

H

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Kelowna / Southern Interior

YOUR LINK TO THE HOUSING MARKET

New Construction Highlights

Canada Mortgage and Housing Corporation

Kelowna Housing Starts Down in May

Kelowna area housing starts dropped back following March and April's big surge in multi-family construction activity. May housing starts fell to 152 units from 223 units in April. Fewer multi-family starts accounted for all of the decline.

The Kelowna new home market remains buoyant despite May's decline. The singles sector recorded another strong performance. Singles starts have averaged 140 units per month since March, the highest three month level since 1992.

Expect both apartment and townhouse starts to pick up later this year as proposals for new projects move through the approval process. Low inventories of new and unsold units and draw-down in the supply of condo listings point to more opportunity for expansion. The new condo market is currently facing a supply, rather than a demand side constraint.

The demand outlook is positive. Low mortgage interest rates remain a key driver. Consumers are upbeat. The BC economy is poised to see stronger growth. Inter-provincial migration has begun to turn around. Closer to home, the Kelowna economy and population continue to grow, fueling demand for both new and resale housing.

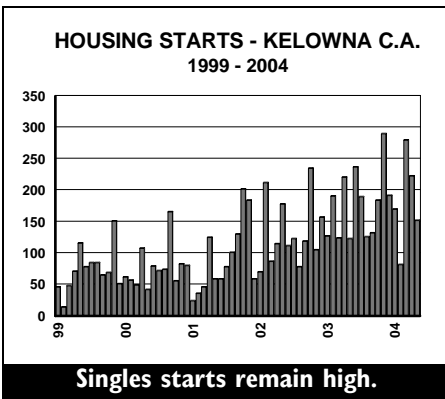
Elsewhere, Kamloops singles starts climbed to a seven year high in May. Both Kamloops and Penticton starts have more than doubled over the same five month period in 2003. The Vernon new home market has seen smaller gains.

Okanagan resale markets maintained a blistering pace in May. Sales activity has flattened out, but remains at a high level. The supply of singles listings is trending back up, expectations of big price gains drawing more sellers into the market place. Supply remains tight despite the increase. Most locations continued to see stiff upward pressure on prices.

MAY 2004

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Hot Vancouver Market Boosts BC Housing Starts

The BC new home market, lead by a red hot Vancouver area multi-family sector, continued to gather momentum in May. Year-to-date, BC starts are up by more than half over 2003. Nationally, May housing starts edged down slightly to 238,800 units, seasonally adjusted at annual rates (SAAR), from 241,600 units (SAAR), in April.

CMHC Kelowna Noticeboard

♦ **June 2004** Housing Starts: Local, BC, and National news releases scheduled for July 9, 2004.

♦ **The Spring 2004 Kelowna Housing Market Outlook Report is now available.**

Also available - the 2003 Kelowna Rental Market and Okanagan Seniors' Housing Market Survey 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: lpreston@cmhc-schl.gc.ca

Paul Fabri - CMHC Kelowna Market Analysis
Telephone: (250) 712-4334 Fax: (250) 712-4322
E-mail: pfabri@cmhc-schl.gc.ca



