

H

OUSING NOW

Kelowna / Southern Interior

YOUR LINK TO THE HOUSING MARKET

New Construction Highlights

Canada Mortgage and Housing Corporation

Kelowna New Home Market Remains Strong

The Kelowna area new home market began 2004 on a strong note. January housing starts totaled 170 units, up 34% from the same month a year ago. Both the singles and multi-family sectors recorded gains.

January starts included a 59 unit apartment condominium. Retiree, move down and resort markets remain key buyer groups, fueling demand for upscale, lifestyle oriented condominiums. Pre sales remain strong - 75% of all condominium units under construction have been sold.

The singles sector also posted another strong performance. More than a third of homes destroyed by the Okanagan Mountain Park wild fire have now been rebuilt or are currently under construction. January starts included 16 rebuilds. Low mortgage rates remain a

key driver. The Kelowna economy and population continue to grow, boosting demand for both new and resale housing. Consumer confidence here in the Okanagan remains upbeat. With resale house prices trending up sharply and the supply of listings dropping to historical lows, more buyers are turning to the new home market. Low inventories of complete and unsold units - all types - point to more opportunity for expansion in 2004. On a less positive note, rising lot, building materials and other costs have meant strong upward pressure on new home prices.

Elsewhere, Kamloops and Vernon housing starts were also up in January. Penticton dropped back, fewer multi-family starts off setting an increase in singles construction.

Okanagan and Kamloops resale markets remain buoyant, last year's upswing carrying over into 2004. Prices continue to trend up in response to sustained demand and reduced supply.

JANUARY 2004

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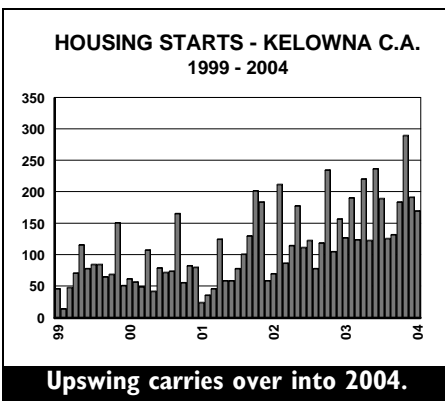
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BC Housing Starts See Big Gains in January

BC starts, lead by the Vancouver area multi-family sector, jumped up sharply, reaching the highest January level since 1995. Nationally, January housing starts fell eleven per cent to 195,500 units, seasonally adjusted at annual rates (SAAR) from 214,900 units (SAAR), in December. Starts were down in all regions except BC.

CMHC Kelowna Noticeboard

- ◆ **February 2004 Housing Starts: Local, BC, and National news releases** scheduled for Mar. 8, 2004.
- ◆ **The 2003 Kelowna Rental Market and Okanagan Seniors Housing Survey Market Reports are now available.** 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: lpreston@cmhc-schl.gc.ca

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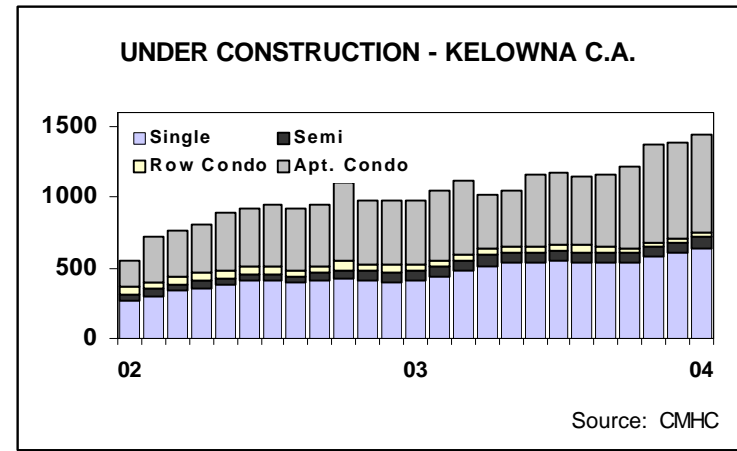
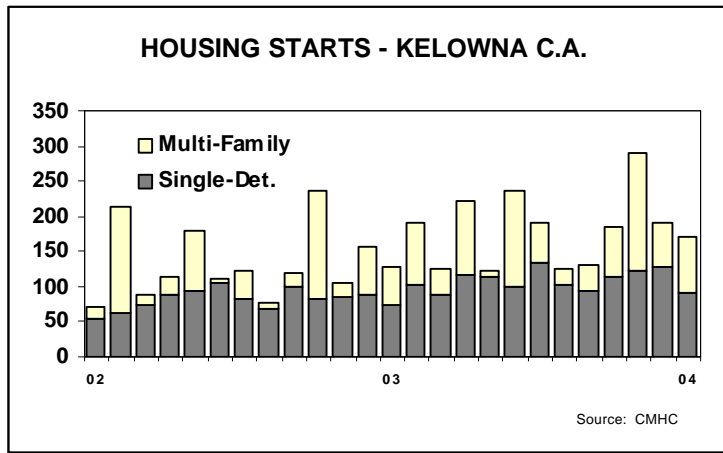


