

H

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New Construction Highlights

Canada Mortgage and Housing Corporation

Housing Starts Up Sharply in March

The Kelowna area new home market surged ahead in March. Housing starts shot up to 280 units from only 82 units in February. Both the singles and multi-family sectors saw big gains.

Construction began on two multi-family projects, including an 89 unit rental building. Expect condominium starts to pick-up later this spring, strong pre-sales and low inventories pointing to more opportunity for expansion. Also, look for more townhouse projects this year. With both new and resale house prices up sharply, builders are seeing increased demand for more affordably priced ground-oriented housing.

Singles starts set a blistering pace, soaring to a twelve year high - boosted in part by rebuilds of homes destroyed by the Okanagan Mountain Park wildfire. More than half the homes destroyed by last

year's fire have now been rebuilt or are currently under construction.

Low mortgage interest rates remain a key driver. Consumers are upbeat. Solid employment growth, higher wages and the province's recent announcement to expand Okanagan University College to a full service university - UBC Okanagan - have all contributed to rising consumer confidence. The Kelowna economy and population continue to grow, fueling demand for both new and resale housing.

Elsewhere, Penticton starts were also up sharply in March, the multi-family sector accounting for most of the increase. Kamloops and Vernon recorded smaller gains.

Both Kamloops and the Okanagan saw resale markets gather momentum in March. The supply of listings, though edging back up in some locations, remains well below levels seen last spring. Prices continue to trend up in all centres.

BC New Home Market Sees Strong First Quarter

The BC new home market continued to move forward in March. First quarter housing starts, lead by the multi-family sector, reached a ten year high. Nationally, the pace of new home construction accelerated, March housing starts jumping 15% to 247,000 units, seasonally adjusted at annual rates (SAAR), from 214,200 units (SAAR), in February. Most regions saw an increase.

MARCH 2004

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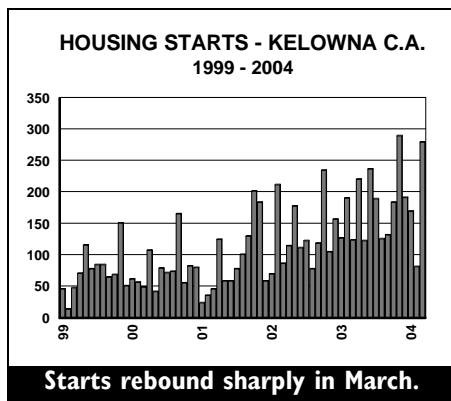
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CMHC Kelowna Noticeboard

- ◆ **April 2004** Housing Starts: Local, BC, and National news releases scheduled for May 10, 2004.
- ◆ **The 2003 Kelowna Rental Market and Okanagan Seniors Housing Survey Market Reports are now available. Coming soon** - the Spring 2004 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: lpreston@cmhc-schl.gc.ca



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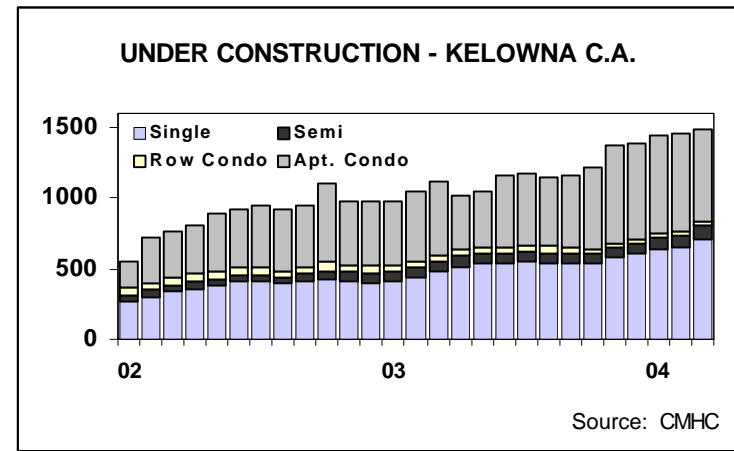
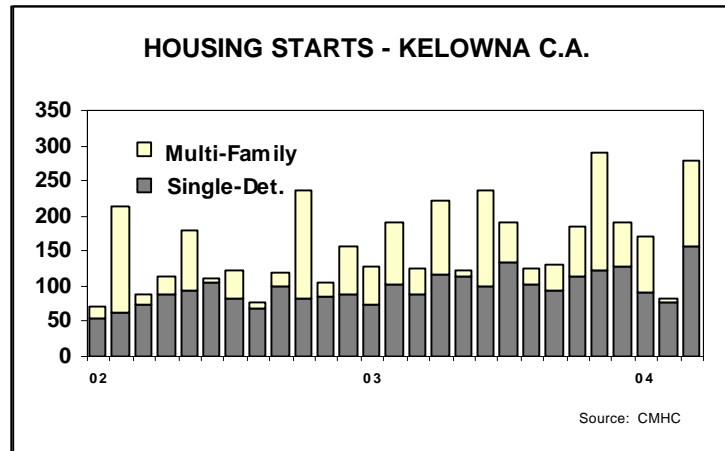
KELOWNA C.A.