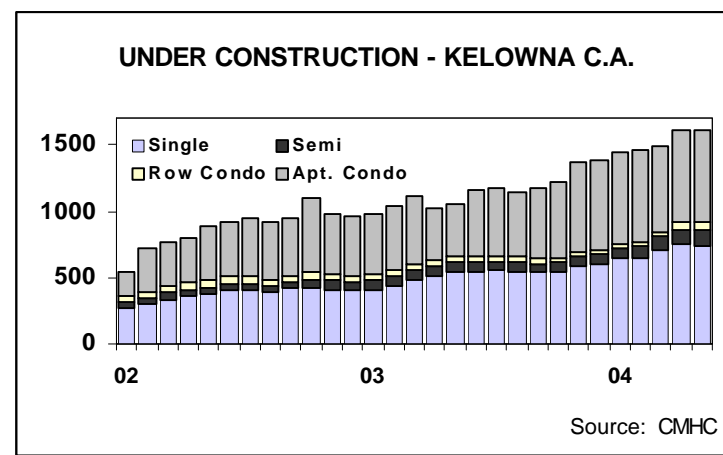
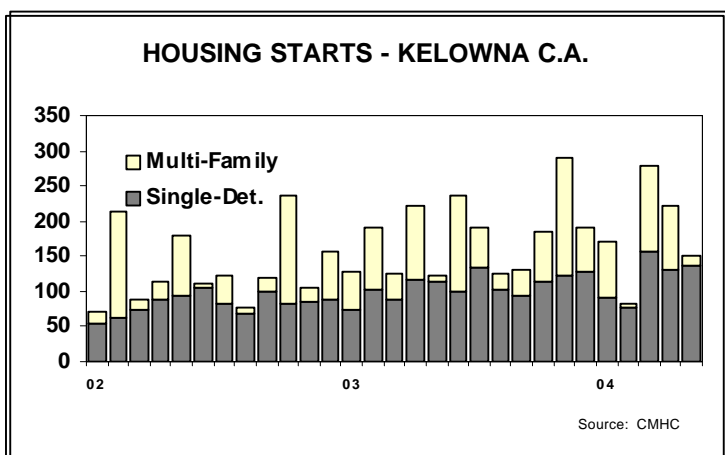
HOME TO CANADIANS

Canada

KELOWNA C.A. STARTS/COMPLETIONS/UNDER CONSTRUCTION MAY 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	81	4	0	0	0	0	85	86	2	0	0	0	7	95	525	62	39	4	652	89	1,371
Sub. J*	35	6	4	0	0	0	45	48	2	0	0	0	0	50	147	42	14	0	43	0	246
Sub. I*	7	2	0	0	0	0	9	1	0	0	0	0	0	1	18	12	0	0	0	0	30
Lake Country	8	0	0	0	0	0	8	8	0	0	0	0	0	8	31	0	0	0	0	0	31
Peachland	2	0	0	0	0	0	2	3	0	0	0	0	0	3	7	0	7	0	0	0	14
Indian Res.	3	0	0	0	0	0	3	3	0	0	0	0	0	3	15	0	0	0	0	0	15
MONTH TOTAL	136	12	4	0	0	0	152	149	4	0	0	0	7	160	743	116	60	4	695	89	1,707
YEAR-TO-DATE	593	64	38	4	119	89	907	454	22	8	0	94	113	691							

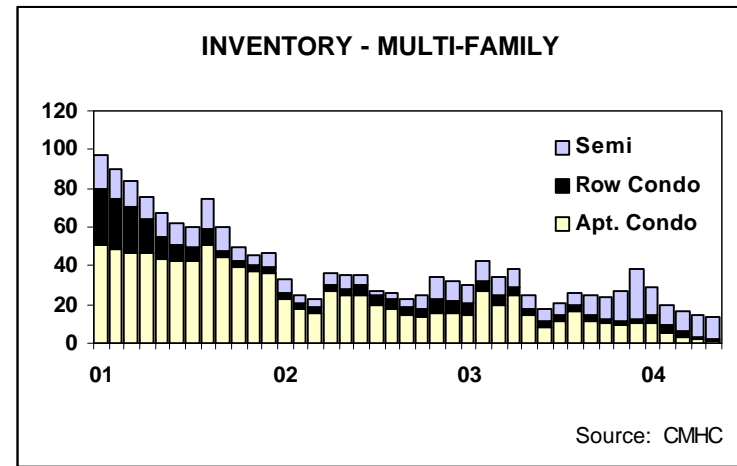
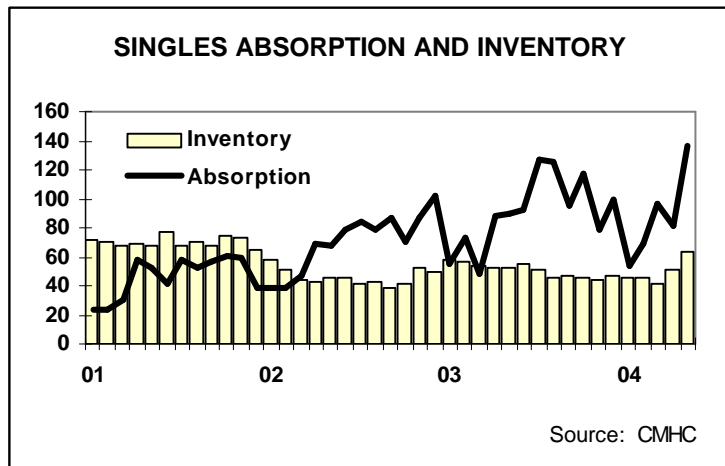
* Sub. J - Westside (former Sub. G and H) - Glenrosa, Westbank, Smith Creek, Shannon Heights, West Kelowna, Lakeview Heights, Westside/Fintry. Sub. I - Joe Rich, Ellison.



