

H

OUSING NOW

Kelowna / Southern Interior

YOUR LINK TO THE HOUSING MARKET

New Construction Highlights

Canada Mortgage and Housing Corporation

Home Construction Ramps Back Up In September

Kelowna area housing starts rebounded sharply, climbing to a twelve year high in September. Housing starts shot up to 317 units from only 66 units in August. Both the singles and multi-family sectors saw big increases.

September housing starts surged ahead as builders began clearing away the back log caused by this summer's labour dispute among concrete suppliers. Construction began on three condominium projects totaling 115 units. Absorption remains strong. Low inventories point to more opportunity for expansion. Expect housing starts to break the 2000 unit mark again this year.

The demand outlook remains positive. An increasingly diversified and expanding local economy has led to solid employment growth. Kelowna is now seeing more broadly based population

growth - retirees, "lifestylers" and job seekers. Consumers are upbeat and in the mood to spend. Mortgage rates, though edging up, remain low by historical standards. Though good news, slightly higher interest rates in combination with limited income growth and this year's big up-tick in prices has meant reduced affordability.

Elsewhere, the Kamloops, Vernon and Penticton area new home markets, lead by the singles sector, maintained a brisk pace in September. All three centres are on track to see the highest level of housing starts since the mid 1990s.

Kelowna area resale house sales have moderated, slowing in response to sharply rising prices and increasingly stiff price competition from the new home market. The median resale house price has jumped 23% over the same nine month period last year. The supply of listings has trended back up, expectations of big price gains drawing sellers into the marketplace.

SEPTEMBER 2004

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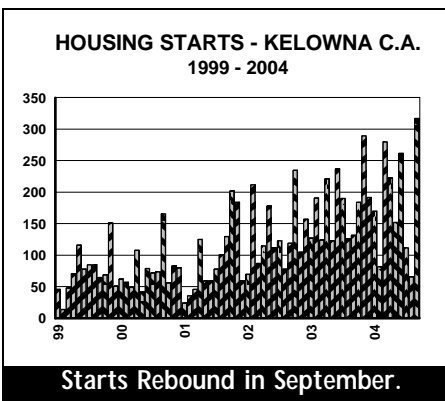
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BC New Home Market Fastest Growing in Canada

The BC new home market recorded another strong performance in September. BC housing starts are expected to reach a ten year high in 2004. BC's new home market remains the fastest growing in Canada. Nationally, housing starts edged down, dropping back four per cent to 231,000 units, seasonally adjusted at annual rates (SAAR) from 241,100 units (SAAR) in August.

CMHC Kelowna Noticeboard

- ◆ **October 2004 Housing Starts: Local, BC, and National news releases scheduled for Nov. 8, 2004.**
- ◆ **The Fall 2004 Kelowna Housing Market Outlook and 2004 Okanagan Seniors Housing Market Survey 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

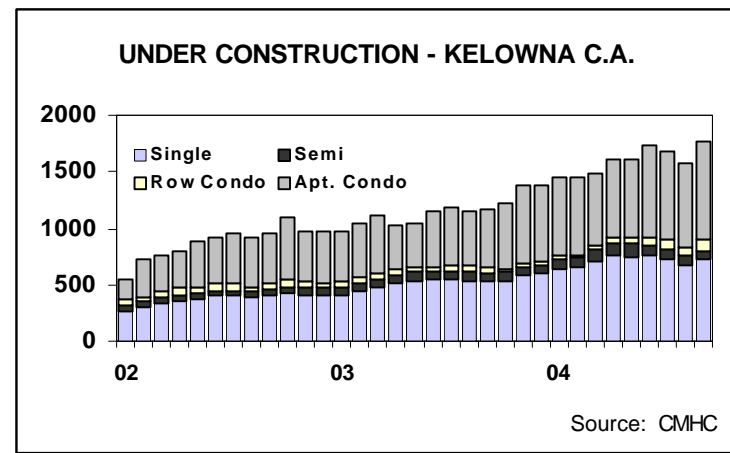
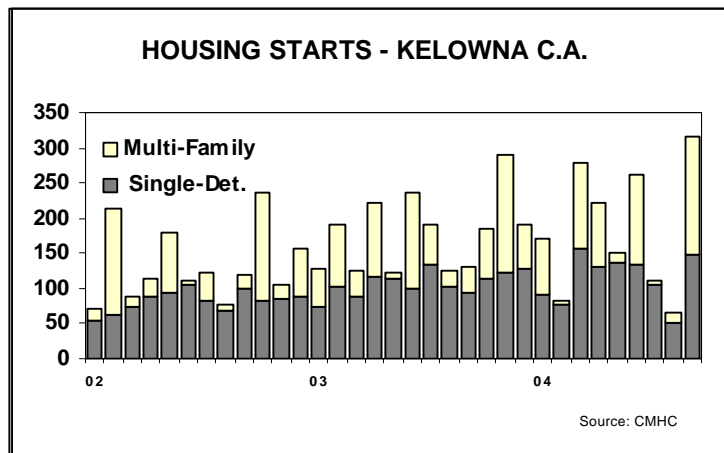
KELOWNA C.A.

