

Standing Committee on The Alberta Heritage Savings Trust Fund Act

Tuesday, September 22, 1981

Chairman: Dr. Reid

9 a.m.

MR CHAIRMAN: Good morning, ladies and gentlemen. I think we'll proceed with the meeting. I think possibly we've caught some people short with the change of hour to accommodate Mr. Leitch after Mr. Chambers' presentation. The first part of the morning is the meeting and discussion with the Minister of Housing and Public Works. At 11 a.m., the Minister of Energy and Natural Resources will be with us.

I think I'll ask the minister to introduce all his staff and the people from the Alberta Housing Corporation and the Home Mortgage Corporation. If the minister has any initial statement to make, he could perhaps just go straight into that. We'll follow with the questions.

MR CHAMBERS: Thank you, Mr. Chairman. On my right, the far side: D. Earl, vice-president of development, Alberta Housing Corporation. Next to me is Ken Poholko, president of the Alberta Housing Corporation. On my immediate left: Joe Engelman, president of the Home Mortgage Corporation. Next to Joe: Murray Rasmussen, deputy minister, housing. In the next row we have Terry Fikowski, vice-president of lending operations, Home Mortgage Corporation. Next to Terry: Lauren Kublik, vice-president of finance and administration; Bill Gilbertson, vice president of finance and administration for the Alberta Housing Corporation; Margaret Bateman, executive director of program services for the Alberta Housing Corporation; and Gordon Lang, executive director of northern housing and corporate properties for the Alberta Housing Corporation. Right behind me is Molly Basaraba, my special assistant.

Mr. Chairman, I thought I'd keep any opening remarks I have fairly brief, then respond to whatever your committee wishes to talk about. I'd refer you to the annual report of the Alberta Heritage Savings Trust Fund. On page 18 it's pointed out that the Home Mortgage Corporation received \$405.3 million in net new financing from the fund in '80-81 and that the total investment of the fund in the corporation at the end of the fiscal year was \$1.1544 billion. That, among other programs, financed 8,000 units of family home purchase. The total units financed were 14,600 under the Home Mortgage Corporation. The Alberta Housing Corporation investments from the fund were \$123 million net in that fiscal period, bringing the total investment in the corporation by the fund to \$525.5 million. During '80-81 the corporation financed 3,175 housing units.

By way of interest, this summer we commissioned Clayton and Associates of Toronto to do a comparison study for us. I'm sure members are aware that they're a very well-known housing consulting firm. We asked them to compare Alberta's involvement in the housing industry with other provinces. As I think you're aware, that report was released last week.

Briefly, the highlights showed that Alberta's population is growing in excess of 4 per cent per year, while Canada's growth rate is just over 1 per cent. Alberta's total housing starts now are in excess of 20 per cent of Canada's housing starts, even though we only have 9 per cent of the

population. Alberta's assisted housing starts reached 37 per cent of Canada's assisted housing starts in 1980. Thirty-seven per cent of the starts in Canada were Alberta-assisted. In 1980, 60 per cent of housing starts in Alberta had some form of government assistance, whereas the Canadian average is about 33 per cent government-assisted. On a per capita basis, Alberta invested \$568 per person living in Alberta in 1980 in housing, compared to \$35 per capita as an average in other provinces. To look at it another way, Alberta's support for housing is running about 15 times over the level found in other provinces.

Alberta's 1980 capital budget of \$1.1 billion was about five times the total federal capital housing budget of \$228 million for the whole of Canada. Furthermore, Alberta's budget represented about 65 per cent of all capital invested by both levels of government in housing in Canada. Even in the housing renovation area, Alberta's involvement significantly exceeded other provinces', because Alberta assisted 8.5 units per 1,000 of population as compared to about 2.7 housing units per 1,000 in other provinces, primarily through the Alberta pioneer repair program.

With that, Mr. Chairman, I'll be pleased to try to provide any information your committee wishes.

MR NOTLEY: Mr. Minister, just looking at this report, we're assuming 60 per cent, I believe it says, in some manner of the total housing starts, which range from apartments to senior citizen accommodation to housing. What is the projection over the next five years? Has there been any projection as a consequence of the energy agreement? What does the government consider an acceptable level of assistance? Is this 60 per cent something that in the judgment of the government is a reasonable percentage, given the present situation? Or would you like to see the figures change over the next five years? What in fact are we looking at in terms of long-range forecasts for the housing market in the province?