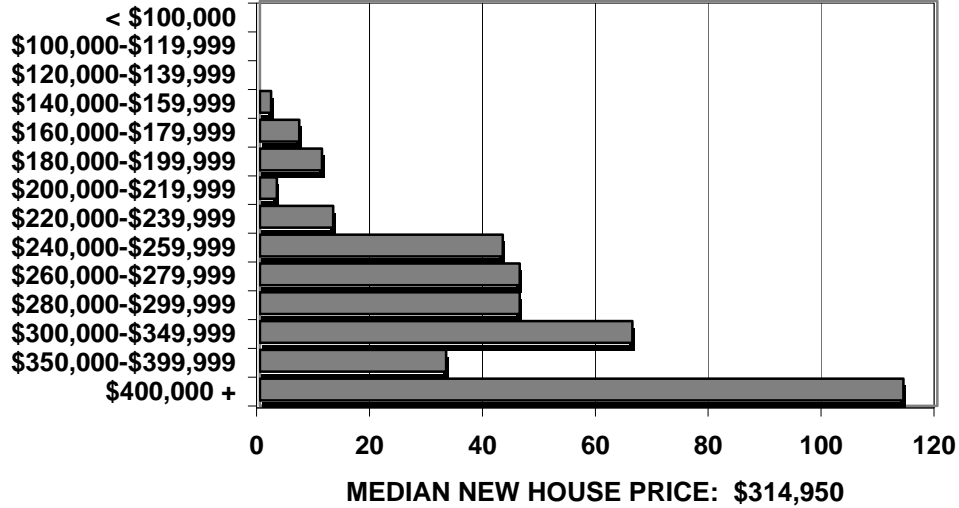
KELOWNA C.A. INVENTORY AND ABSORPTION MAY 2004 & YEAR-TO-DATE 2003 & 2004

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	1	30	0	0	7	39	77	Kelowna City	26	14	2	0	2	83	127
Sub. J	0	0	0	0	1	19	20	Sub. J	0	0	0	0	2	39	41
Sub. I	0	0	0	0	1	2	3	Sub. I	0	0	0	0	0	1	1
Lake Country	0	0	0	0	0	0	0	Lake Country	0	0	0	0	0	8	8
Peachland	0	0	1	0	2	0	3	Peachland	0	0	0	0	0	3	3
Indian Reserve	0	0	0	0	0	3	3	Indian Reserve	0	0	0	0	0	3	3
MONTH TOTAL	1	30	1	0	11	63	106	MONTH TOTAL	26	14	2	0	4	137	183
Y.T.D. Average 2004*	5	21	3	0	11	49	89	Y.T.D. Total 2004	194	84	9	0	21	438	746
Y.T.D. Average 2003*	20	35	5	0	9	54	123	Y.T.D. Total 2003	113	11	8	0	35	353	520

Absorption does not include assisted rental units. * Rounded.



**PRICES OF SINGLES ABSORBED AT COMPLETION
Kelowna C.A. January-May 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	21	17	15	17
Dilworth Mountain	18	21	5	9
Ellison	37	24	20	18
Glenrosa	4	10	13	3
Glenmore	8	18	12	12
I.R.	17	3	6	0
Core Area*	92	82	76	49
Lakeview Heights	37	53	42	24
Lower Mission	22	22	11	13
North Glenmore	24	3	4	5
Peachland	4	6	8	9
Rutland North	17	26	25	17
Rutland South	1	0	1	9
S. E. Kelowna	18	33	18	15
Shannon Lake	13	25	15	21
Upper Mission	171	81	98	70
Westbank	7	3	5	2
Winfield	15	16	12	11
West Kelowna	38	43	34	43
Other**	29	9	18	6
Total	593	495	438	353

