

H

HOUSING NOW

Kelowna / Southern Interior

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

New Construction Highlights

Kelowna Housing Starts Jump Back Up in February

Kelowna area housing starts rebounded sharply in February. Housing starts shot up to 171 units from only 55 units in January. Both the singles and multi-family sectors recorded big gains. Year-over-year starts were on par with last February.

Construction activity has picked up in response to warmer, drier weather, climbing to levels more consistent with recent trends. February starts included two apartment condominium projects and two seniors' rental apartments. Singles starts, though doubling in February, are down from the same two month period last year. Demand has flattened out, due in part, to skyrocketing new home prices. The median new house price has risen by more than a third in just five years. Also, rebuilds of homes destroyed in the Okanagan Mountain Park wildfire boosted 2004 starts.

Expect condominium and townhouse starts to ramp up over the next several months. Strong demand in combination with low inventories has meant more opportunity for expansion. Retirees and buyers seeking lifestyle-style oriented housing remain key sources of demand. Also, with the price of new and resale detached units up sharply, more first-time buyers are turning to the new condo market.

Market fundamentals remain solid. The Kelowna area economy is firing on all cylinders. Strong employment growth has spurred in-migration, fueling demand for both new and resale housing. Consumers are upbeat. Low interest rates remain a key driver.

Elsewhere, Vernon area starts, lead by the singles sector, bounced back in February. Kamloops and Penticton starts were down. Both new home markets remain buoyant despite February's decline.

BC Starts Up In February

BC starts were up in February, builders making up for ground lost due to January's inclement weather. Vancouver area starts climbed to the highest February level since 1998. Nationally, February housing starts rose five per cent to 214,900 units, seasonally adjusted at annual rates (SAAR), from 204,000 units (SAAR), in January. All regions except Atlantic Canada saw an increase.

February 2005

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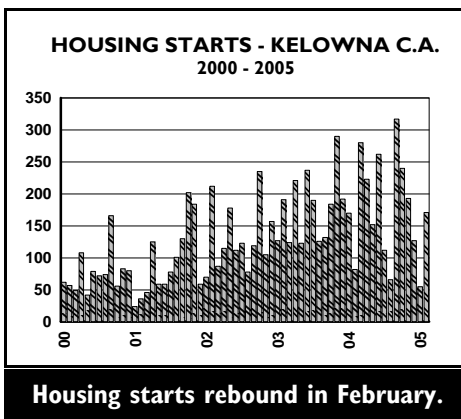
Kamloops/Okanagan

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CMHC Kelowna Noticeboard

- ◆ **March 2005 Housing Starts: Local, BC, and National news releases** scheduled for April. 8, 2005.
- ◆ **The 2004 Kelowna Rental Market Report is 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! **Ask for CMHC's Fall 2004 Kelowna Housing Market Outlook and 2004 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: lpreston@cmhc-schl.gc.ca

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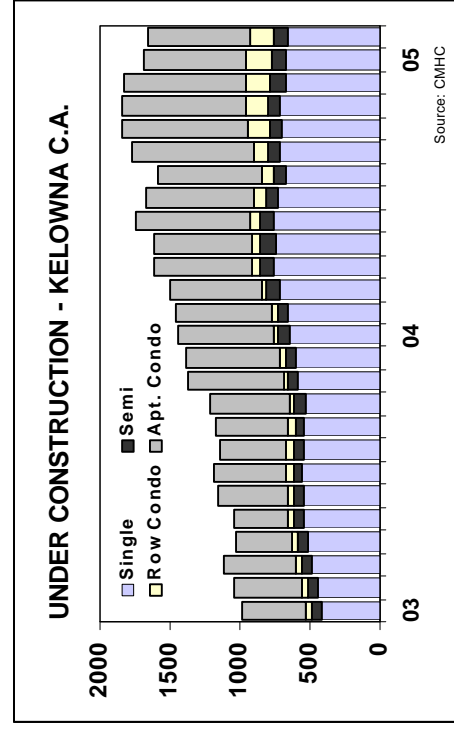
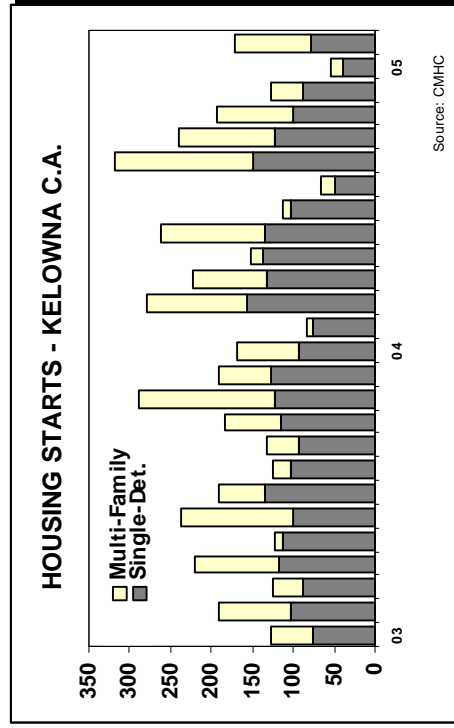
KELOWNA C.A.