MR CHAMBERS: If I could deal with the first question of projection, our demographers are projecting about 2.9 million people by 1990, which would be an increase of about 800,000 in nine years. That would require an additional 360,000 housing units over that nine-year period, or say about 40,000 houses a year, which of course is more than we've been averaging in the past. Does that answer the first part?

MR NOTLEY: Yes.

MR CHAMBERS: With regard to involvement, this year we're projecting some 35,000 units and involved in either the financing or constructing of 18,000 of those. In my view, that is an undesirably high percentage. We'd certainly like to see the private sector play a much larger role, and hopefully in the years ahead we will see the private sector play a larger role. Historically, in the past, our involvement has been somewhere in the 15 to 25 per cent range. Last year I guess we were around 50, and now we're maybe going to be 65 or something like that this year. I think that has been necessitated, if you like, by the interest rate situation, but I don't think it's desirable. I would like to see the private industry back in in a major way.

MR NOTLEY: At this stage, unless there's some major change in interest rates, it is not reasonable to presume that that percentage could change. I would assume that the reason there's a high percentage is because of the various

levels of shielding that are available which makes housing affordable to people who wouldn't otherwise be able to obtain it. Now, with interest rates being so high, that level has swept up into the middle class as well. Unless there's a major change in interest rate policy, it is somewhat hopeful, is it not, to assume that the private sector will be able to supply the housing starts in total that they did five or six years ago?

MR CHAMBERS: I think that's correct. The biggest factor is obviously the interest rates. For the private sector to be able to return in the major way and play the major role they did in the past, then I would think interest rates would have to come down, and hopefully that would be the case.

MR NOTLEY: Just to follow that along, bearing that in mind, what forecasts do either agencies -- the Home Mortgage Corporation or the Alberta Housing Corporation -- have in terms of a call on the Heritage Savings Trust Fund for additional funds? Last year the Home Mortgage Corporation grew by something in the neighborhood of nearly \$400 million and Alberta Housing by a little over \$100 million. Are we looking for similar increases, larger increases? What forecast do we have from both agencies? I wonder if we could take one agency at a time.

MR CHAMBERS: In terms of the Housing Corporation, I think we're now seeing a degree of catch-up in demand. I'm talking here about social housing units and housing for seniors. I would hope to see a levelling off, at least, and perhaps even a decrease in the need in the years ahead from that standpoint. In that area, of course, the control side of the core housing incentive program, the CHIP units, has played a major role in providing affordable accommodation for seniors and other lower income people. So that has been a significant help and I think will again result in demand from the Housing Corporation side.

The Home Mortgage side is of course very hard to predict, because of the interest rate situation. Insofar as any definitive forecast, we're only now in the process of assessing current events and working internally on our budget, so I couldn't really be more definitive than that.

MR NOTLEY: Would there be an increase somewhat on the same magnitude, ballpark figures, as last year?

MR CHAMBERS: Just looking at the numbers, because of what we have committed this year in our budget, our draw should approach about \$1 billion for this 12 months.

MR NOTLEY: Would that be divided between the two corporations?

MR CHAMBERS: That's the Home Mortgage Corporation.

MR NOTLEY: Then the Alberta Housing would be another \$100 million, approximately?

MR CHAMBERS: In the order of \$300 million. I can get the exact number for you if you wish.

MR PAHL: Mr. Chairman, to the minister. The provision of houses or the greater and increasing involvement by the provincial government in, in effect,

the financing of shelter has raised concerns for you. You point to its being perhaps as high as or higher than you would want. I wonder if you could comment on what has been the impact on the construction industry, if you will, that builds the houses and on the end prices of the product for the Alberta consumer because of or as a result of the high level of government financing, and what your assessments will be of the end product and the impact on the industry should the two corporations reduce their level of involvement in the industry in the future. Perhaps I could just add one other thing. What are the bad things about the Heritage Savings Trust Fund dollars being into housing? What are the undesirable characteristics you see there?

MR CHAMBERS: With regard to the house price increases, the rates of increase have been quite favorable over the last two or three years. I think the money we've put into housing programs has played a major role in that. For example, if you compare '74, '75, and '76, when increases were running at 24 to 28 per cent a year, in '79 the increase was 7.7 per cent in Calgary, and in 1980 it was 6 per cent. In Edmonton we had ranges in '74 to '76 of between 19 to 30 per cent increases. In '79 it was 6 per cent, and in 1980 it was 7.2 per cent. So the rate of increase has been very moderate compared to the rate of inflation and to other jurisdictions in the country. Certainly it's a question of supply and demand and of having that good supply situation.

