

H

HOUSING NOW

Kelowna / Southern Interior

YOUR LINK TO THE HOUSING MARKET

New Construction Highlights

Canada Mortgage and Housing Corporation

Kelowna New Home Market Remains Strong in January

The Kelowna new home construction market began the year on a strong note. January housing starts totaled 127 units, up sharply from 70 units a year ago - the highest January level in over a decade. Both the singles and multiples sectors saw big gains.

Rental housing construction - a 46 unit apartment building, helped boost January starts. The singles sector recorded another strong performance. Absorption has kept pace with new supply, keeping inventories low.

Pent-up demand triggered by low interest rates will remain a key driver in 2003. With resale house prices on the rise and supply of listings down sharply, more buyers are turning to the new home market. An aging population has meant increased demand for retiree/lifestyle and resort-oriented housing. Also, the

Kelowna area economy and population have continued to grow despite job losses in some sectors. The BC economy is poised to see stronger growth in 2003. Strong demand and low inventories point to more opportunity for expansion. Though good news, expect the Kelowna new home market to become increasingly competitive this year.

Elsewhere, Penticton area starts were up from last year, townhouse construction accounting for all the increase. The Vernon new home market saw a mixed performance in January. Rising singles construction was offset by fewer multi-family starts. Kamloops starts were also down in January.

Last year's surge in resale market activity has carried over into 2003, Salmon Arm and all three Okanagan markets recording gains. The supply of listings is down in all locations. Expect resale home prices to continue trending up in response to rising demand and fewer listings.

JANUARY 2003

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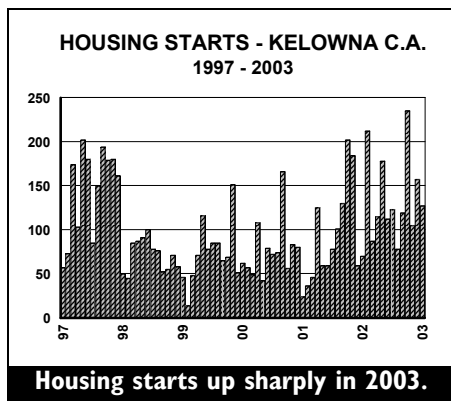
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CMHC Kelowna Noticeboard

- ◆ **February 2003 Housing Starts: Local, BC, and National news releases** scheduled for Mar. 10, 2003.
- ◆ **The 2002 Okanagan Seniors' Housing Market Survey Report and Kelowna Rental Market Report** are now available. **Coming Soon** - the Spring 2003 Kelowna Housing Market Outlook 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:



BC Singles Starts Up Sharply

The BC new home market, lead by the singles sector, maintained a brisk pace in January. Singles starts in urban BC jumped by 45% from the same month a year ago. Nationally, housing starts dipped nine per cent to 183,200 units, seasonally adjusted at annual rates (SAAR), from 200,700 units (SAAR) in December. All regions except Quebec saw a decline in the annual rate.

