

THE LIBRARY
DEPARTMENT OF EXTERNAL AFFAIRS
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are of all ages. More than a million homes have been built since the Second World War, but there are many houses which are from 50 to 75 years old. Indeed, one in every 10 houses was built before 1900. Their physical condition varies considerably.

The oldest houses are in rural areas or around the inner cores of cities. The new housing is to be found in suburban neighborhoods on the outskirts of existing communities or in new towns occasioned by the development of new mining and industrial centres.

Home Ownership

Canada has one of the highest proportions of home ownership of any country in the world with 65 per cent of existing dwellings occupied by their owners.

While the country remained predominantly agricultural a high proportion of home ownership and single-family dwellings was to be expected as Canada, at least within the last 100 years, has never been a tenant-farmer country--but the population has remained high even with the growth of cities. Undoubtedly this reflects the relatively high incomes of Canadians, the fact that so many people own automobiles providing ready access to the outskirts of cities and enabling families to live at some distance from their work, and the fact that rents in many Canadian cities amount to a very high proportion of income and have shown little sign of decreasing. There is also a shortage of three- and four-bedroom rental accommodation in some areas and this is a further inducement to large families to seek to own their own homes.

Financing Home Ownership

To the average man the cost of a house is equivalent to several year's income, and only the more well-to-do can afford to make payment in full upon purchase of a house. The most common method of financing is to obtain a mortgage loan to cover the bulk of the purchase price. These are usually long-term loans repayable over periods of 10 to 25 years, made on the security of the property itself.

Loans of this type are made by a variety of financial institutions, such as banks, life insurance companies, and loan and trust companies. Credit unions, fraternal organizations and even individuals also commonly make mortgage loans.

The Federal Government and some of the provincial governments also assist families in purchasing a home. In fact, more than a third of the houses built in Canada since the Second World War involve Federal Government assistance in some form or other. The balance of new housing is financed by conventional mortgages, that is, mortgage loans not made under the Federal assistance programme, by cash or through loans from relatives.

Most mortgages are amortized. The borrower agrees to repay in equal monthly payments part of the principal as well as the interest due on the amount still owing. In this way the loan is fully paid off at the end of the mortgage period. There has also been a recent tendency to make loans for longer terms--commonly 10 to 20 years as opposed to the 5-10 year terms which was usually set in conventional mortgages during the interwar period. The adoption of the amortized mortgage and the lengthening of borrowing terms both reflect the influence of the Federal Government in the mortgage market.