STARTS/COMPLETIONS/UNDER CONSTRUCTION

MARCH 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	133	4	0	0	17	89	243	68	2	0	0	56	0	126	502	52	18	0	609	156	1,337
Sub. J*	17	6	3	0	0	0	26	17	2	0	0	0	0	19	151	36	7	0	43	0	237
Sub. I*	4	4	0	0	0	0	8	2	0	0	0	0	0	2	12	6	0	0	0	0	18
Lake Country	2	0	0	0	0	0	2	1	0	0	0	0	0	1	30	0	0	0	0	0	30
Peachland	0	0	0	0	0	0	0	5	0	0	0	0	0	5	6	0	8	0	0	0	14
Indian Res.	1	0	0	0	0	0	1	1	0	0	0	0	0	1	13	0	0	0	0	0	13
MONTH TOTAL	157	14	3	0	17	89	280	94	4	0	0	56	0	154	714	94	33	0	652	156	1,649
YEAR-TO-DATE	325	36	6	0	76	89	532	215	16	3	0	94	46	374							

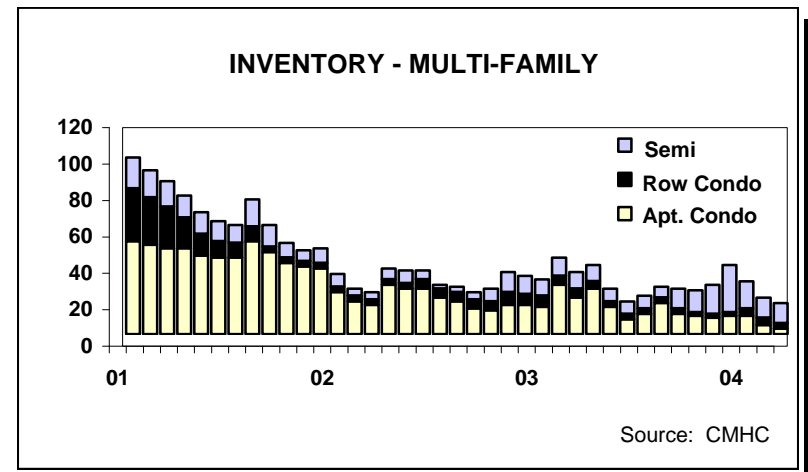
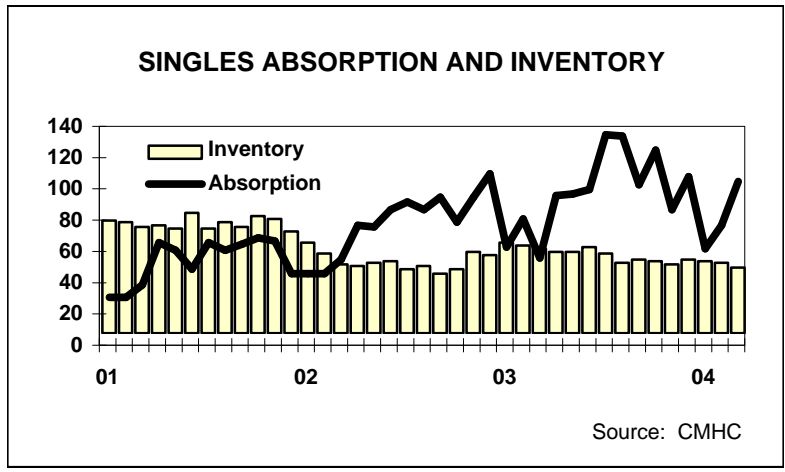
* Sub. J - Westside (former Sub. G and H) - Glenrosa, Westbank, Smith Creek, Shannon Heights, West Kelowna, Lakeview Heights, Westside/Fintry. Sub. I - Joe Rich, Ellison.