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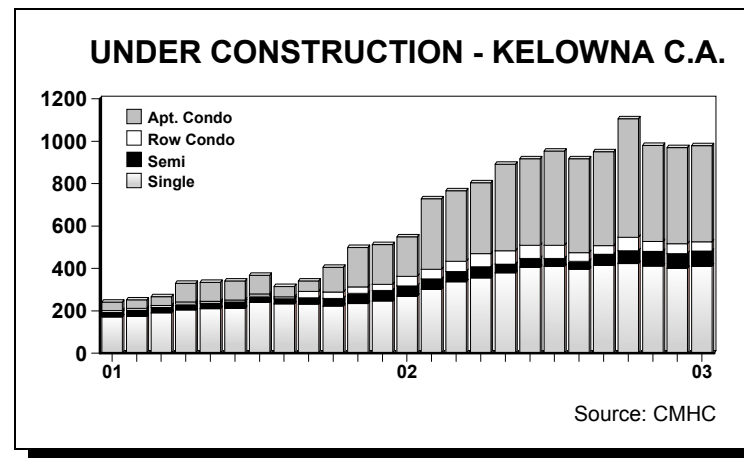
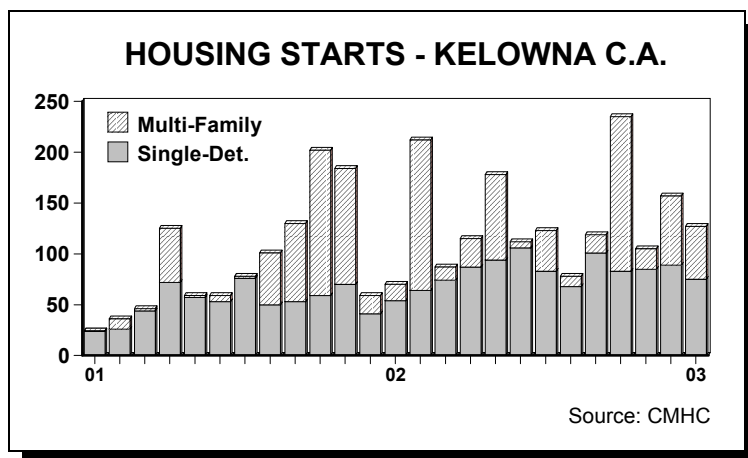


HOME TO CANADIANS
Canada

KELOWNA C.A. STARTS/COMPLETIONS/UNDER CONSTRUCTION JANUARY 2003 & YEAR TO DATE 2003

	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	52	0	0	0	0	46	98	44	2	0	0	0	0	46	261	46	22	4	428	106	867
Sub. G*	8	0	0	0	0	4	12	7	0	0	0	0	0	7	58	0	0	0	0	4	62
Sub. H*	14	2	0	0	0	0	16	4	0	0	0	0	0	4	61	4	0	0	0	0	65
Sub. I*	0	0	0	0	0	0	0	1	0	0	0	0	0	1	3	10	0	0	0	0	13
Lake Country	1	0	0	0	0	0	1	3	0	3	0	0	0	6	17	0	22	0	25	0	64
Peachland	0	0	0	0	0	0	0	4	0	0	0	0	0	4	12	10	0	0	0	0	22
Indian Res.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MONTH TOTAL	75	2	0	0	0	50	127	63	2	3	0	0	0	68	412	70	44	4	453	110	1093
YEAR-TO-DATE	75	2	0	0	0	50	127	63	2	3	0	0	0	68	---	---	---	---	---	---	---

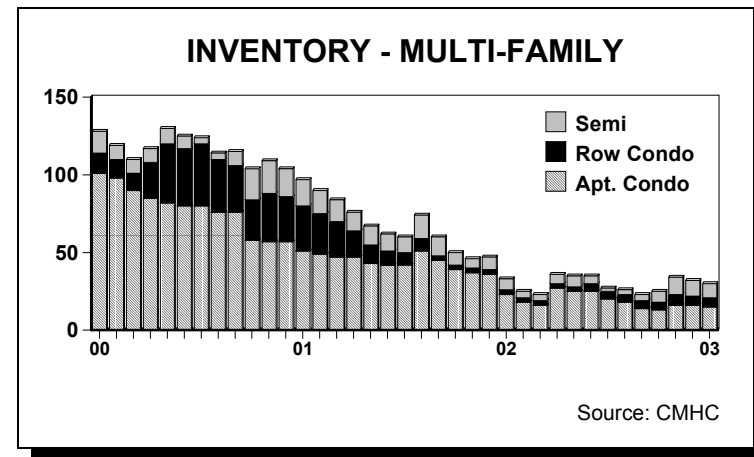
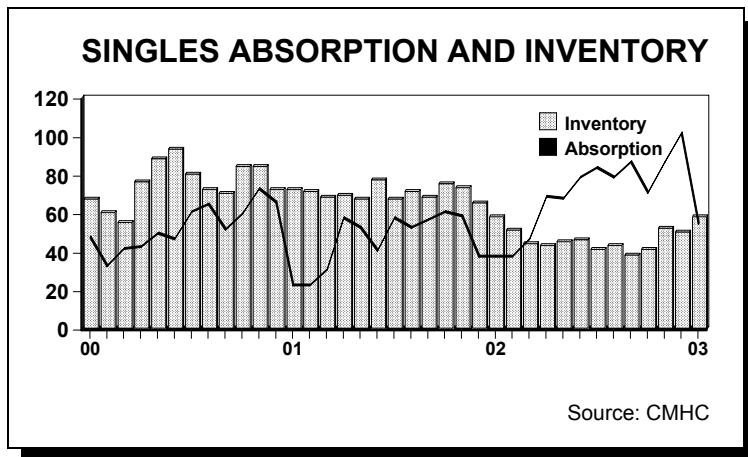
* Sub. G - West Kelowna, Lakeview Heights, Westside/Fintry. Sub H. - Westbank, Glenrosa, Shannon Heights. (Sub G and H former Sub B.) Sub. I - Joe Rich, Ellision (former A.)