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

HOUSING ACTIVITY SUMMARY - KELOWNA CA MAY 2004

	OWNERSHIP				RENTAL				TOTAL
	FREEHOLD		CONDOMINIUM		PRIVATE		ASSISTED		
	Single	Semi	Row	Apt.	Row	Apt.	Row	Apt.	
Starts									
May 2004	136	12	4	0	0	0	0	0	152
YTD 2004	593	64	38	119	4	89	0	0	907
YTD 2003	495	34	0	204	0	54	0	0	787
Under Construction									
May 2004	743	116	60	695	4	89	0	0	1,707
May 2003	539	74	44	391	4	114	0	0	1,166
Completions									
May 2004	149	4	0	0	0	7	0	0	160
YTD 2004	454	22	8	94	0	113	0	0	691
YTD 2003	355	32	3	266	0	0	0	0	656
Inventory									
May 2004	63	11	1	1	0	30			106
May 2003	52	7	3	15	0	32			109
Total Supply									
May 2004	806	127	61	696	4	119	0	0	1,813
May 2003	591	81	47	406	4	146	0	0	1,275
Absorption									
May 2004	137	4	2	26	0	14			183
3 Mo. Ave.	82	4	2	30	0	23			141
12 Mo. Ave.	94	8	3	57	1	9			172

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
MAY 2004 AND YEAR-TO-DATE 2004