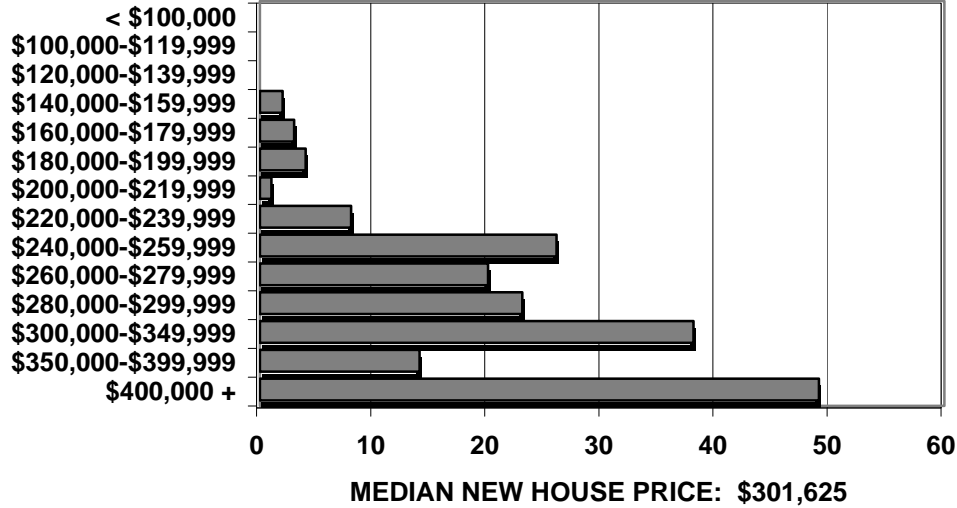
KELOWNA C.A.
INVENTORY AND ABSORPTION
MARCH 2004 & YEAR-TO-DATE 2003 & 2004

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	3	11	1	0	7	29	51	Kelowna City	32	13	1	0	1	66	113
Sub. J	0	0	0	0	1	8	9	Sub. J	0	0	0	0	2	22	24
Sub. I	0	0	0	0	1	2	3	Sub. I	0	0	0	0	0	2	2
Lake Country	0	0	0	0	0	0	0	Lake Country	0	0	0	0	0	1	1
Peachland	0	0	2	0	2	0	4	Peachland	0	0	2	0	1	5	8
Indian Reserve	0	0	0	0	0	3	3	Indian Reserve	0	0	0	0	0	1	1
MONTH TOTAL	3	11	3	0	11	42	70	MONTH TOTAL	32	13	3	0	4	97	149
Y.T.D. Average 2004*	8	12	4	0	11	44	79	Y.T.D. Total 2004	147	36	5	0	15	220	423
Y.T.D. Average 2003*	21	37	5	0	9	56	128	Y.T.D. Total 2003	66	8	5	0	15	176	270

Absorption does not include assisted rental units. * Rounded.



**PRICES OF SINGLES ABSORBED AT COMPLETION
Kelowna C.A. January-March 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	12	9	8	11
Dilworth Mountain	6	7	3	4
Ellison	16	13	12	7
Glenrosa	2	4	9	1
Glenmore	6	4	8	8
I.R.	10	0	1	0
Core Area*	55	49	36	14
Lakeview Heights	17	27	27	14
Lower Mission	11	17	5	8
North Glenmore	12	0	2	0
Peachland	0	1	5	6
Rutland North	14	13	16	6
Rutland South	0	0	1	5
S. E. Kelowna	14	22	8	6
Shannon Lake	6	14	8	11
Upper Mission	100	49	42	39
Westbank	6	3	1	2
Winfield	7	9	5	8
West Kelowna	21	21	20	22
Other**	10	4	3	4
Total	325	266	220	176