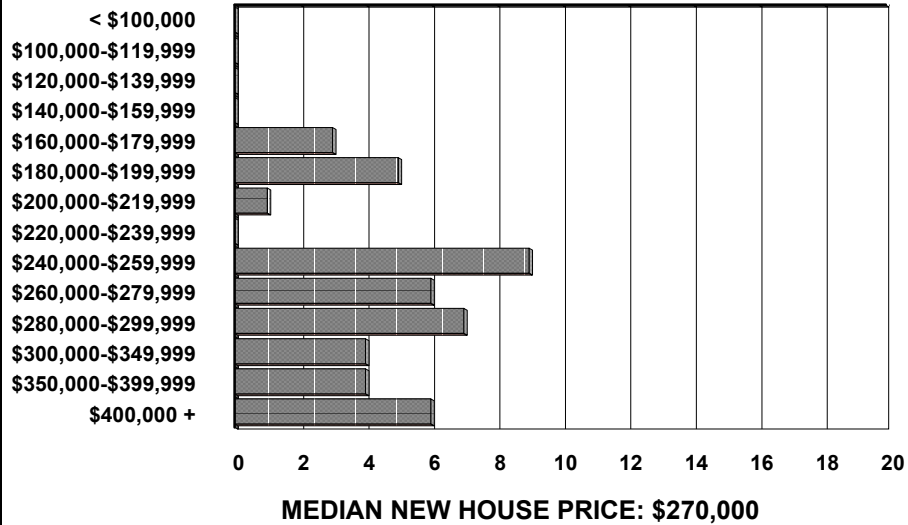
KELOWNA C.A. INVENTORY AND ABSORPTION JANUARY 2003 AND YEAR TO DATE 2002 & 2003

	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	38	6	0	9	40	108	Kelowna City	17	5	1	0	3	35	61
Sub. G	0	0	0	0	0	7	7	Sub. G	0	0	0	0	0	9	9
Sub. H	0	0	0	0	0	10	10	Sub. H	0	0	0	0	0	3	3
Sub. I	0	0	0	0	0	1	1	Sub. I	0	0	0	0	0	1	1
Lake Country	0	0	0	0	0	0	0	Lake Country	0	0	2	0	0	3	5
Peachland	0	0	0	0	0	0	0	Peachland	0	0	0	0	0	4	4
Indian Reserve	0	0	0	0	0	0	0	Indian Reserve	0	0	0	0	0	0	0
MONTH TOTAL	15	38	6	0	9	58	126	MONTH TOTAL	17	5	3	0	3	55	83
Y.T.D. Average 2003*	15	38	6	0	9	58	126	Y.T.D. TOTAL 2003	17	5	3	0	3	55	83
Y.T.D. Average 2002*	23	0	3	0	7	58	91	Y.T.D. TOTAL 2002	17	0	0	28	3	38	86

Absorption does not include assisted rental units. * Rounded.