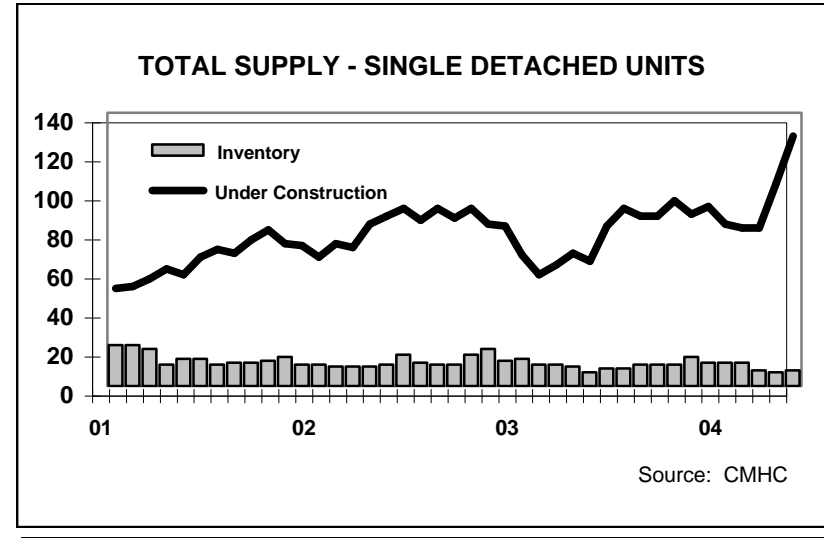
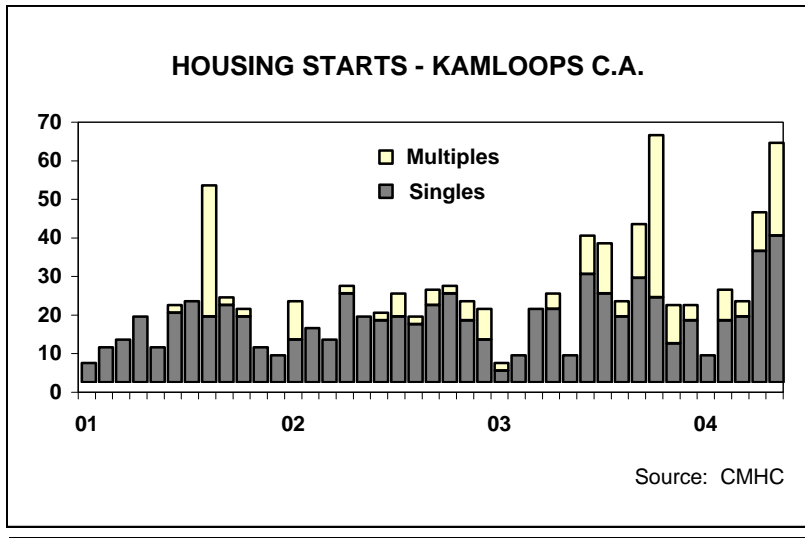
	STARTS							COMPLETIONS							UNDER CONSTRUCTION						
	Single	Semi	Row Condo	Apt. Condo	Row Rental	Apt. Rental	Total	Single	Semi	Row Condo	Apt. Condo	Row Rental	Apt. Rental	Total	Single	Semi	Row Condo	Apt. Condo	Row Rental	Apt. Rental	Total
Cranbrook City	8	0	0	0	0	0	8	1	0	0	0	0	0	1	18	0	0	0	0	0	18
E. Kootenay C	4	0	0	0	0	0	4	1	0	0	0	0	0	1	38	0	0	0	0	0	38
Cranbrook CA	12	0	0	0	0	0	12	2	0	0	0	0	0	2	56	0	0	0	0	0	56
Y.T.D. 2004	26	0	0	0	0	0	26	7	0	0	0	0	0	7							
Kamloops C.	31	20	4	0	0	0	55	10	2	0	0	0	0	12	111	52	31	42	0	0	236
Kamloops IR	7	0	0	0	0	0	7	4	0	0	0	0	0	4	17	0	0	0	0	0	17
Kamloops CA	38	20	4	0	0	0	62	14	2	0	0	0	0	16	128	52	31	42	0	0	253
Y.T.D. 2004	112	42	4	0	0	0	158	76	14	0	0	0	0	90							
Penticton City	3	2	4	15	0	0	24	1	0	0	0	0	0	1	33	6	40	107	12	0	198
Sub. D	4	0	0	0	0	0	4	3	0	0	0	0	0	3	27	0	0	12	0	0	39
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	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Penticton IR	4	0	0	0	0	0	4	3	0	0	0	0	0	3	10	0	0	0	0	0	10
Penticton CA	11	2	4	15	0	0	32	7	0	0	0	0	0	7	79	6	40	119	12	0	256
Y.T.D. 2004	56	4	16	81	8	0	165	47	2	4	62	0	0	115							
Salmon Arm	11	2	0	0	0	0	13	10	0	0	0	0	0	10	35	8	6	6	0	0	55
Y.T.D. 2004	33	2	0	6	0	0	41	35	0	4	0	0	3	42							
Summerland	6	0	3	0	0	0	9	0	0	0	0	0	0	0	26	0	6	0	0	0	32
Y.T.D. 2004	18	0	6	0	0	0	24	7	0	0	0	0	0	7							
Vernon City	26	2	0	0	0	0	28	16	4	3	0	0	0	23	117	14	13	0	0	0	144
Coldstream	11	0	0	0	0	0	11	5	0	0	0	0	0	5	46	0	0	0	0	0	46
Sub. C	2	0	0	0	0	0	2	1	2	0	0	0	0	3	5	0	0	0	0	0	5
Sub. D	1	0	0	0	0	0	1	0	0	0	0	0	0	0	2	0	0	0	0	0	2
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	0	0	0	0	0	0	0
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	40	2	0	0	0	0	42	22	6	3	0	0	0	31	170	14	13	0	0	0	197
Y.T.D. 2004	128	8	3	0	0	0	139	101	16	3	0	0	0	120							

