

H

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Canada Mortgage and Housing Corporation

New Construction Highlights

Kelowna Housing Starts Drop in May

Kelowna area housing starts were down sharply in May. Housing starts fell to only 142 units from 549 units in April - the second highest monthly level ever. Fewer multifamily starts accounted for all of the decline. Housing starts were expected to drop back following April's big surge in multifamily construction.

The Kelowna new home market remains buoyant despite May's decline. Multifamily starts typically see big swings on a month to month basis. Expect both condo and townhouse starts to surge forward again during the next few months. With the price of detached units up sharply, more buyers are turning to higher density housing. Retirees and others seeking resort-oriented housing remain key markets. Multifamily starts are on track to surpass singles starts in 2005. The singles sector maintained a steady

pace in May. Absorption for all dwelling types remains strong, keeping inventories low.

The BC economy continues to expand, churning out jobs. May's unemployment rate fell to the second lowest on record. Kelowna's economy is also firing on all cylinders. Strong employment growth has, in turn, spurred in-migration, fueling demand for both new and resale housing. Low interest rates continue to support high levels of sales and construction activity.

Elsewhere, Kamloops starts, lead by the multifamily sector, reached an eight year high in May. Penticton starts were also up sharply. Construction began on two condominium projects, boosting starts to the highest level since September, 1996. The Vernon new home market recorded another strong performance in May. Housing starts in all three centres have jumped 30-40% over the same five month period last year.

MAY 2005

IN THIS ISSUE

Highlights - New Construction 1

STATISTICAL TABLES:

Kelowna C.A.

Starts/Completions/Under Construction 2
Inventory & Absorptions 3
Record of Starts 4
Kelowna Activity Summary 5

Kamloops/Okanagan

Starts/Completions/Under Construction 6
Kamloops Inventory & Absorptions 7
Key Economic Indicators & MLS® Sales 8

CMHC Kelowna Noticeboard

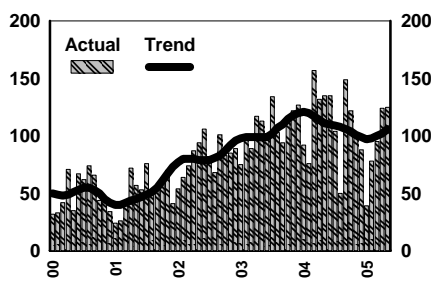
♦ **June 2005** Housing Starts: Local, BC, and National news releases scheduled for July 11, 2005.

♦ **The Spring 2005 Kelowna Housing Market Outlook Report available May 16, 2005!** 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! **Ask for CMHC's 2004 Rental Market and Okanagan Seniors Housing Market Survey Reports.**

♦ **To subscribe to CMHC Housing Market reports call:** Lisa Preston - Administrator, Products and Services. Telephone: (604) 737-4088. Fax: (604) 737-4021. E-mail: lp Preston@cmhc.ca

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SINGLES STARTS - KELOWNA C.A.
2000 - 2005



Singles starts maintain steady pace.

BC Starts Edge Up In May

BC starts were up slightly from a year ago, fewer Vancouver area starts offset by increased activity in Victoria and other, smaller urban centres. Nationally, housing starts fell 5% to 218,800 units, seasonally adjusted at annual rates (SAAR), from 230,400 units (SAAR), in April. Quebec and Ontario recorded the biggest drop in activity.