**PRICES OF SINGLES ABSORBED AT COMPLETION
Kelowna C. A. January 2003**



Sub Area	Singles Starts By Sub Area		Singles Absorption by Sub Area	
	Y.T.D. 2003	Y.T.D. 2002	Y.T.D. 2003	Y.T.D. 2002
Black Mountain	2	2	1	2
Dilworth Mountain	2	7	1	1
Ellison	2	5	2	0
Glenrosa	1	0	0	0
Glenmore	2	1	3	2
I.R.	0	0	0	1
Core Area*	16	1	6	1
Lakeview Heights	10	7	3	1
Lower Mission	3	1	2	2
North Glenmore	0	1	0	0
Peachland	0	1	4	0
Rutland North	4	2	2	0
Rutland South	0	0	1	1
S. E. Kelowna	9	3	3	5
Shannon Lake	2	4	2	4
Upper Mission	12	6	14	5
Westbank	2	1	0	1
Winfield	1	1	2	2
West Kelowna	7	4	7	5
Other**	0	7	2	5
Total	75	54	55	38

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

HOUSING ACTIVITY SUMMARY - KELOWNA CA JANUARY 2003

	OWNERSHIP				RENTAL				TOTAL
	FREEHOLD		CONDOMINIUM		PRIVATE		ASSISTED		
	Single	Semi	Row	Apt.	Row	Apt.	Row	Apt.	
Starts									
Jan. 2003	75	2	0	0	4	46	0	0	127
YTD 2003	75	2	0	0	4	46	0	0	127
YTD 2002	54	0	16	0	0	0	0	0	70
Under Construction									
Jan. 2003	412	70	44	453	4	110	0	0	1,093
Jan. 2002	270	48	45	186	0	60	58	59	726
Completions									
Jan. 2003	63	2	3	0	0	0	0	0	68
YTD 2003	63	2	3	0	0	0	0	0	68
YTD 2002	31	2	0	0	28	0	0	0	61
Inventory									
Jan. 2003	58	9	6	15	0	38	-	-	126
Jan. 2002	58	7	3	23	0	0	-	-	91
Total Supply									
Jan. 2003	470	79	50	468	4	148	0	0	1,219
Jan. 2002	328	55	48	209	0	60	58	59	817
Absorption									
Jan. 2003	55	3	3	17	0	5	-	-	83
3 Mo. Ave.	87	5	10	16	0	28	-	-	146
12 Mo. Ave.	71	7	7	31	4	7	-	-	127

Absorption does not include assisted rentals.

RECORD OF STARTS - KELOWNA C.A.

YEAR	SINGLE	SEMI	ROW	APARTMENT	TOTAL
1991	1,294	82	218	623	2,217
1992	1,484	80	292	763	2,619
1993	1,149	44	194	584	1,971
1994	918	152	169	255	1,494
1995	776	92	170	167	1,205
1996	859	131	85	307	1,382
1997	987	192	131	428	1,738
1998	751	88	9	0	848
1999	675	46	62	96	879
2000	603	77	94	154	928
2001	625	66	115	305	1,111
2002	987	100	73	430	1,590

Row and apartment starts include rental units.

OTHER OKANAGAN CENTRES
Starts/Completions/Under Construction
JANUARY 2003 AND YEAR TO DATE 2003