STARTS/COMPLETIONS/UNDER CONSTRUCTION

SEPTEMBER 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	112	8	28	0	72	0	220	79	6	0	4	0	0	89	504	36	83	1	763	89	1,476
Sub. J*	16	4	0	0	0	0	20	17	8	4	0	0	0	29	136	32	10	0	43	0	221
Sub. I*	5	4	0	0	0	0	9	2	4	0	0	0	0	6	18	12	0	0	0	0	30
Lake Country	6	0	9	0	0	0	15	7	0	0	0	0	0	7	26	0	9	0	0	0	35
Peachland	2	0	0	0	43	0	45	0	0	0	0	0	0	0	13	2	6	0	56	0	77
Indian Res.	8	0	0	0	0	0	8	5	0	0	0	0	0	5	20	0	0	0	0	0	20
MONTH TOTAL	149	16	37	0	115	0	317	110	18	4	4	0	0	136	717	82	108	1	862	89	1,859
YEAR-TO-DATE	1,030	94	96	5	354	89	1,668	917	86	18	4	162	113	1,300							

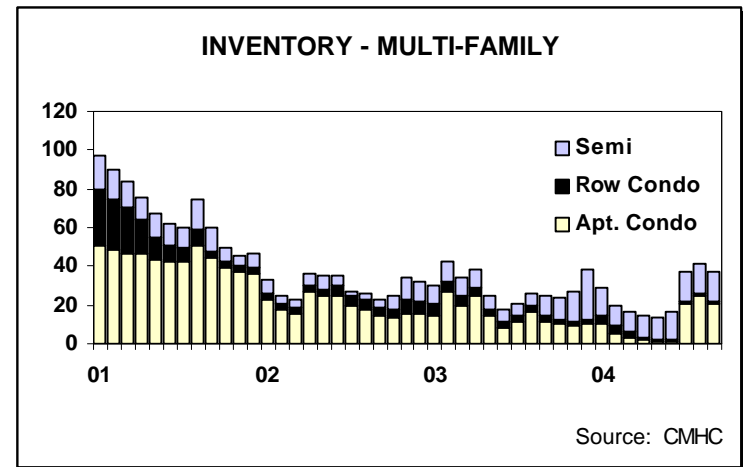
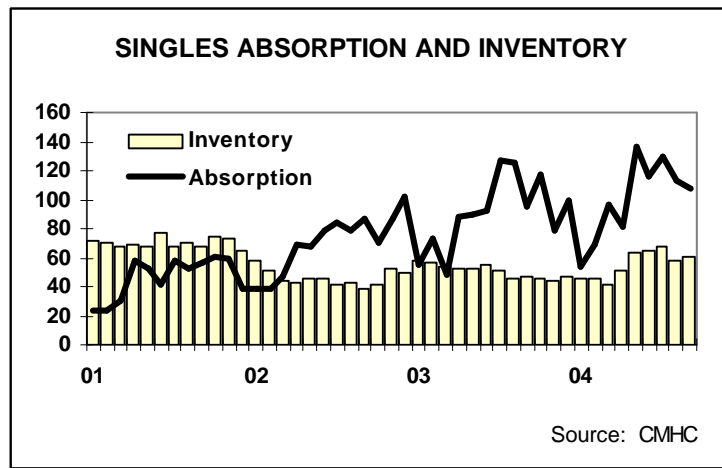
* Sub. J - Westside (former Sub. G and H) - Glenrosa, Westbank, Smith Creek, Shannon Heights, West Kelowna, Lakeview Heights, Westside/Fintry. Sub. I - Joe Rich, Ellison.