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

HOUSING ACTIVITY SUMMARY - KELOWNA CA MARCH 2004

	OWNERSHIP				RENTAL				TOTAL
	FREEHOLD		CONDOMINIUM		PRIVATE		ASSISTED		
	Single	Semi	Row	Apt.	Row	Apt.	Row	Apt.	
Starts									
Mar. 2004	157	14	3	17	0	89	0	0	280
YTD 2004	325	36	6	76	0	89	0	0	532
YTD 2003	266	10	0	116	4	46	0	0	442
Under Construction									
Mar. 2004	714	94	33	652	0	156	0	0	1,649
Mar. 2003	486	66	44	519	4	110	0	0	1,229
Completions									
Mar. 2004	94	4	0	56	0	0	0	0	154
YTD 2004	215	16	3	94	0	46	0	0	374
YTD 2003	180	14	3	50	0	0	0	0	247
Inventory									
Mar. 2004	42	11	3	3	0	11			70
Mar. 2003	54	9	5	20	0	35			123
Total Supply									
Mar. 2004	756	105	36	655	0	167	0	0	1,719
Mar. 2003	540	75	49	539	4	145	0	0	1,352
Absorption									
Mar. 2004	97	4	3	32	0	13			149
3 Mo. Ave.	74	9	1	41	0	8			133
12 Mo. Ave.	90	8	2	56	1	6			163

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
MARCH 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	4	0	0	0	0	0	4	3	0	0	0	0	0	3	8	0	0	0	0	0	8
E. Kootenay C	3	0	0	0	0	0	3	0	0	0	0	0	0	0	34	0	0	0	0	0	34
Cranbrook CA	7	0	0	0	0	0	7	3	0	0	0	0	0	3	42	0	0	0	0	0	42
Y.T.D. 2004	9	0	0	0	0	0	9	4	0	0	0	0	0	4							
Kamloops C.	14	4	0	0	0	0	18	14	0	0	0	0	0	14	68	30	23	42	0	0	163
Kamloops IR	3	0	0	0	0	0	3	3	0	0	0	0	0	3	13	0	0	0	0	0	13
Kamloops CA	17	4	0	0	0	0	21	17	0	0	0	0	0	17	81	30	23	42	0	0	176
Y.T.D. 2004	40	12	0	0	0	0	52	51	6	0	0	0	0	57							
Penticton City	6	0	12	4	8	0	30	5	2	0	0	0	0	7	25	4	40	42	12	0	123
Sub. D	2	0	0	0	0	0	2	3	0	0	0	0	0	3	24	0	0	12	0	0	36
Sub. E	1	0	0	0	0	0	1	4	0	0	0	0	0	4	6	0	0	0	0	0	6
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	3	0	0	0	0	0	3	5	0	0	0	0	0	5	11	0	0	0	0	0	11
Penticton CA	12	0	12	4	8	0	36	17	2	0	0	0	0	19	66	4	40	54	12	0	176
Y.T.D. 2004	28	2	12	16	8	0	66	32	2	0	62	0	0	96							
Salmon Arm	13	0	0	0	0	0	13	10	0	4	0	0	0	14	31	6	6	0	0	3	46
Y.T.D. 2004	13	0	0	0	0	0	13	19	0	4	0	0	0	23							
Summerland	3	0	0	0	0	0	3	3	0	0	0	0	0	3	17	0	0	0	0	0	17
Y.T.D. 2004	6	0	0	0	0	0	6	4	0	0	0	0	0	4							
Vernon City	8	0	3	0	0	0	11	12	4	0	0	0	0	16	88	14	16	0	0	0	118
Coldstream	7	0	0	0	0	0	7	2	0	0	0	0	0	2	35	0	0	0	0	0	35
Sub. C	0	0	0	0	0	0	0	2	0	0	0	0	0	2	4	2	0	0	0	0	6
Sub. D	1	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0	0	1
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	1	0	0	0	0	0	1	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	16	0	3	0	0	0	19	17	4	0	0	0	0	21	128	16	16	0	0	0	160
Y.T.D. 2004	51	4	3	0	0	0	58	66	10	0	0	0	0	76							

