

H

HOUSING NOW

Kelowna / Southern Interior

YOUR LINK TO THE HOUSING MARKET

New Construction Highlights

Canada Mortgage and Housing Corporation

New Home Market Buoyant - Singles Sector Leads

The Kelowna new home construction market recorded another strong performance in February. February housing starts totaled 191 units, down slightly from 212 units a year ago. Housing starts - lead by the singles sector, are up ten per cent to date in 2003.

Last year's surge in demand for single-detached housing has carried over into 2003. Singles starts jumped to the highest February level since 1990. The supply of building lots has been drawn down, leaving developers scrambling to bring more on stream. Strong demand coupled with reduced supply has meant steady upward pressure on lot prices.

Multi-family construction also maintained a brisk pace, two apartment condominium projects breaking ground in February.

The move-up/move-down markets -

buyers seeking lifestyle/retiree and resort-oriented housing remain the focus of new home demand.

Low interest rates remain a key driver. Absorption has kept pace with new supply, keeping inventories of completed and unsold units low. With resale house prices on the rise and supply of listings down sharply, more buyers are turning to the new home market.

Elsewhere, Penticton area starts were up again in February. The Kamloops new home market has begun the year on a slower note, both January and February starts lagging well behind 2002. Vernon continues to see a mixed performance, the singles sector accounting for all new home construction activity to date this year.

Okanagan resale markets remain strong, year-to-date sales up in all locations. The supply of listings is down from a year ago. Prices are on the rise.

BC Housing Starts Up Again

BC housing starts were up sharply in February, both singles and multiples sectors seeing big gains. Nationally, soaring Toronto area multi-family construction boosted February starts to 246,400 units, seasonally adjusted at annual rates (SAAR), up 34% from 183,200 units (SAAR) in January. All regions except Quebec saw an increase in the annual rate.

FEBRUARY 2003

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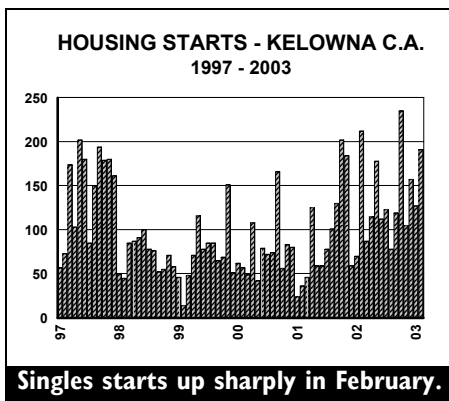
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CMHC Kelowna Noticeboard

♦ **March 2003** Housing Starts: Local, BC, and National news releases scheduled for Apr. 8, 2003.

♦ **The 2002 Okanagan Seniors' Housing Market Survey Report and Kelowna Rental Market Report** are now available. **Coming Soon** - the Spring 2003 Kelowna Housing Market Outlook Report. For an in-depth look at Kelowna area new construction, resale, rental and seniors' housing markets, turn to CMHC Market Analysis reports - Information you need to know to grow your business!

♦ **To subscribe to CMHC Housing Market reports call:** Telephone: (604) 737-4088. Fax: (604) 737-4021. E-mail:



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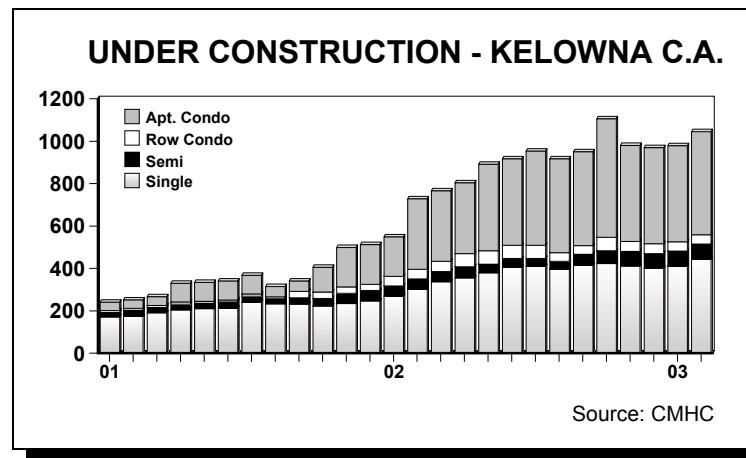
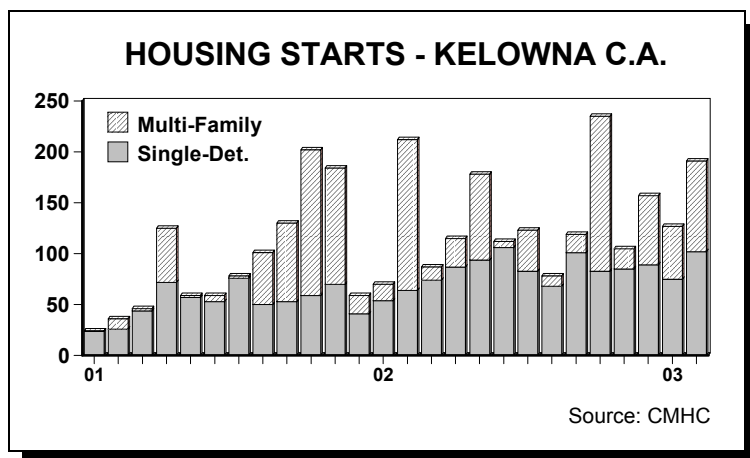