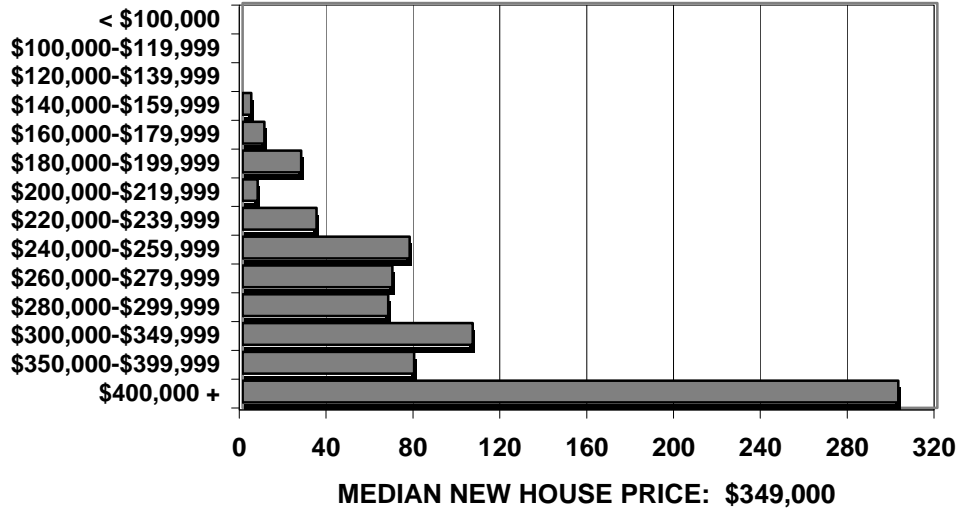
KELOWNA C.A.
INVENTORY AND ABSORPTION
SEPTEMBER 2004 & YEAR-TO-DATE 2003 & 2004

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	21	30	0	0	10	42	103	Kelowna City	10	0	2	4	6	77	99
Sub. J	0	0	1	0	1	14	16	Sub. J	0	0	0	0	9	16	25
Sub. I	0	0	0	0	2	2	4	Sub. I	0	0	0	0	3	2	5
Lake Country	0	0	0	0	0	0	0	Lake Country	0	0	0	0	0	7	7
Peachland	0	0	0	0	2	0	2	Peachland	0	0	3	0	0	0	3
Indian Reserve	0	0	0	0	0	3	3	Indian Reserve	0	0	0	0	0	5	5
MONTH TOTAL	21	30	1	0	15	61	128	MONTH TOTAL	10	0	5	4	18	107	144
Y.T.D. Average 2004*	10	25	2	0	13	55	105	Y.T.D. Total 2004	292	84	41	4	81	903	1,405
Y.T.D. Average 2003*	17	32	4	0	8	52	113	Y.T.D. Total 2003	373	19	29	4	65	793	1,283

Absorption does not include assisted rental units. * Rounded.



PRICES OF SINGLES ABSORBED AT COMPLETION
Kelowna C.A. January - September 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	57	35	31	34
Dilworth Mountain	39	34	16	25
Ellison	65	44	43	41
Glenrosa	12	25	18	15
Glenmore	13	43	21	26
I.R.	34	5	18	2
Core Area*	145	146	142	116
Lakeview Heights	55	82	66	58
Lower Mission	46	40	36	36
North Glenmore	55	9	25	9
Peachland	14	15	12	20
Rutland North	28	60	36	46
Rutland South	1	0	1	11
S. E. Kelowna	37	61	42	47
Shannon Lake	23	45	29	50
Upper Mission	259	139	230	124
Westbank	14	8	13	5
Winfield	26	32	24	27
West Kelowna	57	71	62	78
Other**	50	32	38	23
Total	1030	926	903	793