HOME TO CANADIANS
Canada

KELOWNA C.A. STARTS/COMPLETIONS/UNDER CONSTRUCTION JANUARY 2004 & YEAR-TO-DATE 2004

	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	56	8	0	0	59	0	123	28	2	0	0	38	0	68	423	48	18	0	648	113	1,250
Sub. J*	15	6	0	0	0	0	21	19	2	0	0	0	0	21	150	32	4	0	43	0	229
Sub. I*	0	2	0	0	0	0	2	2	2	0	0	0	0	4	13	2	0	0	0	0	15
Lake Country	12	0	0	0	0	0	12	4	0	0	0	0	0	4	30	0	0	0	0	0	30
Peachland	0	0	3	0	0	0	3	0	0	3	0	0	0	3	11	2	8	0	0	0	21
Indian Res.	9	0	0	0	0	0	9	0	0	0	0	0	0	0	16	0	0	0	0	0	16
MONTH TOTAL	92	16	3	0	59	0	170	53	6	3	0	38	0	100	643	84	30	0	691	113	1,561
YEAR-TO-DATE	92	16	3	0	59	0	170	53	6	3	0	38	0	100							

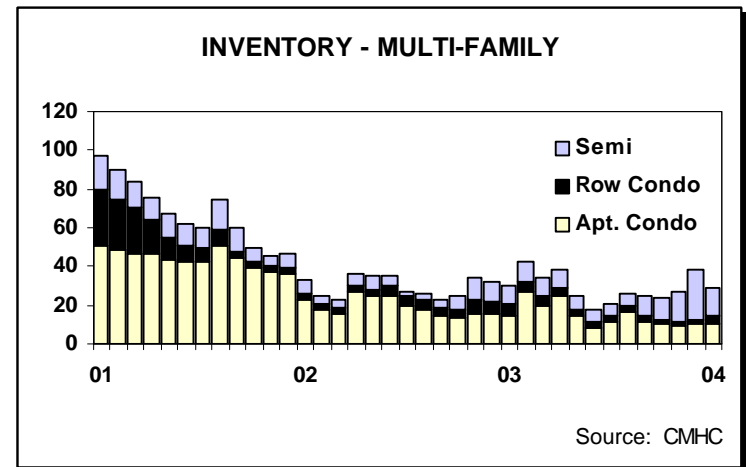
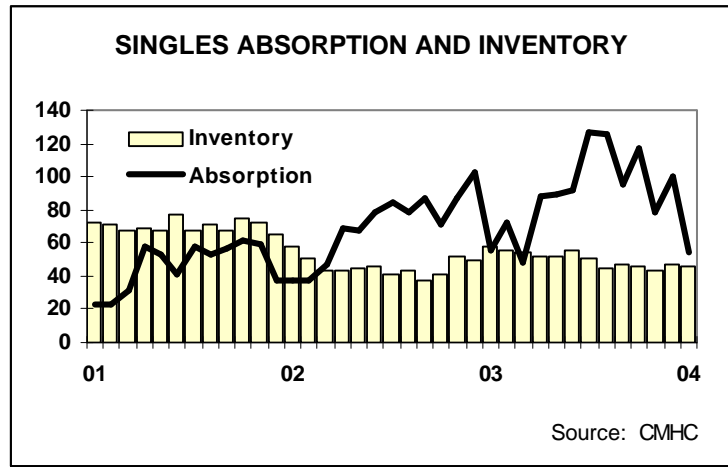
* Sub. J - Westside (former Sub. G and H) - Glenrosa, Westbank, Smith Creek, Shannon Heights, West Kelowna, Lakeview Heights, Westside/Fintry. Sub. I - Joe Rich, Ellison.