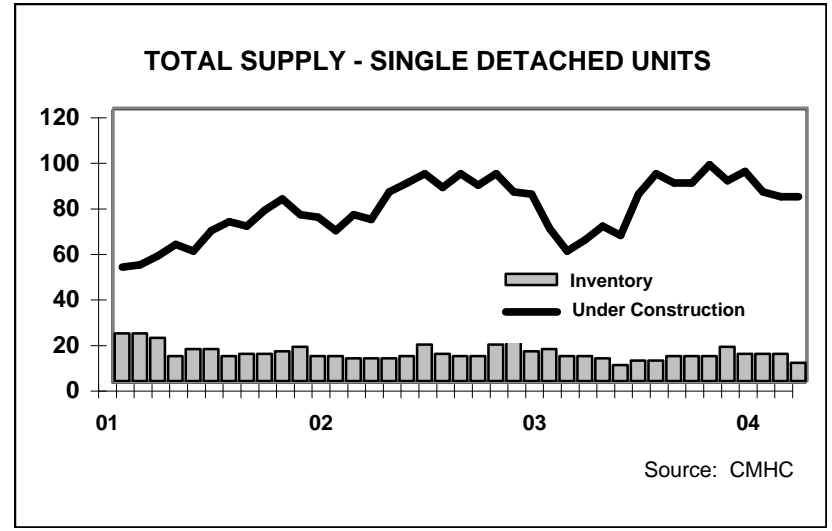
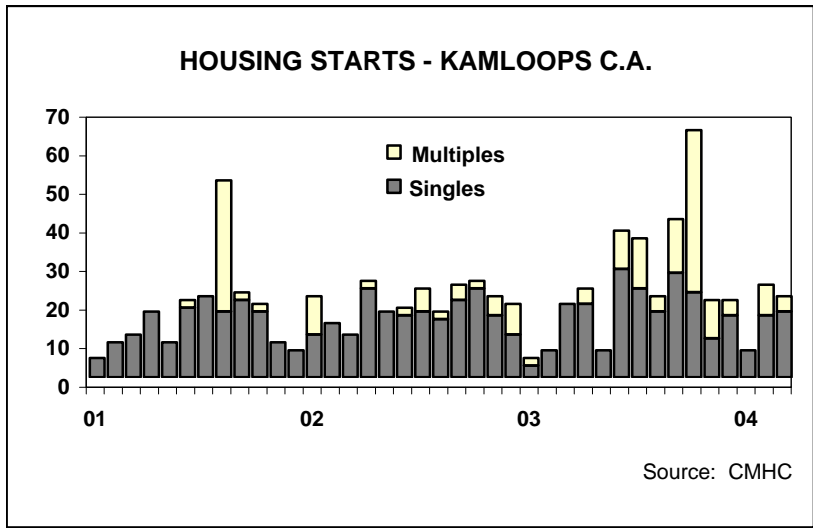
KAMLOOPS CA