The other factor is that we're financing relatively modest homes and closely monitoring the maximum price paid as, for example, our \$74,000 maximum now for a new house under the family home purchase program. I think carefully controlling those maximums has certainly resulted in the houses being built -- good houses. The builders have become much more innovative and have learned to adapt and build within those guidelines, providing a good product. The statistics show that the house prices have been kept down even below the rate of inflation over the last two or three years.

MR PAHL: Thank you. I guess that supports the assumptions I had. That's not a bad thing, at least to the consumers I represent, Mr. Chairman. I wonder whether the minister and his officials might be able to speculate that, given the rate of population increases and the need across a full range of housing structures -- modest to less than modest -- it wouldn't be realistic to see the level of activity continue at its present rate, but the higher side of the market being filled by the private sector. Is that a fair assumption?

MR CHAMBERS: I guess I would like to see a very major part of the entire spectrum filled by the private sector, private capital, as it was in years gone by. Certainly the area above the modest houses we finance under our programs is an area for the private sector and, with interest rates the way they are today, a difficult one.

MR CHAIRMAN: Can I ask a supplementary from the Chair, in relation to that. Is the minister saying that at the moment the modest houses, the basic houses provided under the programs within the limits, are almost entirely being fulfilled now through the programs of the department, that we have no involvement with the very expensive ones where people have lots of money and can buy quarter-million-dollar houses, that the greatest difficulty is with the size immediately above that modest house program of the department, and that the people wanting into that market are having difficulty because they're not available? Was that really the gist of the reply?

MR CHAMBERS: I didn't intend to infer that. I was just pointing out that what we are financing is our modest homes with \$74,000 maximum and that everything over that is financed privately. I don't really have statistics to show what is the exact situation with regard to houses in certain brackets just above that limit at this point in time. I think the inventory situation has not been bad in Edmonton and in Alberta in general to this point in time. There has been a pretty good inventory and some innovations in financing, whether through the graduated payment mortgage plan the developers and builders have had, buy-downs, and so forth. So my guess would be that it has not been that difficult to this point in time, but were these interest rates to continue to prevail, I would think it could be.

MR CHAIRMAN: That was going to be my next supplementary: what happens if the interest rates continue? Are there any more questions for the minister and members of his department?

MR PAHL: I'd like to hear your supplementary answered as well, Mr. Chairman.

MRS FYFE: I wonder if I could ask the minister if in the following fiscal year he will consider that the core housing programs and any other housing programs that apply through his ministry will take into consideration the communities outside Edmonton in looking at rental percentages of vacancies or other considerations when approving programs.

MR CHAMBERS: Yes, Mr. Chairman, we do that. We look at regions and areas, then allocate funds from these programs. If it turns out as the year progresses that demand doesn't exist in one area to the same extent that it does in another, we may shift those funds to some extent. But we do try to allocate in a geographical and population way. As you know, the core housing incentive program applies in communities over 5,000 population. We have the modest apartment program, which applies in the smaller communities. That split seems to have worked out reasonably well in the past.

MRS FYFE: Just a comment on that. I believe the minister is aware that this year the full capacity of the program was utilized within the city of Edmonton, and the surrounding communities, one being St. Albert, of course, in an application did not get approval because the funds had been utilized. I just hope there would be some flexibility in future years to ensure that the program does apply across the region.

MR CHAMBERS: Certainly this year was unusual, I guess, compared to past years, in that last year we didn't quite use up the total allocation of the fund in the province and budget. This year we were out of funds in the program by the end of June. But yes, we do certainly try to be fair in terms of allocation of funds.

MRS FYFE: Looking at that same program for next year, is it possible to set some priorities ahead of the next fiscal year in accepting applications or setting some projections for the next year?

MR CHAMBERS: Of course, the difficulty is that we have to go through our budgetary process and find out what funds will be available for every program before we can really start prioritizing or allocating funds. So while we will be doing that, it's premature yet really to be able to get into that detail.

MRS FYFE: Another area I'd like to ask the minister on relates to the log industry home construction. I understand the log industry has had some difficulty in acquiring appropriate timber stands for construction. I wonder if the department has been involved at all in studies or in assisting this industry, which would accommodate families primarily wanting either to be involved in the construction of their own house, which could supposedly be built at a lower cost, or at least is an alternative to the stick-by-stick house construction.

