

from inflation to the need for increased production, this constraint was removed.

**Rental accommodation**

As a test program to stimulate rental construction still further, CMHC offered funds at 8 per cent to builders in cities where the shortage was most severe, on condition that they would construct good, modest rental accommodation at agreed-upon rentals. CMHC allocated \$58 million for this program and it was totally committed within a few weeks.

Legislation introduced in Parliament in December is intended to draw \$1 billion or more of private capital into the housing market to create new homes for ownership or rental. Under this legislation, families who qualify under AHOP and who receive loans from approved lenders, rather than directly from CMHC, could receive interest-reducing grants of up to \$600 yearly in order to lower their monthly payments to an affordable proportion of their income.

**Stabilization trend**

As 1974 came to a close, there was every indication that the housing market was stabilizing once again under the pressure of competitive forces. A softening in prices, or at least a



CMHC photo

*Shopping centre in Ottawa, built in the vicinity of a senior citizens' apartment.*

levelling off, indicated that the sellers' market that predominated during the year, was ending and that prospective house-buyers were once again prepared to shop, with sharpened discrimination, for the homes they wanted to live in.

CMHC believes that many prospective

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**Home-buying made easier for veterans**

New measures to assist veterans to purchase or rent homes have been announced by Veterans Affairs Minister Daniel J. MacDonald and Urban Affairs Minister Barney Danson.

For veterans, DVA will give special assistance in addition to that available from Central Mortgage and Housing Corporation under the Assisted Home Ownership Program and the Non-Profit Rental Housing program.

Veterans who qualify to buy a house under AHOP may receive a grant of up to \$600 a year, in addition to CMHC's regular loans and interest-reducing grants.

Veterans who would otherwise qualify for AHOP but are excluded either because they have no children, or because they want to buy an existing house rather than a new one, can get the DVA grant of up to \$600 but not the CMHC contributions. To qualify for the DVA grant, they must have an NHA-insured loan from an approved lender and must not have owned a house in the previous three years.

DVA will also provide a grant of 10 per cent of capital costs — in addition to benefits provided by CMHC — for low rental projects designed primarily, but not necessarily exclusively, for the housing of veterans.



CMHC photo

*Dogwood Gardens, recently built under the National Housing Act, is an*

*86-unit condominium complex in Cloverdale, British Columbia.*