	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	0	0	0	0	0	0	0	13	0	0	27	0	0	40
E. Kootenay C	1	0	0	0	0	0	1	3	0	0	0	0	0	3	20	0	0	0	0	0	20
Cranbrook CA	1	0	0	0	0	0	1	3	0	0	0	0	0	3	33	0	0	27	0	0	60
Y.T.D. 2003	1	0	0	0	0	0	1	3	0	0	0	0	0	3							
Kamloops C.	2	2	0	0	0	0	4	18	0	0	0	0	0	18	58	24	4	0	0	0	86
Kamloops IR	1	0	0	0	0	0	1	0	0	0	0	0	0	0	9	4	5	0	0	0	18
Kamloops CA	3	2	0	0	0	0	5	18	0	0	0	0	0	18	67	28	9	0	0	0	104
Y.T.D. 2003	3	2	0	0	0	0	5	18	0	0	0	0	0	18							
Penticton City	1	0	9	0	0	0	10	4	0	18	0	0	0	22	28	2	34	60	0	0	124
Sub. D	0	0	0	0	0	0	0	3	0	0	0	0	0	3	17	0	0	0	0	0	17
Sub. E	0	0	0	0	0	0	0	2	0	0	0	0	0	2	12	0	0	0	0	0	12
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	2	0	0	0	0	0	2	0	0	0	0	0	0	0	5	0	0	0	0	0	5
Penticton CA	3	0	9	0	0	0	12	9	0	18	0	0	0	27	62	2	34	60	0	0	158
Y.T.D. 2003	3	0	9	0	0	0	12	9	0	18	0	0	0	27							
Salmon Arm	1	0	0	0	0	0	1	0	0	0	0	0	0	0	21	10	21	16	0	0	68
Y.T.D. 2003	1	0	0	0	0	0	1	0	0	0	0	0	0	0							
Summerland	0	0	0	0	0	0	0	1	0	0	0	0	0	1	6	0	0	0	0	0	6
Y.T.D. 2003	0	0	0	0	0	0	0	1	0	0	0	0	0	1							
Vernon City	9	0	0	0	0	0	9	7	0	3	0	0	0	10	54	2	30	0	0	0	86
Coldstream	4	0	0	0	0	0	4	4	0	0	0	0	0	4	27	0	0	0	0	0	27
Sub. C	0	0	0	0	0	0	0	0	2	0	0	0	0	2	7	0	0	0	0	0	7
Sub. D	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	0	0	0	0	4
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	1	0	0	0	0	0	1	0	0	0	0	0	0	0
Vernon CA	13	0	0	0	0	0	13	12	2	3	0	0	0	17	93	2	30	0	0	0	125
Y.T.D. 2003	13	0	0	0	0	0	13	12	2	3	0	0	0	17							

KAMLOOPS CA

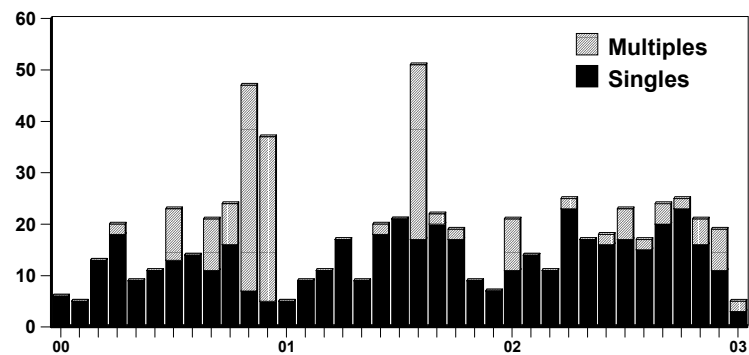
Inventory and Absorption by Municipality

JANUARY 2003 AND YEAR-TO-DATE 2002 & 2003

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	Total
Kamloops City	32	0	4	0	15	11	62	Kamloops City	1	0	1	0	1	17	20
Kamloops IR	0	0	0	0	0	3	3	Kamloops IR	0	0	0	0	0	0	0
TOTAL	32	0	4	0	15	14	65	TOTAL	1	0	1	0	1	17	20
Y.T.D. AVG. 2003*	32	0	4	0	15	14	65	Y.T.D. TOTAL 2003	1	0	1	0	1	17	20
Y.T.D. AVG. 2002*	29	0	0	0	18	11	58	Y.T.D. TOTAL 2002	5	0	1	0	1	17	24

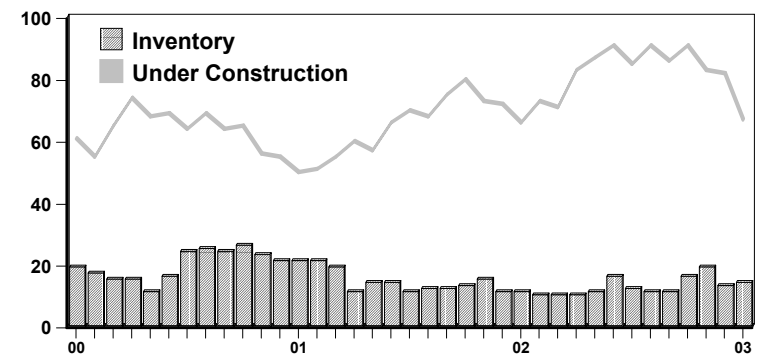
*Absorption does not include assisted rental units. * Rounded.*

HOUSING STARTS - KAMLOOPS C.A.



