OFFICE AREA	VAL D'OR	30,000										15	

N/C refers to no change.

¹ Serviced land financed on a local improvement basis. Where all or part of the services are fully paid, the maximum house price may be adjusted accordingly, with the concurrence of national office.

* Percentage change from January 1976.

MAXIMUM HOUSE PRICE INCREASES - ONTARIO

MARKET AREA	CMHC OFFICE	DATE OF INCREASES AND PERCENTAGES						PERCENTAGE CHANGE FROM APRIL 1975
		APRIL 1975	JAN. 1976	AUG. 1976	APRIL 1977	JULY 1977	NOV. 1977	
BARRIE	BARRIE	39,000						N/C
HAMILTON	HAMILTON	37,000	43,000	16				11
HALTON HILLS	HAMILTON	41,000						10
HALDIMAND	HAMILTON	33,000						12
NORFOLK	HAMILTON	33,000						12
OAKVILLE	HAMILTON	41,000						N/C
BURLINGTON	HAMILTON	41,000						N/C
MILTON	HAMILTON	41,000						N/C
SIMILOE	HAMILTON	33,000						N/C
PARIS	HAMILTON	33,000						N/C
PORT DOVER	HAMILTON	33,000						N/C
ST. CATHARINES	ST. CATHARINES	33,000	34,000	3				24
GRIMSBY	ST. CATHARINES							N/C
KITCHENER OFFICE AREA	KITCHENER	35,000	38,000	9				9
ORANGEVILLE	KITCHENER	38,000						N/C
KITCHENER OTHER AREAS	KITCHENER							N/C
LONDON OFFICE AREAS	LONDON	34,000	35,000	3				6
SARNIA	LONDON							N/C
SAULT STE. MARIE	SAULT STE. MARIE	32,000	34,000	6	37,000	9	37,000 ¹⁵	17
WINDSOR	WINDSOR	35,000	36,500	4				6
WINDSOR OTHER AREAS	WINDSOR	32,000						N/C
TORONTO & DISTRICT	TORONTO	43,000	47,000	9				9

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MAXIMUM HOUSE PRICE INCREASES - ONTARIO

MARKET AREAS	CMHC OFFICE	DATE OF INCREASES AND PERCENTAGES						PERCENTAGE CHANGE FROM APRIL 1975						
		APRIL 1975	\$	JAN. 1976	\$	AUG. 1976	\$	APRIL 1977	\$	JULY 1977	\$	NOV. 1977	\$	PERCENTAGE CHANGE FROM APRIL 1975
OSHAWA OFFICE AREA	OSHAWA	43,000		45,000	5									5
OTTAWA	OTTAWA	35,000		38,000	9									9
OTTAWA OTHER AREAS	OTTAWA	30,000												20
KINGSTON OFFICE AREA	KINGSTON	31,000		34,000	10									21
PETERBOROUGH	PETERBOROUGH	31,000		34,000	10									21
TIMMINS-NORTH BAY	NORTH BAY	32,000				36,000	13							13
NORTH BAY	NORTH BAY	32,000		34,000	6									17
THUNDER BAY	THUNDER BAY	34,000		37,000	16									24
THUNDER BAY OTHER AREAS	THUNDER BAY	30,000												N/C
SUDBURY OFFICE AREA	SUDBURY	32,000		34,000	6	36,000	6	37,500	4					38,500 ¹³ 3
SUDBURY OTHER AREAS	SUDBURY													36,500 ¹⁴
PEEL REGION	SUDBURY													47,000 ¹⁵
HALTON REGION	SUDBURY													45,000 ¹⁵ N/C

- 1 - Re-organized as new market area; Hamilton Area I November 77
 2 - Re-organized as new market area; Hamilton Area II November 77
 3 - Re-organized as new market area; Hamilton Area III November 77
 4 - Re-organized as new market area; St. Catharines Area I November 77
 5 - Re-organized as new market area; St. Catharines Area II November 77
 6 - Re-organized as new market area; Kitchener Area I November 77
 7 - Re-organized as new market area; Kitchener Area II November 77
 8 - Re-organized as new market area; London Area I November 77
 9 - Re-organized as new market area; London Area II November 77
 10 - Re-organized under London Region
 11 - Re-organized as new market area; Ottawa Area I November 77
 12 - Re-organized as new market area; Ottawa Area II November 77
 13 - Re-organized as new market area; Sudbury Area I November 77
 14 - Re-organized as new market area; Sudbury Area II November 77
 15 - Re-organized as new market area with possible geographical boundary changes under CMHC Region Sudbury

N/C refers to no change.

MAXIMUM HOUSE PRICE INCREASES - MANITOBA

MARKET AREA	CMHC OFFICE	DATE OF INCREASE AND PERCENTAGES						PERCENTAGE CHANGE FROM APRIL 1975 TO APRIL 1977					
		APRIL 1975	\$	JAN. 1976	\$	MAR. 1976	\$	AUG. 1976	\$	APRIL 1977	\$	NOV. 1977	\$
WINNIPEG & MANITOBA													
NORTH OF 53RD PARALLEL	WINNIPEG	33,000		35,600 ¹	\$ 8			35,900	.08	38,500	7	39,500	3
BRANDON	WINNIPEG	30,000											
MANITOBA SOUTH OF 53RD PARALLEL	WINNIPEG	27,000											

1 - Increases applied to Winnipeg only.

MAXIMUM HOUSE PRICE INCREASES - SASKATCHEWAN												
REGINA	31,000	MAXIMUM HOUSE PRICE INCREASES - SASKATCHEWAN						39,000	3	26		
		35,000	13	38,000	9	39,000	3					
SASKATOON	30,000	35,000	17	38,000	9	39,000	3	30	30			
MAXIMUM HOUSE PRICE INCREASES - ALBERTA												
EDMONTON	33,000	36,000	9	38,000	6	41,000	8	46,000	12	47,000	2	42
LETHBRIDGE	28,000	31,000	11			37,500	21	41,500	11	43,500	5	55
RED DEER	28,000	30,500	9			36,500	20	40,500	11	43,000	6	54
NORTH WEST TERRITORIES	YELLOWKNIFE	36,000	43,500	21				47,500	9	47,000	(1)	31
CALGARY	CALGARY	33,000	36,000	9	38,000	6	41,000	8	46,000	12	47,000 ¹	2
CALGARY OTHER AREAS	CALGARY										43,500 ²	N/C

1 - Re-organized as Calgary Area I

2 - Introduced as Calgary Area II
N/C refers to no change.

MAXIMUM HOUSE PRICE INCREASES - BRITISH COLUMBIA

MARKET AREA	CMHC OFFICE	DATE OF INCREASE AND PERCENTAGES						PERCENTAGE CHANGE FROM APRIL 1975
		APRIL 1975	JAN. 1976	MAR. 1976	APRIL 1977	JUNE 1977	NOV. 1977	
VANCOUVER	VANCOUVER	\$ 43,000	\$ 47,000	\$ 9	\$ 197	\$ 197	\$ 197	9
VANCOUVER OTHER AREAS	VANCOUVER	\$ 36,000						N/C
VICTORIA	VICTORIA	\$ 42,000	\$ 45,000	\$ 7				7
VICTORIA OTHER AREAS	VICTORIA	\$ 36,000						N/C
PRINCE GEORGE OFFICE AREA	PRINCE GEORGE	\$ 34,000	\$ 39,000	\$ 15				15
YUKON	PRINCE GEORGE	\$ 37,000	\$ 41,000	\$ 11	\$ 43,000	\$ 5	\$ 43,000	6
PRINCE RUPERT	PRINCE GEORGE				\$ 43,000		\$ 43,000	4
FORT NELSON	PRINCE GEORGE					\$ 7	\$ 43,000	N/C
KAMLOOPS	PRINCE GEORGE							N/C
KELONNA OFFICE AREA	KELONNA	\$ 32,000	\$ 34,000	\$ 6				5
CRANBROOK OFFICE AREA	CRANBROOK	\$ 32,000	\$ 33,000	\$ 3	\$ 36,000	\$ 9	\$ 37,000	3
CHILLIWACK	VANCOUVER						\$ 44,000	2
SQUAMISH	VANCOUVER						\$ 42,000	3

- 1 - Re-organized as new market area; Vancouver Area I November 77
 2 - Re-organized as new market area; Vancouver Area II November 77
 3 - Re-organized as new market area; Vancouver Area III November 77
 4 - Re-organized as new market area; Prince George Area I November 77
 5 - Re-organized as new market area; Prince George Area II November 77
 6 - Re-organized as new market area; Prince George Area III November 77
 7 - Re-organized as new market area; Prince George Area IV November 77

N/C refers to no change.

MAXIMUM HOUSE PRICE INCREASES - MAJOR URBAN AREAS CANADA

MAJOR URBAN MARKET AREA	CMHC OFFICE	DATE OF INCREASE AND PERCENTAGES										PERCENTAGE CHANGE FROM APRIL 1975 TO APRIL 1975
		APRIL 1975	AUG. 1975	JAN. 1976	MARCH 1976	AUG. 1976	APRIL 1977	JUNE 1977	JULY 1977	NOV. 1977	Z 1977	
CALGARY	CALGARY	33,000	36,000	9	38,000	6	41,000	8	46,000	12	47,000	2
CHICOUTIMI	CHICOUTIMI		29,000			31,000	7			31,000	1	N/C
EDMONTON	EDMONTON	33,000	36,000	9	38,000	6	41,000	8	46,000	12	47,000	2
HALIFAX	HALIFAX	36,000	38,500	7								42
HAMILTON	HAMILTON	37,000	43,000	16								7*
KITCHENER	KITCHENER	35,000	38,000	9								9
LONDON	LONDON	34,000	35,000	3								6
MONTRÉAL	MONTRÉAL	29,000	31,500	9		33,500	6			33,500	1	N/C
OSHAWA	OSHAWA	43,000	45,000	5								5
OTTAWA-HULL												
OTTAWA	OTTAWA	35,000	38,000	9						38,000	6	N/C
HULL	HULL	35,000	38,000	9								9
QUEBEC	QUEBEC	28,000	31,000	11		33,000	6			35,000	1	6
REGINA	REGINA	31,000	35,000	13		38,000	9			39,000	3	26
ST. CATHARINES	ST. CATHARINES	33,000	34,000	3						34,000	7	N/C
SAIN'T JOHN	FREDERICTON	32,000	34,500	8								3
ST. JOHN'S	ST. JOHN'S	34,000				38,000	12		40,000	5		17
SASKATOON	SASKATOON	30,000	35,000	17		38,000	9			39,000	3	30
SUDBURY	SUDBURY	32,000	34,000	6		36,000	6	37,500	4	38,500	8	20
THUNDER BAY	THUNDER BAY	34,000	37,000	16			40,000	8		42,000	9	24
TORONTO	TORONTO	43,000	47,000	9								9
VANCOUVER	VANCOUVER	43,000	47,000	9						47,000	10	N/C
VICTORIA	VICTORIA	42,000	45,000	7						45,000	N/C	7
WINDSOR	WINDSOR	35,000	36,500	4						37,000	11	6
WINNIPEG	WINNIPEG	33,000	35,600	8		35,900	1	38,500	7	39,500	3	20

.../2

1 - Serviced land financed on a local improvement basis. Where all or part of the services are fully paid, the maximum house price may be adjusted accordingly, with the concurrence of National Office.

2 - Re-organized as new market area; Calgary Area I November 77

3 - Re-organized as new market area; Hamilton Area I November 77

4 - Re-organized as new market area; Kitchener Area I November 77

5 - Re-organized as new market area; London Area II November 77

6 - Re-organized as new market area; Ottawa Area I November 77

7 - Re-organized as new market area; St. Catharines Area II November 77

8 - Re-organized as new market area; Sudbury Area I November 77

9 - Re-organized as new market area under Sudbury Office November 77

10- Re-organized as new market area; Vancouver Area I November 77

11- Re-organized as new market area under London Office November 77

* Percentage change from January 1976.

APPENDIX 3

A Comparison of Trends in the NHA Maximum Lending Value and the Maximum House Price With Trends in the Royal Trust Survey and the Multiple Listing Services, Average Residential House Price Indices. For Major Metropolitan Areas, April 1974-May 1978.

Policy Development Division
CMHC
November, 1978

For variable definitions see the following tables:

- 1) NHA Maximum Loans and Loan Increases:
For Major Canadian Urban Centres, June 1974 to January 1978.
- 2) CMIC Maximum House Prices and Maximum House Price Increases by Market Area, April 1975 to November 1977.
- 3) Royal Trust Survey: Average Residential House Price and House Price Increase by Major Metropolitan Area, April 1974 to February 1978.
- 4) Multiple Listing Service: Average Residential House Price and House Price Increase by Major Metropolitan Area, 1974-1977.

