

H

HOUSING NOW

Kelowna / Southern Interior

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

New Construction Highlights

Kelowna Housing Starts Up Sharply in February

Kelowna's new home market has maintained a blistering pace, housing starts reaching the highest February level ever. February housing starts, lead by the multi-family sector, shot up to 270 units from 171 units in February 2005.

Construction began on a 149 unit tower and another 60 units of lower density multi-family housing. The multi-family sector continues to see the strongest growth in demand. Price and lifestyle are the key drivers. With the price of both new and resale singles up sharply, more buyers are turning to condos, townhouses and semi-detached units. Retirees, and more recently, buyers seeking lifestyle-oriented housing are also big sources of demand. Singles starts dropped back following January's surge in construction

activity, but remained at a high level.

The demand outlook remains positive. The Kelowna area economy is firing on all cylinders. Strong employment growth has, in turn, spurred in-migration, fueling demand for both new and resale housing. Interest rates, though edging up, continue to support high levels of resale and residential construction activity.

Elsewhere, the Penticton and Kamloops new home markets recorded another strong performance, with both centres recording big gains in February. Vernon area starts were down.

Southern interior resale markets have begun the year on a strong note, last year's upswing carrying over into 2006. All markets continue to see strong upward pressure on price levels.

BC Starts Surge Ahead

BC starts jumped up sharply in February, the Vancouver area multi-family sector accounting for much of the increase. Nationally, housing starts edged down 2.9% to 240,900 units, seasonally adjusted at annual rates (SAAR), from 248,100 units (SAAR), in January. Fewer starts in Quebec, Ontario and Atlantic Canada offset gains in both BC and the Prairie region.

FEBRUARY 2006

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Kamloops/Okanagan

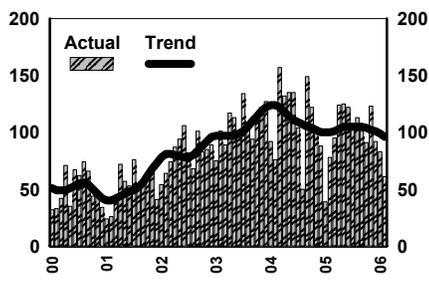
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CMHC Kelowna Noticeboard

- **March 2006** Housing Starts: Local, BC, and National news releases scheduled for April 10, 2006. CMHC's **2005 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 2005 Kelowna Housing Market Outlook Report and the 2005 BC Seniors' Housing Survey Report.**

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SINGLES STARTS - KELOWNA C.A.
2000 - 2006



Singles starts drop back in February.

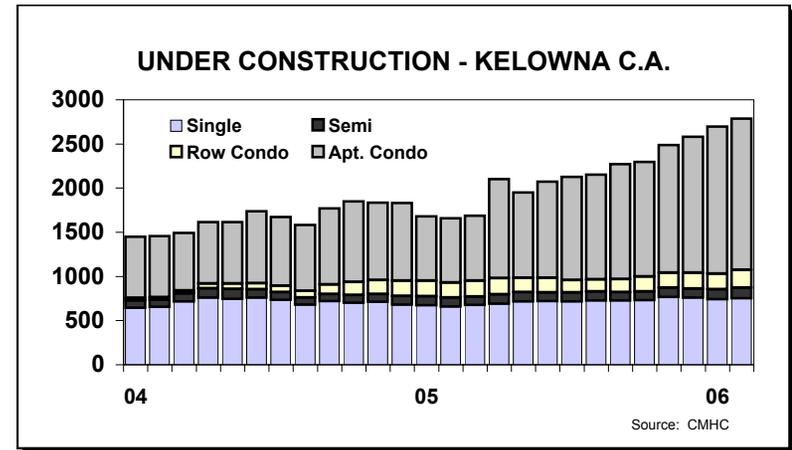
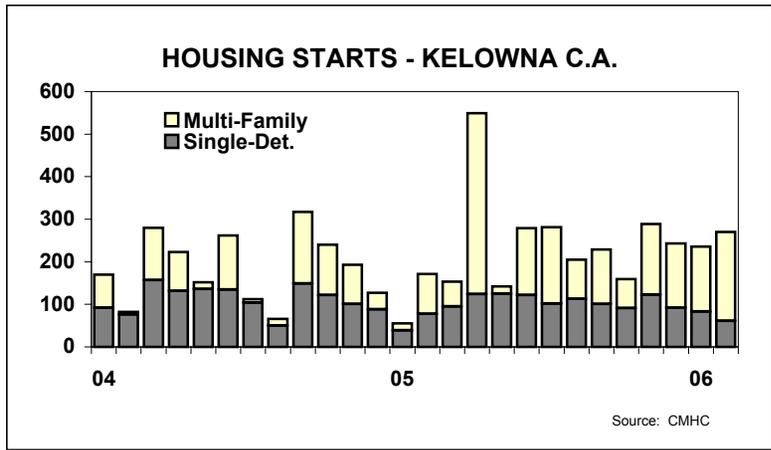
KELOWNA C.A.

