"OWN YOUR OWN HOME"

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> *No man who has the opportunity should fail to acquire title to the property in which he is to reside. Until one owns his own home, his life is not as complete as it should be. Even if a man must go into debt to secure his home, it is the thing for him to do... Really the chances taken are not that formidable. In almost any city, purchase of real estate at a fair valuation is a good business investment... there is not even the prospect of a reversal. If there did not exist the commercial argument in favour of owning one's own home, there would be plenty of other reasons for recommending it. Some one has remarked that it is like reaching the state of parenthood. When one acquires a home he has something worth living for – fighting for. It makes him a better citizen and a better member of society. It gives him a substantial interest in the great organization known as government. And while it increases a man's sense of obligation to society and his country, it gives him a new sort of freedom... No other possession he may acquire ever means quite so much to a man as his first home.*
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> *The Islander* [Cumberland], Sept. 26, 1914, p.2.

Home ownership was the dream of working class European immigrants, who poured into Canada from countries where it remained an almost impossible goal. Most arrived with limited financial resources, and struggled to find reasonable housing. Workers were usually forced into rental situations, or if lucky could afford to build a house by themselves. Even during the boom years, job insecurity and high living costs deterred many from home ownership, and high rents, inflation and rampant speculation kept house prices artificially high; in Vancouver in 1911, between one-quarter and one-third of suburban workers were renting accommodation. But with perseverance, many immigrants did indeed achieve their dream.

Land ownership was central to the power structure of the frontier, and private entrepreneurs dictated the terms of financing. Speculative housing schemes could be extremely profitable, and many newly-rich real estate promoters wielded great influence in the ways that settlements around the province were developed. Capital for housing was raised from local and regional sources as well as eastern Canadian and overseas – mainly British – sources, and the local housing market was thus disproportionately affected by international financial conditions. Chartered banks were forbidden by Dominion banking laws to invest in real estate, so mortgage funds were handled through a myriad of private finance and loan companies, private brokers who represented European banks, and individual realtors who sometimes also acted as financial agents. Many trust companies, such as Canada Permanent, lent money that they raised both domestically and abroad, but the greatest amount of mortgage money was made available by Canadian life insurance companies. Mortgages financed through these sources were generally for forty to fifty per cent of the total value of a house, a barrier to most lower income families. This began to change with the prosperity of the great Edwardian boom, as credit became more freely available. **Bungalow and home construction companies,** which sometimes employed their own architects, built houses on a speculative basis that were sold on the instalment plan to the newly developing market of young working-and lower-middle-class families.

This system of private financing effectively collapsed with the economic depression of 1913, and with the subsequent bankruptcy of the financing companies and the retreat of foreign capital, the housing market fell apart. Huge amounts of land that had been surveyed and subdivided for speculative housing – thousands of acres in some municipalities – were forfeited for non-payment of taxes and remained vacant for decades. Many who had taken on the short term mortgages offered by the home construction companies could not meet the payments after the 1913 crash, and had to take in boarders, rent out cottages in the back yard, or keep farm animals for extra income. As the construction of new housing declined dramatically for the next decade, many families were forced to "double up" by splitting their homes.

Although home ownership was praised as the basis for a safe and rational society, for large numbers of families it remained an elusive goal. Paradoxically it has been during times of crisis that Canada made the greatest strides towards national housing policies and initiatives. Progressive funding programs for housing were initiated by the federal government after both world wars, assisting lower income families that did not qualify for private mortgages. Government guarantees for mortgages were gradually phased in, along with central design controls and building codes.

In December 1918, the federal government authorized the *Soldiers' Settlement Act* to provide twenty-five million dollars in loans to the provinces for housing initiatives for returning veterans. As housing was strictly a provincial responsibility at the time, these measures had to be instituted under the *War Measures Act.* Contained within the Act were provisions which allowed for surrendered Aboriginal reserve lands to be purchased for the Soldiers' Settlement Board for Eurocanadian veterans. In the next four years 179 municipalities across the country took advantage of this funding either to finance or construct 6,244 homes, the first significant public sector initiative to promote homebuilding. In March 1919, British Columbia passed the *Better Housing Act* to take advantage of the new federal programmes. Fifty-three homes in Victoria, and 153 in Vancouver, were financed in 1919-22. Some communities, such as Saanich and Cumberland, used the funds to build houses themselves. A number of architects were retained in different communities to design veteran's housing, including W.A. **Owen** in Cumberland, **Swan & Augustine** in Penticton, Percy **Leonard James** in Oak Bay, and **Karl B. Spurgin** and **Ralph Berrill** in Saanich. On behalf of the Provincial Department of Public Works, **Henry Whittaker** developed standard designs for modest bungalows that were built in South Vancouver. One ambitious project was a whole new town for veterans, Merville, built in unclaimed forest north of Courtenay on Vancouver Island. With funds allocated by the federal government, the town was laid out and houses built, which were leased to returned soldiers on a rent-to-own basis. Merville was totally destroyed by a forest fire in 1922.