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

HOUSING ACTIVITY SUMMARY - KELOWNA CA SEPTEMBER 2004

	OWNERSHIP				RENTAL				TOTAL
	FREEHOLD		CONDOMINIUM		PRIVATE		ASSISTED		
	Single	Semi	Row	Apt.	Row	Apt.	Row	Apt.	
Starts									
Sept. 2004	149	16	37	115	0	0	0	0	317
YTD 2004	1,030	94	96	354	5	89	0	0	1,668
YTD 2003	926	66	26	400	0	54	0	0	1,472
Under Construction									
Sept. 2004	717	82	108	862	1	89	0	0	1,859
Sept. 2003	536	70	46	516	0	110	0	0	1,278
Completions									
Sept. 2004	110	18	4	0	4	0	0	0	136
YTD 2004	917	86	18	162	4	113	0	0	1,300
YTD 2003	790	66	27	337	4	4	0	0	1,228
Inventory									
Sept. 2004	61	15	1	21	0	30			128
Sept. 2003	47	11	3	11	0	28			100
Total Supply									
Sept. 2004	778	97	109	883	1	119	0	0	1,987
Sept. 2003	583	81	49	527	0	138	0	0	1,378
Absorption									
Sept. 2004	107	18	5	10	4	0			144
3 Mo. Ave.	119	14	9	29	0	0			171
12 Mo. Ave.	99	8	3	48	0	10			168

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
SEPTEMBER 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	6	0	0	0	0	0	6	4	0	0	0	0	0	4	22	0	0	0	0	0	0	22
E. Kootenay C	8	0	0	0	0	0	8	0	0	0	0	0	0	0	60	0	0	0	0	0	0	60
Cranbrook CA	14	0	0	0	0	0	14	4	0	0	0	0	0	4	82	0	0	0	0	0	0	82
Y.T.D. 2004	68	0	0	0	0	0	68	23	0	0	0	0	0	23								
Kamloops C.	27	2	8	0	0	0	37	20	10	4	0	0	0	34	124	58	16	0	0	0	0	198
Kamloops IR	3	0	0	0	0	0	3	10	0	0	0	0	0	10	18	0	0	0	6	0	0	24
Kamloops CA	30	2	8	0	0	0	40	30	10	4	0	0	0	44	142	58	16	0	6	0	0	222
Y.T.D. 2004	221	64	22	0	0	0	307	171	30	27	42	0	0	270								
Penticton City	5	4	0	0	0	0	9	5	2	0	0	4	0	11	29	6	36	107	8	0	0	186
Sub. D	4	0	0	0	0	0	4	3	0	0	0	0	0	3	26	0	0	0	0	0	0	26
Sub. E	3	0	0	0	0	0	3	2	0	0	0	0	0	2	10	0	0	0	0	0	0	10
Sub. F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1
Penticton IR	0	0	0	0	0	0	0	4	0	0	0	0	0	4	1	0	0	0	0	0	0	1
Penticton CA	12	4	0	0	0	0	16	14	2	0	0	4	0	20	67	6	36	107	8	0	0	224
Y.T.D. 2004	96	8	26	81	8	0	219	99	6	18	74	4	0	201								
Salmon Arm	7	0	3	0	0	0	10	8	0	3	0	0	0	11	32	10	3	6	0	0	0	51
Y.T.D. 2004	63	6	3	6	0	0	78	68	2	10	0	0	3	83								
Summerland	2	0	0	0	0	0	2	3	0	0	0	0	0	3	23	0	10	0	0	0	0	33
Y.T.D. 2004	31	0	10	0	0	0	41	23	0	0	0	0	0	23								
Vernon City	25	0	0	0	0	0	25	12	0	0	0	0	0	12	135	4	49	0	0	0	0	188
Coldstream	5	0	0	0	0	0	5	4	0	0	0	0	0	4	38	0	0	0	0	0	0	38
Sub. C	1	4	0	0	0	0	5	0	0	0	0	0	0	0	17	14	0	0	0	0	0	31
Sub. D	4	0	0	0	0	0	4	1	0	0	0	0	0	1	6	0	0	0	0	0	0	6
Sub. E	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1
Lumby	3	0	0	0	0	0	3	0	0	0	0	0	0	0	11	0	0	0	0	0	0	11
I. R.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	0	4
Vernon CA	38	4	0	0	0	0	42	17	0	0	0	0	0	17	208	18	49	0	4	0	0	279
Y.T.D. 2004	277	22	44	0	4	0	347	212	26	8	0	0	0	246								

