

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

New Construction Highlights

Kelowna Housing Starts Down in August

Kelowna area housing starts dropped back following July's surge in multi-family construction activity. August housing starts fell to 205 units from 281 units in July. Fewer multiples starts accounted for all of the decline. The singles sector maintained a steady pace, posting small gains in August.

Multi-family starts typically see big fluctuations on a month-to-month basis. The multiples sector remains the focus of new home demand despite August's decline. Price and lifestyle are the key drivers. With the price of resale and new detached units up sharply, more buyers are turning to higher density housing. Retirees and more recently, buyers seeking resort and other types of lifestyle-oriented multi-family housing are also big sources of demand. For

the first time since the early 1980s, multi-family starts are expected to surpass singles construction. Overall, Kelowna area starts are on track to reach a record high in 2005.

The Kelowna area economy continues to expand. Strong employment growth has, in turn, spurred in-migration. The search for lifestyle also remains a big draw, fueling population growth and demand for housing. Low interest rates continue to support high levels of sales and construction activity.

Elsewhere, the Kamloops and Vernon new home markets, lead by the singles sector, recorded another strong performance in August. Penticton area starts were down sharply from monthly levels seen earlier this year. Like Kelowna, the decline was on the multi-family side and does not signal a change in market conditions.

BC Starts Down

Despite strong demand, BC housing starts declined in August. The drop is attributed to production rather than demand side constraints. Nationally, housing starts fell 17% to 201,000 units, seasonally adjusted at annual rates (SAAR), from 242,600 units (SAAR), in July. Ontario saw the biggest decline, followed by Quebec and BC.

AUGUST 2005

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Kamloops/Okanagan

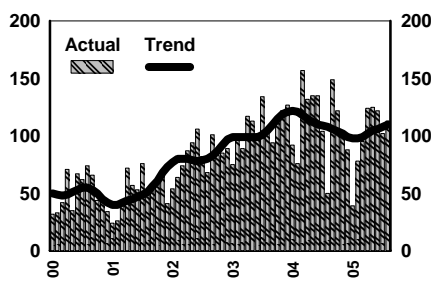
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CMHC Kelowna Noticeboard

- ♦ **September 2005** Housing Starts: Local, BC, and National news releases scheduled for October. 11, 2005.
- ♦ **The 2005 BC Seniors' Housing Market Survey Report - available in October!** 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 Spring 2005 Kelowna Housing Market Outlook Report and 2004 Kelowna Rental Market Report.**

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SINGLES STARTS - KELOWNA C.A.
2000 - 2005



Singles starts maintain steady pace.

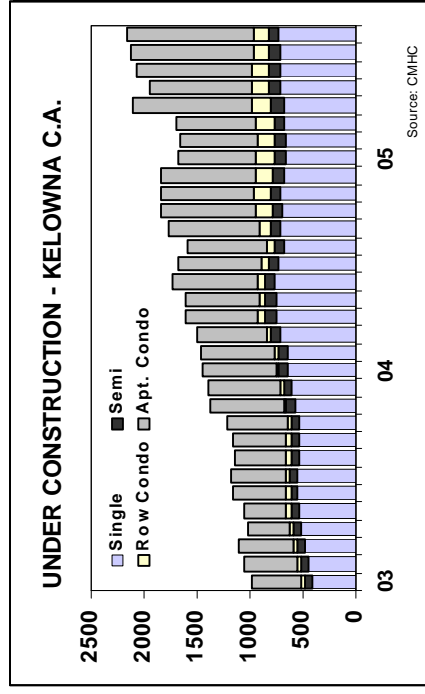
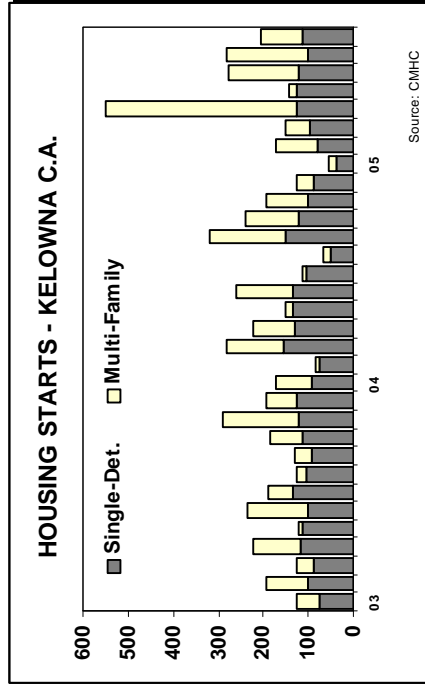
KELOWNA C.A.