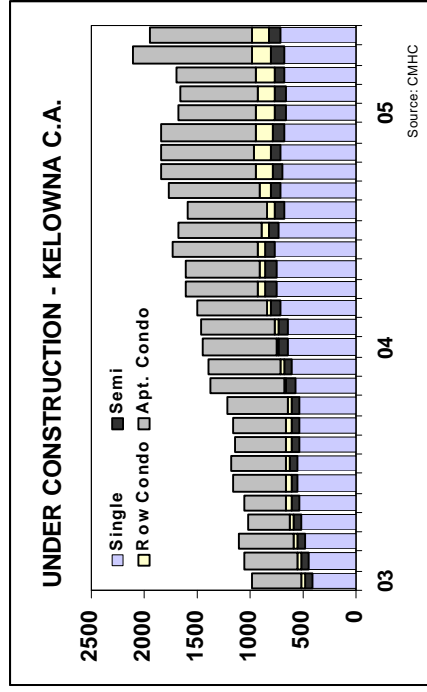
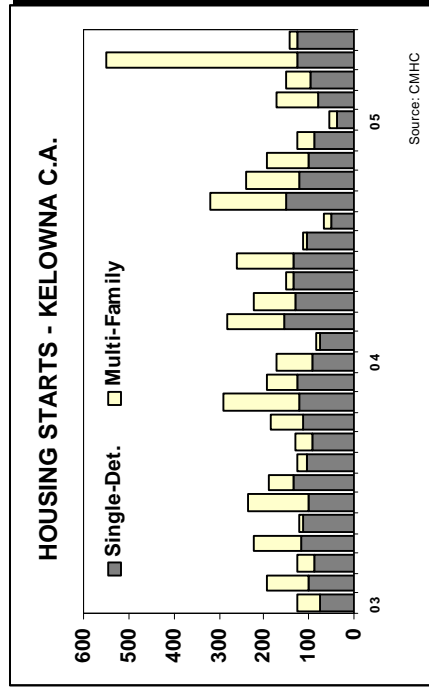
KELOWNA C.A.

STARTS/COMPLETIONS/UNDER CONSTRUCTION

MAY 2005 & YEAR-TO-DATE 2005

	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	88	2	12	1	0	0	103	73	2	30	1	158	8	272	462	68	136	1	839	109	1,615
Sub. J*	24	2	0	0	0	0	26	13	4	0	0	0	0	17	149	20	14	0	42	40	265
Sub. I*	2	0	0	0	0	0	2	3	0	0	0	0	0	3	12	4	0	0	0	0	16
Lake Country	9	0	0	0	0	0	9	3	0	0	0	0	0	3	61	2	12	0	0	0	75
Peachland	1	0	0	0	0	0	1	0	2	0	0	0	0	2	16	12	3	0	82	0	113
Indian Res.	1	0	0	0	0	0	1	5	0	0	0	0	0	5	15	0	0	0	0	0	15
MONTH TOTAL	125	4	12	1	0	0	142	97	8	30	1	158	8	302	715	106	165	1	963	149	2,099
YEAR-TO-DATE	461	44	61	1	448	55	1,070	424	40	68	2	273	8	815							

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



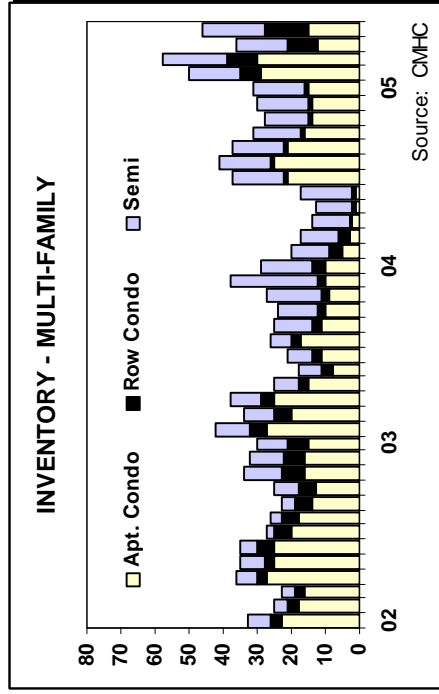
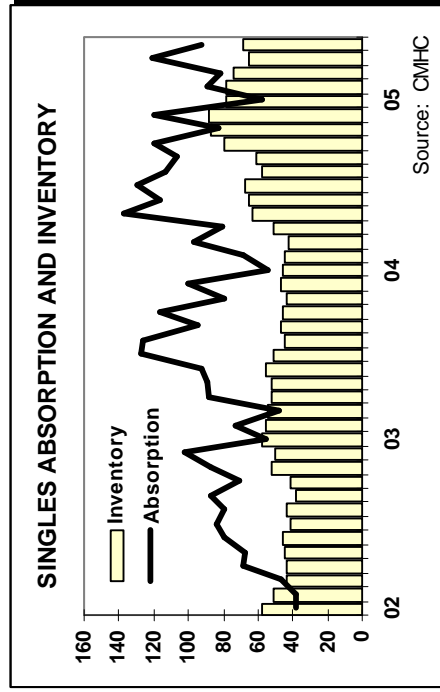
KELOWNA C.A.