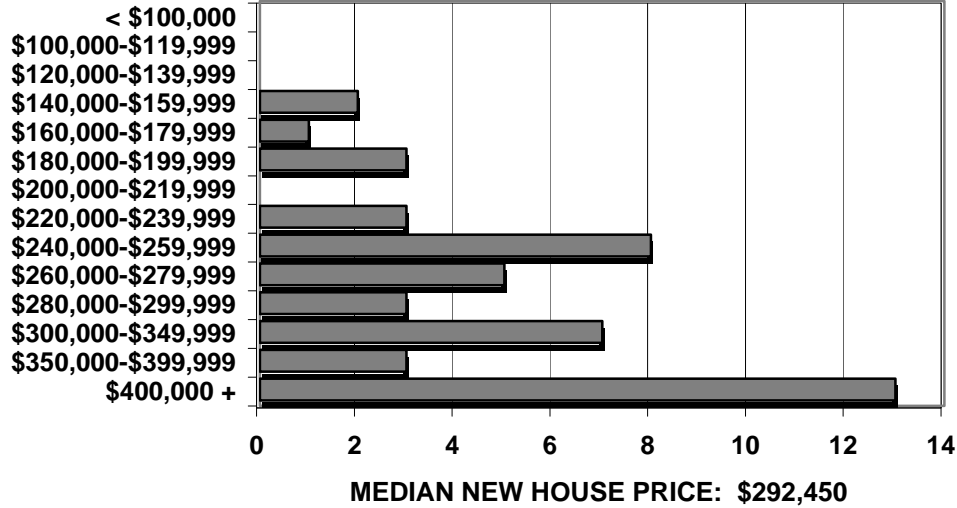
KELOWNA C.A. INVENTORY AND ABSORPTION JANUARY 2004 & YEAR-TO-DATE 2003 & 2004

	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	15	1	2	0	6	28	52	Kelowna City	77	0	0	0	2	28	107
Sub. J	0	0	0	0	1	16	17	Sub. G	0	0	0	0	2	20	22
Sub. I	0	0	0	0	1	2	3	Sub. I	0	0	0	0	2	2	4
Lake Country	0	0	0	0	0	0	0	Lake Country	0	0	0	0	0	4	4
Peachland	0	0	2	0	2	0	4	Peachland	0	0	2	0	0	0	2
Indian Reserve	0	0	0	0	0	0	0	Indian Reserve	0	0	0	0	0	0	0
MONTH TOTAL	15	1	4	0	10	46	76	MONTH TOTAL	77	0	2	0	6	54	139
Y.T.D. Average 2004*	15	1	4	0	10	46	76	Y.T.D. Total 2004	77	0	2	0	6	54	139
Y.T.D. Average 2003*	15	38	6	0	9	58	126	Y.T.D. Total 2003	17	5	3	0	3	55	83

Absorption does not include assisted rental units. * Rounded.



**PRICES OF SINGLES ABSORBED AT COMPLETION
Kelowna C.A. January 2004**



Sub Area	Singles Starts By Sub Area		Singles Absorption By Sub Area	
	Y.T.D. 2004	Y.T.D. 2003	Y.T.D. 2004	Y.T.D. 2003
Black Mountain	1	2	0	1
Dilworth Mountain	0	2	0	1
Ellison	2	2	2	2
Glenrosa	1	1	2	0
Glenmore	2	2	2	3
I.R.	9	0	0	0
Core Area*	15	16	6	6
Lakeview Heights	3	10	9	3
Lower Mission	1	3	1	2
North Glenmore	4	0	0	0
Peachland	0	0	0	4
Rutland North	4	4	5	2
Rutland South	0	0	1	1
S. E. Kelowna	3	9	1	3
Shannon Lake	2	2	3	2
Upper Mission	24	12	12	14
Westbank	4	2	0	0
Winfield	6	1	4	2
West Kelowna	5	7	6	7
Other**	6	0	0	2
Total	92	75	54	55