HOME TO CANADIANS
Canada

KELOWNA C.A. STARTS/COMPLETIONS/UNDER CONSTRUCTION FEBRUARY 2003 & YEAR TO DATE 2003

	STARTS							COMPLETIONS						UNDER CONSTRUCTION							
	Single	Semi	Row Condo	Row Rental	Apt Condo	Apt Rental	Total	Single	Semi	Row Condo	Row Rental	Apt Condo	Apt Rental	Total	Single	Semi	Row Condo	Row Rental	Apt Condo	Apt Rental	Total
Kelowna City	69	4	0	0	83	0	156	44	4	0	0	50	0	98	286	46	22	4	461	106	925
Sub. G*	9	0	0	0	0	0	9	9	0	0	0	0	0	9	58	0	0	0	0	4	62
Sub. H*	15	0	0	0	0	0	15	11	0	0	0	0	0	11	65	4	0	0	0	0	69
Sub. I*	3	2	0	0	0	0	5	1	0	0	0	0	0	1	5	12	0	0	0	0	17
Lake Country	5	0	0	0	0	0	5	4	0	0	0	0	0	4	18	0	22	0	25	0	65
Peachland	1	0	0	0	0	0	1	2	0	0	0	0	0	2	11	10	0	0	0	0	21
Indian Res.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MONTH TOTAL	102	6	0	0	83	0	191	71	4	0	0	50	0	125	443	72	44	4	486	110	1159
YEAR-TO-DATE	177	8	0	0	83	50	318	134	6	3	0	50	0	193	---	---	---	---	---	---	---

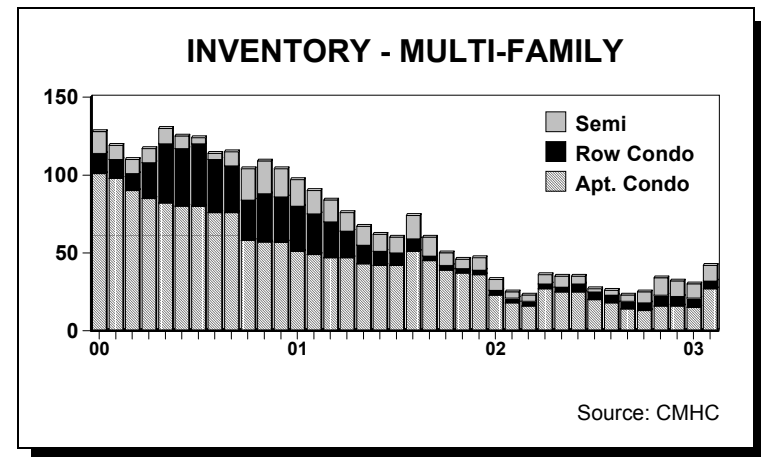
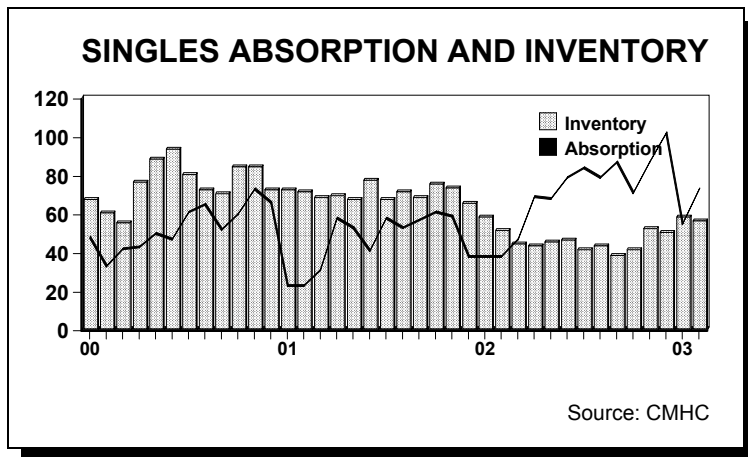
* Sub. G - West Kelowna, Lakeview Heights, Westside/Fintry. Sub H. - Westbank, Glenrosa, Shannon Heights. (Sub G and H former Sub B.) Sub. I - Joe Rich, Ellision (former A.)