STARTS/COMPLETIONS/UNDER CONSTRUCTION

FEBRUARY 2005 & YEAR-TO-DATE 2005

	STARTS							COMPLETIONS							UNDER CONSTRUCTION						
	Single	Semi	Condo	Row Rental	Apt Condo	Apt Rental	Total	Single	Semi	Condo	Row Rental	Apt Condo	Apt Rental	Total	Single	Semi	Condo	Row Rental	Apt Condo	Apt Rental	Total
Kelowna City	56	0	0	0	38	15	109	64	2	8	1	39	0	114	445	56	143	1	672	117	1,434
Sub. J*	16	0	0	0	0	40	56	9	0	0	0	0	9	132	30	14	0	0	40	0	216
Sub. I*	2	0	0	0	0	0	2	4	0	0	0	0	4	19	6	0	0	0	0	0	25
Lake Country	3	0	0	0	0	0	3	7	0	0	0	0	7	22	2	12	0	0	0	0	36
Peachland	1	0	0	0	0	0	1	4	0	0	0	0	4	12	10	0	0	56	0	0	78
Indian Res.	0	0	0	0	0	0	0	1	0	0	0	0	1	28	0	0	0	0	0	0	28
MONTH TOTAL	78	0	0	0	38	55	171	89	2	8	1	39	0	139	658	104	169	1	728	157	1,817
YEAR-TO-DATE	117	8	8	0	38	55	226	137	6	11	1	98	0	253							

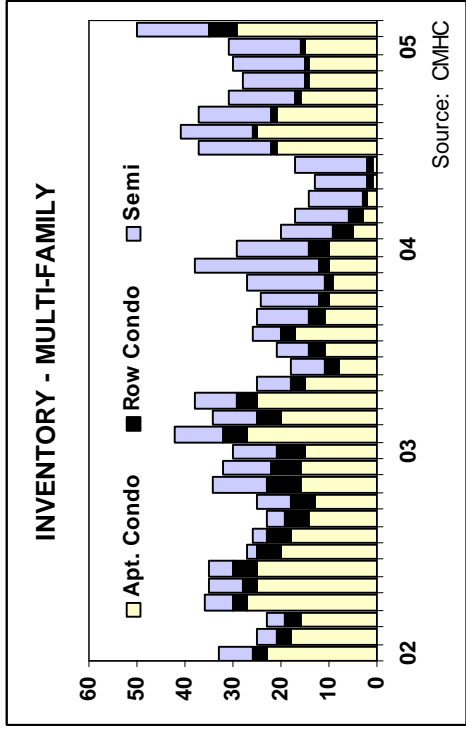
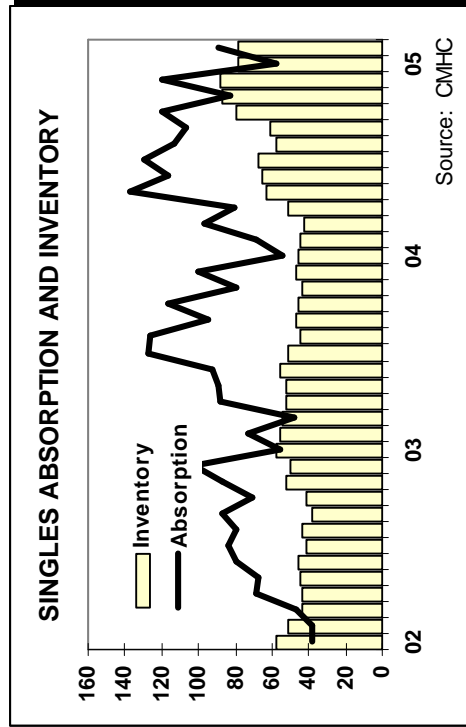
* Sub. J - Westside (former Sub. G and H) - Glenrosa, Westbank, Smith Creek, Shannon Heights, West Kelowna, Lakeview Heights, Westside/Fintry. Sub. I - Joe Rich, Ellision.