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

HOUSING ACTIVITY SUMMARY - KELOWNA CA JANUARY 2004

	OWNERSHIP				RENTAL				TOTAL
	FREEHOLD		CONDOMINIUM		PRIVATE		ASSISTED		
	Single	Semi	Row	Apt.	Row	Apt.	Row	Apt.	
Starts									
Jan. 2004	92	16	3	59	0	0	0	0	170
YTD 2004	92	16	3	59	0	0	0	0	170
YTD 2003	75	2	0	0	4	46	0	0	127
Under Construction									
Jan. 2004	643	84	30	691	0	113	0	0	1,561
Jan. 2003	412	70	44	453	4	110	0	0	1,093
Completions									
Jan. 2004	53	6	3	38	0	0	0	0	100
YTD 2004	53	6	3	38	0	0	0	0	100
YTD 2003	63	2	3	0	0	0	0	0	68
Inventory									
Jan. 2004	46	10	4	15	0	1			76
Jan. 2003	58	9	6	15	0	38			126
Total Supply									
Jan. 2004	689	94	34	706	0	114	0	0	1,637
Jan. 2003	470	79	50	468	4	148	0	0	1,219
Absorption									
Jan. 2004	54	6	2	77	0	0			139
3 Mo. Ave.	99	10	1	74	0	10			194
12 Mo. Ave.	91	8	3	50	1	4			157

Absorption does not include assisted rentals.

RECORD OF STARTS - KELOWNA C.A.					
YEAR	SINGLE	SEMI	ROW	APT	TOTAL
1991	1294	82	218	623	2217
1992	1484	80	292	763	2619
1993	1149	44	194	584	1971
1994	918	152	169	255	1494
1995	776	92	170	167	1205
1996	859	131	85	307	1382
1997	987	192	131	428	1738
1998	751	88	9	0	848
1999	675	46	62	96	879
2000	603	77	94	154	928
2001	625	66	115	305	1111
2002	987	100	73	430	1590
2003	1290	100	30	718	2138

OTHER CENTRES
Starts/Completions/Under Construction
JANUARY 2004 AND YEAR-TO-DATE 2004

	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	1	0	0	0	0	0	1	6	0	0	0	0	0	6
E. Kootenay C	1	0	0	0	0	0	1	0	0	0	0	0	0	0	31	0	0	0	0	0	31
Cranbrook CA	1	0	0	0	0	0	1	1	0	0	0	0	0	1	37	0	0	0	0	0	37
Y.T.D. 2004	1	0	0	0	0	0	1	1	0	0	0	0	0	1							
Kamloops C.	5	0	0	0	0	0	5	15	6	0	0	0	0	21	72	18	23	42	0	0	155
Kamloops IR	2	0	0	0	0	0	2	1	0	0	0	0	0	1	11	0	0	0	0	0	11
Kamloops CA	7	0	0	0	0	0	7	16	6	0	0	0	0	22	83	18	23	42	0	0	166
Y.T.D. 2004	7	0	0	0	0	0	7	16	6	0	0	0	0	22							
Penticton City	2	0	0	0	0	0	2	4	0	0	62	0	0	66	21	4	32	38	0	0	95
Sub. D	5	0	0	0	0	0	5	2	0	0	0	0	0	2	28	0	0	0	0	0	28
Sub. E	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9	0	0	0	0	0	9
Sub. F	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0
Penticton IR	1	0	0	0	0	0	1	2	0	0	0	0	0	2	11	0	0	0	0	0	11
Penticton CA	8	0	0	0	0	0	8	9	0	0	62	0	0	71	69	4	32	38	0	0	143
Y.T.D. 2004	8	0	0	0	0	0	8	9	0	0	62	0	0	71							
Salmon Arm	0	0	0	0	0	0	0	8	0	0	0	0	0	8	29	6	10	0	0	3	48
Y.T.D. 2004	0	0	0	0	0	0	0	8	0	0	0	0	0	8							
Summerland	2	0	0	0	0	0	2	1	0	0	0	0	0	1	16	0	0	0	0	0	16
Y.T.D. 2004	2	0	0	0	0	0	2	1	0	0	0	0	0	1							
Vernon City	16	0	0	0	0	0	16	10	2	0	0	0	0	12	89	16	13	0	0	0	118
Coldstream	1	0	0	0	0	0	1	10	0	0	0	0	0	10	30	0	0	0	0	0	30
Sub. C	0	0	0	0	0	0	0	1	0	0	0	0	0	1	13	4	0	0	0	0	17
Sub. D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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	6	0	0	0	0	0	6	0	0	0	0	0	0	0
Vernon CA	17	0	0	0	0	0	17	27	2	0	0	0	0	29	133	20	13	0	0	0	166
Y.T.D. 2004	17	0	0	0	0	0	17	27	2	0	0	0	0	29							