STARTS/COMPLETIONS/UNDER CONSTRUCTION

AUGUST 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	80	4	6	0	64	0	154	78	4	18	0	47	0	147	463	80	115	1	1,061	137	1,857
Sub. J*	12	2	12	0	0	0	26	15	4	0	0	0	0	19	137	8	18	0	42	40	245
Sub. I*	4	4	0	0	0	0	8	0	2	0	0	0	0	2	21	6	0	0	0	0	27
Lake Country	12	0	0	0	0	0	12	8	0	0	0	0	0	8	70	0	3	0	0	0	73
Peachland	1	0	0	0	0	0	1	1	2	0	0	0	0	3	16	10	3	0	82	0	111
Indian Res.	4	0	0	0	0	0	4	0	0	0	0	0	0	0	18	0	0	0	0	0	18
MONTH TOTAL	113	10	18	0	64	0	205	102	12	18	0	47	0	179	725	104	139	1	1,185	177	2,331
YEAR-TO-DATE	798	80	110	1	763	83	1,835	751	78	143	2	366	8	1,348							

* 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.



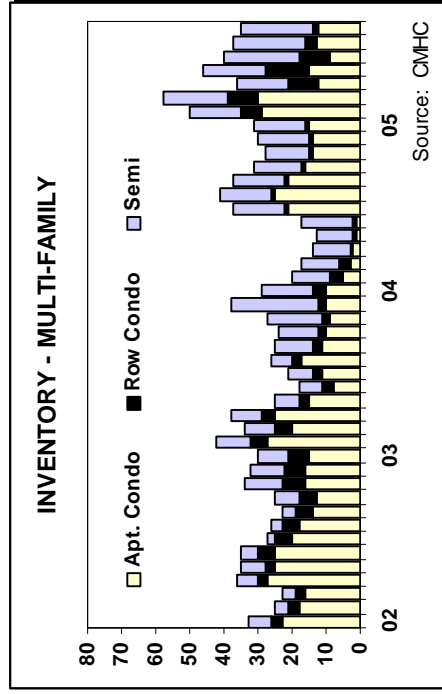
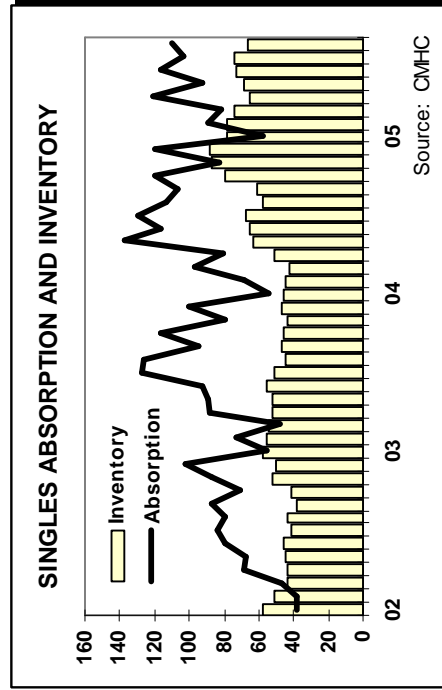
KELOWNA C.A.