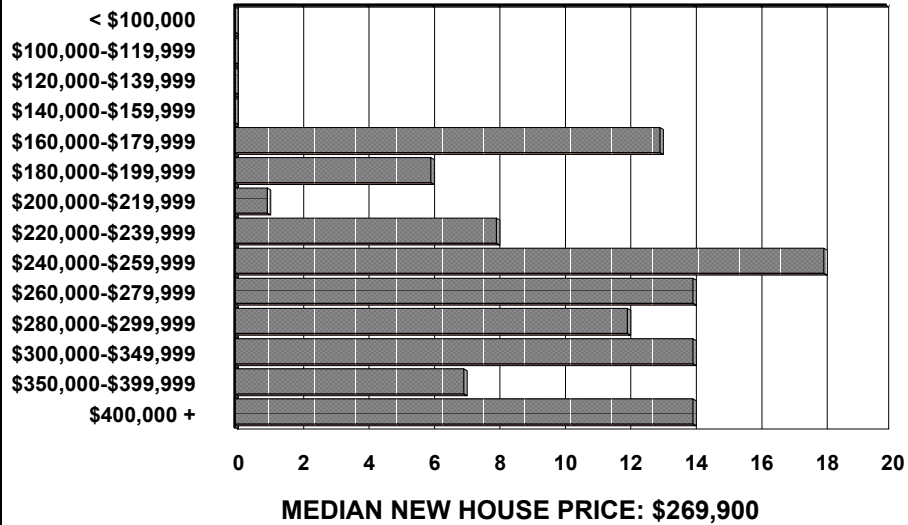
KELOWNA C.A. INVENTORY AND ABSORPTION FEBRUARY 2003 AND YEAR TO DATE 2002 & 2003

	INVENTORY OF NEW HOMES							ABSORPTION OF NEW HOMES							
	Apt Condo	Apt Rental	Row Condo	Row Rental	Semi	Single	Total	Apt Condo	Apt Rental	Row Condo	Row Rental	Semi	Single	Grand Total	
Kelowna City	27	38	5	0	10	41	121	Kelowna City	16	0	1	0	3	43	63
Sub. G	0	0	0	0	0	6	6	Sub. G	0	0	0	0	0	10	10
Sub. H	0	0	0	0	0	7	7	Sub. H	0	0	0	0	0	14	14
Sub. I	0	0	0	0	0	2	2	Sub. I	0	0	0	0	0	0	0
Lake Country	0	0	0	0	0	0	0	Lake Country	0	0	1	0	0	4	5
Peachland	0	0	0	0	0	0	0	Peachland	0	0	0	0	0	2	2
Indian Reserve	0	0	0	0	0	0	0	Indian Reserve	0	0	0	0	0	0	0
MONTH TOTAL	27	38	5	0	10	56	136	MONTH TOTAL	16	0	2	0	3	73	94
Y.T.D. Average 2003*	21	38	6	0	10	57	132	Y.T.D. TOTAL 2003	33	5	5	0	6	128	177
Y.T.D. Average 2002*	21	0	3	0	6	55	85	Y.T.D. TOTAL 2002	33	0	0	28	8	76	145

Absorption does not include assisted rental units. * Rounded.