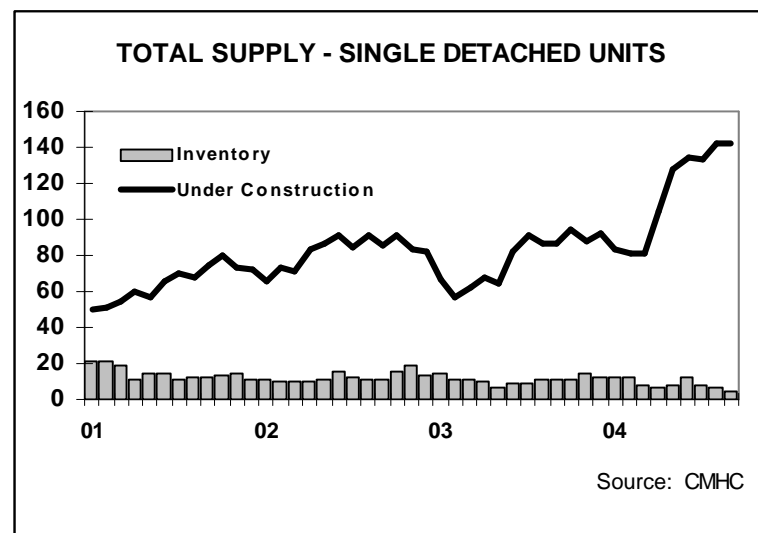
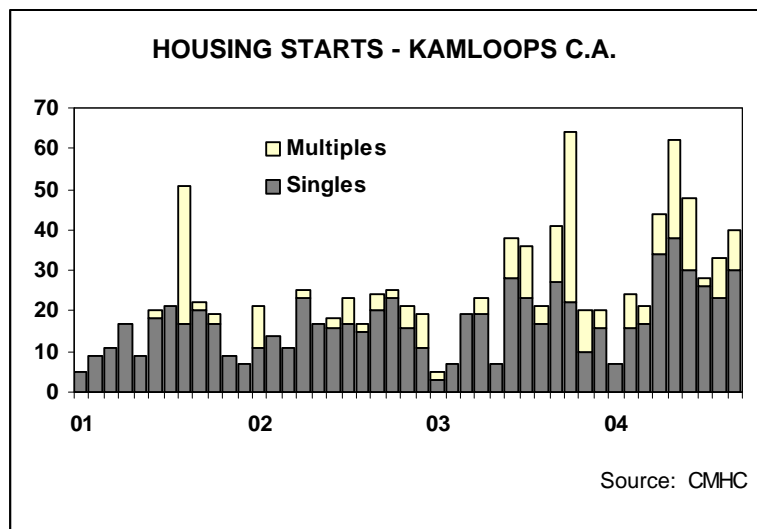
KAMLOOPS CA

