



INFORMATION DIVISION

DEPARTMENT OF EXTERNAL AFFAIRS

OTTAWA - CANADA

No. 17 CANADIAN HOUSING AND COMMUNITY PLANNING
(Revised January 1950)

By the end of 1949, Canada had built since 1945 some 370,000 housing units, amounting to an average annual construction of about 75,000 units. Completions in each of the five years are as follows: 1947, 48,599; 1946, 67,315; 1947, 79,359; 1948, 81,243; 1949 (estimated), 96,000; total, 372,516 units.

Today, one of every nine Canadians is living in a new post-war house; completions during 1949 ran at the rate of one every $5\frac{1}{2}$ minutes.

The Problem

The present housing shortage in Canada derives mainly from the depression of the "thirties" and World War II, although it was accumulating to a lesser degree in the earlier decades of the century.

During the economic depression of the 1930's, the effective demand for housing naturally fell off and the building industry operated far below capacity, so that Canada entered the war with a large backlog of necessary housing still unbuilt and an estimated 175,000 sub-standard housing units which were in need of replacement.

In 1939, with income paid out to individuals of approximately \$4.25 billions, there were in Canada 2.8 million family and non-family units requiring housing. The housing inventory at that time was about 2.6 million units with a vacancy ratio of about 3 per cent. Even in 1939, however, 10 per cent of the housing units were occupied as shared accommodation.

Between the years 1939 and 1949, income paid to individuals more than doubled. During this same period the number of families increased by 30 per cent, with an unprecedented marriage rate of 118,000 annually in this ten-year period, as compared with the previous high of 77,000 in 1929. The increase in the number of families requiring accommodation and in family income soon absorbed most vacancies and placed extreme pressures upon the short supply of housing available at that time. It was possible during the 1939-1949 period to add only 570,000 housing units to meet a net family formation of approximately 780,000.

Consequently, Canada finds itself with a potential of 3.5 million family and non-family groups fitted into a housing supply of 3.1 million units. This does not necessarily indicate an effective demand for 400,000 units, because in the 12 per cent multiple occupancy of today there is a substantial number of families whose income is not sufficient to enable them to buy and maintain a private establishment at prevailing property and living costs. For while individual income payments increased between 1939 and 1947, so also did the cost of new housing and of most other items which go to make up the family budget. In September, 1949, the cost of materials and labour entering into house construction was estimated to have increased between 107 per cent and 112 per cent over 1939 while, at the end of 1949, the cost of living index stood at 159.9, an increase of 59.9 points from 1939. It is estimated that the immediate demand for housing units - that is, the number which could