INVENTORY AND ABSORPTION

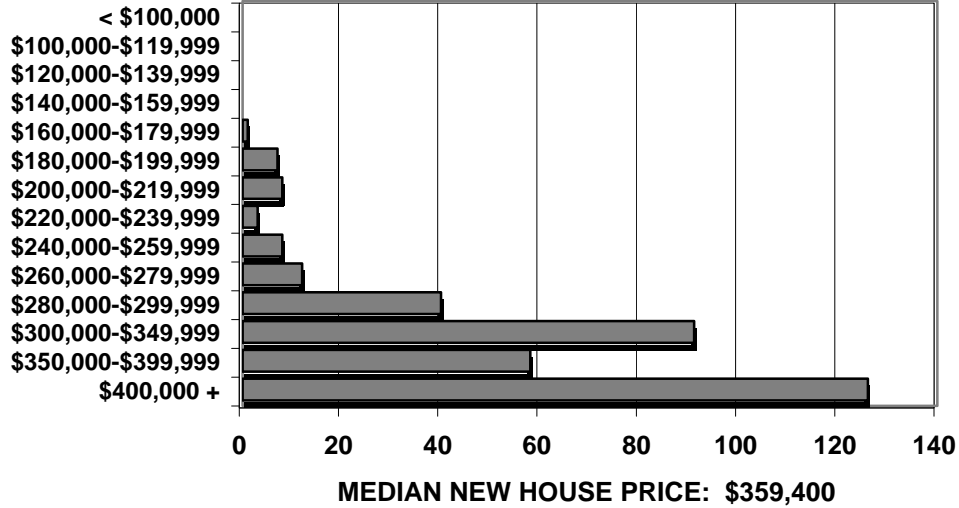
MAY 2005 & YEAR-TO-DATE 2004 & 2005

INVENTORY OF NEW HOMES										ABSORPTION OF NEW HOMES											
	Apt		Row		Semi		Single		Total			Apt		Row		Semi		Single		Grand	
	Condo	Rental	Condo	Rental	Condo	Rental	Condo	Rental	Condo	Rental		Condo	Rental	Condo	Rental	Condo	Rental	Condo	Rental	Condo	Rental
Kelowna City	15	0	13	0	11	0	56	0	95		209	8	21	1	1	63	0	303			
Sub. J	0	0	0	0	3	0	8	0	11		10	0	1	0	2	19	0	32			
Sub. I	0	0	0	0	2	0	2	0	4		0	0	0	0	0	3	0	3			
Lake Country	0	0	0	0	0	0	0	0	0		0	0	0	0	0	3	0	3			
Peachland	0	0	0	0	2	0	0	0	2		11	0	0	0	2	0	0	13			
Indian Reserve	0	0	0	0	0	0	3	0	3		0	0	0	0	0	5	0	5			
MONTH TOTAL	15	0	13	0	18	0	69	0	115		230	8	22	1	5	93	0	359			
Y.T.D. Average 2005*	20	0	8	0	16	0	73	0	117		388	53	74	2	37	443	0	997			
Y.T.D. Average 2004*	5	21	3	0	11	0	49	0	89		194	84	9	0	21	438	0	746			

Absorption does not include assisted rental units. * Rounded.



**PRICES OF SINGLES ABSORBED AT COMPLETION
Kelowna C.A. January - May 2005**



Sub Area	Singles Starts By Sub Area		Singles Absorption By Sub Area	
	Y.T.D. 2005	Y.T.D. 2004	Y.T.D. 2005	Y.T.D. 2004
Black Mountain	35	21	36	15
Dilworth Mountain	15	18	20	5
Ellison	9	37	31	20
Glenrosa	0	4	3	13
Glenmore	4	8	6	12
I.R.	3	17	17	6
Core Area*	53	92	50	76
Lakeview Heights	26	37	25	42
Lower Mission	19	22	25	11
North Glenmore	31	24	26	4
Peachland	10	4	7	8
Rutland North	15	17	9	25
Rutland South	0	1	0	1
S. E. Kelowna	16	18	15	18
Shannon Lake	30	13	14	15
Upper Mission	103	171	96	98
Westbank	4	7	7	5
Winfield	45	15	12	12
West Kelowna	21	38	22	34
Other**	22	29	22	18
Total	461	593	443	438