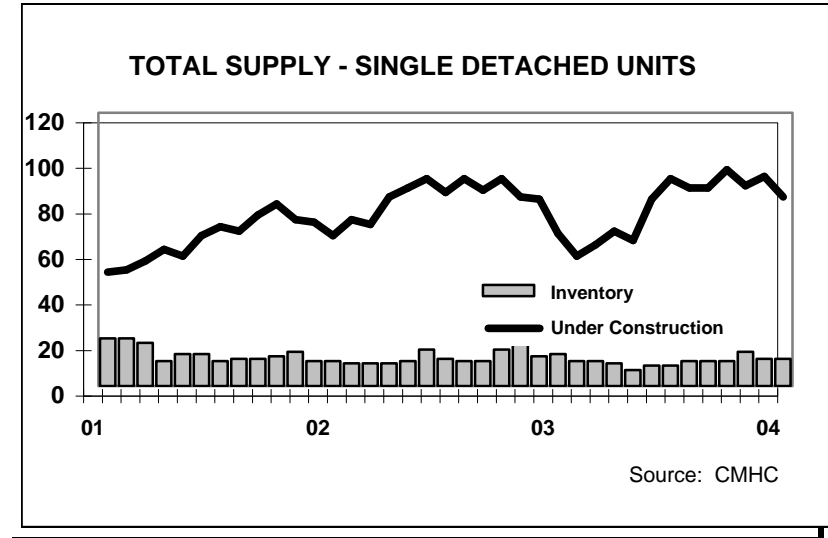
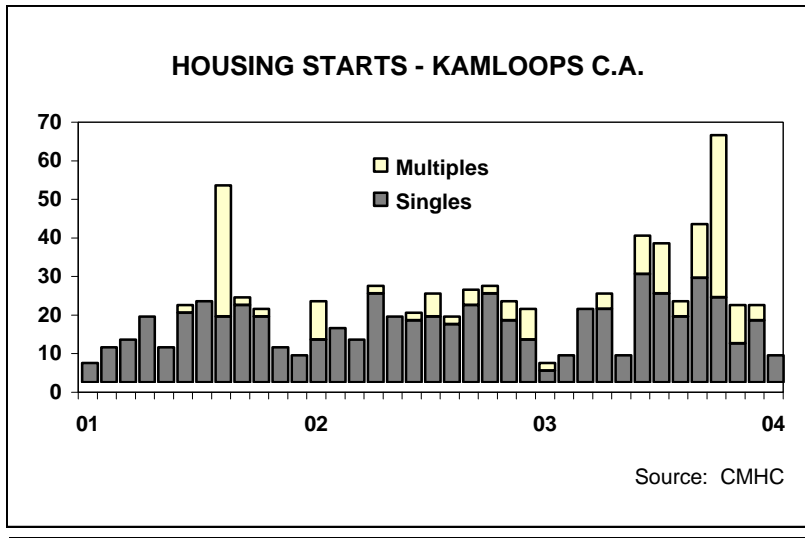
KAMLOOPS CA

