

the houses would be removed within six months after the proclamation of the cessation of hostilities. Agreements have been renegotiated to permit the sale of the houses to private owners except in respect to the following projects:

Municipal project	No. of units
Peterborough	126
Windsor	591
North Vancouver	284
Hamilton	559

The houses in these projects will be vacated and removed by dates agreed on with the municipalities.

Veterans' rental housing

The corporation also took over from Wartime Housing Limited 7,942 completed veterans' houses and 11,992 houses under construction. In subsequent programs the corporation undertook to build 7,433 houses. Except for Fraserview all these veterans' rental housing projects have been completed. The agreements for veterans' rental housing projects differ from the agreements for munition workers' houses in that the corporation has, by agreement, the right to sell the houses at any time. In the pre-1948 agreements there was a provision that on the sale of the houses a lot fee would be payable to the municipality. The agreement provided that the lot fee would be \$400 if the house was sold in the first five years of the agreement, and \$200 if sold in the second five years. In some cases the sale of houses has been deferred until the lower lot fee becomes effective under the agreement. In other cases the municipalities agreed to accelerate the date for the lower lot fee in order to have the houses sold at an earlier date. The 1948 and 1949 agreements provide for the payment to the municipalities in the event of sale being worked out on a formula stated in the agreement. The 1948 and 1949 agreements also provide for payments in lieu of taxes which at the time the plan was announced approximated regular taxes on similar properties in most municipalities. These annual payments range from \$70 to \$80 per unit, with a lower range applying to basementless houses. Pre-1948 agreements, which provided for payments in lieu of taxes of \$24-\$30 per year, have been amended to provide for a higher scale of grants when the municipality has agreed that the rents specified in the original agreement could be increased to the same extent. Altogether 86 municipalities have renegotiated agreements for higher payments in lieu of taxes. Under the 1948-49 agreements, rents were not established in advance and set forth in the agreement as they were for earlier projects, but rather have been established under a cost-rent formula contained in the agreement.

Housing enterprises

Housing Enterprises Limited undertook the construction in 28 municipalities of 1,101 units in multiple housing projects, 238 in row house projects and 1,976 in single or semi-detached houses. As mentioned earlier, the corporation acquired the properties. The capital cost of acquiring and completing the H.E.C.L. units was \$25,900,000. Only 169 single or semi-detached houses are now in our rental account, the remaining 1,807 having been sold at a loss of \$2,050,000. None of the multiple projects or row housing projects have been offered for sale. The rentals of the multiple housing projects have been set at levels which will meet all maintenance and operating costs and provide for the amortization of the capital cost to the corporation over a period of 40 to 50 years. All but one or two of these projects are earning a return in excess of this minimum capital recovery.