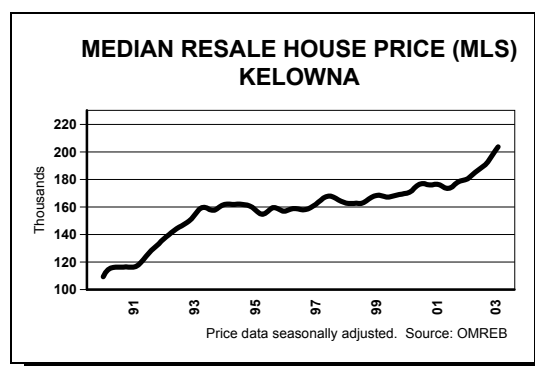
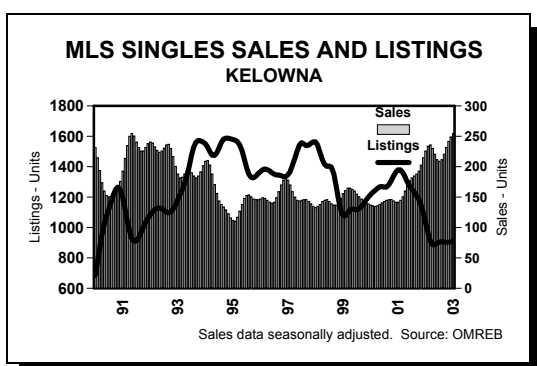
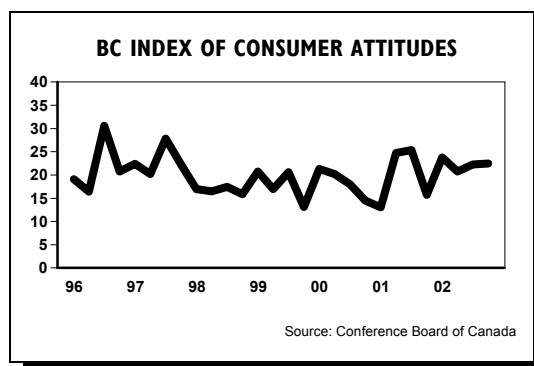
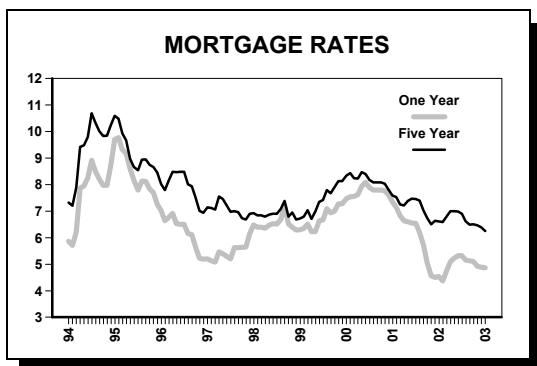
Source: CMHC

TOTAL SUPPLY - SINGLE DETACHED UNITS



Source: CMHC

KEY ECONOMIC INDICATORS



SOUTHERN INTERIOR RESALE MARKETS

MLS SALES	JANUARY				YEAR TO DATE			
	Sales Jan. 2003	Percent Change Jan. 02	Median Price Jan. 03	Percent Change Jan. 02	Sales YTD 2003	Percent Change YTD 02	Median Pr. YTD 2003	Percent Change YTD 02
Single - Detached								
Kelowna	162	15%	\$202,500	19%	162	15%	\$202,500	19%
Kamloops	52	-27%	\$150,500	9%	52	-27%	\$150,500	9%
Vernon	69	17%	\$165,000	10%	69	17%	\$165,000	10%
Penticton	28	47%	\$162,000	5%	28	47%	\$162,000	5%
Salmon Arm	14	17%	\$197,700	22%	14	17%	\$197,700	22%
Cranbrook	10	-38%	\$124,750	7%	10	-38%	\$124,750	7%

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