

Adjournment Debate

housing industry, yet, despite the rise in interest rates it is becoming more and more evident that housing starts will be on the increase in Canada in 1981. According to interim statistics during the first quarter of 1981 there has been an increase of about 43 per cent in individual housing starts compared with the corresponding period in 1980. Since more timber will be used as a result of individual housing construction such an increase will undoubtedly have favourable effects on the forest industry especially in the area represented by the hon. member. The upsurge in the housing sector during the first quarter of 1981 took place at a time when mortgage interest rates had indeed reached a higher point, more than 15 per cent, than in 1980 when it was below the 14 per cent mark. After four consecutive years of decrease, we predict that housing starts will increase by 13 per cent in 1981 to a total of 179,000 units.

I am, Mr. Speaker, personally more concerned about rentals and the effect that the tightness of some of the markets will have on low-income tenants. The hon. member will no doubt recall that last year we managed to get an extra 5,000

subsidized units for those areas with a low vacancy rate, for instance Vancouver, Toronto and St. John's. This helped the situation, but I nevertheless stated that more had to be done so that provisions regarding rental housing units be included in the October 1980 budget. These provisions will enable the building of some 10,000 extra rental units and will stimulate the construction of multiple unit projects in places like Vancouver where the market is tight. The Canadian Mortgage and Housing Corporation has agreed to increase the maximum portion of guaranteed loans to approximately 70 to 80 per cent from the previous 50 to 60 per cent. In this manner, CMHC may help solve the housing shortage in the Vancouver area without overly risking the mortgage insurance funds and committing the government to major expenditures.

I would like to thank you, Mr. Speaker, for the extra few minutes, as well as the staff who had to stay here.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until two o'clock tomorrow afternoon.

At 10.31 p.m. the House adjourned, without question put, pursuant to Standing Order.