INVENTORY AND ABSORPTION

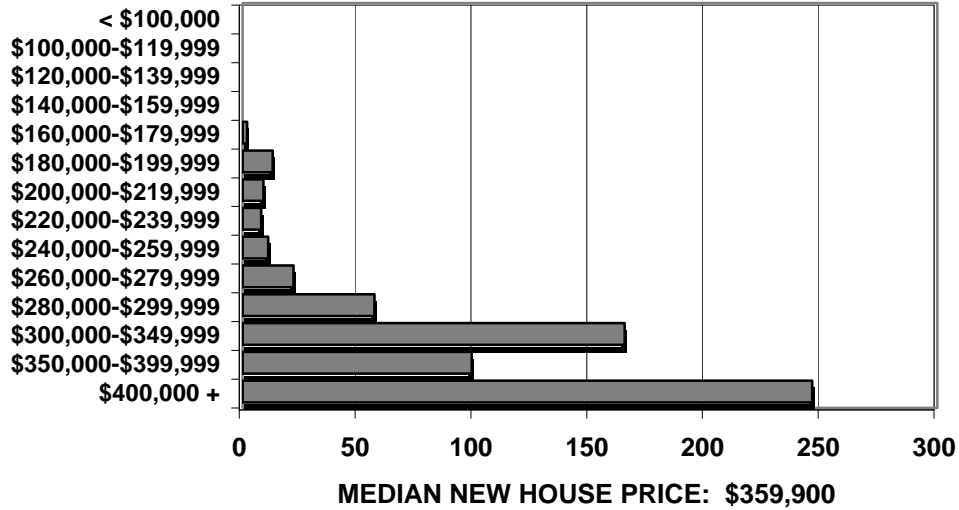
AUGUST 2005 & YEAR-TO-DATE 2004 & 2005

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	12	0	1	0	13	55	81	Kelowna City		40	0	7	0	6	82	135			
Sub. J	0	0	1	0	3	7	11	Sub. J		0	0	0	0	4	16	20			
Sub. I	0	0	0	0	3	1	4	Sub. I		0	0	0	0	0	1	1			
Lake Country	0	0	0	0	0	0	0	Lake Country		0	0	0	0	0	10	10			
Peachland	0	0	0	0	2	0	2	Peachland		11	0	0	0	2	1	14			
Indian Reserve	0	0	0	0	0	3	3	Indian Reserve		0	0	0	0	0	0	0			
MONTH TOTAL	12	0	2	0	21	66	101	MONTH TOTAL	51	0	7	0	12	110	180				
Y.T.D. Average 2005*	17	0	7	0	18	72	114	Y.T.D. Total 2005	533	53	136	2	72	773	1,569				
Y.T.D. Average 2004*	9	24	2	0	12	55	102	Y.T.D. Total 2004	282	84	36	0	63	796	1,261				

Absorption does not include assisted rental units. * Rounded.



**PRICES OF SINGLES ABSORBED AT COMPLETION
Kelowna C.A. January - August 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	52	38	58	24
Dilworth Mountain	24	36	29	11
Ellison	18	51	48	39
Glenrosa	3	8	7	17
Glenmore	17	12	6	20
I.R.	14	26	25	13
Core Area*	88	127	90	123
Lakeview Heights	40	51	47	60
Lower Mission	31	37	40	31
North Glenmore	60	46	47	25
Peachland	15	12	12	12
Rutland North	40	23	18	33
Rutland South	0	1	2	1
S. E. Kelowna	26	33	31	40
Shannon Lake	46	22	22	26
Upper Mission	170	227	166	197
Westbank	5	11	16	13
Winfield	79	22	39	20
West Kelowna	31	53	42	59
Other**	39	45	28	32
Total	798	881	773	796

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

HOUSING ACTIVITY SUMMARY - KELOWNA CA AUGUST 2005

	OWNERSHIP				RENTAL				TOTAL
	FREEHOLD		CONDOMINIUM		PRIVATE		ASSISTED		
	Single	Semi	Row	Apt.	Row	Apt.	Row	Apt.	
Starts									
Aug. 2005	113	10	18	64	0	0	0	0	205
YTD 2005	798	80	110	763	1	43	0	40	1,835
YTD 2004	881	78	59	239	5	89	0	0	1,351
Under Construction									
Aug. 2005	725	104	139	1,185	1	137	0	40	2,331
Aug. 2004	678	84	75	747	5	89	0	0	1,678
Completions									
Aug. 2005	102	12	18	47	0	0	0	0	179
YTD 2005	751	78	143	366	2	8	0	0	1,348
YTD 2004	807	68	14	162	0	113	0	0	1,164
Inventory									
Aug. 2005	66	21	2	12	0	0			101
Aug. 2004	58	15	1	25	0	30			129
Total Supply									
Aug. 2005	791	125	141	1,197	1	137	0	40	2,432
Aug. 2004	736	99	76	772	5	119	0	0	1,807
Absorption									
Aug. 2005	110	12	7	51	0	0			180
3 Mo. Ave.	104	9	26	108	1	3			251
12 Mo. Ave.	101	11	17	54	1	7			191