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

HOUSING ACTIVITY SUMMARY - KELOWNA CA MAY 2005

	OWNERSHIP				RENTAL				TOTAL
	FREEHOLD		CONDOMINIUM		PRIVATE		ASSISTED		
	Single	Semi	Row	Apt.	Row	Apt.	Row	Apt.	
Starts									
May 2005	125	4	12	0	1	0	0	0	142
YTD 2005	461	44	61	448	1	15	0	40	1,070
YTD 2004	593	64	38	119	4	89	0	0	907
Under Construction									
May 2005	715	106	165	963	1	109	0	40	2,099
May 2004	743	116	60	695	4	89	0	0	1,707
Completions									
May 2005	97	8	30	158	1	8	0	0	302
YTD 2005	424	40	68	273	2	8	0	0	815
YTD 2004	454	22	8	94	0	113	0	0	691
Inventory									
May 2005	69	18	13	15	0	0			115
May 2004	63	11	1	1	0	30			106
Total Supply									
May 2005	784	124	178	978	1	109	0	40	2,214
May 2004	806	127	61	696	4	119	0	0	1,813
Absorption									
May 2005	93	5	22	230	1	8			359
3 Mo. Ave.	97	9	11	46	1	15			179
12 Mo. Ave.	106	11	12	32	1	7			169

Absorption does not include assisted rentals.

RECORD OF STARTS - KELOWNA C.A.					
YEAR	SINGLE	SEMI	ROW	APT	TOTAL
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
2004	1341	148	176	563	2228

OTHER CENTRES

Starts/Completions/Under Construction MAY 2005 AND YEAR-TO-DATE 2005

	STARTS													COMPLETIONS													UNDER CONSTRUCTION												
	Single				Semi				Condo				Apt.				Total	Single				Semi				Condo				Apt.				Total					
	Row	Condo	Row	Apt.	Row	Condo	Row	Apt.	Row	Condo	Row	Apt.	Row	Rental	Rental	Rental		Rental	Rental	Row	Condo	Row	Apt.	Row	Condo	Row	Apt.	Row	Rental	Rental	Rental	Rental							
Cranbrook City	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	41	2	0	0	0	0	0	43	
E. Kootenay C	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	47	0	0	0	0	0	0	47		
Cranbrook CA	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	88	2	0	0	0	0	0	90			
Y.T.D. 2005	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	153	32	4	43	0	0	0	232			
Kamloops C.	34	12	0	43	0	0	0	0	0	4	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18	0	0	0	0	0	0	18			
Kamloops IR	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	171	32	4	43	0	0	0	250			
Kamloops CA	38	12	0	43	0	0	0	0	0	4	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	171	32	4	43	0	0	0	250			
Y.T.D. 2005	145	18	0	43	0	0	0	0	0	24	16	0	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	37	8	47	272	0	0	0	364			
Penticton City	6	0	0	111	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20	0	0	0	0	0	0	20			
Sub. D	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11	0	0	0	0	0	0	11			
Sub. E	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Sub. F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Penticton IR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1			
Penticton CA	10	0	0	111	0	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	69	8	47	272	0	0	0	396			
Y.T.D. 2005	37	2	24	170	0	0	0	0	0	4	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	45	18	6	6	0	0	0	75			
Salmon Arm	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Y.T.D. 2005	33	6	0	0	0	0	0	0	0	2	6	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	16	0	4	0	0	0	0	20			
Summerland	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Y.T.D. 2005	7	0	0	0	0	0	0	0	0	10	0	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	155	24	63	0	3	0	245				
Vernon City	28	6	7	0	0	0	0	0	0	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	37	0	0	0	0	0	0	37				
Coldstream	7	0	0	0	0	0	0	0	0	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9	0	0	0	0	0	0	9				
Sub. C	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0	0	0	0	0	0	5				
Sub. B	2	0	0	0	0	0	0	0	0	1	0	0	0	0	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	0	0	0	0	0	0	0	0	0	0	0	4	0	4				
Vernon CA	39	6	7	0	0	0	0	0	0	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	206	24	63	0	7	0	300					
Y.T.D. 2005	139	18	22	0	0	0	0	0	0	120	12	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	120	12	11	0	0	0	0	143				