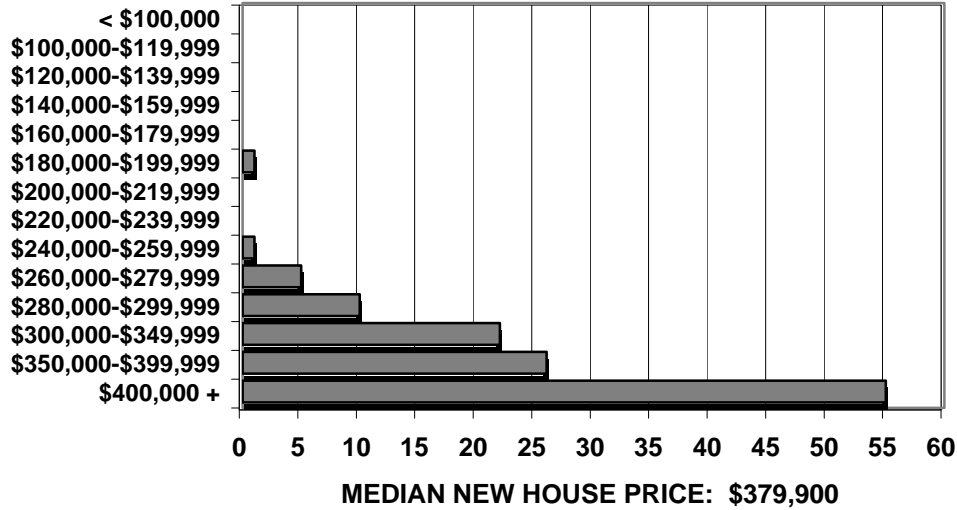
**KELOWNA C.A.
INVENTORY AND ABSORPTION
FEBRUARY 2005 & YEAR-TO-DATE 2004 & 2005**

INVENTORY OF NEW HOMES										ABSORPTION OF NEW HOMES											
	Apt		Row		Semi		Single		Total		Apt Condo	Apt		Row		Semi		Single		Grand Total	
	Condo	Rental	Condo	Rental	Condo	Rental	Condo	Rental	Condo	Rental		Condo	Rental	Condo	Rental	Condo	Rental	Condo	Rental	Condo	Rental
Kelowna City	29	0	6	0	8	0	50	0	93	28	0	5	1	2	0	64	100				
Sub. J	0	0	0	0	3	0	22	0	25	0	0	3	0	0	0	10	13				
Sub. I	0	0	0	0	2	0	2	0	4	0	0	0	0	0	0	4	4				
Lake Country	0	0	0	0	0	0	1	0	1	0	0	0	0	0	0	6	6				
Peachland	0	0	0	0	2	0	0	0	2	2	0	0	0	0	0	4	6				
Indian Reserve	0	0	0	0	0	0	3	0	3	0	0	0	0	0	1	1	1				
MONTH TOTAL	29	0	6	0	15	0	78	0	128	30	0	8	1	2	89	130					
Y.T.D. Average 2005*	22	0	4	0	15	0	78	0	119	49	0	28	1	6	147	231					
Y.T.D. Average 2004*	10	13	4	0	11	0	46	0	84	115	23	2	0	11	123	274					

Absorption does not include assisted rental units. * Rounded.



PRICES OF SINGLES ABSORBED AT COMPLETION
Kelowna C.A. January - February 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	10	2	13	3
Dilworth Mountain	2	2	12	2
Ellison	4	9	15	7
Glenrosa	0	2	0	6
Glenmore	0	4	3	5
I.R.	0	9	1	0
Core Area*	11	19	15	10
Lakeview Heights	11	11	8	20
Lower Mission	8	2	8	2
North Glenmore	6	7	5	1
Peachland	3	0	4	0
Rutland North	2	6	1	11
Rutland South	0	0	0	1
S. E. Kelowna	8	7	9	4
Shannon Lake	6	2	3	3
Upper Mission	31	51	35	27
Westbank	2	6	5	0
Winfield	2	7	4	4
West Kelowna	5	14	4	14
Other**	6	8	2	3
Total	117	168	147	123