Inventory and Absorption by Municipality

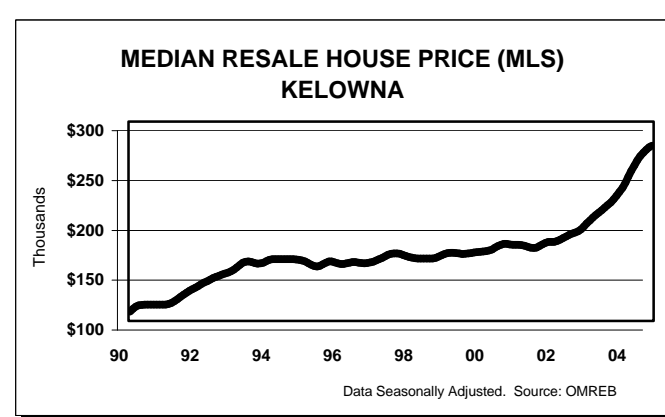
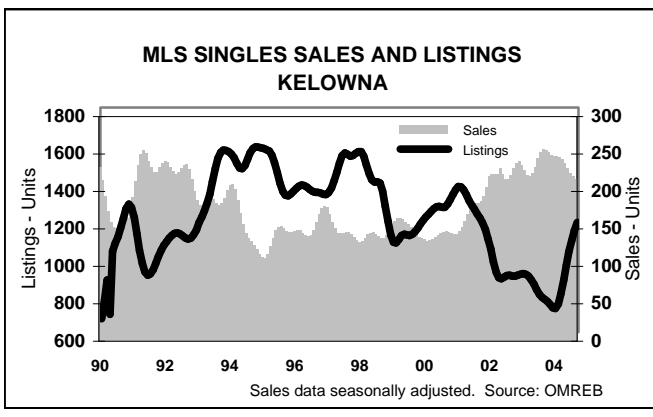
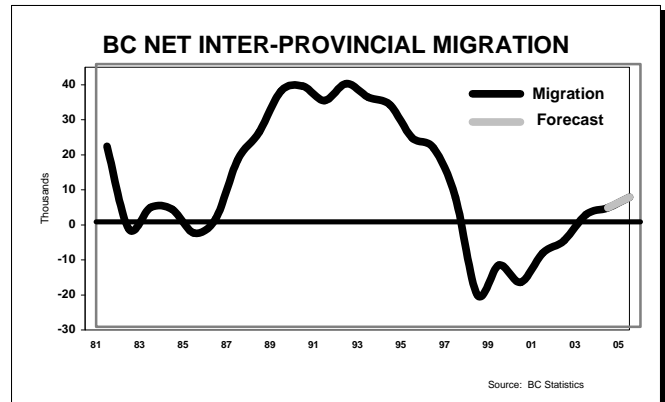
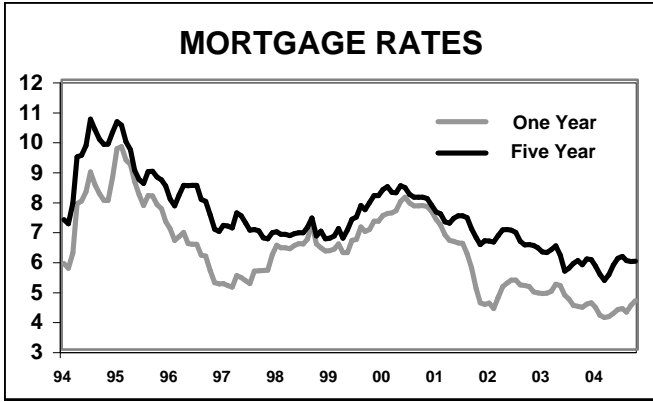
SEPTEMBER 2004 AND YEAR-TO-DATE 2003 & 2004

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	12	0	1	0	6	3	22	3	0	2	0	11	2	39
Kamloops IR	0	0	0	0	0	1	1	0	0	0	0	0	10	10
MONTH TOTAL	12	0	1	0	6	4	23	3	0	2	0	11	3	49
Y.T.D. Average 2004*	12	0	3	0	9	9	33	44	0	19	0	35	179	277
Y.T.D. Average 2003*	22	0	2	0	15	10	49	19	0	13	0	28	14	207

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



KEY ECONOMIC INDICATORS



SOUTHERN INTERIOR RESALE MARKETS

MLS SALES	SEPTEMBER				YEAR-TO-DATE			
	Sales Sept. 2004	Percent Change Sept. 03	Median Price Sept. 04	Percent Change Sept. 03	Sales YTD 2004	Percent Change YTD 03	Median Price YTD 2004	Percent Change YTD 03
Single Detached								
Kelowna	236	-10%	\$278,000	24%	2,295	0.6%	\$265,000	23%
Kamloops	113	27%	\$180,000	14%	1,055	15%	\$176,500	12%
Vernon Area	152	8%	\$187,000	13%	1,299	13%	\$189,000	14%
Penticton	30	-23%	\$239,000	37%	335	4%	\$210,000	24%
Salmon Arm	31	7%	\$184,000	5%	226	15%	\$175,000	-0.6%
Cranbrook	29	61%	\$125,000	14%	254	41%	\$123,950	n/a

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