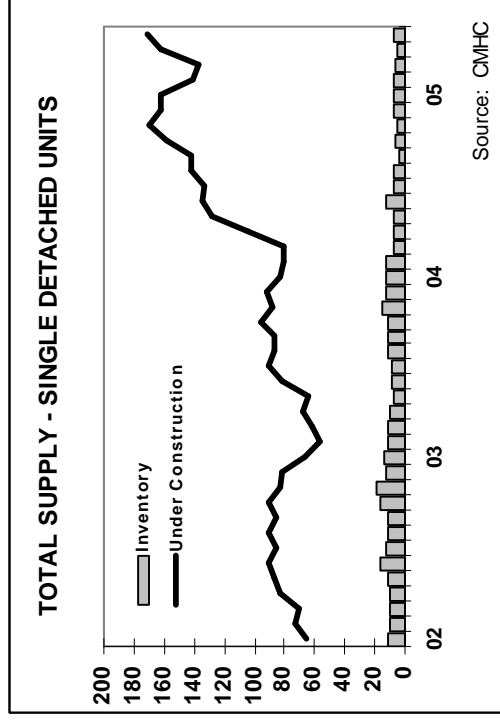
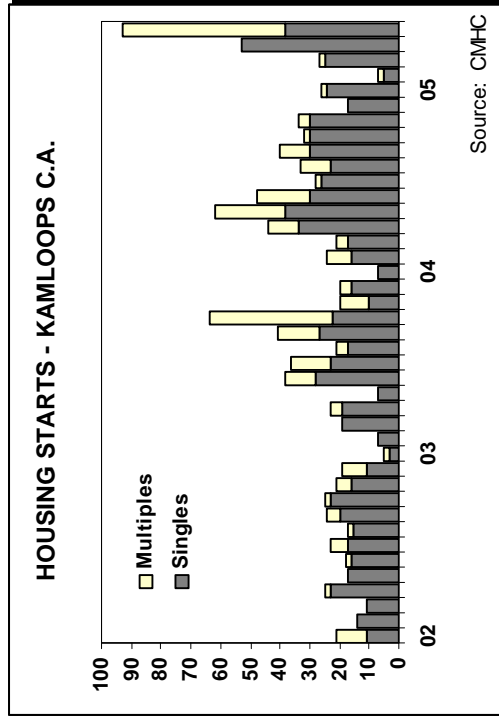
KAMLOOPS CA