MR CHAMBERS: We're not aware of any information on that problem, but we're sure willing to take a look at it.

MR CHAIRMAN: I think as far as the supply of logs is concerned, maybe the Minister of Energy and Natural Resources is the person to ask. He'll be here later on. This is a concern expressed by the members of that industry who do that building.

MR PAHL: Mr. Chairman, I just wanted to follow up on a supplementary of the Member for St. Albert with respect to your comment that the supply of funds has been used up in the core housing incentive program. I understand funds are running short in certain areas of the province in other programs. Will you be seeking more funds from the investment committee of the Heritage Savings Trust Fund, I guess through the Treasurer, to respond to more applications, or are you shutting off the builders? How are you responding? The information in the public is that builders will no longer be approved on speculation in the Edmonton area. Will that continue, or have you set a target for how much of a surplus of accommodation you'll have on the Edmonton market and still respond to the expected boom I think is coming?

MR CHAMBERS: We're now in the process of doing a detailed assessment. Particularly related to your latter point, obviously from the large number of units that were committed quickly, I think we have a pretty favorable situation generally in terms of supply. We're in the process of doing an assessment now along the lines you suggest and an evaluation. There is the possibility that we may be requesting additional funds but, again, I guess it would be premature for me to talk about it in that we haven't totally completed our analysis in all areas.

MR PAHL: But for the short term, there is an adequate supply of houses on the market, across the range you want to support?

MR CHAMBERS: We think so, although we are evaluating where we're at in terms of rental as well as of the ownership side. There's the other question, too, of the viability of our builders. It's an important industry. There is one direct job and half an indirect job, so a total of one and a half jobs for every house. If you're talking of building 35,000 houses a year, that's a lot of jobs: over 52,000.

MRS FYFE: I just wanted to ask a question related to the vacancy rates in the rental. A few months ago there were a reasonable number of vacancies in Edmonton, less in Calgary. As far as you know, are those figures still holding the same pattern?

MR CHAMBERS: Yes. The last figures we have are 0.7 in Calgary and 2.5 in Edmonton. I might add that this assessment is done twice a year by Canada Mortgage and Housing Corporation, in November and in April. These are the April numbers. Then in the summer the Alberta department does a survey of centres other than Edmonton and Calgary. We just completed that analysis. The vacancy situation is of course generally much better in other parts of Alberta. For example, in April it averaged 5 per cent.

MRS FYFE: One further question. With a very small degree of flexibility in Calgary and the announcement that the energy agreement has been signed, which will likely ensure that there is an upturn in the Alberta economy and pressure on housing, do you feel you can wait until the next budgetary year to look at the core housing? Will the lead time be sufficient to get an adequate number of rental units available to new residents coming to this province?

MR CHAMBERS: Mr. Chairman, that's a good point, and we are assessing that situation in considerable detail right now. Calgary would probably be the most difficult area because of the tight vacancy situation.

MR NOTLEY: Mr. Chairman, I wanted to go into a different area, but I have one or two supplementaries on this question of the vacancy rate. Mr. Minister, what figures do we have with respect to rent increases in the last year, particularly in areas where there's a fairly tight market situation? Calgary is one, and I believe Red Deer has a relatively low vacancy rate at this stage. Do we have any recent figures?

MR CHAMBERS: Mr. Chairman, on page 16 of the recently completed Clayton report, at the bottom of the page there's a graph which illustrates increases in rents in selected Canadian cities. I guess the report is self-explanatory.

MR NOTLEY: So as I look at it here, the figure in Calgary would be 12 per cent. How do we obtain those figures? Are they Canada Mortgage and Housing?

MR CHAMBERS: Apparently through Canada Mortgage and Housing.

MR NOTLEY: Based on a certain number of units? Is it a forecast, something like a Gallup poll, or what?

MR CHAMBERS: Apparently it's from the Stats Canada consumer price index study. They provide CMHC with the numbers.

MR NOTLEY: Which is based on a sample of a certain number of households. We don't have any figures for other parts of the province. I've had some rather alarming figures brought to my attention in Red Deer, for example. Obviously Statistics Canada would have information on the major cities, but they're not going to be supplying us information on the smaller growth centres.

MR CHAMBERS: I don't really have any information on that. But it's been pointed out to me that we have 500 CHIP units coming on stream in Red Deer, which would impact favorably on that situation. Half of those would be controlled rents.

MR NOTLEY: I'm going to move into the area of rural and native housing, Mr. Minister, and ask you where things stand in terms of our budget this year in

rural and native housing. What funding, if any, comes from the federal government? Where are we at this stage, in terms of accommodating the needs in the province?

