

bringing down prices and for the protection of neighbourhoods. Later, having experimented our next step will be to go beyond that point and bring together a modern community which will reflect many of the profitable and beneficial things we had in the past and have lost because of the growing housing crisis.

**Mr. Sinclair Stevens (York-Simcoe):** Mr. Speaker, having listened to the minister who moved second reading of the bill before us today, and having read the bill itself, I wish I could have the confidence of the hon. member for York West (Mr. Fleming) that this bill will indeed bring down land prices in urban centres in Canada. On first reading, I must admit that I found the bill quite interesting. In many ways it seemed to be helpful in providing the tremendous relief which is needed in our urban centres with respect to housing. However, on second, third and fourth reading, and particularly having read the address given by the minister to the House when he introduced the bill, I must now admit that my optimism with respect to the bill has fallen off tremendously.

I feel that the bill does little more than fiddle with a huge problem in this country. The problem is the lack of available serviced lots in most urban centres, and in particular in the centre which I come from, namely, the Toronto region. Lot prices in our Toronto area have jumped almost fourfold since 1961, and home prices have approximately doubled in the same 12 year period. As a result of this unprecedented rise, Toronto house prices are now the highest on the continent, and I would emphasize "the continent", in that if we review house prices in cities such as St. Louis, Philadelphia, Dallas, Pittsburgh, New York, Houston, San Francisco, Detroit, Boston, Minneapolis, Washington, Chicago and Los Angeles, we will not find one average area that has house prices higher than at present in the Toronto area. In fact, there are two other areas that are ahead of all of those cities that I have listed. I am referring to Ottawa and Hamilton.

I feel that the federal government must take a tremendous responsibility for the plight of the average house owner in this country. For example, in 1961 the most expensive detached home that you could find on average in North America was in Los Angeles where the average price for a house was \$19,247. The comparable average NHA financed Toronto price in that year was \$17,368. In 1971, however, as I have stated, Toronto prices became the highest on the continent. In Toronto, the local price for a house at present—and I emphasize that I am referring now to the NHA financed houses—is \$32,567. Ottawa comes second with \$30,955; Hamilton third with \$28,429, and Los Angeles is in the fourth spot with \$27,950.

**Mr. Stanbury:** In what provinces are all the cities?

**Mr. Stevens:** Having pointed that out, it is important to remember that while those in charge of administering NHA and officials of CMHC like to create the impression that they are taking a tremendous amount of the mortgage financing in this country, the fact is that it is not that big a figure when you relate it to the entire mortgage financing in Canada. I do not have the 1972 figures but I refer to the fact that mortgage financing of a residential nature in Canada was \$3.17 billion in 1971, and of that amount CMHC was responsible for \$701 million. What I

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find most disappointing when you review the figures is the tremendous trend that there has been in the Canadian urban centres away from detached single owner houses to apartment dwelling. Certainly, this shows more vividly than perhaps anything else that land prices, soaring as they are, are virtually prohibiting the average person in Canada from the right, which I feel he should have, to own his own house.

Looking at those figures, for example, we find that in 1961 roughly the same number of single detached dwellings was financed as multiple dwellings in our urban centres. In 1971, however, the figure was more than two to one in favour of multiple dwellings.

But let me come back to the Toronto region, if I may. I have referred to the average NHA prices in that area, but that is only part of the story. Land prices in the last year in Toronto have jumped so sensationally that the average lot price in Toronto today is \$22,000 and the average single detached house sells for \$45,000 in the Toronto fringe area. I would again emphasize that the bulk of the houses in the Toronto area is not being financed by NHA but is being financed through the conventional lenders. For example, in the northern fringe, which includes the towns of Markham, Richmond Hill, Stouffville and Vaughan, of 989 deals only 155 were financed by NHA in 1971. The reason for this is that land prices and the cost of houses have risen so much in these urban areas that NHA financing is virtually ineffective in financing the home into which people want to move.

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To be specific, until a few months ago the maximum loan you could get under NHA was \$25,000; that has recently been raised to \$30,000. There are few in the Toronto area who can afford to pay \$45,000 for a house and put \$15,000 down in cash. As a result, it is left mainly to conventional lenders to put out the mortgage funds that are required. As most members in this House, and certainly the minister, realize, the conventional lending rate is approximately one per cent higher than the NHA rate. That means that today, most home owners who are buying properties in the Toronto area are being committed to a 10 per cent rate on their mortgages unless they are able to get an NHA rate of about 9 per cent.

This sensational rise in home prices, and in serviced land in particular, affects my riding of York Simcoe which includes such towns as Aurora and Newmarket. For example, last weekend a realtor in the town of Aurora told me that local prices had jumped at least \$5,000 in the past six to 12 months and he gave me an example. Last October he acted as agent when a 75 year old home in Aurora sold for \$24,000. He said that frankly the house was overpriced when he sold it, but last week he sold the same house for \$31,000, a \$7,000 jump or 29 per cent in five months.

A Newmarket real estate agent told me that he bought a new home for himself in Newmarket last September for \$29,800, which was NHA financed and today he is selling the same house for \$37,900. He told me, "land price is the reason; as prices move up in Toronto they move up in Newmarket. A lot in town is now worth \$15,000. That is still much lower than in Toronto." It is becoming more