KAMLOOPS CA

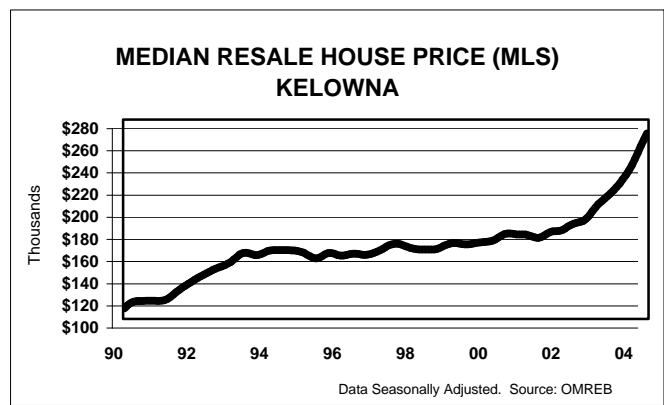
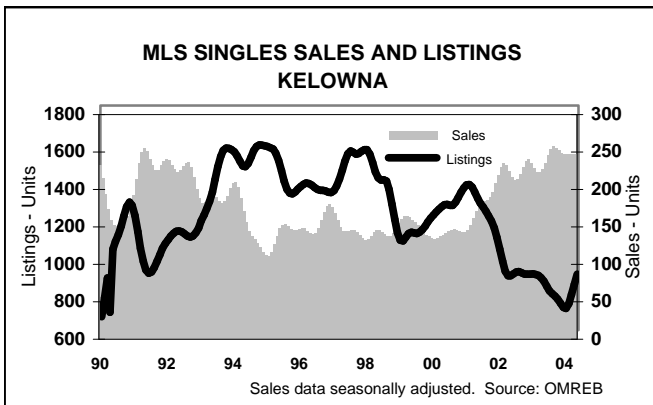
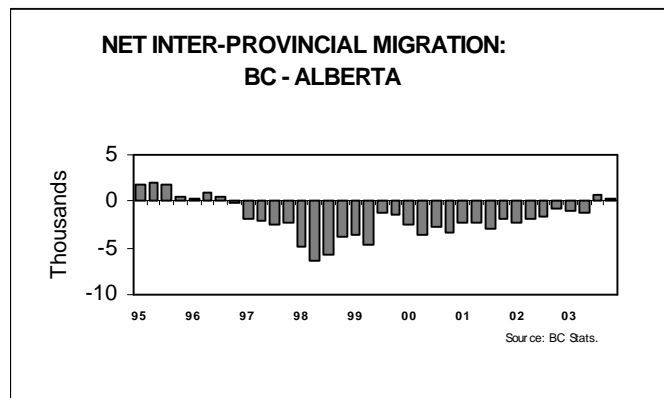
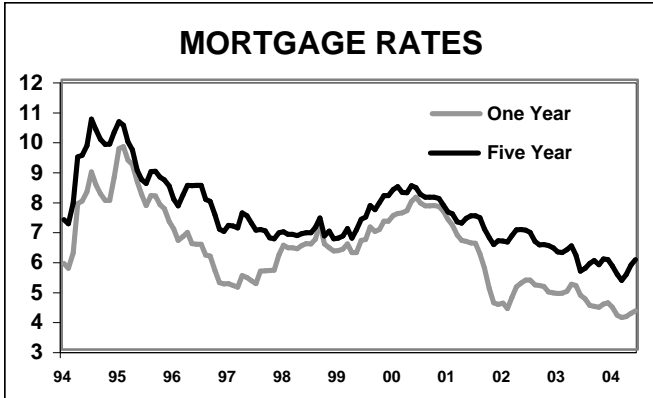
Inventory and Absorption by Municipality MAY 2004 AND YEAR-TO-DATE 2003 & 2004

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
Kamloops City	11	0	3	0	7	5	26	7	0	3	0	4	10	24
Kamloops IR	0	0	0	0	0	3	3	0	0	0	0	0	3	3
MONTH TOTAL	11	0	3	0	7	8	29	7	0	3	0	4	13	27
Y.T.D. Average 2004*	12	0	3	0	10	9	34	Y.T.D. TOTAL 2004						
Y.T.D. Average 2003*	29	0	3	0	16	11	59	15	0	7	0	10	79	111

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



KEY ECONOMIC INDICATORS



SOUTHERN INTERIOR RESALE MARKETS

MLS SALES	May				YEAR-TO-DATE			
	Sales May 2004	Percent Change May 03	Median Price May 04	Percent Change May 03	Sales YTD 2004	Percent Change YTD 03	Median Price YTD 2004	Percent Change YTD 03
Single Detached								
Kelowna	277	5%	\$278,000	28%	1,288	12%	\$256,750	22%
Kamloops	115	-14%	\$186,000	16%	557	14%	\$170,500	9%
Vernon Area	173	16%	\$188,000	7%	717	26%	\$183,000	12%
Penticton	41	3%	\$215,000	16%	178	4%	\$191,000	16%
Salmon Arm	27	4%	\$180,101	7%	103	10%	\$167,000	-5%
Cranbrook	39	56%	\$120,000	3%	144	48%	\$118,750	n/a

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Current month MLS data is preliminary.

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