NOTES

A graph for each major metropolitan area has been prepared comparing changes in the Royal Trust Index (House Type I), MLS Index, NHA maximum lending value and the maximum house price for the period April 1974 to May 1978. The graphs have been grouped into categories according to the relationship between these four variables:

Category 1 Royal Trust Index > MLS Index > NHA Maximum Lending Value > Maximum House Price

Calgary; Edmonton; Ottawa; Toronto; Vancouver; Victoria

Category 2 Royal Trust Index > NHA Maximum Lending Value > MLS Index > Maximum House Price

Regina; Saskatoon; Sudbury; Thunder Bay; Windsor; Winnipeg

Category 3 Royal Trust Index > NHA Maximum Lending Value > MLS Index > Maximum House Price

Halifax; Hamilton; Kitchener; London; St. Catharines

Category 4 NHA Maximum Lending Value > (Royal Trust Index and MLS Index) > Maximum House Price

Montreal; Oshawa; Quebec; St. John; St. John's

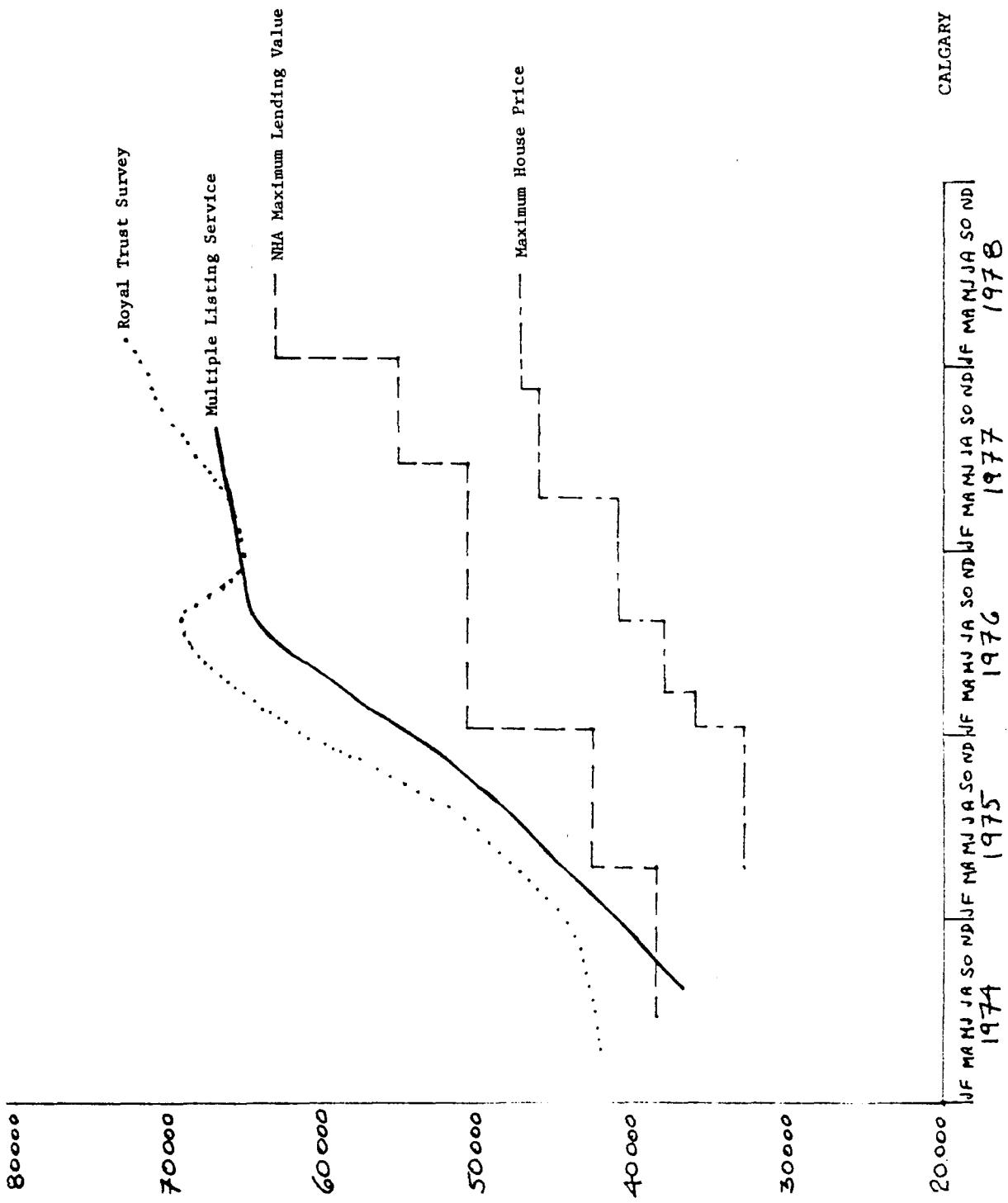
Category 5 NHA Maximum Lending Value > Royal Trust Index > Maximum House Price > MLS Index

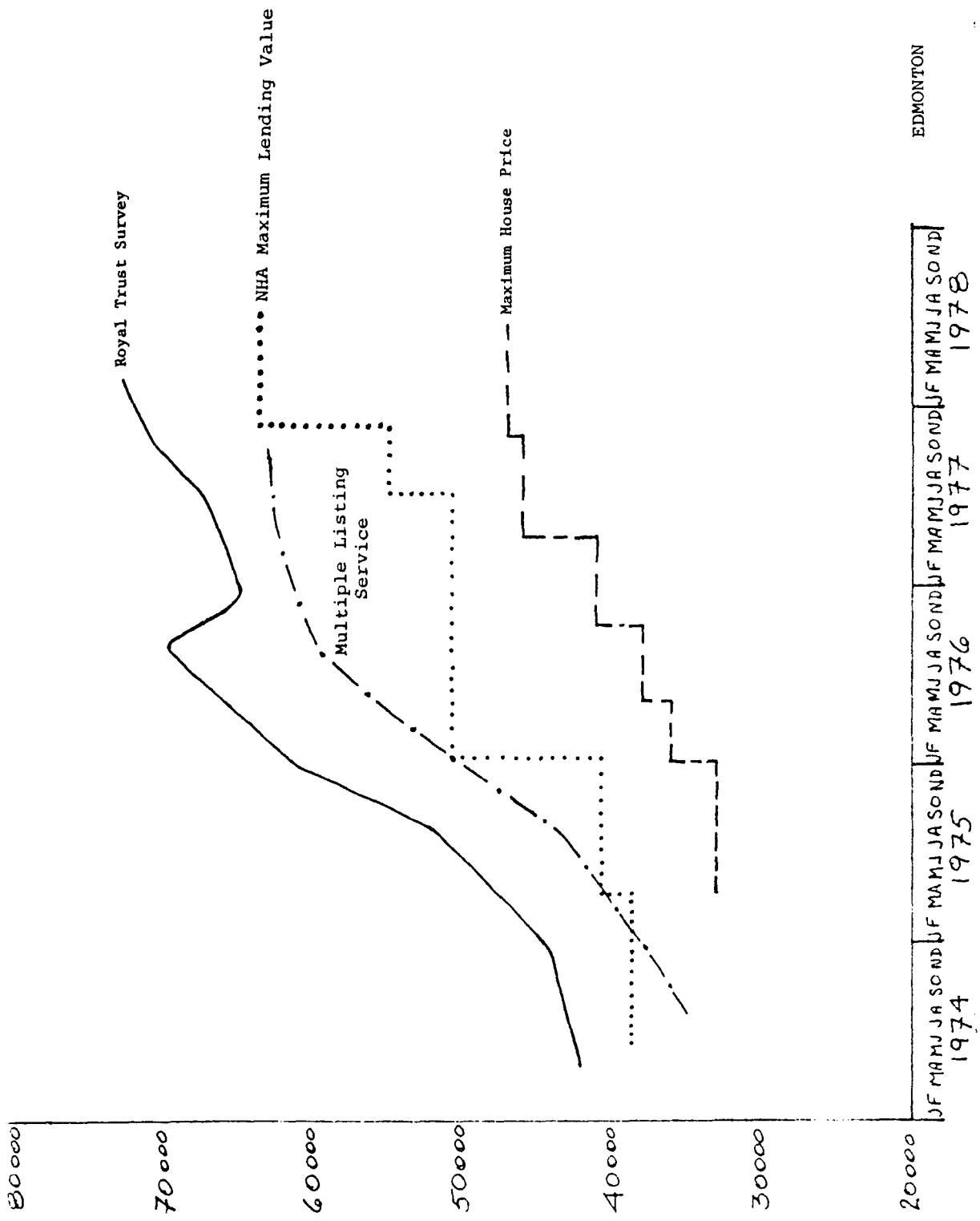
Hull

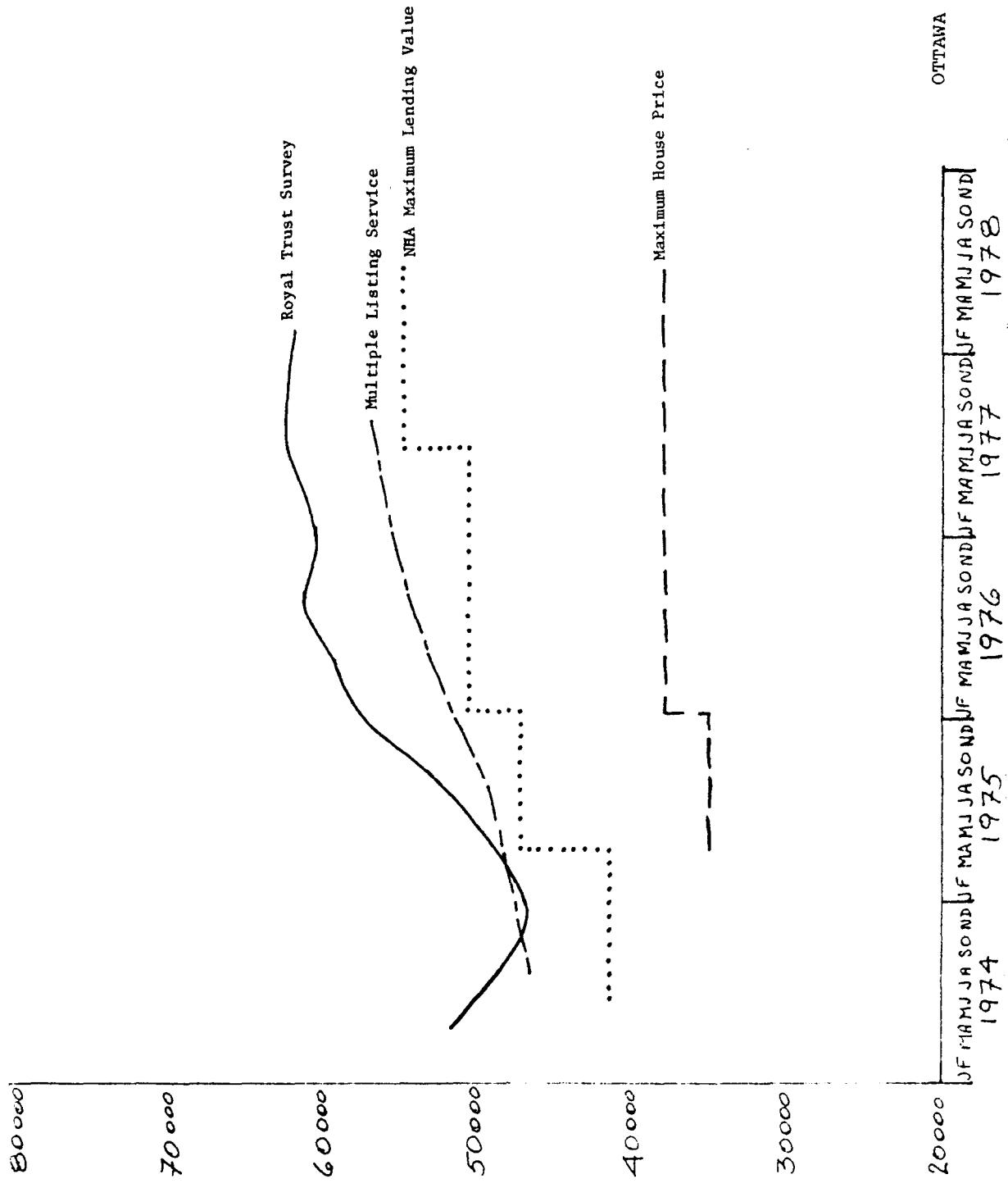
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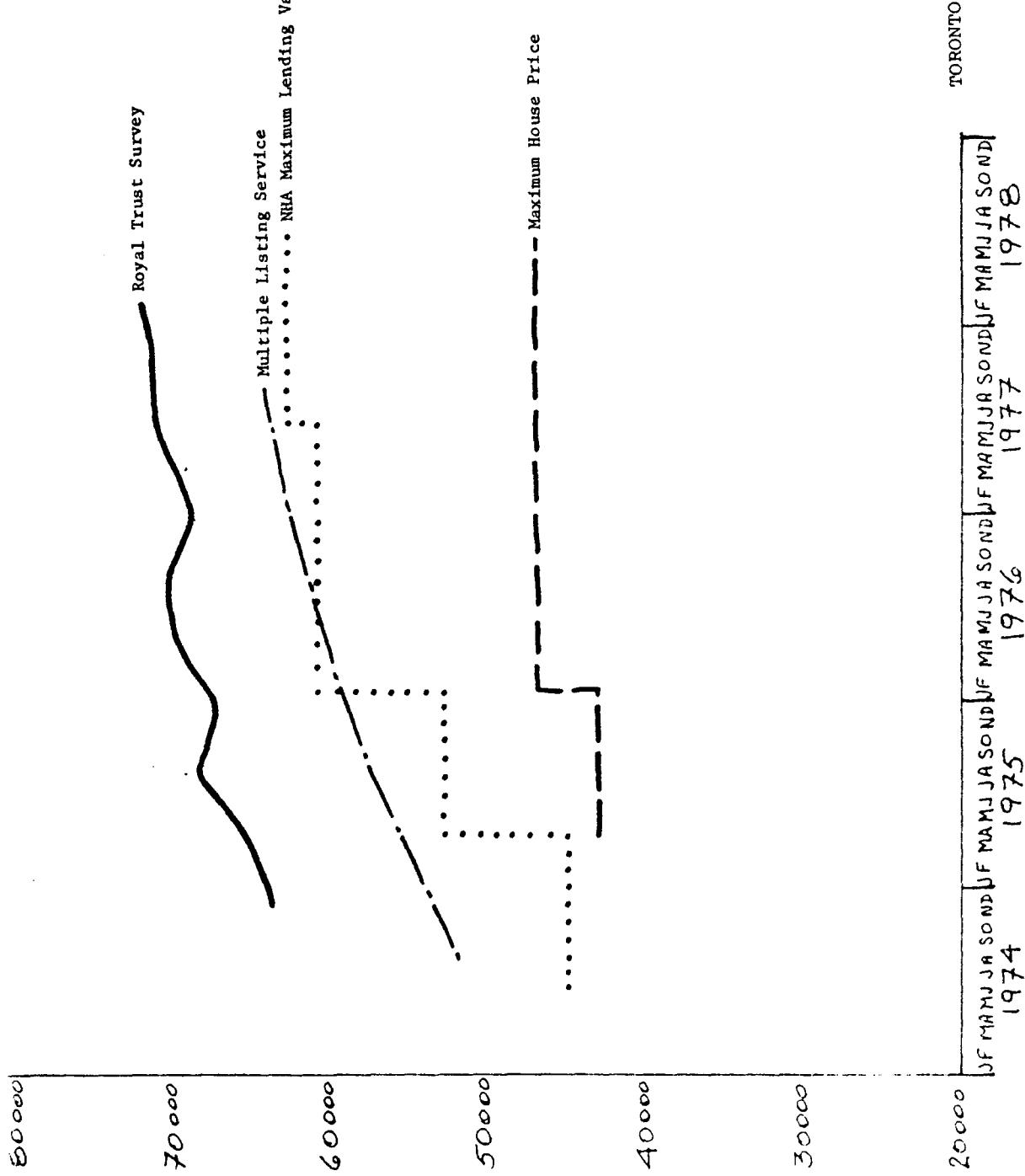
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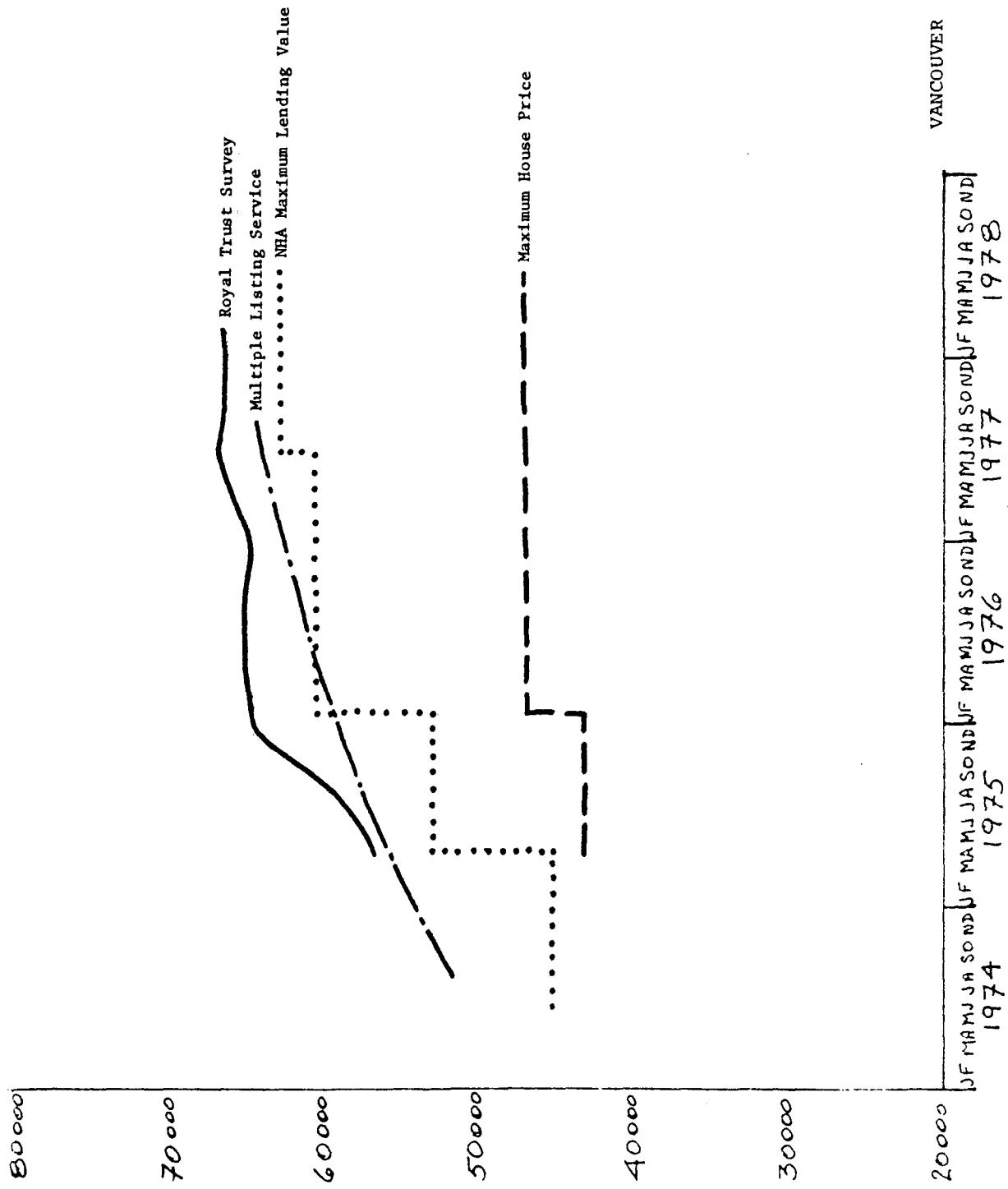
- 1) The introduction of the MHP system in 1974 was associated with a marked increase in the NHA maximum lending value for most metropolitan areas. The rationale for such an increase was the need to maintain an "adequate" spread between the NHA maximum lending value and the maximum house price.
- 2) When compared with the MLS and Royal Trust indices, the NHA maximum lending values for Montreal, Hull and St. John appear very high.
- 3) Only in the case of Calgary has the NHA maximum lending value fallen substantially behind the Royal Trust and MLS indices.
- 4) Only in the case of Hull does the maximum house price exceed the MLS Index.