MR CHAMBERS: The rural and native program is of course a shared funding program with the federal government. We can probably find some numbers here: 125 units in the budget, which we think will be taken up. These are operated through CHAP, the co-operative housing action program. All the capital financing comes from the Alberta Home Mortgage Corporation, but the deficits are written down in co-operation with CMHC. That's on the stick-built type of housing side. We have the mobile and manufactured housing units through that program. The current budget is 250 for the rural and mobile home program. In addition to that, we have 150 homes through the transitional housing program.

MR NOTLEY: What is the forecast in terms of the needed housing? If I recall, your predecessor in 1975 or '76 had a target date -- a number of years -- by which we could meet this objective. Where do we stand on that?

MR CHAMBERS: Again, we're doing our annual budgetary process, so I couldn't give you specific numbers of what we might be doing next year. But I would think that as compared with a few years ago, we've gone a long way toward meeting the demand. That doesn't mean to say it's met. We'll have a continuing need for programs in this area, but I think the large delivery we've had over the last few years has certainly gone a long way toward alleviating that demand.

MR NOTLEY: Do you have any forecast as to when we might essentially catch up, so we're just at a place where we have brought housing up to an acceptable level and now we're just talking about new housing as people require them?

MR CHAMBERS: There's another program I didn't mention: the log housing program, 100 units. If you take the total, it's 625 units for this budget year. The demand would appear to be running at about 600 units a year. We have some indication that that has peaked and is on the decline, and we're in the process of studying that. I can't give you anything more definitive right now, other than it would appear that that's a peak.

MR SINDLINGER: Mr. Chambers, on this Alberta Housing Corporation capital budget, table C-3, page 68, which was given to us last week, in regard to rural and native housing, I notice that the allocation per unit is about \$60,000. You've compared that to the staff housing, which is about \$81,000. If you go down the list even further, you find that the senior citizen lodges are about \$40,000 and the senior citizens' self-contained units are about \$47,000. The question that came to my mind was: why is there such a difference between the cost per unit for each of these particular items; that is, rural and native housing being \$81,000 and senior citizens' only \$40,000? It was a relative relationship that was carried through all the annual reports. Could you comment on that, please?

MR CHAMBERS: I'm not sure which document you're referring to, but perhaps I could comment generally. Certainly it's more expensive to build housing in northern parts of the province, related to transportation distances and so forth. Also, the size of the houses in the transitional or rural and native program -- they tend to be designed for families with a number of children,

whereas the space requirement for senior citizen accommodation is appreciably less, so one would expect that that unit cost would be lower. Furthermore, most senior citizen accommodation is in multiple-type unit construction, which again affords lower cost than the detached. Offhand, I would say that the two major reasons would be related to size and space and transportation requirements.

MR SINDLINGER: Mr. Chambers, if we could lay aside the size of the units in regard to lodges and geographic location and compare the two -- staff housing and rural and native housing -- why is it that staff housing is consistently higher than rural and native housing? The two must be able to be put on a comparable basis. The two numbers I would just give to you are staff housing, which is \$81,000 per unit, and rural and native housing, which is \$60,000 per unit.

MR CHAMBERS: Of course, the houses would probably be comparable in type. For staff housing we're often looking at housing for park rangers and people in isolated locations where we might be providing one or two houses. Therefore, you don't have the economy of scale we can have in communities where we can build maybe half a dozen or more rural and native houses. So it's really related to economies of scale and, again, isolation and transportation distances.

MR SINDLINGER: Mr. Chambers, would you then say that on a per square foot basis or quality basis, the rural and native housing is comparable to staff housing?

MR CHAMBERS: Yes, I would say so.

MR CHAIRMAN: Are there any more questions for the minister?

MR PAHL: Mr. Chairman, a number of my constituents were quite concerned when the Alberta Home Mortgage Corporation interest rate increased. I got a spate of calls. But I understand that the subsidy has also been increased. Could you clarify that move in terms of how it impacts upon the rate of return to the Heritage Savings Trust Fund monies, debentures provided to the Alberta Home Mortgage Corporation, and how it would impact the average mortgage holder?