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

AUGUST 2005 AND YEAR-TO-DATE 2005

	STARTS										COMPLETIONS										UNDER CONSTRUCTION									
	Single	Semi	Condo	Apt.	Row Rental	Total	Single	Semi	Condo	Apt.	Row Rental	Total	Single	Semi	Condo	Apt.	Row Rental	Total	Single	Semi	Condo	Apt.	Row Rental	Total						
																									Condo	Apt.	Row Rental	Condo	Apt.	Row Rental
Cranbrook City	7	0	0	0	0	7	10	2	0	0	0	12	53	0	0	0	0	53	53	0	0	0	0	53						
E. Kootenay C	3	0	0	0	0	3	4	0	0	0	4	4	0	0	0	0	4	52	0	0	0	0	52							
Cranbrook CA	10	0	0	0	0	10	14	2	0	0	16	105	0	0	0	0	105	105	0	0	0	0	105							
Y.T.D. 2005	91	0	0	0	0	91	67	2	0	0	69							159	60	11	43	0	0	273						
Kamloops C.	35	8	3	0	0	46	39	0	0	0	39	4	0	0	0	0	4	19	0	0	0	0	0	19						
Kamloops IR	2	0	0	0	0	2	4	0	0	0	4							178	60	11	43	0	0	292						
Kamloops CA	37	8	3	0	0	48	43	0	0	0	43																			
Y.T.D. 2005	245	62	3	43	0	353	229	40	16	0	291							39	10	62	296	0	0	407						
Penticton City	7	2	0	0	0	9	7	0	0	0	7							28	0	0	0	0	0	28						
Sub. D	1	0	0	0	0	1	1	0	0	0	1							16	0	0	0	0	0	16						
Sub. E	2	0	0	0	0	2	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						
Penticton IR	0	0	0	0	0	0	0	0	0	0	0							0	0	0	0	0	0	0						
Penticton CA	10	2	0	0	0	12	8	0	0	0	8							83	10	62	296	0	0	451						
Y.T.D. 2005	78	4	44	194	0	320	68	4	21	0	93							48	14	0	16	0	0	78						
Salmon Arm	10	0	0	0	0	10	9	2	0	0	11																			
Y.T.D. 2005	71	10	0	16	0	97	64	10	12	12	98							21	2	4	0	0	0	27						
Summerland	6	0	0	0	0	6	0	0	0	0	0							135	24	70	0	3	0	232						
Y.T.D. 2005	17	2	0	0	0	19	15	0	6	0	21							41	0	0	0	0	0	41						
Vernon City	22	2	3	0	0	27	29	0	3	0	32							12	2	0	0	0	0	14						
Coldstream	4	0	0	0	0	4	2	0	0	0	2							10	0	0	0	0	0	10						
Sub. C	2	2	0	0	0	4	0	0	0	0	0							0	0	0	0	0	0	0						
Sub. B	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						
Vernon CA	28	4	3	0	0	35	31	0	3	0	34							198	26	70	0	3	0	297						
Y.T.D. 2005	232	24	32	0	3	291	221	16	14	0	255																			

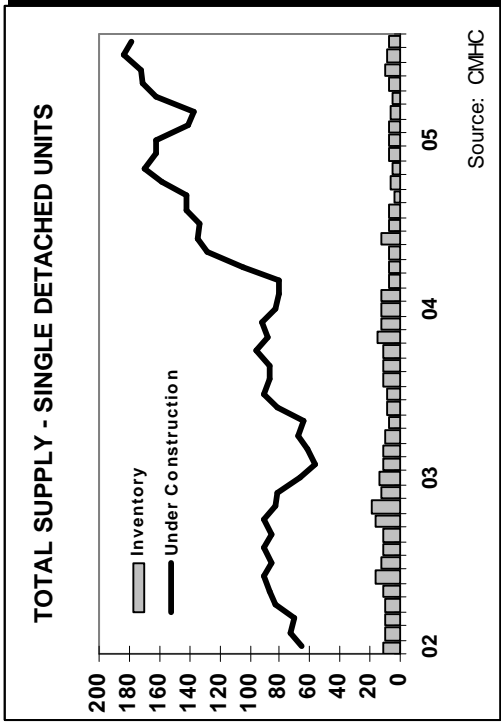
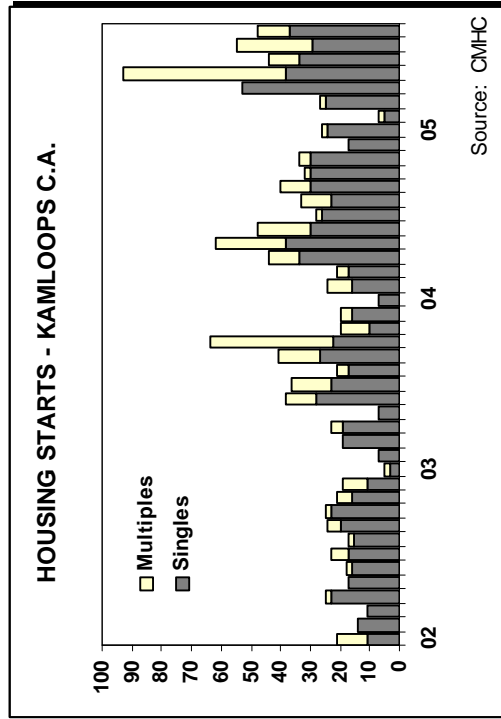
KAMLOOPS CA

