



History of CMHC

In 2006, Canada years of service

Mortgage and Housing Corporation celebrates 60 to Canadians.

Throughout its history, CMHC has touched the lives of Canadians in almost every community across the country. It all began with the National Housing Act, introduced in 1944, which consolidates all housing legislation and gives the federal government a leading role in housing programs.

The 1940s: A new beginning for housing in Canada ***War is over and Canada experiences a period of explosive urban growth and innovative house design.***

On January 1, 1946, the Central Housing and Mortgage Corporation was created (changed to "Canada" Mortgage and Housing Corporation in 1979) to house returning war veterans and to lead the nation's housing programs.

CMHC's basic functions were to administer the National Housing Act and the Home Improvement Loans Guarantee Act, and provide discounting facilities for loan and mortgage companies. The capital of the Corporation was set at \$25 million (a substantial amount for the times), and a reserve fund of \$5 million authorized to be accumulated from profits. This requirement and capital structure are still in effect today.

Toward the end of the 1940s, the federal government embarked on a program of much-needed social and rental housing, creating a federal-provincial public housing program for low-income families, with costs and subsidies shared 75% by the federal government and 25% by the province.

The 1950s: From Home Building to Community Building ***CMHC evolves from home builder to community builder through new loan insurance and public housing projects.***

The 1950s were notable for innovations in house construction and design, breaking away from the spartan, standard bungalows of the previous decade towards more spacious, convenient and modern living.

During this period, the federal government provided grants to cities to encourage them to tear down derelict buildings and build municipally owned housing corporations. Regent Park in Toronto is the first urban renewal project, where 42 acres are cleared to build the 1056-unit, low-rent housing development in 1950.

In 1951, CMHC started implementing the first of many federal-provincial public housing projects with 140 subsidized rent-to-income units in St. John's, Newfoundland.

In 1954, the federal government expanded the National Housing Act to allow chartered banks to enter the NHA lending field. CMHC introduced Mortgage Loan Insurance, taking on mortgage risks with a 25% down payment, making home ownership more accessible to Canadians.

The 1960s: The Renaissance of Canada's Cities ***CMHC shifts its focus to municipal planning and development to help cities deal with rapid urban growth.***

The 1960s was a decade of firsts. In response to rising affluence, houses became bigger and, for the first time, incorporating the basement as living space.

Public housing becomes more boldly designed and integrated into communities, mixing subsidized and non-subsidized units. Increased partnership with non-profit agencies also started around this time.

During the 1960s, CMHC built the first co-operative housing and, for the first time in Canadian history, multi-unit apartment buildings were beginning to outpace housing starts for single family homes.

Through ongoing research with the building industry, CMHC raised Canadian housing standards to be among the best in the world. The construction of Habitat for Expo 67 in Montréal led to many advances in materials and construction.



and 2,400
house takes

**The 1970s:
Energy
concerns
core.**



In 1967, CMHC published Canadian Wood Frame House Construction which became an on-site resource for small builders and trades. The average house constructed in the 1940s takes seven months site person hours. By the mid-1960s, the average eight weeks and 950 site person hours to build.

**Focus on Social Housing
costs, convenience and quality of life
bring more Canadians back to the urban**

During the 1970s, affordability became a major factor in the home buying process. To help make housing more affordable, builders reduced lot sizes and increased the density of developments.

To appeal to first-time buyers and stimulate the housing market, CMHC introduced the Assisted Home Ownership Program (AHOP) in 1971, to help low-income people attain homeownership.

Preservation of historic neighbourhoods and downtown living became a priority and, in 1973, CMHC oversaw the transformation of Vancouver's Granville Island, a run-down industrial area, into a thriving centre for culture, recreation and tourism.

In 1974, CMHC introduced the Residential Rehabilitation Assistance Program (RRAP) to repair substandard homes to a minimum level of health and safety and to improve the accessibility of housing for disabled persons.

During that decade, CMHC also turned its attention to Aboriginal and rural housing, introducing the Winter Warmth Assistance Program in 1971, the first of its kind to provide funds to Aboriginals for urgent repairs to housing in rural areas.

**The 1980s: Laying a New Foundation for Quality and Affordability
In response to dramatic shifts in Canada's economy, CMHC offers loan programs to
make home ownership more accessible.**

Renovation came of age during the 1980s, rivalling new home building for dollar volume of business. Despite the high interest rates (rising to more than 20%), houses were getting larger and more luxurious - more than double the size of a 1940s bungalow.

In 1983, CMHC was awarded the United Nations 1982 Peace Medal for promoting a better understanding among people of the ECE (Economic Commission for Europe) countries as host of a study tour on housing, building and planning.

In 1986, CMHC introduced Mortgaged Backed Securities as an alternative to investing in individual residential mortgages. MBS helped to ensure a ready supply of low-cost funds for housing finance and to keep mortgage lending costs as low as possible for homeowners.

Research and development on indoor air quality, ventilation and moisture stimulate new products and practices. CMHC established the National Housing Awards in 1988 to recognize outstanding achievements and share housing innovations and best practices.

**The 1990s: A New Era for Building Science
Building technology undergoes a radical transformation to address indoor air quality,
moisture and environmental sensitivity.**

The 1990s introduced a new era of science and technology, including the development of FlexHousing™, barrier-free housing, and Healthy Housing™, a concept of energy efficiency and resource conservation in home construction.

However, despite these advances, affordability remained a concern, particularly in the early 1990s as a result of the ongoing recession, lay-offs and socio-economic uncertainty.

CMHC created the Canadian Centre for Public-Private Partnerships in Housing in 1991, aimed at fostering public/private cooperation in housing projects.



In 1996 CMHC introduced emili, an automated insurance underwriting system that moves application approval times from days to seconds - making it easier for Canadian homebuyers to obtain mortgage loan insurance.

In 1999, the National Housing Act and the Canada Mortgage and Housing Corporation Act were modified, allowing for the introduction of a 5% down payment - a change launched as a five-year pilot in 1990, extended and finalized in 1999 - removing a significant barrier for first-time home buyers. CMHC also expanded its activities internationally and launched the Canadian Housing Export Centre (later renamed CMHC International) to share Canada's housing expertise with the world.

2000 and beyond: Leading the Way Home

Sustainability and innovation become the watchwords for this decade as governments focus on cleaner energy, the environment, and sustainable, yet affordable communities.

Housing affordability received a boost in 2001 through CMHC's introduction of Canada Mortgage Bonds, aimed at ensuring the supply of low-cost mortgage funding and keeping interest low.

In 2002, CMHC was recognized for its innovative work, receiving the Conference Board of Canada's National Award in Governance in the Public Sector, presented to boards of directors that have demonstrated excellence in governance and have implemented successful innovations in their governance practices.

Homelessness, assisted housing and Aboriginal housing gained more prominence in the first half of the decade. In 2003, the federal-provincial affordable housing program began, with \$1 billion in federal expenditure to improve affordable housing supply by an estimated 23,500 units.

In 2005, CMHC introduced a 10 per cent "green refund" on Mortgage Loan Insurance premiums for homeowners who buy or build an energy-efficient home, or who make energy-saving renovations to their existing homes.

CMHC also introduced two on-reserve loan insurance products during the first half of the decade, enabling Band Councils or Aboriginal persons to access CMHC-insured financing for the construction, purchase or renovation of single-family homes or multiple residential properties, and an insurance pilot designed to increase market housing on-reserve.

Today, CMHC remains committed to helping Canadians access a wide choice of safe, quality, affordable homes, and making vibrant and sustainable communities and cities a reality across the country. CMHC is truly home to Canadians