STARTS/COMPLETIONS/UNDER CONSTRUCTION

FEBRUARY 2006 & YEAR-TO-DATE 2006

	2004							2005							2006						
	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	41	6	39	0	158	0	244	34	6	15	0	110	0	165	468	88	160	1	1,506	137	2,360
CORD Sub. J*	17	2	0	0	0	0	19	12	0	0	0	0	0	12	159	10	35	0	42	0	246
CORD Sub. I*	1	2	0	0	0	0	3	1	0	0	0	0	0	1	21	18	0	0	0	0	39
Lake Country	2	0	0	0	0	0	2	1	0	0	0	0	0	1	87	0	3	0	32	25	147
Peachland	0	2	0	0	0	0	2	1	0	0	0	0	0	1	16	6	3	0	134	0	159
MONTH TOTAL	61	12	39	0	158	0	270	49	6	15	0	110	0	180	751	122	201	1	1,714	162	2,951
YEAR-TO-DATE	144	28	51	0	283	0	506	124	10	31	0	110	0	275							

Westside/Fintry. Sub. I - Eastside - Joe Rich, Ellison. Please note, effective January 2006, Indian Reserves are no longer included in CMHC's monthly Starts and Completions and Absorption Surveys.

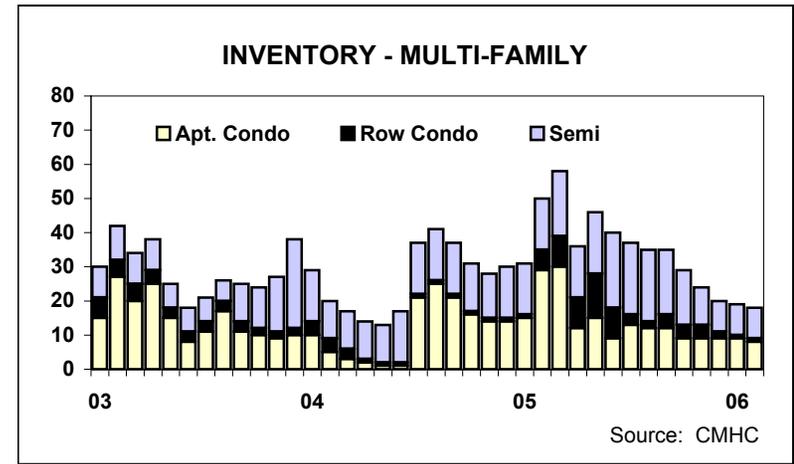
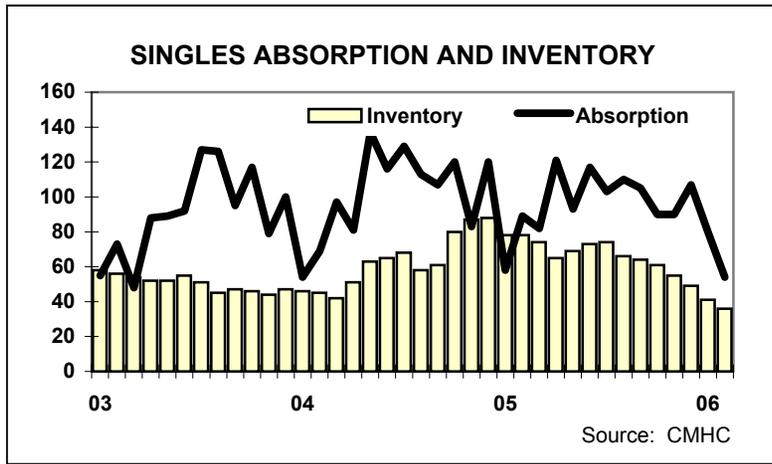