MR CHAMBERS: Maybe I should explain what we actually did there. It's important to recognize that we kept the affordability the same. But when the rate was fixed at 13.5 per cent, we had two distinct subsidies. They were both real, nevertheless. One was the direct subsidy we paid out, which at that time was a maximum of \$294 per month. The hidden subsidy, if you like, between the cost of money -- for example, I think the current debenture rate is about 18 per cent for the corporation -- and that rate of 13.5. So we decided it was first of all more logical that the subsidy should be clearly defined and in one place.

Furthermore, in the event that a number of houses are resold, whether to investors or to people who don't require a subsidy, they shouldn't benefit from that hidden subsidy; in other words, have the balance of five years at that 13.5 per cent. So we felt it was fair and equitable that we should move our rate up to a formula which is a point over the borrowing rate or the low end of market, and therefore put the subsidy clearly defined and at front and

centre. For example, the maximum now is \$454 per month. That has no effect or impact on the capital, the debenture borrowing from the Heritage Savings Trust Fund. It does, of course, on the subsidies, which are paid out through general revenue. Again, with the high interest rates and our borrowing costs of 18, those subsidies have increased markedly.

MR PAHL: Just to clarify, the borrowing rate for heritage savings trust funds by the Alberta Home Mortgage Corporation and Alberta Housing Corporation is 18 per cent?

MR CHAMBERS: The current number is about 18, yes.

MR PAHL: Thank you.

MR CHAIRMAN: Are there any more questions from the members for the minister or his staff?

MRS FYFE: Just in case this question was asked when I had to leave the Chamber for a few minutes, you can advise me, Mr. Chairman. In situations where there are certain cases of hardship -- individuals have been out of employment through the slowdown in the economy -- have there been situations where you've had to defer or have had a policy to defer mortgage payments until they have been able to seek alternative employment?

MR CHAMBERS: We haven't seen any dramatic increase in defaults or foreclosures. We do allow some flexibility for people to catch up. If they fall behind in a payment we work with them and attempt to help them to rectify that situation.

MR LITTLE: Mr. Chairman, to the minister. I have a specific inquiry, but I know that it has occurred a number of times. A constituent not being aware of the advantages of the Alberta Home Mortgage program purchases a house, then finds out the advantages and wants to switch over to Alberta Home Mortgage. Does having purchased the first home privately negate their opportunity to take advantage of Alberta Home Mortgage?

MR CHAMBERS: The answer is simply yes, it does negate that. It would not really be practical to do that. Our objective is to get people into home ownership and primarily to satisfy the first-home buyer. So for people who already have a home or have got financing, we have no intention of competing in that way with the private industry.

MR D ANDERSON: Mr. Minister, the constituents in my area have generally been extremely happy with the Alberta family home purchase program, but the one aspect of that about which there has been some question is with respect to the time required for approvals. From a couple of calls I've had, it seems that that time has been considerably longer than the approval period for other institutions giving funds for purchasing a home. Could you comment on that and maybe outline for us what the approval period generally is, the average approval time needed once an application is made under that program?

MR CHAMBERS: Yes, I can comment on that. Again, if you look at the percentage of the housing that unfortunately, if you like, we've had to finance over the past year or two in Alberta as compared to the balance being done by a number

of private financial institutions, obviously their work flow would be considerably less. Therefore one would expect that their time for processing would be less.

We've deliberately restrained our personnel growth in the corporation because we don't want to be in a position of building the corporation up to a very large size and then have private industry come back in so we wouldn't require this many personnel. So it has imposed some considerable strain on the personnel of the corporation. I think they've coped with it very well. Initially, during the peak, we probably had longer delays than now, but I think our average period now is between three to five weeks. We do get some complaints about it, but I think it's reasonable. Given the volume the Home Mortgage Corporation is handling, I think it's sort of the optimum we could expect.

MR D ANDERSON: Mr. Minister, further to that. Is that three to five weeks from application to actual distribution of funds or from application to approval, then a time period attached to that in terms of actually forwarding the funds for the purchase of the home?

MR CHAMBERS: The time period I mentioned is really from application to approval, then of course there's the normal time required for the solicitor. From there on it would be a normal process that I guess would have the same time frame whether we're going through this corporation or a private concern.

MR CHAIRMAN: Any further questions from the members to the minister? I'd like to thank the minister and the members of his staff for coming. It's been interesting and involving a problem for many Albertans and other Canadians about the current price of housing, which unfortunately is somewhat beyond the control of this committee or this government.

I understand the Minister of Energy and Natural Resources has a fairly tight schedule, so he won't be available until 11 a.m. I think we'll adjourn the committee until then.

The meeting adjourned at 9:52 a.m.