Inventory and Absorption by Municipality

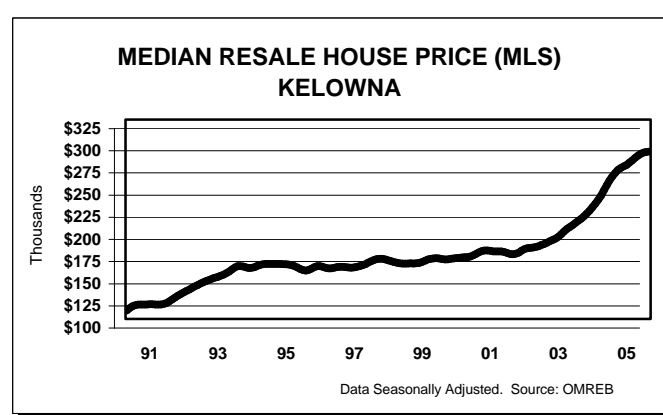
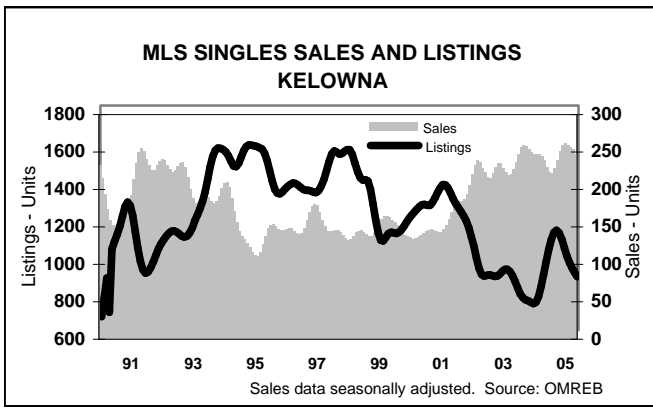
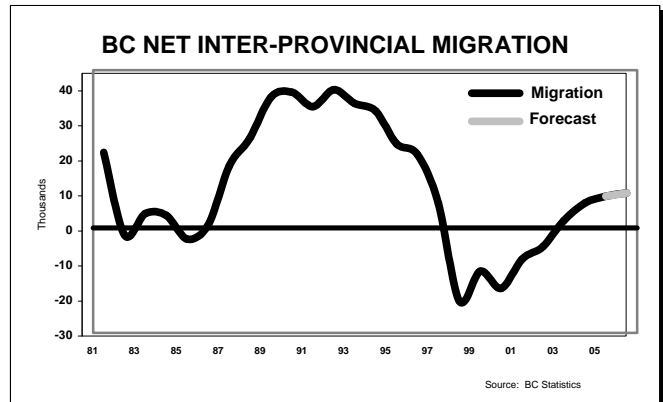
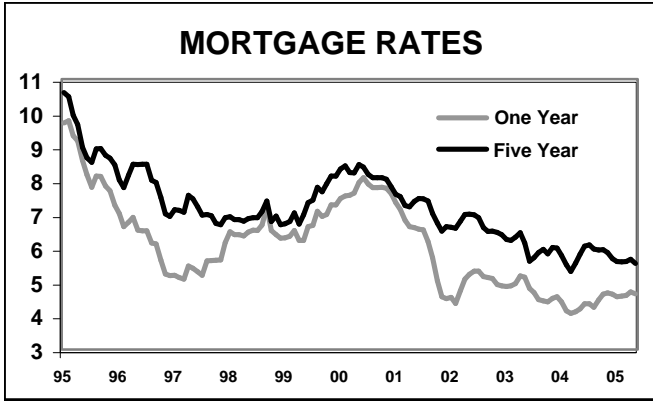
MAY 2005 AND YEAR-TO-DATE 2004 & 2005

	INVENTORY OF NEW HOMES						ABSORPTION OF NEW HOMES					
	Apt Condo	Apt Rental	Row Condo	Semi Rental	Single Total	Total	Apt Condo	Apt Rental	Row Condo	Semi Rental	Single Total	Grand Total
Kamloops City	8	0	3	0	4	21	0	0	3	0	4	26
Kamloops IR	0	0	0	0	1	1	0	0	0	0	0	8
MONTH TOTAL	8	0	3	0	4	22	0	0	3	0	4	34
Y.T.D. Average 2005*	8	0	1	0	4	7	2	0	10	0	26	174
Y.T.D. Average 2004*	12	0	3	0	10	9	39	0	6	0	18	143

Absorption does not include assisted rental units. * Rounded.



KEY ECONOMIC INDICATORS



SOUTHERN INTERIOR RESALE MARKETS

MLS SALES	MAY				YEAR-TO-DATE			
	Sales May 2005	Percent Change May 04	Median Price May 05	Percent Change May 04	Sales YTD 2005	Percent Change YTD 04	Median Price YTD 2005	Percent Change YTD 04
Single Detached								
Kelowna	291	5%	\$318,156	15%	1,317	2%	\$295,000	15%
Kamloops	131	6%	\$203,000	10%	582	2%	\$190,000	11%
Vernon Area	155	-11%	\$255,500	37%	670	-7%	\$228,000	24%
Penticton	53	29%	\$265,000	23%	179	0.5%	\$252,000	32%
Salmon Arm	41	52%	\$206,000	14%	136	28%	\$213,750	29%
Cranbrook	27	-31%	\$149,700	25%	153	10%	\$14,550	n/a

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Current month MLS data is preliminary.

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