By most accounts, these housing schemes were relatively ineffective at achieving their primary goal, and became redundant as market conditions revived in the early 1920s. The veterans were finding it hard to get jobs, and could barely afford the subsidized payments. The loans were targeted at the middle classes who likely could have afforded a home on their own, rather than needy veterans or low-income families. Although subsidized, the loans were still at a high rate of interest, and when the housing market went soft during the Great Depression, many mortgage holders quitclaimed or were foreclosed. Municipalities struggled to pay off the debt they had taken on. An example was Cumberland, which as early as 1923 was having trouble securing instalment payments from householders to cover the principal and interest owed to the government and the city, as well as taxes and insurance. It wasn't until December 1949 that the city finally managed to repay the last of their federal loan.

The misery of the Depression sparked another cycle of federal housing initiatives. The provinces were effectively bankrupt, and the federal government assumed responsibility for housing by passing the *Dominion Housing Act* (*DHA*) in 1935, which clearly set the government on a course of social engineering. The Act provided low-interest loans for the construction of new housing, including single and multiple family units, with financing provided jointly by the government and a private lending institution, a system that prevailed until 1954. Despite government guarantees, financial institutions were reluctant to participate, and after much lobbying the Canada Permanent Mortgage Corporation and Mutual Life of Canada began to accept *DHA* loan applications in April, 1936.

The shortcomings of the Act were recognized quickly, as these initiatives continued to favour middle- rather than lower-income families by promoting standard single family dwellings on suburban lots, doing nothing to improve housing conditions in deteriorating inner city neighbourhoods. The *DHA* was replaced in 1938 by the broader provisions of the *National Housing Act* (*NHA*), where loans were given directly to the homeowner, provided certain conditions were met, including approval of the design and location of the house. The applicant had to have a twenty-percent down payment, and the total cost of the house was not expected to exceed two and one-half times their annual salary. Standardized house plans being promoted by the eastern authorities did not reflect the traditional Craftsman styles used on the west coast, nor fit the evolving new modernism that was generally expressed with flat roofs, and struggles over appropriate design contributed to the ongoing nervousness of the lending institutions.

During the Second World War, housing again became a national concern. It was recognised that Canada's housing stock had deteriorated seriously, and wartime shortages of labour and material would make the situation even worse without some assistance. The Wartime Housing Corporation was established; it built 46,000 new homes, mostly for war-workers, and helped repair and modernize thousands of existing units. With central control of housing came a concern for consistent standards of construction, and the first National Building Code was issued in 1941.

In the final years of the war the federal government braced itself to cope with the return of more than a million Canadians from the armed forces to peacetime life, and a revised *NHA* was passed in 1944 that expanded the system of loans and guarantees for homebuilders. The national housing stock was considered a disgrace; only sixty-one percent of Canadian houses had running water, and barely half had an inside flush toilet. The population on the west coast ballooned as veterans were demobilized at coastal ports and many farmers moved off the Prairies. The housing crisis in Vancouver was acute, and after picketing by veterans, the second Hotel Vancouver, which had been used as a military barracks during the war, was opened up to provide emergency housing for 1,200 families, a temporary situation that lasted for two years and delayed the old hotel's demolition. In 1946 the Central Mortgage & Housing Corporation (CMHC) was created, and it rapidly evolved into a key player in the residential housing industry.

In the 1950s a rapidly expanding population and economy, and innovations in building materials and practices, led to the passage of further revisions to the *NHA*, in 1954, the CMHC's mandate was significantly broadened, and the Public Mortgage Loan Insurance Programme was established to replace the CMHC's direct lending plan. Parallel changes to the federal *Bank Act* in 1954 removed the long-standing injunction against bank lending being secured by real estate, and for the first time allowed chartered banks to make chattel mortgages. For prospective homeowners with only a small down payment, the CMHC would now guarantee a "high-ratio" mortgage, allowing many lower income families to buy their own home, a system still in operation today.