**PRICES OF SINGLES ABSORBED AT COMPLETION
Kelowna C. A. January - February 2003**



Sub Area	Singles Starts By Sub Area		Singles Absorption by Sub Area	
	Y.T.D. 2003	Y.T.D. 2002	Y.T.D. 2003	Y.T.D. 2002
Black Mountain	6	3	7	5
Dilworth Mountain	5	14	4	3
Ellison	7	10	4	2
Glenrosa	4	1	0	0
Glenmore	3	4	6	4
I.R.	0	0	0	1
Core Area*	37	6	12	1
Lakeview Heights	15	11	11	5
Lower Mission	10	1	6	4
North Glenmore	0	2	0	0
Peachland	1	3	6	0
Rutland North	8	3	5	0
Rutland South	0	1	3	4
S. E. Kelowna	16	8	5	6
Shannon Lake	10	11	9	9
Upper Mission	32	11	26	12
Westbank	2	4	1	1
Winfield	6	1	6	2
West Kelowna	15	17	15	10
Other**	0	7	2	7
Total	177	118	128	76

* Kelowna North/South/Springfield-Spall ** Fintry/Joe Rich/Oyama/Other

HOUSING ACTIVITY SUMMARY - KELOWNA CA FEBRUARY 2003

	OWNERSHIP				RENTAL				TOTAL
	FREEHOLD		CONDOMINIUM		PRIVATE		ASSISTED		
	Single	Semi	Row	Apt.	Row	Apt.	Row	Apt.	
Starts									
Feb. 2003	102	6	0	83	0	0	0	0	191
YTD 2003	177	8	0	83	4	46	0	0	318
YTD 2002	118	2	16	146	0	0	0	0	282
Under Construction									
Feb. 2003	443	72	44	486	4	110	0	0	1,159
Feb. 2002	303	48	45	332	8	60	58	59	913
Completions									
Feb. 2003	71	4	0	50	0	0	0	0	125
YTD 2003	134	6	3	50	0	0	0	0	193
YTD 2002	62	4	0	0	28	0	0	0	94
Inventory									
Feb. 2003	56	10	5	27	0	38	-	-	136
Feb. 2002	51	4	3	18	0	0	-	-	76
Total Supply									
Feb. 2003	499	82	49	513	4	148	0	0	1,295
Feb. 2002	354	52	48	350	8	60	58	59	989
Absorption									
Feb. 2003	73	3	2	16	0	0	-	-	94
3 Mo. Ave.	81	5	6	8	2	17	-	-	119
12 Mo. Ave.	72	7	7	31	2	7	-	-	126

Absorption does not include assisted rentals.

RECORD OF STARTS - KELOWNA C.A.

YEAR	SINGLE	SEMI	ROW	APARTMENT	TOTAL
1991	1,294	82	218	623	2,217
1992	1,484	80	292	763	2,619
1993	1,149	44	194	584	1,971
1994	918	152	169	255	1,494
1995	776	92	170	167	1,205
1996	859	131	85	307	1,382
1997	987	192	131	428	1,738
1998	751	88	9	0	848
1999	675	46	62	96	879
2000	603	77	94	154	928
2001	625	66	115	305	1,111
2002	987	100	73	430	1,590

Row and apartment starts include rental units.