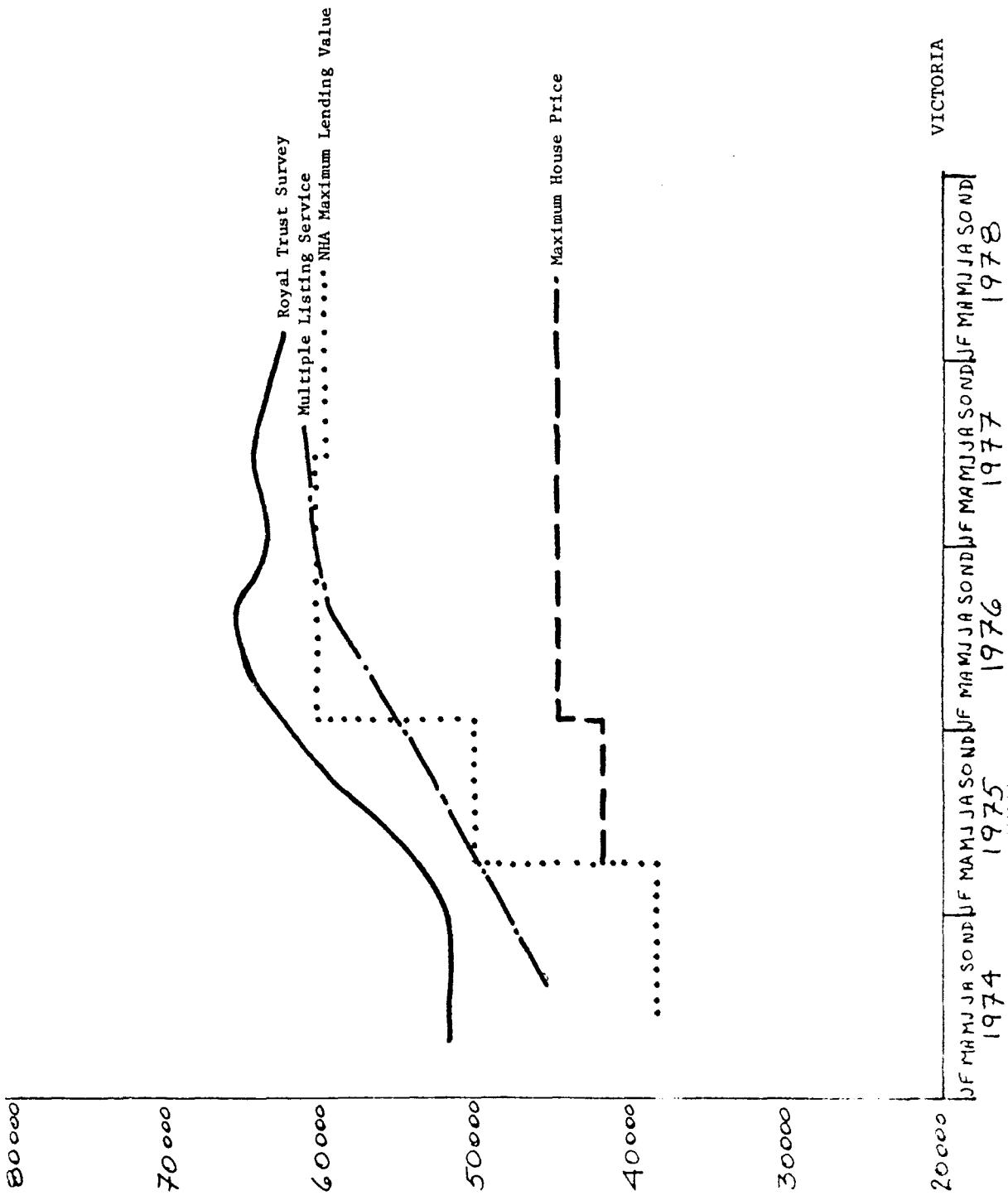


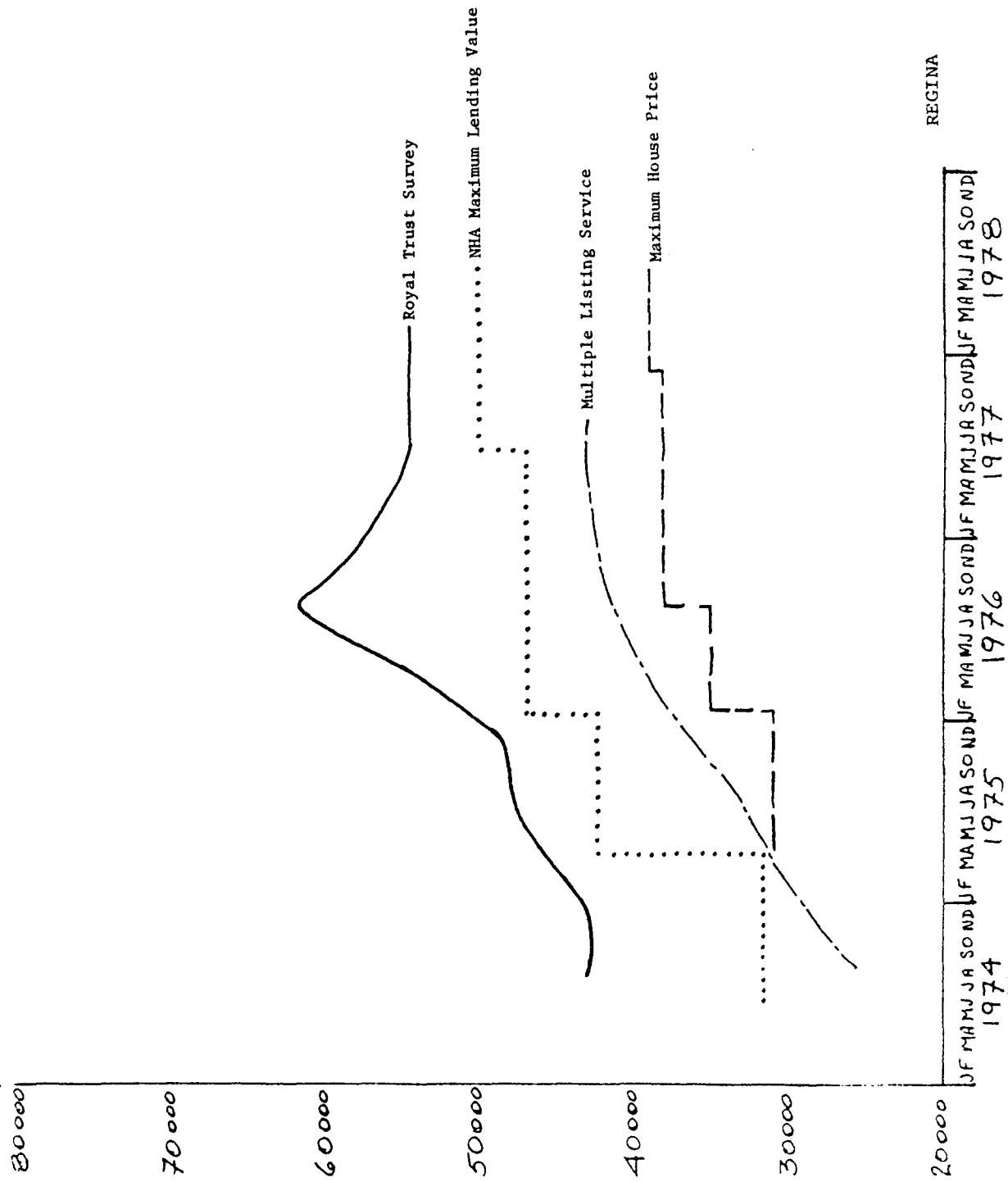


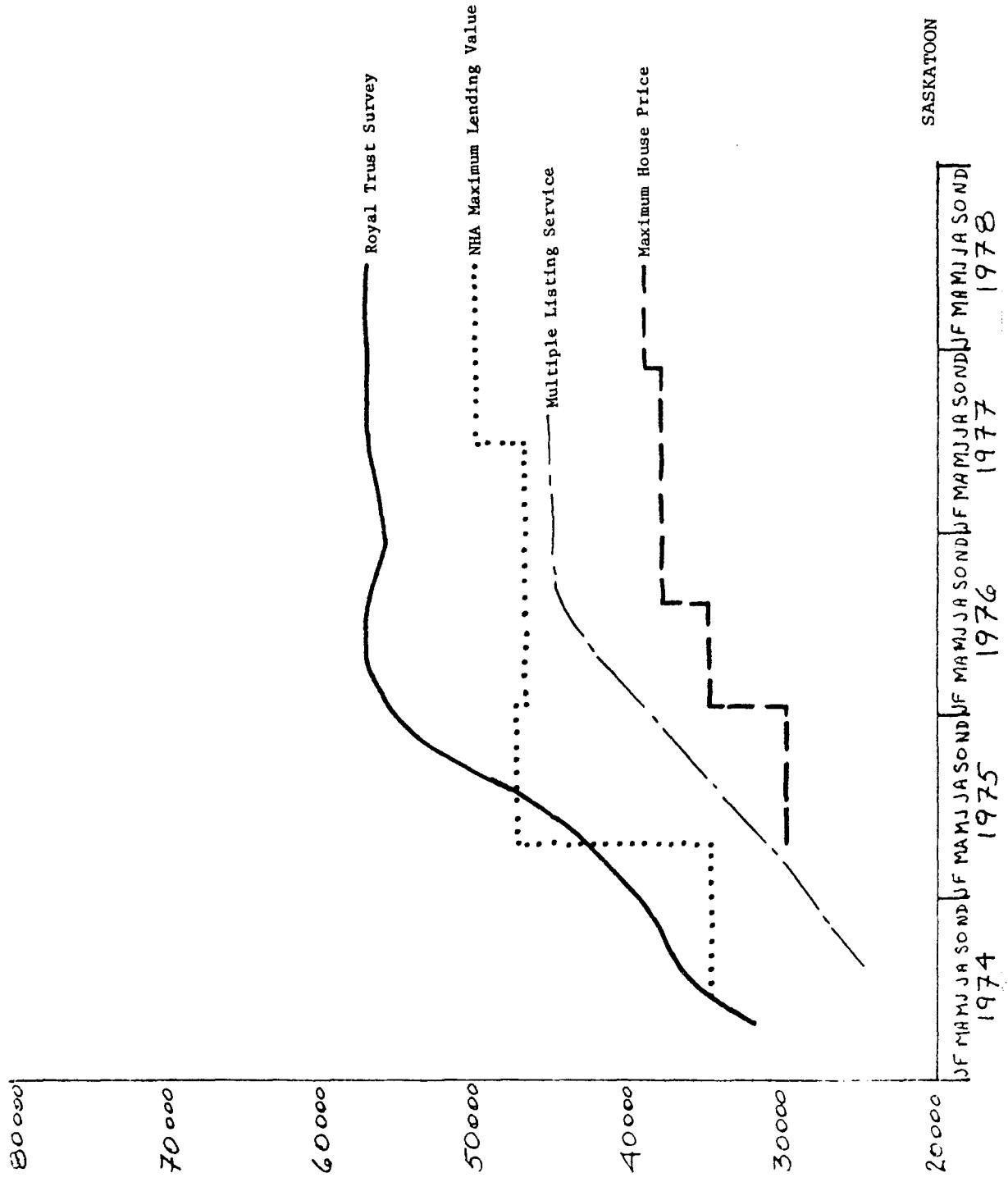


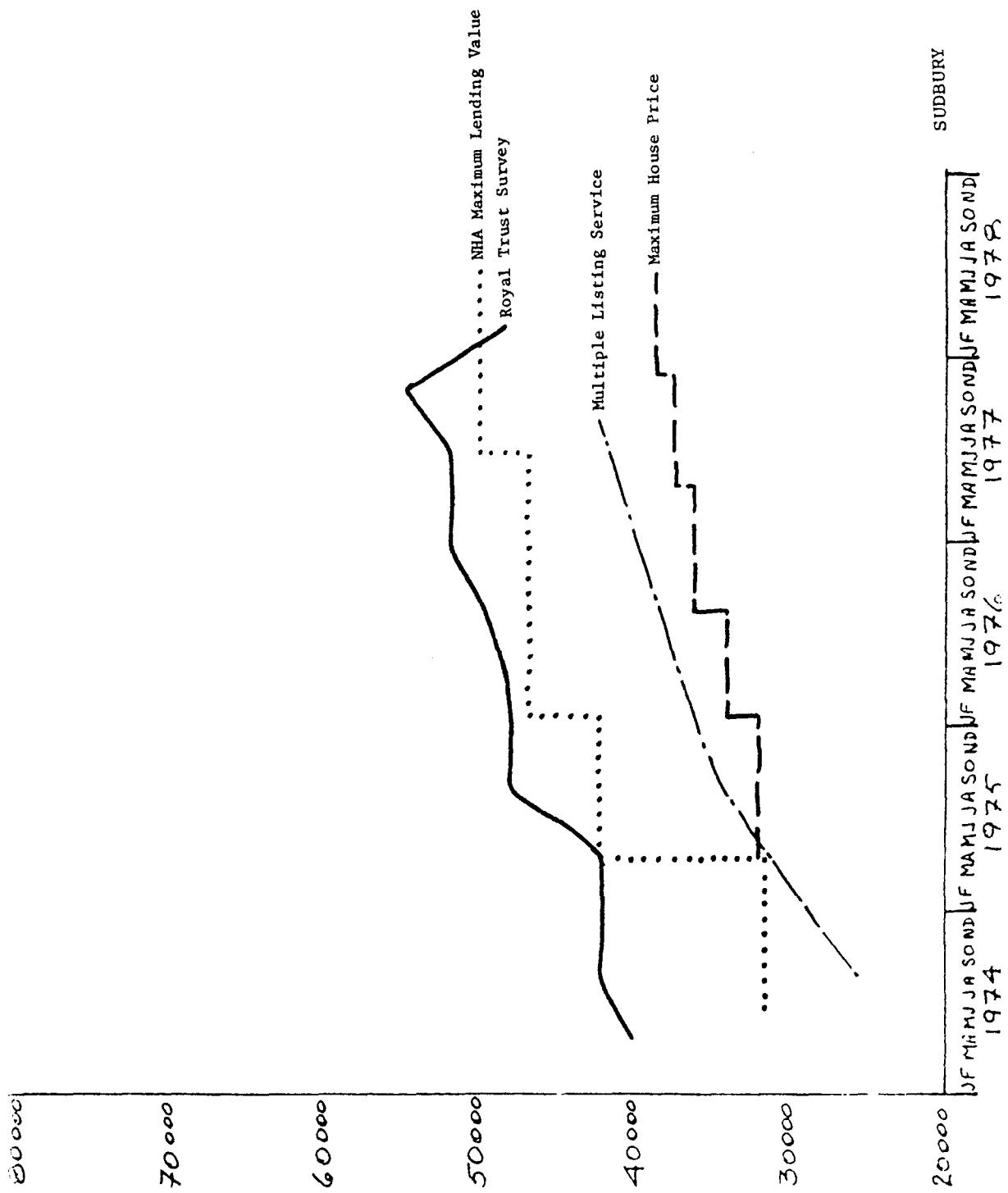


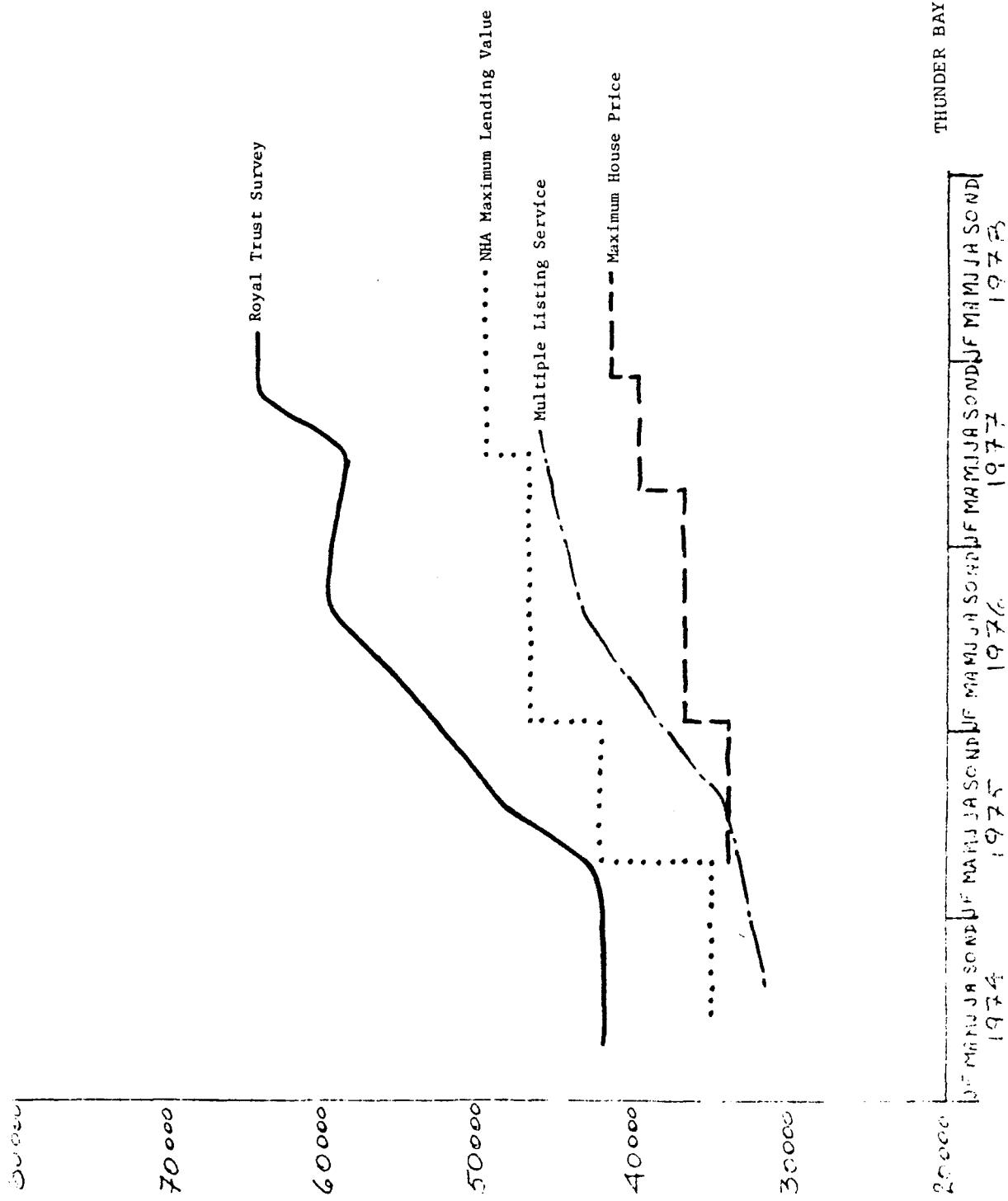
VANCOUVER

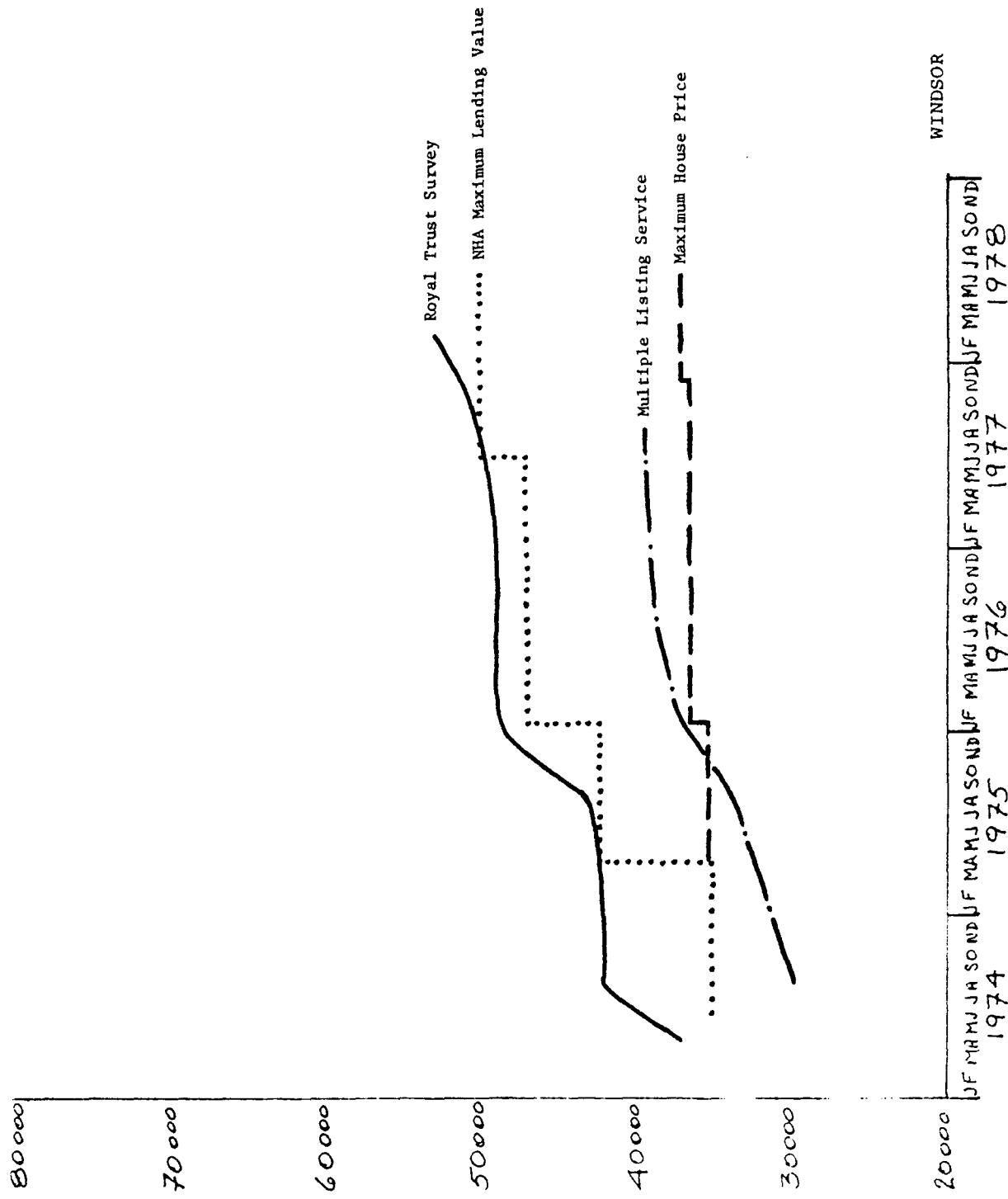


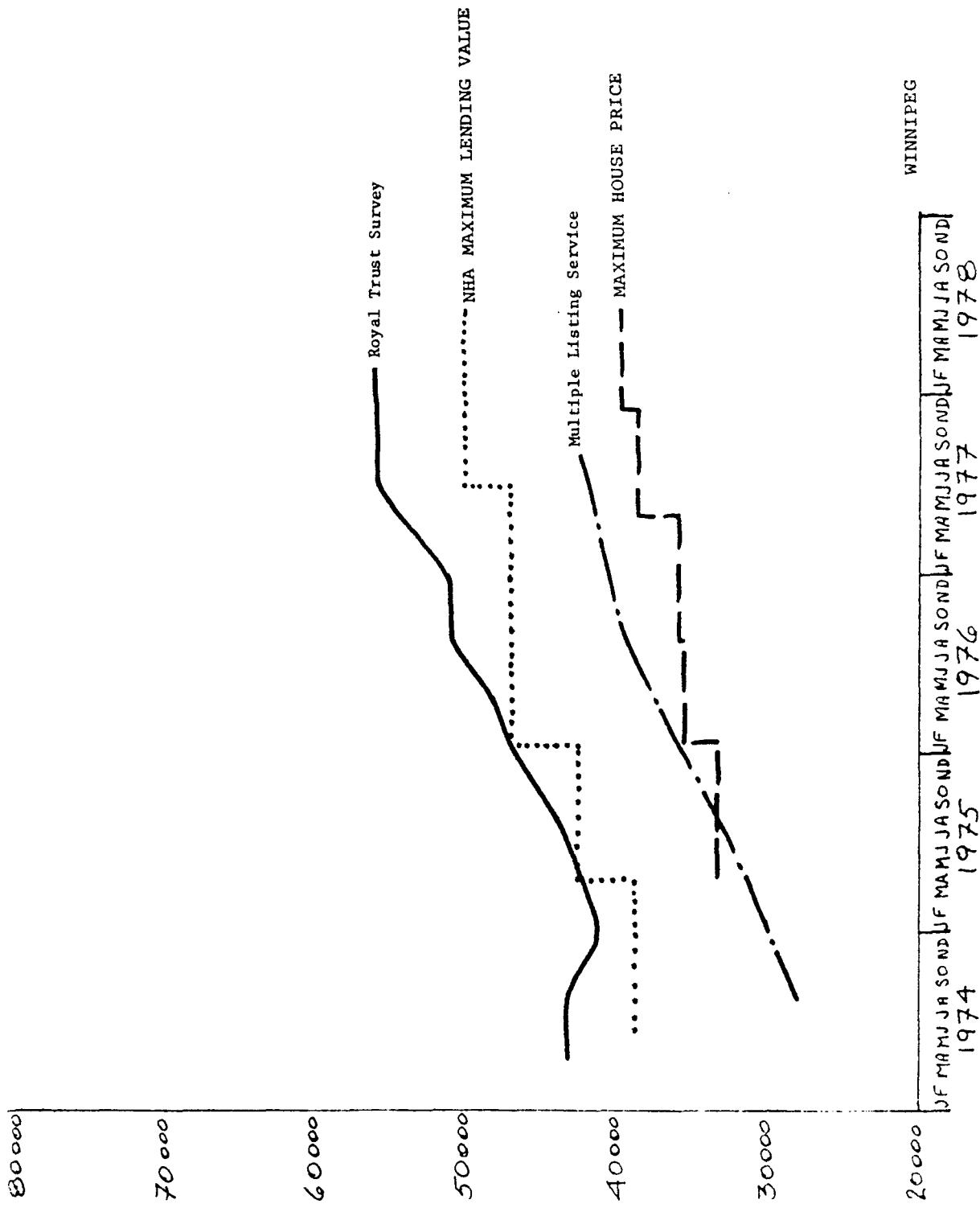


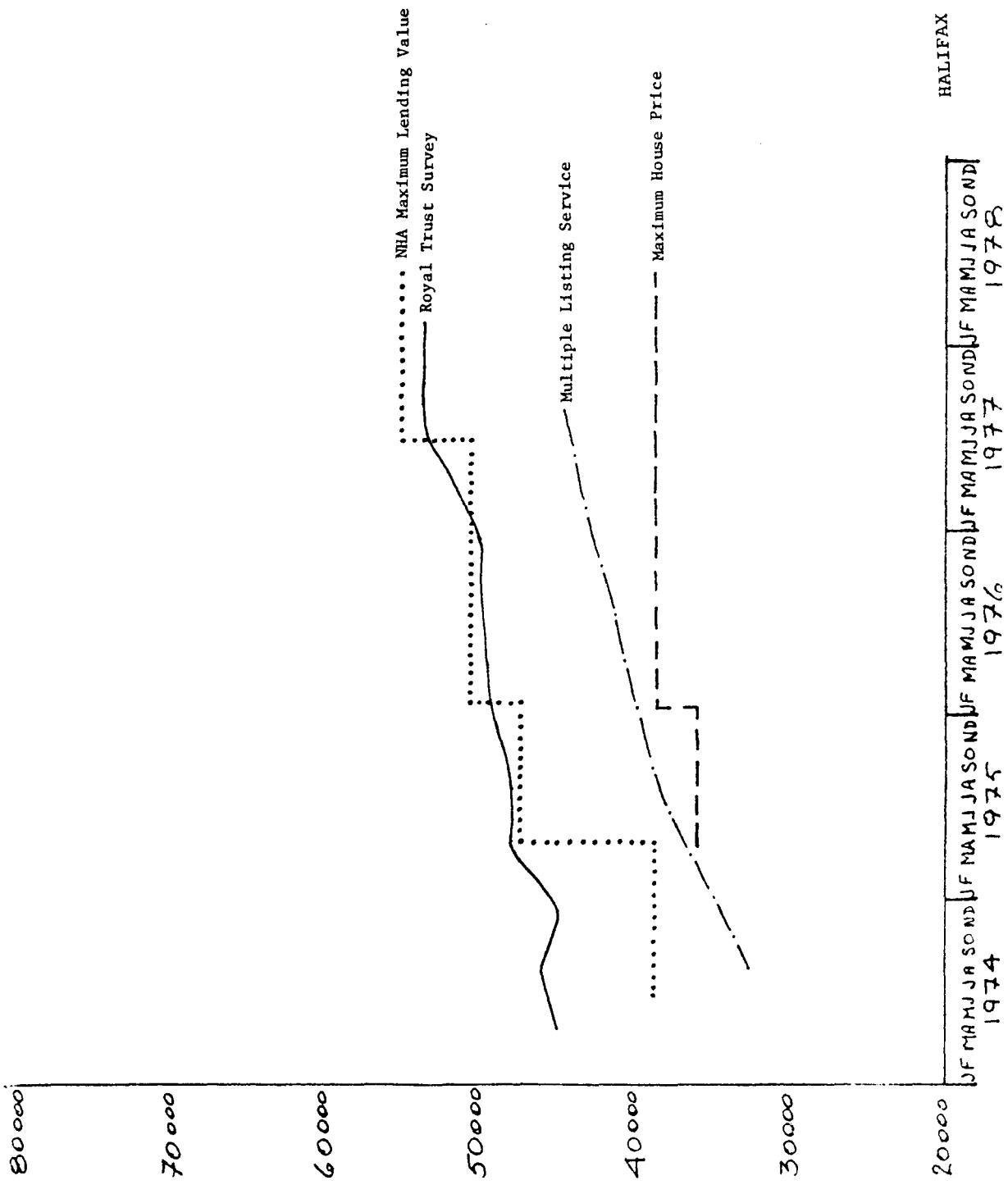


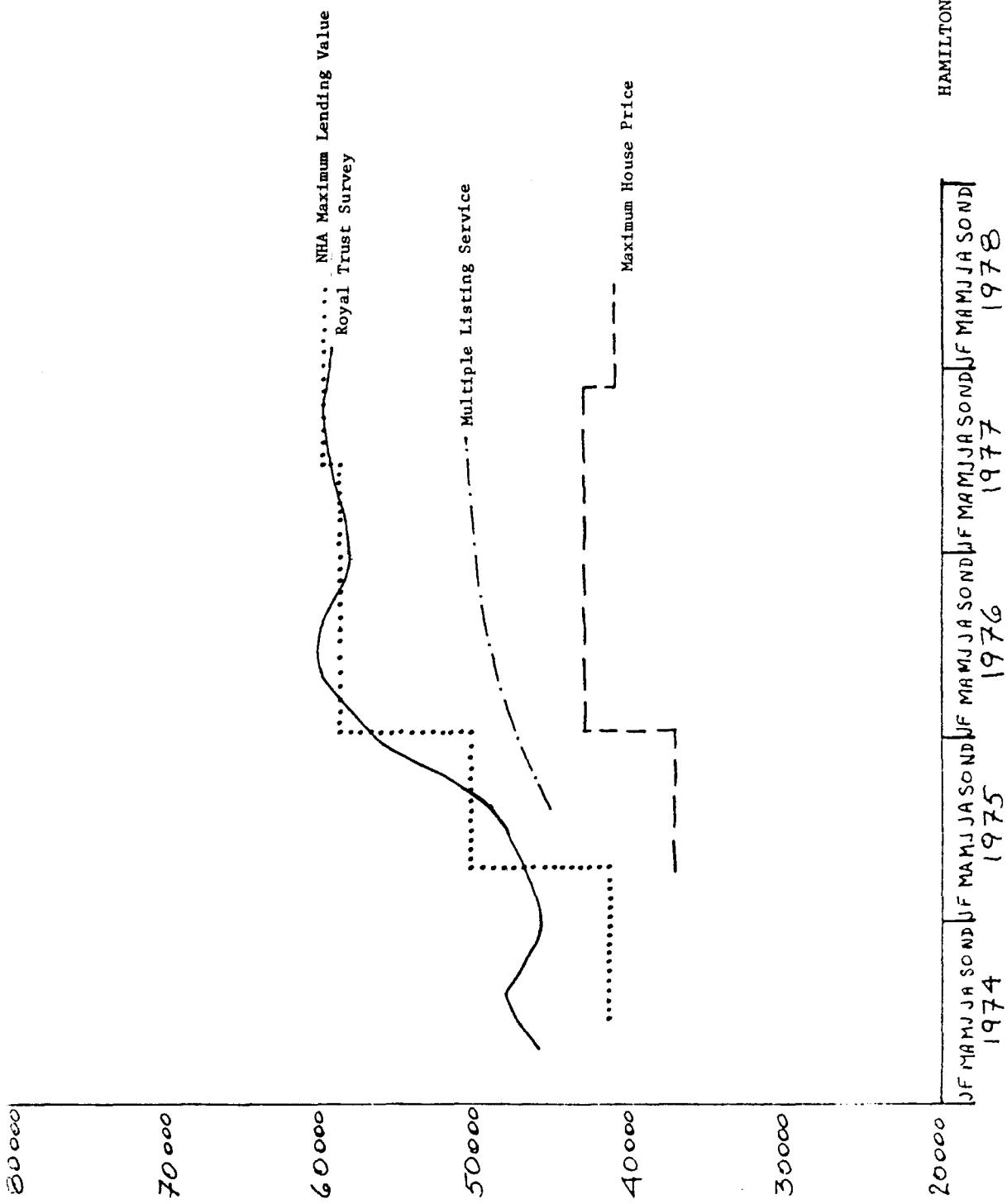