Inventory and Absorption by Municipality

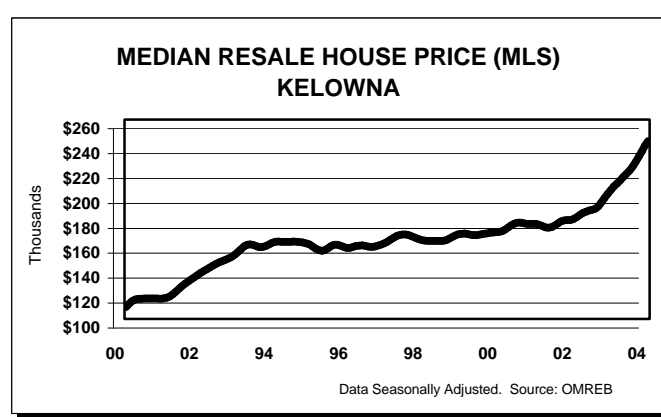
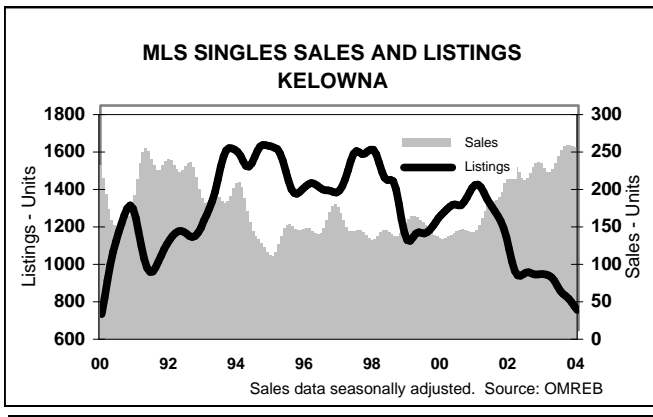
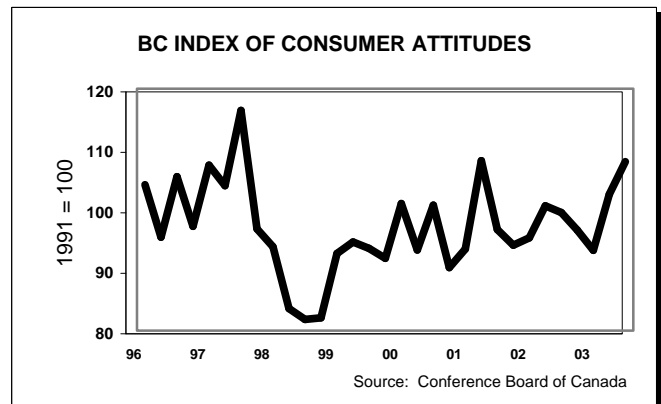
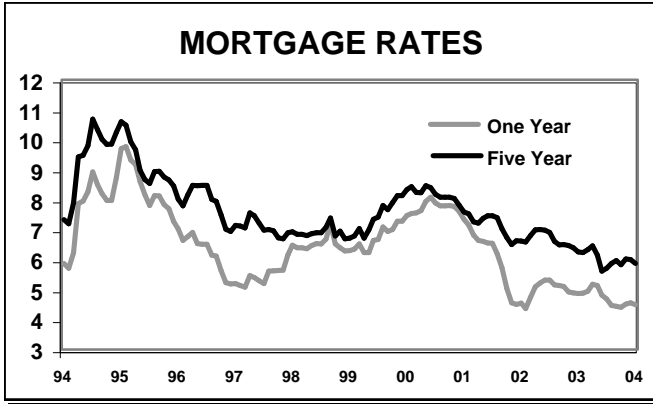
JANUARY 2004 AND YEAR-TO-DATE 2003 & 2004

	INVENTORY OF NEW HOMES							ABSORPTION OF NEW HOMES							
	Apt	Apt	Row	Row	Semi	Single	Total	Apt	Apt	Row	Row	Semi	Single	Grand	
	Condo	Rental	Condo	Rental				Condo	Rental	Condo	Rental			Total	
Kamloops City	13	0	3	0	13	10	39	Kamloops City	1	0	2	0	4	15	22
Kamloops IR	0	0	0	0	0	2	2	Kamloops IR	0	0	0	0	0	1	1
MONTH TOTAL	13	0	3	0	13	12	41	MONTH TOTAL	1	0	2	0	4	16	23
Y.T.D. Average 2004*	13	0	3	0	13	12	41	Y.T.D. TOTAL 2004	1	0	2	0	4	16	23
Y.T.D. Average 2003*	32	0	4	0	15	14	65	Y.T.D. TOTAL 2003	1	0	1	0	1	17	20

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



KEY ECONOMIC INDICATORS



SOUTHERN INTERIOR RESALE MARKETS

MLS SALES	JANUARY				YEAR-TO-DATE			
	Sales Jan. 2004	Percent Change Jan. 03	Median Price Jan. 04	Percent Change Jan. 03	Sales YTD 2004	Percent Change YTD 03	Median Price YTD 2004	Percent Change YTD 03
Single Detached								
Kelowna	155	-7%	\$243,500	17%	155	-7%	\$243,500	17%
Kamloops	72	14%	\$160,000	7%	72	14%	\$160,000	7%
Vernon	82	19%	\$182,250	10%	82	19%	\$182,250	10%
Penticton	27	-10%	\$165,000	2%	27	-10%	\$165,000	2%
Salmon Arm	12	-20%	\$174,250	-17%	12	-20%	\$174,250	-17%
Cranbrook	16	33%	\$127,250	13%	16	33%	\$127,250	13%

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