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

HOUSING ACTIVITY SUMMARY - KELOWNA CA FEBRUARY 2005

	OWNERSHIP				RENTAL				TOTAL
	FREEHOLD		CONDOMINIUM		PRIVATE		ASSISTED		
	Single	Semi	Row	Apt.	Row	Apt.	Row	Apt.	
Starts									
Feb. 2005	78	0	0	38	0	15	0	40	171
YTD 2005	117	8	8	38	0	15	0	40	226
YTD 2004	168	22	3	59	0	0	0	0	252
Under Construction									
Feb. 2005	658	104	169	728	1	117	0	40	1,817
Feb. 2004	651	84	30	691	0	67	0	0	1,523
Completions									
Feb. 2005	89	2	8	39	1	0	0	0	139
YTD 2005	137	6	11	98	1	0	0	0	253
YTD 2004	121	12	3	38	0	46	0	0	220
Inventory									
Feb. 2005	78	15	6	29	0	0			128
Feb. 2004	45	11	4	5	0	24			89
Total Supply									
Feb. 2005	736	119	175	757	1	117	0	40	1,945
Feb. 2004	696	95	34	696	0	91	0	0	1,612
Absorption									
Feb. 2005	89	2	8	30	1	0			130
3 Mo. Ave.	87	8	25	15	0	0			135
12 Mo. Ave.	103	9	10	28	1	10			161

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

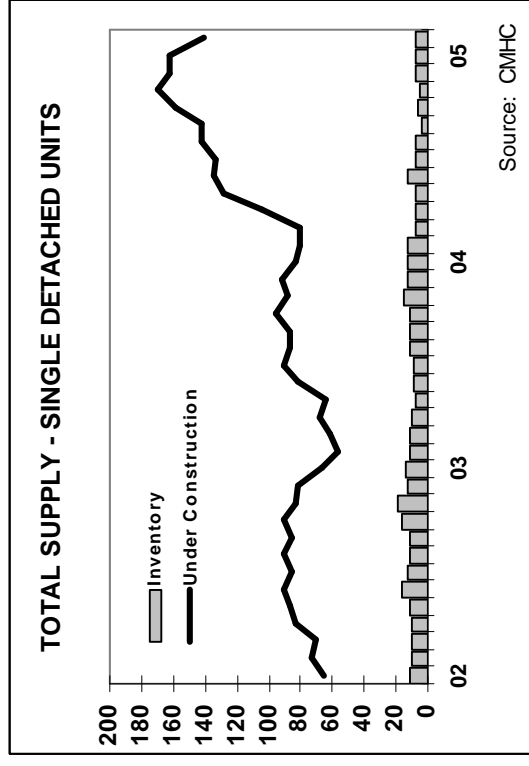
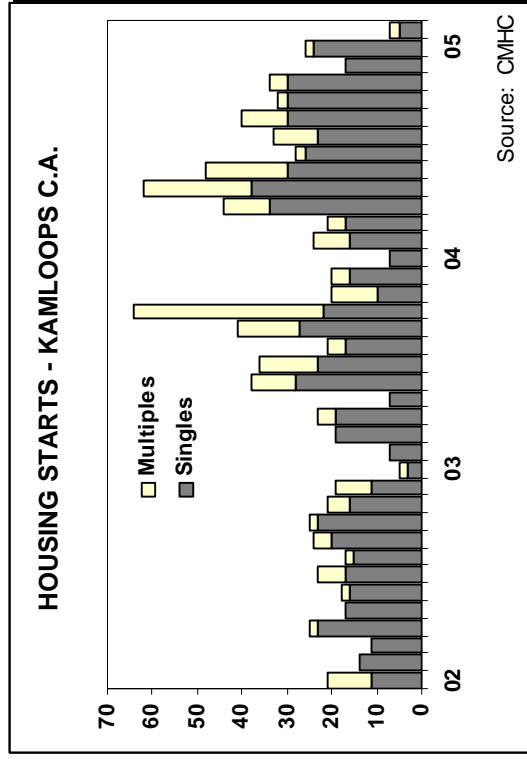
KAMLOOPS CA