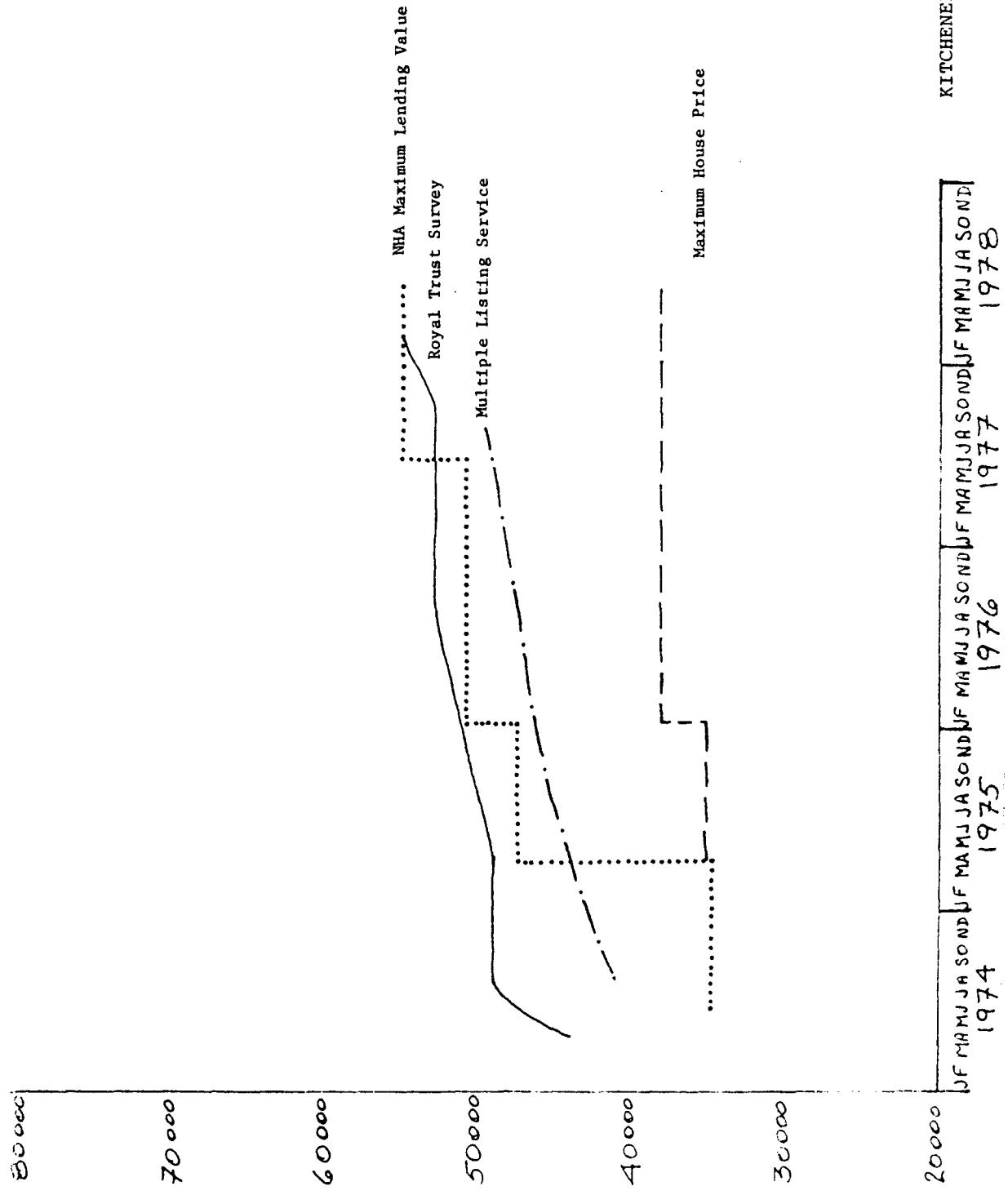


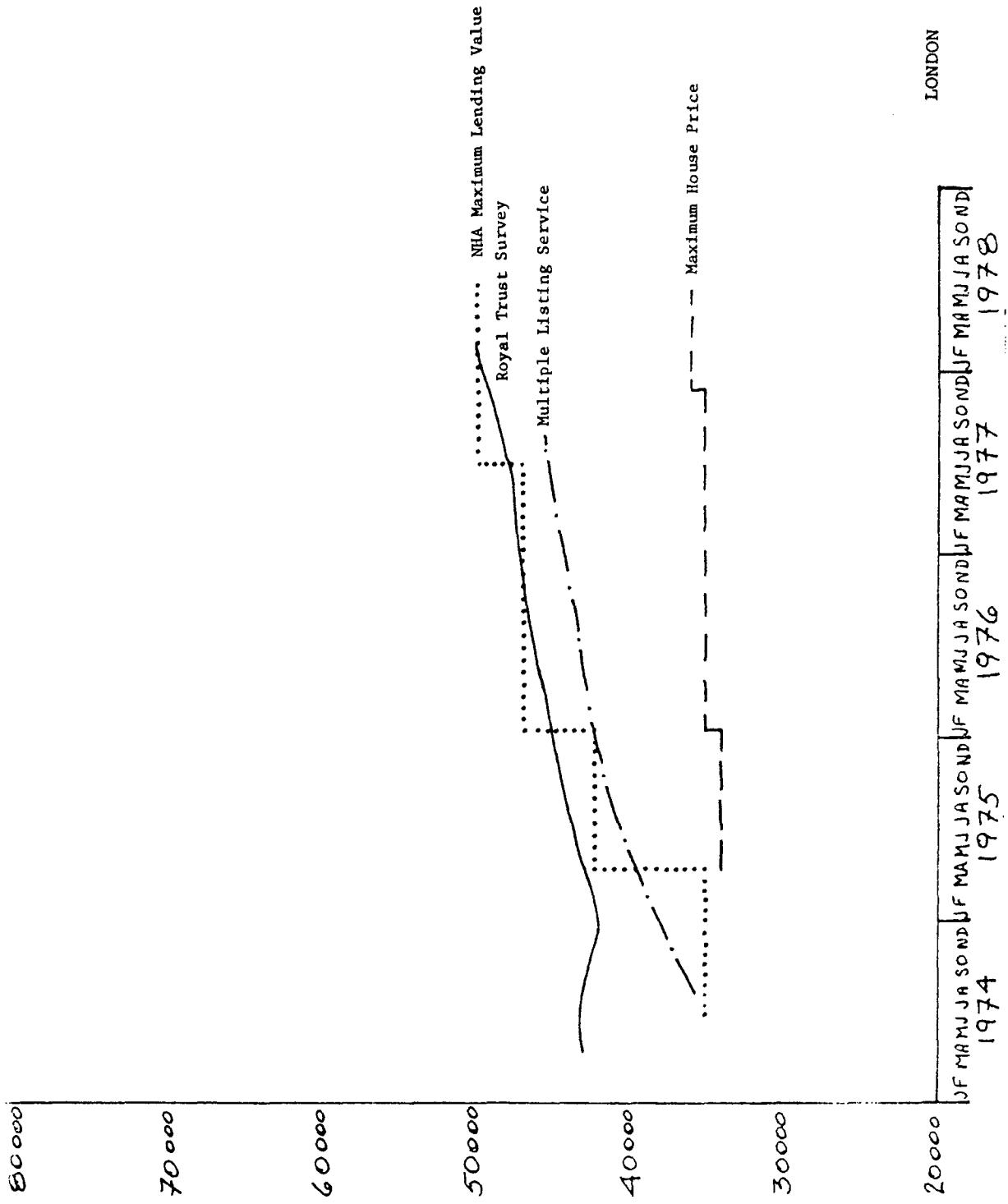


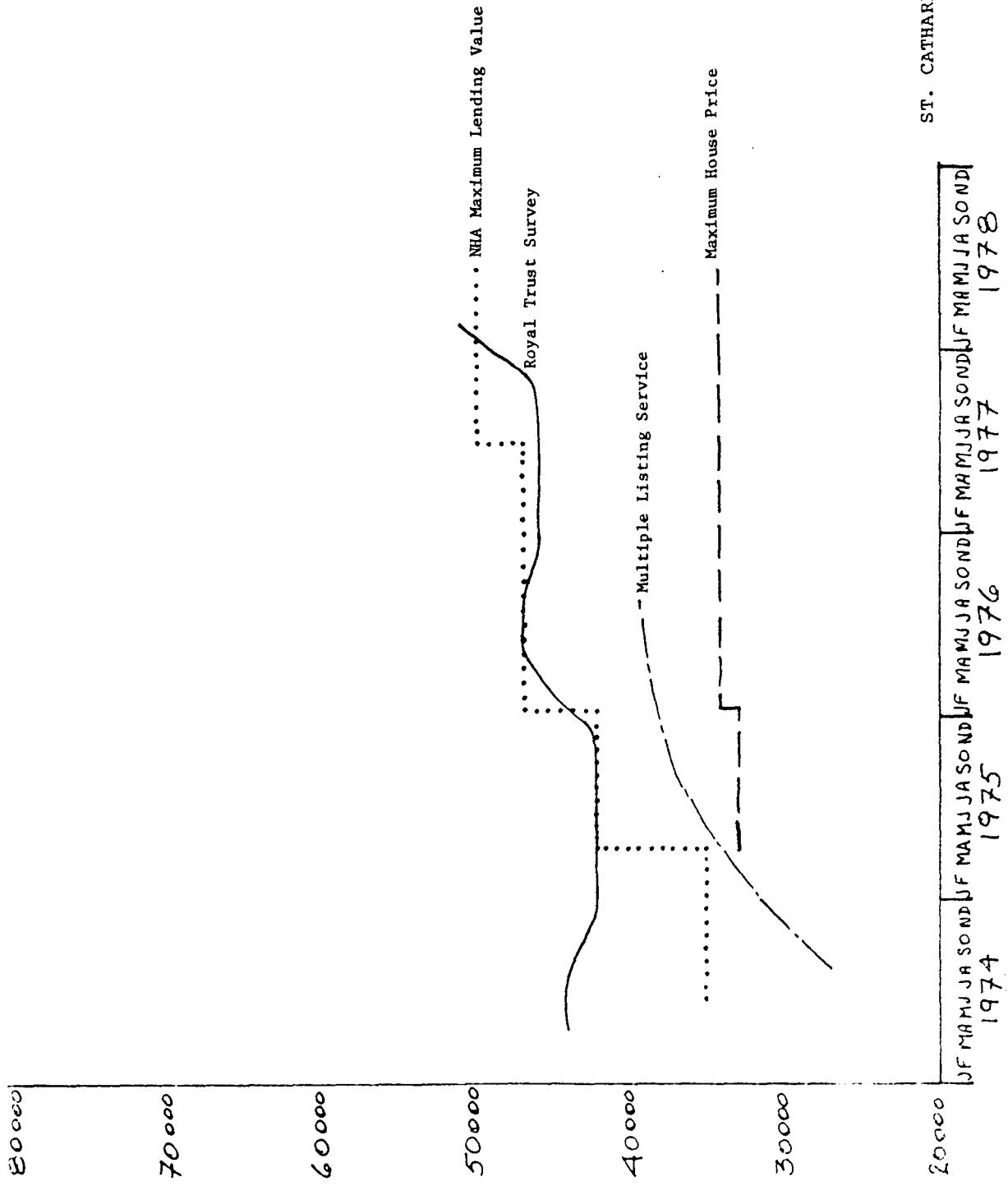


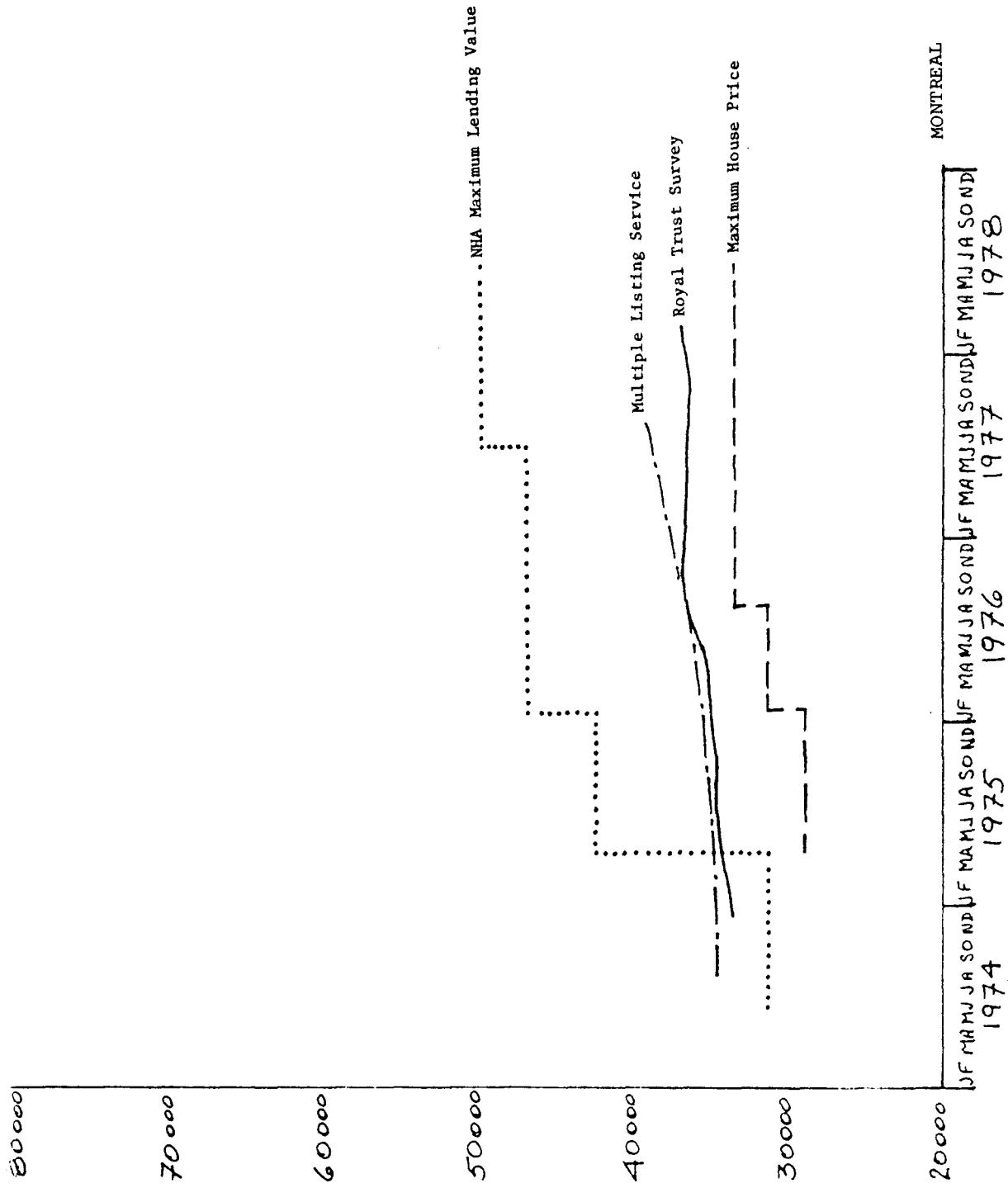


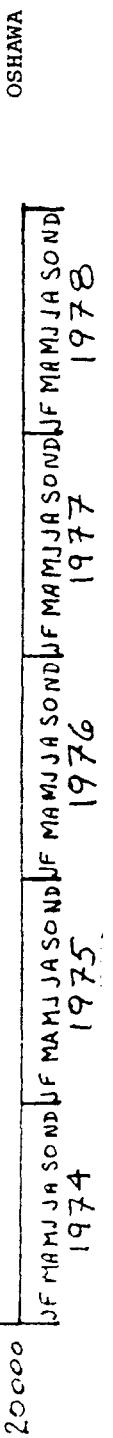


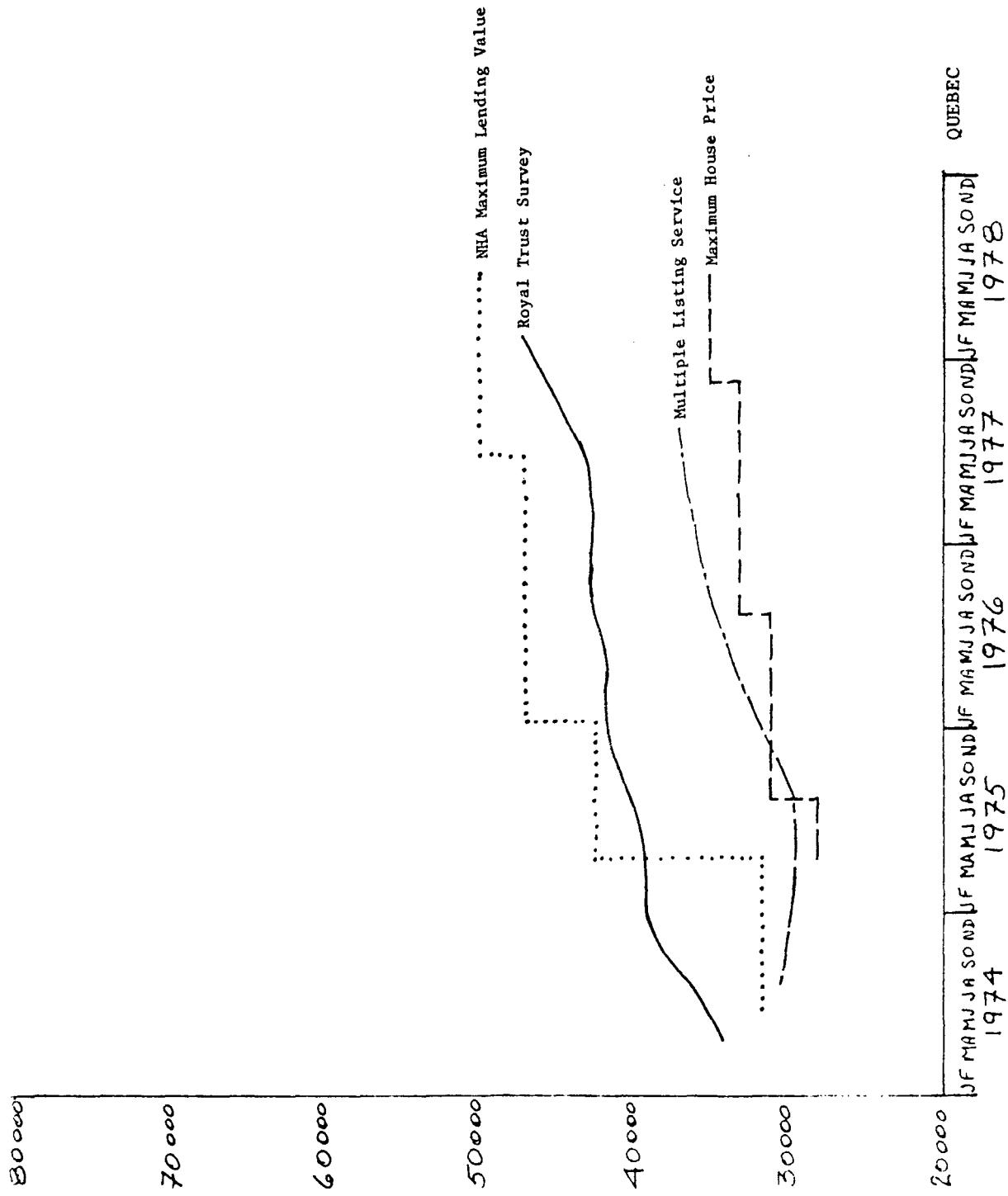


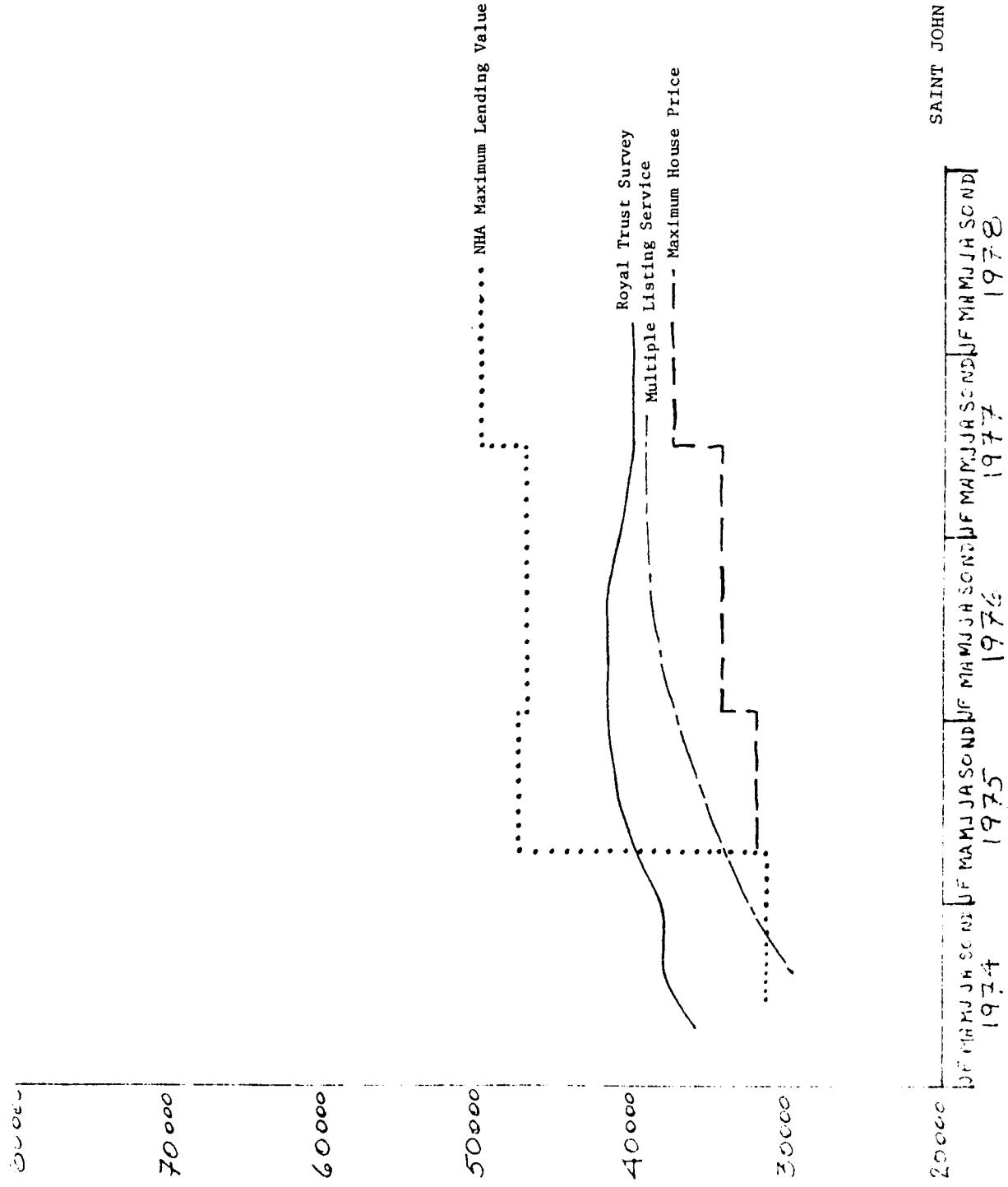


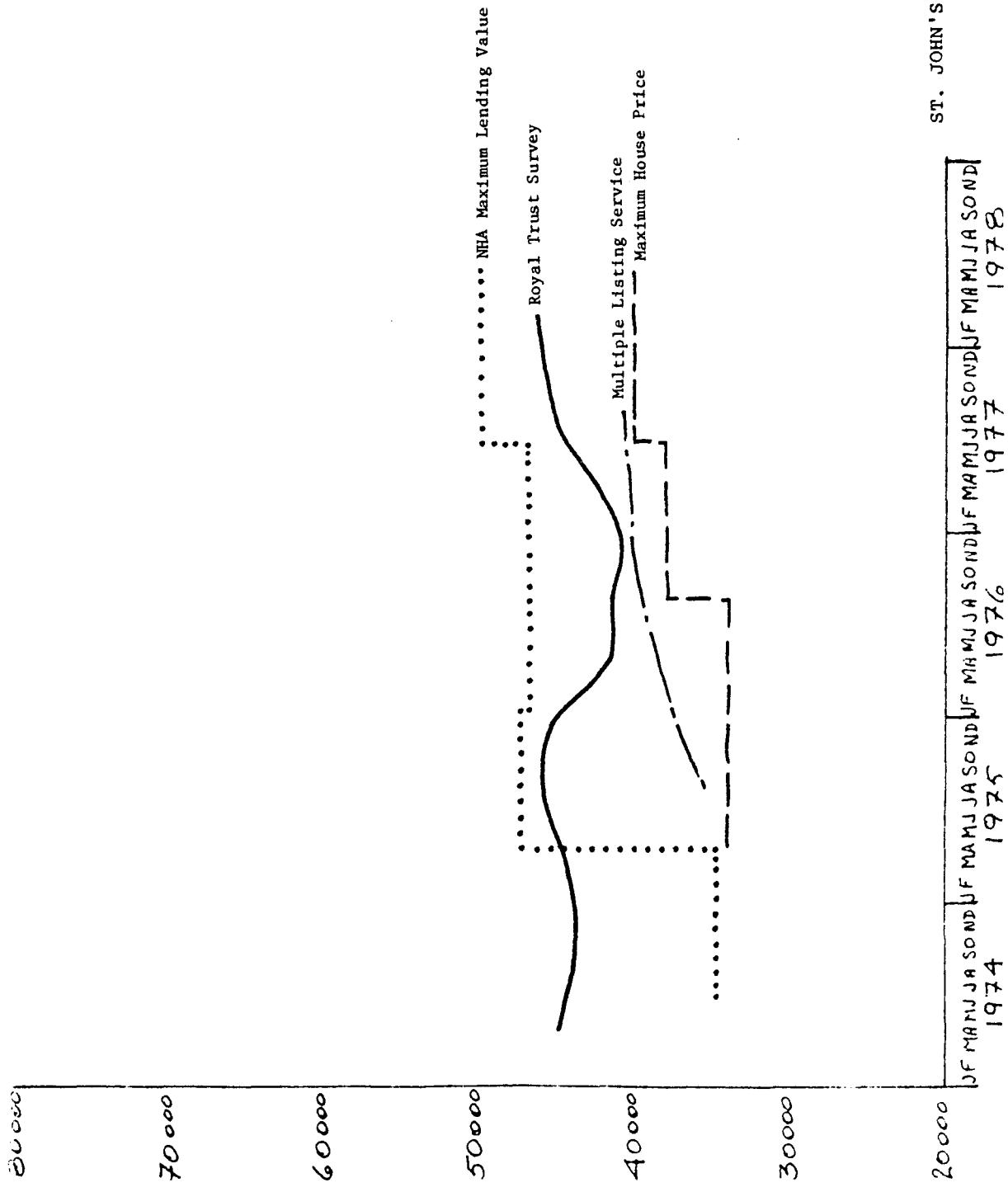


