

housing programs sponsored by private rental entrepreneurs.

Senator McElman: The reason I inquired about that is that in my part of the country some of the low cost housing for the aged, put up through the auspices of the Canadian Legion, for example, was done more efficiently and at a more reasonable cost than that by the other sectors.

Mr. Hignett: They are built with the purpose of maintaining the lowest possible rent. The rent is not aimed at a market other than the lowest that can be achieved, so these projects are generally put together with great care.

Senator McElman: So you consider that these organizations have a very useful input into the whole picture?

Mr. Hignett: Yes, I do, senator.

The Deputy Chairman: Are there any further questions?

Senator Bourget: Mr. Chairman, I should like to stress one point which I made in my remarks yesterday afternoon in the chamber, and that is with respect to the percentage of people who can afford to purchase a home under CMHC. I believe some real estate organization from Toronto stated that only 4 per cent of the people could purchase a home under CMHC. According to the information I have—and this is what I based my remark on yesterday afternoon in the chamber—it is between 20 and 25 per cent. Am I right in that respect, Mr. Hignett?

Mr. Hignett: Yes, you are right, Senator Bourget.

The Deputy Chairman: Does CMHC have an inventory of the housing in Canada broken down into the various categories?

Mr. Hignett: The only inventory we have, Mr. Chairman, at the moment, is that provided by the census from time to time. The census identifies every house in Canada, and identifies whether it is a single family dwelling, an apartment, or whatever form of housing it is. The census also provides a general idea as to what kind of equipment is in the house. For example, it tells us what percentage of houses are equipped with furnaces, bathrooms, running water, and so on, and what proportion of housing is in need of major repair.

These are rather crude statistics, but they are the only statistics we have at the moment. This is why at the Federal-Provincial Conference on Housing in January the ministers agreed that, arising out of the 1971 census, they would maintain on a community basis across Canada a housing inventory and update it annually. This results in much greater knowledge and much finer detail with regard to the quality and quantity of housing in Canadian communities. It suggests ways in which it can be used and additions made to the housing stock to the greatest benefit of the community. This work has been commenced.

The Deputy Chairman: You do not have an inventory broken down by value of houses. You said one-third of the houses were 40 years old, or older. Did you learn that from Statistics Canada?

Mr. Hignett: Yes.

The Deputy Chairman: But Statistics Canada does not tell you where these houses are?

Mr. Hignett: Yes, I think generally they do. For example, we know that housing in the urban communities of Canada generally tends to be in better shape than that in rural areas. We know the proportion of the housing in need of major repairs in rural areas and the proportion in urban Canada, but we do not know enough about it. We are much clearer in our understanding of the quality and quantity of housing in urban centres than in rural areas.

The Deputy Chairman: You mentioned research and innovation. Does the CMHC have any research program in effect now, and are you developing any new innovation with construction companies or other agencies?

Mr. Hignett: Part V of the National Housing Act enables the corporation to conduct research into housing and community planning. There is within the corporation a policy planning division. The responsibility of that division is to continuously review housing policy in Canada and make recommendations to the management of the corporation from time to time. In developing housing policy the corporation conducts what we term "directed research." That is, we seek people to carry out the type of research we think would be useful. That is one method in which housing research is carried out in Canada. Another method is through applications made to us by universities, industry and citizens' groups to conduct research into matters of interest in localities or universities. We finance research of that type also. The notion that CMHC could participate in innovative projects is something we have felt to be necessary for some time. In trying out anything new it is not often commercially viable in its pilot form and if it does not so prove it is very difficult to even test an innovative idea or material. Therefore the act has been changed to allow us to take part of the risk in purely innovative projects and the conduct of pilot projects.

The Deputy Chairman: Some years ago Alcan developed a type of house which I believe cost approximately \$10,000 or \$12,000. Judging by illustrations I saw, it seemed to be a very nice little home and could very well be the answer to many of our housing problems, particularly in the area of low incomes. That does not seem to have proved successful, however. I thought that CMHC was interested in it. Can you tell us why that scheme failed?

Mr. Hignett: I would not say that it has failed, Mr. Chairman. The manufactured home has certain advantages. It is created under factory conditions, seasonal weather does not affect its production and it generally can be built in closely controlled circumstances. The building industry in this country, however, is highly efficient and no manufacturer of homes, of which there are a good many, has yet been able to beat the building industry on the site. The house when built has to be delivered to the site, which has to be bought and serviced. A foundation must be prepared for the house. The home manufacturers such as those of the ALCAN house have an additional difficulty in that their product tends to be standard and not all communities in Canada have yet adopted the National Building Code as their local codes. Due to these differences in codes the manufactured house sometimes cannot find its place in certain communities unless manufactured specifically for that location. Therefore, generally speaking the manufactured home is really not competitive with the ordinary, on-site building practice, although more and more builders in Canada are turning to the manufactured home. They buy it and place it on their own subdivision