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Kelowna

2002 RENTAL MARKET REPORT

Canada Mortgage and Housing Corporation

Kelowna Vacancy Rate Edges Up

NOVEMBER 26, 2002

The Kelowna area vacancy rate edged back up, rising to 1.8 per cent by October 2002 from 1.3 per cent last year. The increase ends a three year decline. Rising core area vacancy rates - mainly one and two bedroom apartment units, accounted for all the increase. Vacancy rates in Rutland saw little change. Core area rents are higher than in Rutland. Also, the core area, unlike Rutland, has seen some new supply come on stream. The vacancy rate, though up slightly in 2002, remains below the ten year average.

Strong competition from the home ownership market and job losses in the manufacturing, telecommunications and public service sectors have meant less demand for rental housing. Recent additions to the stock of rental housing have also contributed to higher vacancy rates.

Rents have seen across-the board increases for the second straight year. Once again, core area rents, both row and apartment, recorded the biggest increases. One and two bedroom average apartment rents rose 3.3 and 2.6 per cent, respectively.

Vacancy rates remained highest in central and northern BC and Vancouver Island and the Kootenays - regions more closely tied to resource-based industry. Closer to home, Penticton and Salmon vacancy rates fell by more than half, dipping to the lowest level since 1994 and 1997, respectively. Vernon saw a smaller decline, the vacancy rate dropping for the fourth straight year. Elsewhere, vacancy rates in Vancouver, Victoria and Kamloops were up slightly.

The CMHC Rental Market Report is conducted in early October and measures vacancy and rental rate trends among apartment and townhouse units.

CMHC is Canada's Housing Agency. The BC & Yukon Business Centre produces a variety of reports which highlight trends in the rental, resale and new construction markets.

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Vacancy Rates Apartment and Row	2001	2002
Bachelor	0.9%	5.4%
1 Bedroom	1.1%	1.7%
2 Bedroom	1.3%	1.8%
3 Bedroom and +	2.2%	0.9%
Total	1.3%	1.8%

Average Apartment Rents	2001	2002
Bachelor	\$464	\$478
1 Bedroom	\$541	\$559
2 Bedroom	\$663	\$680
3 Bedroom and +	\$722	\$736
Total	\$605	\$624

Apartment and Row Units	Vacant	Total
Bachelor	6	117
1 Bedroom	29	1,651
2 Bedroom	41	2,349
3 Bedroom and +	2	237
Total	78	4,354



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I. Vacancy Rates - Apartment and Row

Vacancy Rates by Zone and Bedroom Type Kelowna

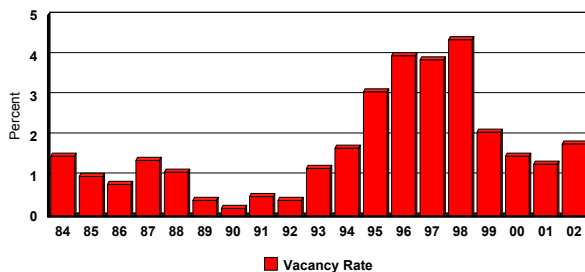
Area	Bachelor		One Bedroom		Two Bedroom		Three Bedroom +		Total	
	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002
Zone 1 – Downtown	0.9	5.6	1.1	1.7	1.5	2.1	1.3	0.0	1.3	2.0
Zone 2 – Rutland	0.0	**	1.1	2.3	0.8	0.7	3.8	2.5	1.1	1.1
Total	0.9	5.4	1.1	1.7	1.3	1.8	2.2	0.9	1.3	1.8

2. Average Apartment Rents

Average Apartment Rents by Zone and Bedroom Type Kelowna

Area	Bachelor		One Bedroom		Two Bedroom		Three Bedroom +		Total	
	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002
Zone 1 – Downtown	\$469	\$483	\$546	\$563	\$678	\$695	\$724	\$739	\$610	\$628
Zone 2 – Rutland	\$350	**	\$494	**	\$610	\$621	\$712	\$720	\$580	\$598
Total	\$464	\$478	\$541	\$559	\$663	\$680	\$722	\$736	\$605	\$624

Vacancy Rates - Apartment and Row
Kelowna 1984 - 2002



Two Bedroom Apartment Average Rents
Kelowna 1984 - 2002



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