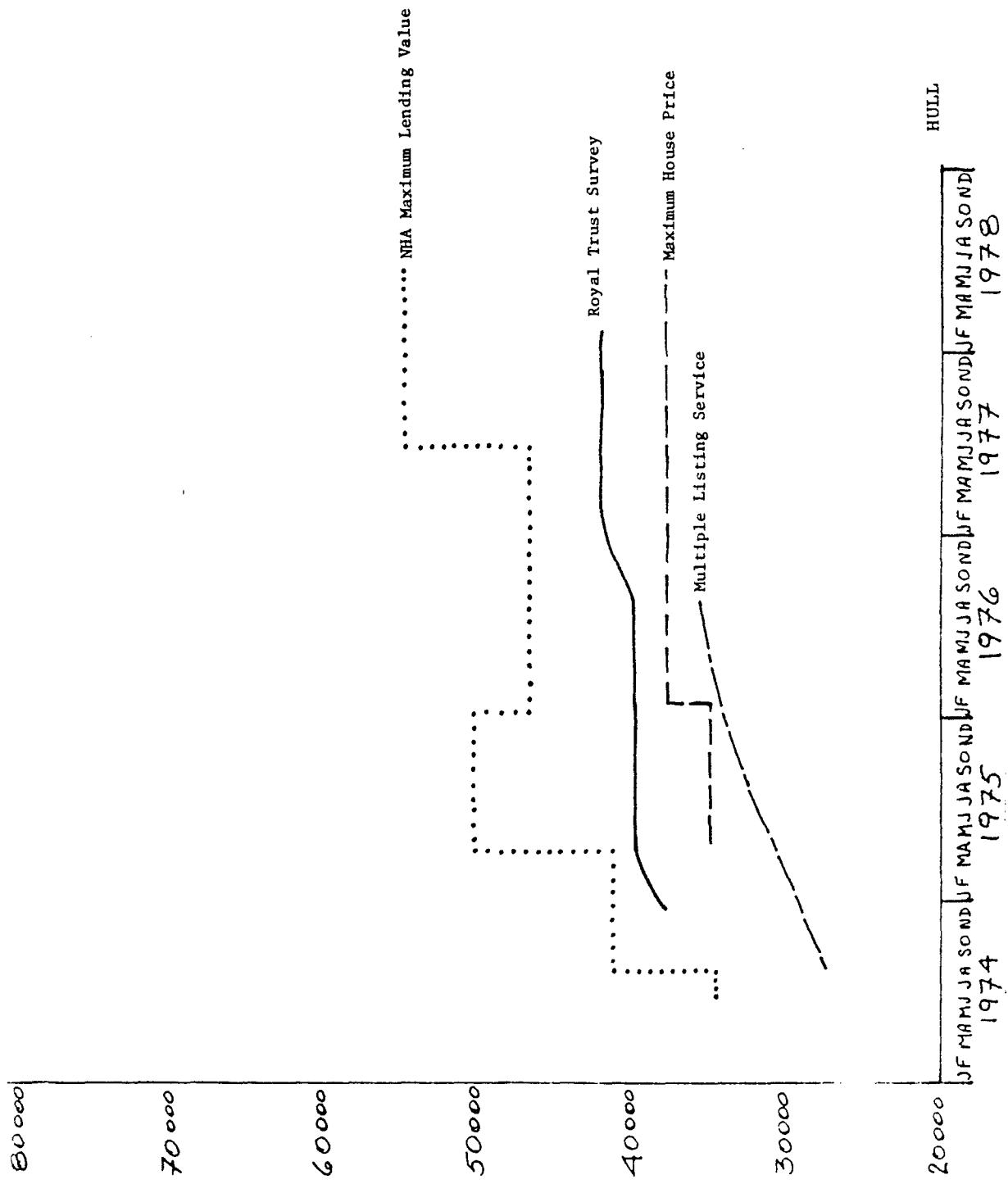












80000

70000

60000

50000

40000

30000

20000

* NO AVAILABLE DATA FOR
ROYAL TRUST SURVEY

* NO AVAILABLE DATA FOR
MULTIPLE LISTING SERVICE

NHA Maximum Lending Value

----- Maximum House Price

JF MAM JASOND JF MAM JASOND JF MAM JASOND
1974 1975 1976 1977 1978

CHICOUTIMI

APPENDIX 4

ROYAL TRUST SURVEY: AVERAGE RESIDENTIAL HOUSE PRICE* AND HOUSE PRICE INCREASE
BY MAJOR METROPOLITAN AREA APRIL 1974 TO FEBRUARY 1978

* Data reflects Royal Trust estimate of "fair market value" of House Type I, in each location and is based on opinion and data supplied by Royal Trust offices across Canada: House Type I is a detached three bedroom brick bungalow, five to eight years old, 1½ bathrooms, 1 car attached garage, full basement but no recreation room, fireplace or appliances. Using outside dimensions (excluding the garage), the total area of the house is 1,200 sq. feet and it is situated on a fully serviced 6,000 sq. foot lot. The neighbourhood itself is average, within average commuting distance to the city centre, and the home is typical of others in the neighbourhood.