Inventory and Absorption by Municipality

AUGUST 2005 AND YEAR-TO-DATE 2004 & 2005

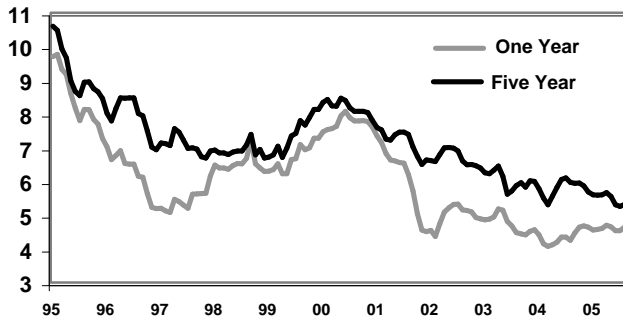
	INVENTORY OF NEW HOMES						ABSORPTION OF NEW HOMES					
	Apt Condo	Apt Rental	Row Condo	Semi Rental	Single Total	Total	Apt Condo	Apt Rental	Row Condo	Semi Rental	Single Total	Grand Total
Kamloops City	8	0	1	0	4	19	0	0	0	0	0	41
Kamloops IR	0	0	0	0	1	1	0	0	0	0	0	4
MONTH TOTAL	8	0	1	0	4	7	0	0	0	0	0	45
Y.T.D. Average 2005*	8	0	1	0	5	7	22	0	12	0	42	305
Y.T.D. Average 2004*	12	0	3	0	9	9	41	0	17	0	24	228

Absorption does not include assisted rental units. * Rounded.

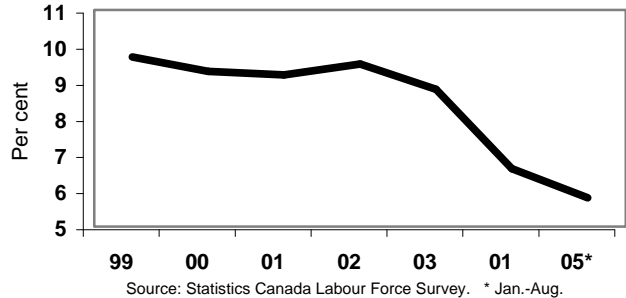


KEY ECONOMIC INDICATORS

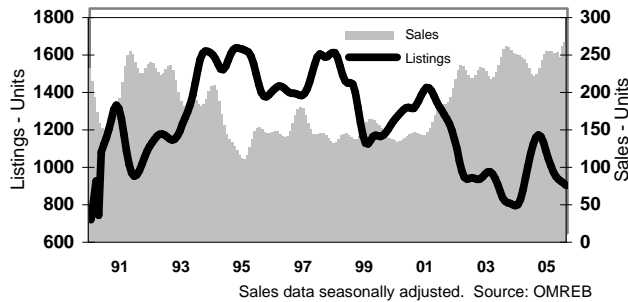
MORTGAGE RATES



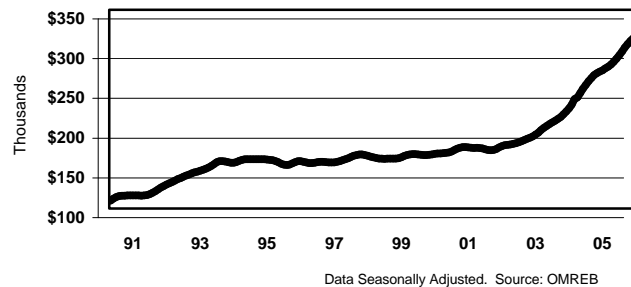
UNEMPLOYMENT RATE THOMPSON-OKANAGAN



MLS SINGLES SALES AND LISTINGS KELOWNA



MEDIAN RESALE HOUSE PRICE (MLS) KELOWNA



SOUTHERN INTERIOR RESALE MARKETS

MLS SALES	AUGUST				YEAR-TO-DATE			
	Sales Aug. 2005	Percent Change Aug. 04	Median Price Aug. 05	Percent Change Aug. 04	Sales YTD 2005	Percent Change YTD 04	Median Price YTD 2005	Percent Change YTD 04
Single Detached								
Kelowna	314	34%	\$315,000	8%	2,245	8%	\$302,000	15%
Kamloops	105	-8%	\$225,000	27%	979	4%	\$206,000	17%
Vernon Area	145	31%	\$256,500	36%	1,135	-1%	\$235,000	24%
Penticton	52	20%	\$257,000	16%	302	-1%	\$256,000	27%
Salmon Arm	37	16%	\$230,000	24%	241	22%	\$221,500	30%
Cranbrook	26	-7%	\$153,000	16%	258	17%	\$149,350	22%

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Current month MLS data is preliminary.

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