Inventory and Absorption by Municipality

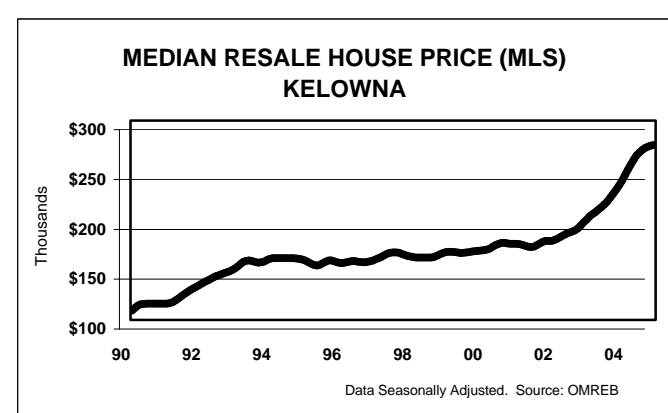
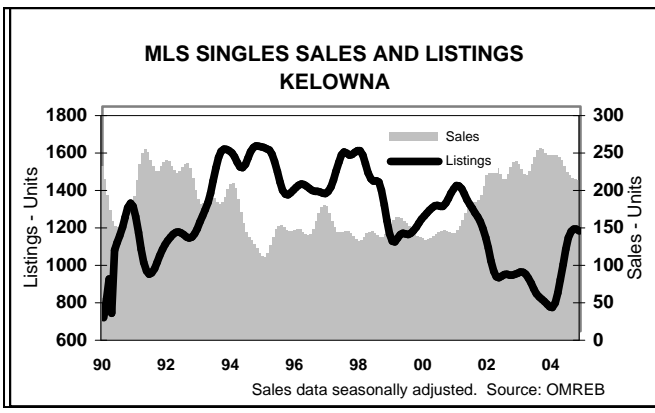
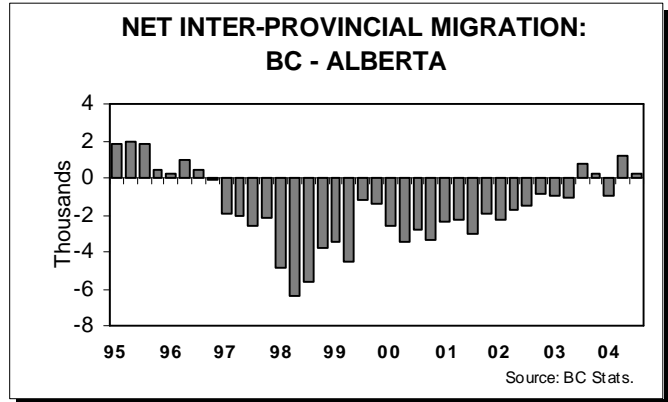
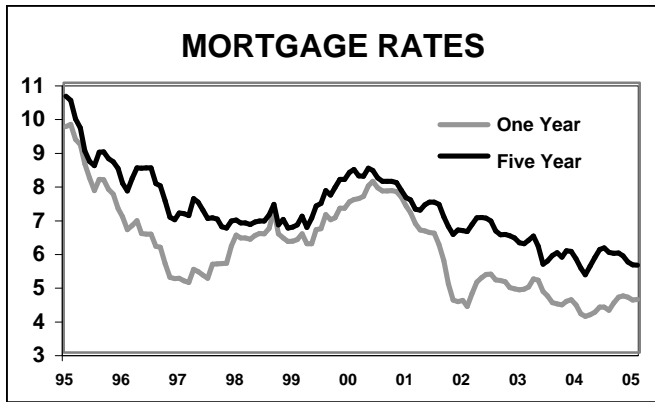
FEBRUARY 2005 AND YEAR-TO-DATE 2004 & 2005

	INVENTORY OF NEW HOMES						ABSORPTION OF NEW HOMES						
	Apt Condo	Apt Rental	Row Condo	Row Rental	Semi	Total	Condo	Apt Rental	Row Condo	Row Rental	Semi	Single	Grand Total
Kamloops City	8	0	0	0	4	6	18	Kamloops City	0	0	0	2	26
Kamloops IR	0	0	0	0	0	1	1	Kamloops IR	0	0	0	0	1
MONTH TOTAL	8	0	0	0	4	7	19	MONTH TOTAL	0	0	0	2	27
Y.T.D. Average 2005*	8	0	0	0	4	8	20	Y.T.D. TOTAL 2005	2	0	0	6	50
Y.T.D. Average 2004*	13	0	3	0	13	12	41	Y.T.D. TOTAL 2004	30	0	0	5	34

Absorption does not include assisted rental units. * Rounded.



KEY ECONOMIC INDICATORS



SOUTHERN INTERIOR RESALE MARKETS

MLS SALES	FEBRUARY				YEAR-TO-DATE			
	Sales Feb. 2005	Percent Change Feb. 04	Median Price Feb. 05	Percent Change Feb. 04	Sales YTD 2005	Percent Change YTD 04	Median Price YTD 2005	Percent Change YTD 04
Single Detached								
Kelowna	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Kamloops	83	-18	\$166,500	-1%	154	-17%	\$173,000	3%
Vernon Area	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Penticton	29	21%	\$256,000	51%	58	9%	\$240,000	42%
Salmon Arm	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cranbrook	18	-31%	\$144,000	21%	38	-24%	\$139,500	n/a

MLS - Multiple Listing Service is a registered trademark owned by The Canadian Real Estate Association (CREA).

Current month MLS data is preliminary.

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