Policy Development Division,
CMHC
November, 1978

ROYAL TRUST SURVEY: AVERAGE RESIDENTIAL HOUSE PRICE* AND HOUSE PRICE INCREASE
BY MAJOR METROPOLITAN AREA APRIL 1974 TO FEBRUARY 1978

MARKET AREA	1974			1975			1976			1977			1978						
	APRIL	AUG.	DEC.	%	APR.	DEC.	%	APR.	DEC.	%	JUN.	OCT.	%	FEB.	%				
PERCENTAGE CHANGE FROM APR. TO DEC.																			
CALGARY	42,000	43,000	44,000	4.0	48,000	52,000	61,000	38.6	65,400	68,500	65,000	6.6	67,750	2	70,870	9.0	72,850	2.8	73.5
CHICOUTIMI																NO DATA AVAILABLE			
EDMONTON	42,000	43,000	44,000	4.0	47,000	56,000	61,500	39.8	71,000	71,000	68,500	11.4	70,250	3	70,870	3.5	72,870	2.8	73.5
HALIFAX	45,000	46,000	45,000	n/c	48,000	48,000	49,000	8.9	49,500	50,000	50,000	2.0	53,900	7.8	53,900	n/c	n/c	19.8	
HAMILTON	46,000	48,000	46,000	n/c	48,000	49,000	56,000	21.7	60,000	60,000	58,000	3.6	59,500	60,000	3.4	58,900	(1.8)	28.0	
KITCHENER	44,000	49,000	49,000	11.0	49,000	50,000	51,000	4.1	52,000	53,000	53,000	3.9	53,000	n/c	53,000	n/c	55,000	3.8	25.0
LONDON	43,000	43,000	42,000	(3.0)	43,000	44,000	45,000	7.1	46,000	46,000	46,000	2.2	48,000	49,000	6.5	50,000	2.0	16.3	
MONTREAL*	54,000	50,000	47,000	(12.9)	50,000	53,000	53,000	12.8	52,000	52,000	54,500	2.8	56,000	56,000	3.7	56,500	0.9	4.7	
OTTAWA-HULL																			
OTTAWA	52,000	49,000	47,000	(9.6)	49,000	52,000	57,000	21.3	59,400	61,800	60,300	5.8	62,800	62,500	3.6	62,200	0.5	19.6	
HULL	n/a	38,000	n/a	40,000	40,000	40,000	5.3	40,000	40,000	42,000	5.0	42,000	42,000	n/c	42,000	n/c	42,000	10.5	
QUEBEC	34,000	36,000	39,000	14.7	39,000	40,000	41,500 ¹	6.4	41,500	42,500	42,750	3.0	43,000	45,200	5.7	47,250	4.5	39.0	
REGINA	33,000	43,000	43,000	30.3	46,000	48,000	49,000	14.0	55,000	62,000	58,000	18.4	54,500	54,500	(6.0)	54,500	n/c	65.2	
ST. CATHARINES	44,000	44,000	42,000	(4.6)	42,000	42,000	42,500	1.2	47,000	47,000	46,000	8.2	46,000	46,500	1.0	51,000	9.7	15.9	
SAIN T JOHN	36,000	38,000	38,000	5.6	40,000	41,000	41,500	9.2	41,500	41,500	41,000	(1.2)	40,000	40,000	(2.4)	40,000	n/c	11.1	
ST. JOHN'S	45,000	44,000	44,000	(2.2)	45,000	46,000	45,500	3.4	45,000	44,500	43,800	(3.7)	44,500	44,800	4.6	46,200	0.9	2.7	

.../2

ROYAL TRUST SURVEY: AVERAGE RESIDENTIAL HOUSE PRICE* AND HOUSE PRICE INCREASE
BY MAJOR METROPOLITAN AREA APRIL 1974 TO FEBRUARY 1978

MARKET AREA	1974		1975		1976		1977		1978		PERCENTAGE CHANGE FROM APR. 74 TO DEC.	PERCENTAGE CHANGE FROM DEC. 75 TO DEC.	PERCENTAGE CHANGE FROM DEC. 76 TO DEC.	PERCENTAGE CHANGE FROM DEC. 77 TO DEC.	
	APRIL	AUG.	DEC.	APR.	DEC.	APR.	DEC.	JUN.	OCT.	FEB.					
SASKATOON	34,000	37,000	39,000	14.7	43,000	49,000	55,000	41.0	57,000	56,000	1.8	57,000	57,000	n/c	
SUDBURY	40,000	42,000	42,000	5.0	42,000	48,000	48,000	14.3	48,500	49,800	8.3	52,000	55,000	5.8	
THUNDER BAY	42,000	42,000	42,000	n/c	43,000	49,000	52,000	23.8	56,000	60,000	15.4	59,000	65,000	8.3	
TORONTO*															
VANCOUVER*	n/a	n/a	n/a	56,500 ⁴	59,750	64,250	n/a	65,250	65,250	64,970	1.1	66,820	66,670	0.2	
VICTORIA	52,000	52,000	52,000	n/c	54,000	58,000	62,000	19.2	65,000	66,000	3.2	65,000	64,000	n/c	
WINDSOR	37,000	42,000	42,000	13.5	42,000	43,000	48,000	14.3	49,000	49,000	2.0	49,500	50,500	3.0	
WINNIPEG	43,000	43,000	41,000	(4.7)	42,000	44,000	46,500	13.4	48,000	51,000	51,000	9.7	56,000	56,000	9.8

1 - Reorganization of market area into two districts: Ste. Foy and Charlesbourg.

2 - Data based on unweighted average of house prices for the following districts: Bonnavista Parkland, S.W. Calgary, North Hill, N.E. Marlborough.

3 - Data based on unweighted average of house prices for the following districts: Petrolia, Sherwood Park, Londonderry, Mill Woods.

4 - Data based on unweighted average of house prices for the following districts: West Vancouver, North Vancouver, Richmond, Surrey.

5 - Denotes change from December 1974 to February 1978.

6 - Denotes change from April 1975 to February 1978.

n/a - Denotes not available

n/c - Denotes no change

* - See following tables

ROYAL TRUST SURVEY: AVERAGE RESIDENTIAL HOUSE PRICE AND HOUSE PRICE INCREASE
BY MAJOR METROPOLITAN AREA APRIL 1974 TO FEBRUARY 1978

MARKET AREA	APRIL	1974		1975		1976		1977		1978		PERCENTAGE CHANGE FROM APR. 1974 TO DEC. 1977	PERCENTAGE CHANGE FROM DEC. 1976 TO DEC. 1977	PERCENTAGE CHANGE FROM DEC. 1975 TO DEC. 1976	PERCENTAGE CHANGE FROM DEC. 1974 TO DEC. 1975	PERCENTAGE CHANGE FROM OCT. 1977 TO FEB. 1978		
		AUG.	DEC.	APR.	AUG.	DEC.	APR.	JUN.	OCT.	FEB.	%							
MONTREAL	n/a	n/a	33,800 ¹⁶	n/a	34,300	34,500	34,650	35,650	36,408	36,550	5.5	36,450	36,350	(0.6)	36,725	1.0	8.7 ¹⁷	
Mount Royal	55,000	60,000	60,000	9.0	60,000	63,000	65,000	65,000	65,000	65,000	n/c	n/a	n/a	n/a	n/a	n/a	18.2 ²	
St. Lambert	n/a	42,000	40,000	n/a	41,000	41,000	42,000	5.0	44,000	45,000	46,500	10.7	47,500	47,500	2.2	48,500	2.1	15.5 ³
Hudson	n/a	n/a	n/a	50,000	55,000	55,000	n/a	53,000	53,000	53,000	53,000	(3.6)	48,000	43,000	(18.9)	43,000	n/c	(14.0) ⁴
Longueuil	n/a	n/a	32,000	n/a	34,000	34,000	35,000	9.4	37,000	39,000	40,000	14.3	39,000	39,000	(2.5)	40,500	3.8	26.6 ⁵
St. Bruno	n/a	35,000	34,000	n/a	35,000	35,000	34,000	n/c	36,000	37,000	39,000	14.7	39,000	39,000	n/c	39,000	n/c	11.4 ⁶
Boucherville	n/a	n/a	34,000	n/a	35,000	35,000	35,000	2.9	37,000	37,000	35,000	n/c	35,000	36,500	4.3	38,000	4.1	11.8 ⁷
Brossard	n/a	38,000	34,000	n/a	34,000	34,000	35,000	2.9	36,000	37,000	38,000	8.6	39,000	38,000	n/c	38,000	n/c	n/c ⁸
Beaconsfield	46,000	42,000	36,000	(21.7)	37,000	36,000	36,000	n/c	38,000	38,000	38,000	5.6	37,000	36,000	(5.3)	36,000	n/c	(21.7)
Pointe Claire	46,000	40,000	38,000	(17.4)	38,000	38,000	38,000	n/c	37,000	39,000	37,500	(1.3)	36,500	36,000	(4.0)	35,500	(1.4)	(22.8)
Beloeil	27,000	33,000	33,000	22.2	33,000	32,000	32,500	(1.5)	33,000	33,000	33,000	1.5	34,000	32,500	(1.5)	33,500	3.1	7.4
Pierrefonds	38,000	33,000	32,000	(15.8)	32,000	32,000	32,000	n/c	32,000	32,000	31,500	(1.6)	29,000	29,000	(7.9)	29,000	n/c	(23.7)
Lauzé	28,000	30,000	31,000	10.7	30,000	33,000	33,000	6.5	33,000	33,000	33,000	n/c	36,000 ¹	36,000	9.1	36,250	0.7	29.5
Chateauguay	28,000	29,000	27,000	(3.6)	27,000	27,000	26,500	(1.9)	26,500	27,080	27,000	1.9	26,500	26,500	(1.9)	26,500	n/c	(5.4)
TORONTO	n/a	n/a	64,000 ¹⁴	n/a	65,667	68,333	67,667	5.0	70,000	70,333	69,000	1.2	71,333	71,800	4.1	72,083	1.0	12.6 ¹⁵
Central	n/a	n/a	70,000	n/a	72,000	71,000	71,000	1.4	75,000	76,000	76,000	7.0	80,000	80,000	5.3	80,000	n/c	14.3 ⁹
Scarborough	65,000	63,000	59,000	(9.2)	61,000	65,000	63,000	6.8	66,000	66,000	65,000	3.2	67,000	67,400	5.3	67,750	0.5	4.2
Richmond Hill	60,000	59,000	58,000	(3.3)	59,500	58,000	58,000	n/c	59,000	57,000	60,000	3.4	66,000	65,000	8.3	67,500	3.8	12.5
Mississauga	67,000	66,000	63,000	(6.0)	64,000	69,000	69,000	9.5	69,000	69,000	66,000	(4.4)	67,000	68,000	3.0	68,500	0.7	2.2
Thornhill	67,000	66,000	68,000	1.5	70,000	71,000	71,000	4.4	75,00	73,000	76,000	7.0	77,000	83,000	9.2	83,000	n/c	23.9

ROYAL TRUST SURVEY: AVERAGE RESIDENTIAL HOUSE PRICE AND HOUSE PRICE INCREASE
BY MAJOR METROPOLITAN AREA APRIL 1974 TO FEBRUARY 1978

MARKET AREA	1974			1975			1976			1977			1978				
	APRIL	AUG.	DEC.	APR.	AUG.	DEC.	APR.	AUG.	DEC.	JUN.	OCT.	FEB.	JUN.	OCT.	FEB.		
Vancouver	n/a	n/a	n/a	56,500	59,750	64,250	65,250	64,970	1.1	66,820	66,670	0.2	66,670	n/c	18.0 ¹⁰		
Kerrisdale	n/a	n/a	n/a	n/a	73,000	80,000	87,000	n/a	93,000	93,000	6.9	94,000	1.1	94,000	n/c	28.8 ¹¹	
West Vancouver	n/a	n/a	n/a	65,000	69,000	74,000	n/a	75,000	75,000	1.4	75,500	3.3	77,500	n/c	19.2 ¹²		
North Vancouver	58,000	56,000	56,000	(3.5)	58,000	61,000	71,000	20.3	73,000	71,900	1.3	72,800	72,700	1.1	72,700	n/c	25.3
Richmond	49,000	47,000	52,000	6.1	52,000	57,000	60,000	15.4	60,000	60,000	n/c	63,000	5.0	63,000	n/c	28.6	
Surrey	48,000	48,000	51,000	6.3	51,000	52,000	52,000	2.0	53,000	53,000	1.9	54,000	53,500	0.0	53,500	n/c	11.5

1 - Re-organization of market area into two districts: Duvernay Laval, Chomedey Laval

2 - Denotes change from April 1974 to December 1976

3 - Denotes change from August 1974 to February 1978

4 - Denotes change from April 1975 to February 1978

5 - Denotes change from December 1974 to February 1978

6 - Denotes change from August 1974 to February 1978

7 - Denotes change from December 1974 to February 1978

8 - Denotes change from August 1974 to February 1978

9 - Denotes change from December 1974 to February 1978

10 - Denotes change from April 1975 to February 1978

11 - Denotes change from April 1975 to February 1978

12 - Denotes change from April 1975 to February 1978

13 - Data based on unweighted average of house prices for the following districts: West Vancouver, North Vancouver, Richmond, Surrey

14 - Data based on unweighted average of house prices for the following districts: Toronto Central, Scarborough, Mississauga

15 - Denotes change from December 74 to February 78

16 - Data based on unweighted average of house prices for the following districts: St. Lambert, Longueuil, St. Bruno, Boucherville, Brossard, Beaconsfield, Pointe Claire, Pierrefonds, Chateauguay, Laval (after June 77 reorganization of market area into two districts: Duvernay Laval, Chomedey Laval)

17 - Denotes change from December 1974 to February 1978

n/a - Denotes not available

n/c - Denotes no change

APPENDIX 5

**MULTIPLE LISTING SERVICE : AVERAGE RESIDENTIAL HOUSE PRICE AND HOUSE PRICE INCREASE
BY MAJOR METROPOLITAN AREA, 1974-1977**

MARKET AREA	1974	\$	1975	\$	1976	\$	1977	\$	PERCENTAGE CHANGE FROM	
									1974	1977
Calgary	36,936		48,341	30.9	64,810	34.1	66,428	2.5	79.	n/a
Chicoutimi	n/a		n/a	n/a	59,063	34.7	62,779	6.3		n/a
Edmonton	34,812		43,846	26.0	41,806	9.1	44,160	5.6		80.
Halifax	32,167		38,326	19.1	49,729	10.3	50,386	1.3		37.1
Hamilton	n/a		45,103	n/a	47,301	3.9	49,340	4.3		11.1
Kitchener	40,421		45,525	12.6	43,737	6.4	45,596	4.3		22.
London	35,924		41,116	14.5	36,678	4.0	39,192	6.9		26.
Montreal	34,367		35,266	2.6	50,865	16.3	52,185	26.0		14.
Oshawa	47,142		43,748	(7.2)						10.
Ottawa-Hull										
Hull	46,661		49,633	6.4	54,623	10.1	57,032	4.4		22.2
Quebec*	27,957		32,621	16.7	35,983	10.3	n/a	n/a		28.
Quebec*	30,083		29,586	(2.0)	34,655	17.0	37,024	6.0		23.
Regina	25,746		33,880	31.6	41,461	22.4	42,979	3.7		66.2
St. Catharines	26,955		36,881	36.8	39,360	6.7	n/a	n/a		46.2
Saint John	29,953		35,884	19.8	38,880	8.3	39,108	0.6		30.1
St. John's	n/a		35,585	n/a	39,988	12.0	40,654	1.0		14.1
Saskatoon	24,979		34,616	38.0	44,687	29.	45,247	1.0		81.
Sudbury	25,270		34,263	35.6	38,697	12.9	42,287	9.3		67.
Thunderbay*	31,859		34,022	6.0	43,695	28.0	46,154	5.0		44.
Toronto	52,807		57,582	9.0	61,389	6.6	64,559	5.2		22.
Vancouver	51,758		57,765	11.6	62,258	7.8	64,556	3.7		24.
Victoria*	45,900		52,301	13.0	60,062	14.0	61,674	34.		
Windsor*	29,852		33,981	13.0	38,645	13.0	39,156	1.0		31.
Winnipeg	27,982		33,463	19.6	39,421	17.8	42,500	7.8		51.

1 - Denotes percentage change from 1975.

2 - Denotes percentage change from 1974 to 1976.

* - Data refers to average dollar value for all MLS transactions; including residential.

n/a - not available.

Policy Development Division
CMHC
November, 1978