OTHER CENTRES

Starts/Completions/Under Construction

FEBRUARY 2003 AND YEAR TO DATE 2003

	STARTS							COMPLETIONS							UNDER CONSTRUCTION						
	Single	Semi	Row Condo	Apt. Condo	Row Rental	Apt. Rental	Total	Single	Semi	Row Condo	Apt. Condo	Row Rental	Apt. Rental	Total	Single	Semi	Row Condo	Apt. Condo	Row Rental	Apt. Rental	Total
Cranbrook City	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13	0	0	27	0	0	40
E. Kootenay C	1	0	0	0	0	0	1	1	0	0	0	0	0	1	20	0	0	0	0	0	20
Cranbrook CA	1	0	0	0	0	0	1	1	0	0	0	0	0	1	33	0	0	27	0	0	60
Y.T.D. 2003	2	0	0	0	0	0	2	4	0	0	0	0	0	4							
Kamloops C.	7	0	0	0	0	0	7	15	4	4	0	0	0	23	50	20	0	0	0	0	70
Kamloops IR	0	0	0	0	0	0	0	2	0	0	0	0	0	2	7	4	5	0	0	0	16
Kamloops CA	7	0	0	0	0	0	7	17	4	4	0	0	0	25	57	24	5	0	0	0	86
Y.T.D. 2003	10	2	0	0	0	0	12	35	4	4	0	0	0	43							
Penticton City	4	0	7	0	0	0	11	6	0	0	0	0	0	6	26	2	41	60	0	0	129
Sub. D	1	0	0	0	0	0	1	1	0	0	0	0	0	1	17	0	0	0	0	0	17
Sub. E	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12	0	0	0	0	0	12
Sub. F	1	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0	0	1
Penticton IR	2	0	0	0	0	0	2	0	0	0	0	0	0	0	7	0	0	0	0	0	7
Penticton CA	8	0	7	0	0	0	15	7	0	0	0	0	0	7	63	2	41	60	0	0	166
Y.T.D. 2003	11	0	16	0	0	0	27	16	0	18	0	0	0	34							
Salmon Arm	2	0	0	0	0	0	2	9	2	8	16	0	0	35	14	8	13	0	0	0	35
Y.T.D. 2003	3	0	0	0	0	0	3	9	2	8	16	0	0	35							
Summerland	5	0	0	0	0	0	5	0	0	0	0	0	0	0	11	0	0	0	0	0	11
Y.T.D. 2003	5	0	0	0	0	0	5	1	0	0	0	0	0	1							
Vernon City	8	0	0	0	0	0	8	8	0	3	0	0	0	11	54	2	27	0	0	0	83
Coldstream	5	0	0	0	0	0	5	3	0	0	0	0	0	3	29	0	0	0	0	0	29
Sub. C	0	0	0	0	0	0	0	2	0	0	0	0	0	2	5	0	0	0	0	0	5
Sub. D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	0	0	0	0	4
Sub. E	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lumby	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1
I. R.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vernon CA	13	0	0	0	0	0	13	13	0	3	0	0	0	16	93	2	27	0	0	0	122
Y.T.D. 2003	26	0	0	0	0	0	26	25	2	6	0	0	0	33							

KAMLOOPS CA

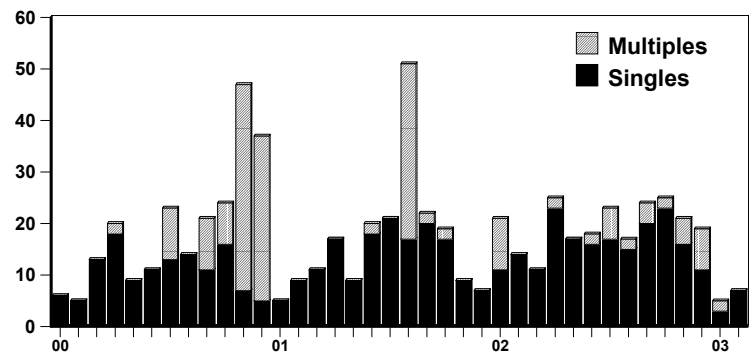
Inventory and Absorption by Municipality

FEBRUARY 2003 AND YEAR-TO-DATE 2002 & 2003

INVENTORY OF NEW HOMES								ABSORPTION OF NEW HOMES							
	Apt Condo	Apt Rental	Row Condo	Row Rental	Semi	Single	Total		Apt Condo	Apt Rental	Row Condo	Row Rental	Semi	Single	Total
Kamloops City	32	0	3	0	15	8	58	Kamloops City	0	0	3	0	4	18	25
Kamloops IR	0	0	0	0	0	3	3	Kamloops IR	0	0	0	0	0	2	2
TOTAL	32	0	3	0	15	11	61	TOTAL	0	0	3	0	4	20	27
Y.T.D. AVG. 2003*	32	0	4	0	15	13	64	Y.T.D. TOTAL 2003	1	0	4	0	5	37	47
Y.T.D. AVG. 2002*	28	0	0	0	18	11	57	Y.T.D. TOTAL 2002	9	0	1	0	2	25	37

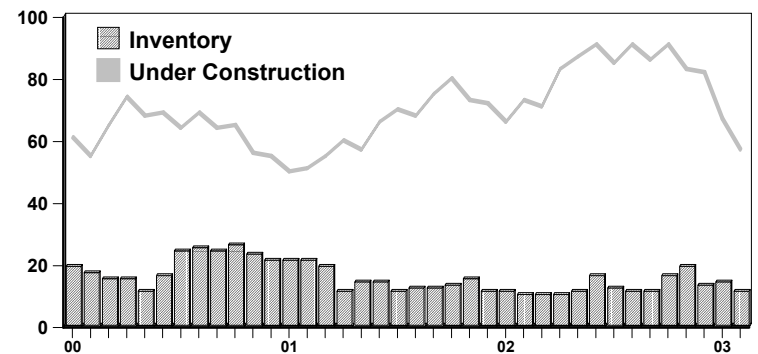
*Absorption does not include assisted rental units. * Rounded.*

HOUSING STARTS - KAMLOOPS C.A.