Inventory and Absorption by Municipality

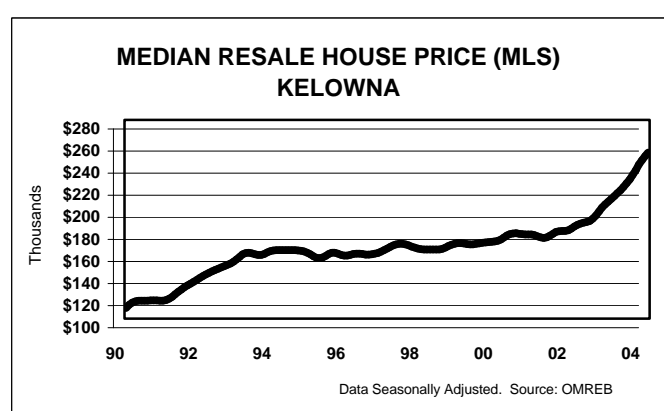
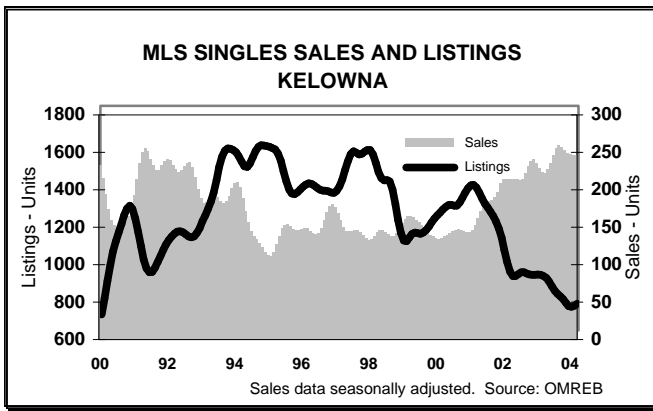
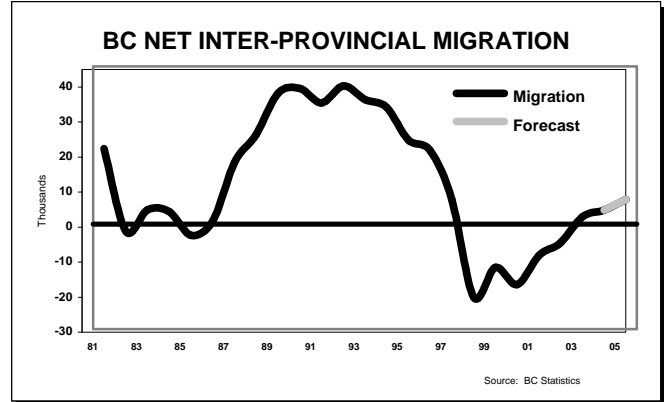
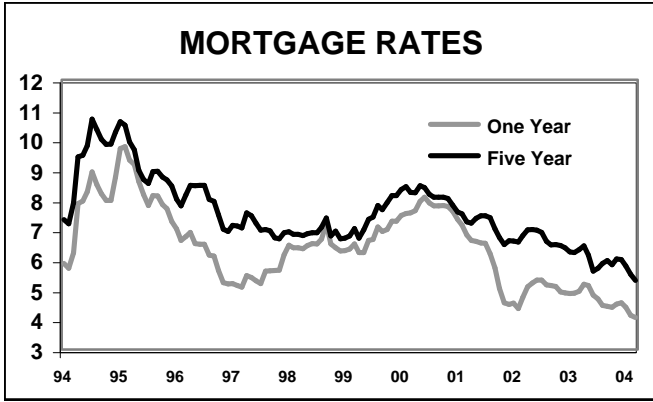
MARCH 2004 AND YEAR-TO-DATE 2003 & 2004

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	3	0	10	6	31	2	0	1	0	2	18	23
Kamloops IR	0	0	0	0	0	2	2	0	0	0	0	0	3	3
MONTH TOTAL	12	0	3	0	10	8	33	2	0	1	0	2	21	26
Y.T.D. Average 2004*	13	0	3	0	12	11	39	31	0	3	0	7	55	96
Y.T.D. Average 2003*	32	0	3	0	15	12	62	2	0	4	0	6	51	63

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



KEY ECONOMIC INDICATORS



SOUTHERN INTERIOR RESALE MARKETS

MLS SALES	MARCH				YEAR-TO-DATE			
	Sales Mar. 2004	Percent Change Mar. 03	Median Price Mar. 04	Percent Change Mar. 03	Sales YTD 2004	Percent Change YTD 03	Median Price YTD 2004	Percent Change YTD 03
Single Detached								
Kelowna	308	19%	\$255,750	23%	688	9%	\$245,000	19%
Kamloops	111	13%	\$168,000	2%	297	25%	\$168,000	8%
Vernon	163	33%	\$185,000	9%	358	27%	\$175,950	10%
Penticton	34	-3%	\$180,000	13%	88	-9%	\$170,000	5%
Salmon Arm	21	0	\$163,500	2%	48	-6%	\$164,500	-5%
Cranbrook	16	14%	\$111,250	-5%	67	46%	\$116,500	N/A

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