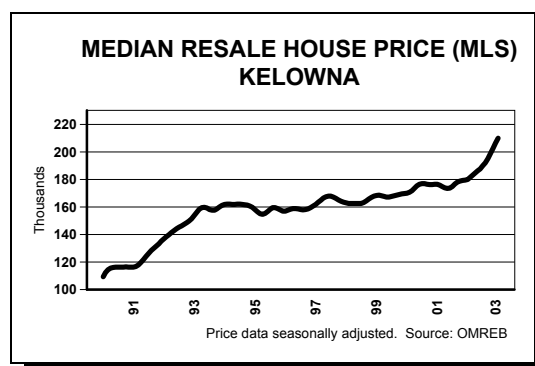
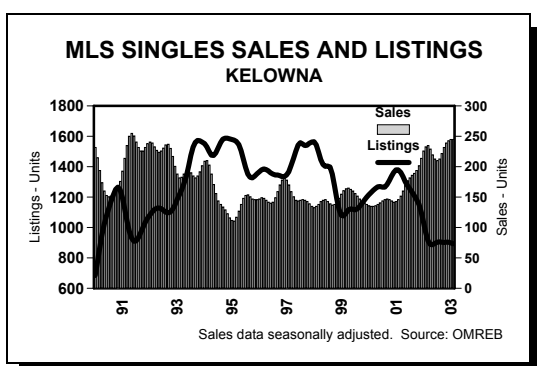
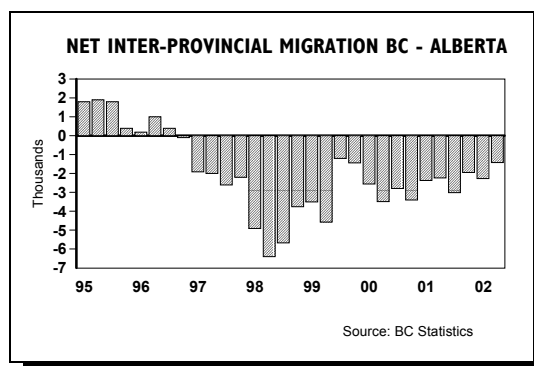
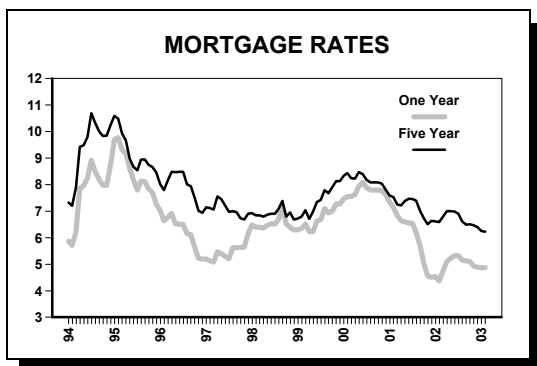
Source: CMHC

TOTAL SUPPLY - SINGLE DETACHED UNITS



Source: CMHC

KEY ECONOMIC INDICATORS



SOUTHERN INTERIOR RESALE MARKETS

MLS SALES	FEBRUARY				YEAR TO DATE			
	Sales Feb. 2003	Percent Change Feb. 02	Median Price Feb. 03	Percent Change Feb. 02	Sales YTD 2003	Percent Change YTD 02	Median Pr. YTD 2003	Percent Change YTD 02
Single - Detached								
Kelowna	202	-6%	\$209,900	17%	365	3%	\$206,000	18%
Kamloops	64	-15%	\$151,500	8%	126	-14%	\$150,000	7%
Vernon	83	26%	\$150,000	2%	156	25%	\$156,500	6%
Penticton	28	8%	\$160,000	3%	59	31%	\$163,500	5%
Salmon Arm	15	67%	\$173,000	47%	29	38%	\$181,000	29%
Cranbrook	16	23%	\$115,500	-8%	28	-3%	\$115,550	n/a

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