KELOWNA C.A. INVENTORY AND ABSORPTION FEBRUARY 2006 & YEAR-TO-DATE 2005 & 2006

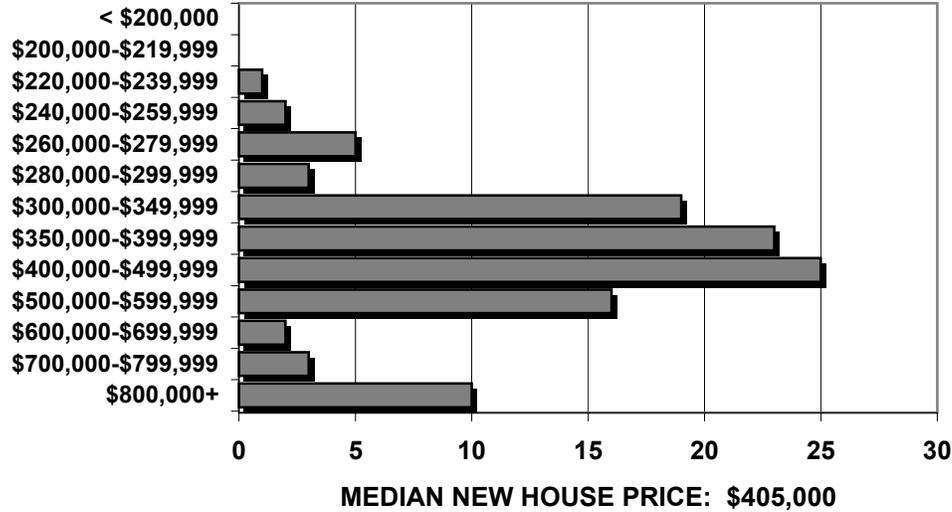
	Apt Condo	Apt Rental	Row Condo	Row Rental	Semi	Single	Total		Apt Condo	Apt Rental	Row Condo	Row Rental	Semi	Single	Grand Total
Kelowna City	8	0	0	0	5	27	40	Kelowna City	40	0	1	0	6	40	87
CORD Sub. J	0	0	1	0	1	7	9	CORD Sub. J	3	0	2	0	0	11	16
CORD Sub. I	0	0	0	0	3	0	3	CORD Sub. I	0	0	0	0	0	1	1
Lake Country	0	0	0	0	0	2	2	Lake Country	0	0	0	0	0	1	1
Peachland	0	0	0	0	0	0	0	Peachland	2	0	0	0	0	1	3
MONTH TOTAL	8	0	1	0	9	36	54	MONTH TOTAL	45	0	3	0	6	54	108
Y.T.D. Average 2006*	9	0	1	0	9	39	58	Y.T.D. Total 2006	124	0	11	0	10	134	279
Y.T.D. Average 2005*	22	0	4	0	15	78	119	Y.T.D. Total 2005	49	0	28	1	6	147	231

CORD - Regional District of Central Okanagan. Absorption does not include assisted rental units. * Rounded.

Please note, effective January 2006, Indian Reserves are no longer included in CMHC's monthly Starts and Completions and Absorption Surveys



PRICES OF SINGLES ABSORBED AT COMPLETION
Kelowna C.A. January - February 2006



Sub Area	Singles Starts By Sub Area		Singles Absorption By Sub Area	
	Y.T.D. 2006	Y.T.D. 2005	Y.T.D. 2006	Y.T.D. 2005
Black Mountain	13	10	7	13
Dilworth Mountain	2	2	4	12
Ellison	1	4	4	15
Glenrosa	0	0	1	0
Glenmore	2	0	4	3
Core Area*	11	11	16	15
I.R.	n/a	0	n/a	1
Lakeview Heights	7	11	9	8
Lower Mission	1	8	4	8
North Glenmore	8	6	10	5
Peachland	3	3	3	4
Rutland North	7	2	8	1
Rutland South	0	0	0	0
S. E. Kelowna	3	8	1	9
Shannon Lake	10	6	8	3
Upper Mission	35	31	38	35
Westbank	2	2	3	5
Winfield	24	2	8	4
West Kelowna	10	5	5	4
Other**	5	6	1	2
Total	144	117	134	147

* Kelowna North/South/Springfield-Spall. ** Fintry/Joe Rich/Oyama/Other. Please note, effective January 2006, Indian Reserves are no longer included in CMHC's monthly Starts and Completions and Absorption Surveys.

HOUSING ACTIVITY SUMMARY - KELOWNA CA FEBRUARY 2006

	OWNERSHIP				RENTAL				TOTAL
	FREEHOLD		CONDOMINIUM		PRIVATE		ASSISTED		
	Single	Semi	Row	Apt.	Row	Apt.	Row	Apt.	
Starts									
Feb. 2006	61	12	39	158	0	0	0	0	270
YTD 2006	144	28	51	283	0	0	0	0	506
YTD 2005	117	8	8	38	0	15	0	40	226
Under Construction									
Feb. 2006	751	122	201	1,714	1	137	0	25	2,951
Feb. 2005	658	104	169	728	1	117	0	40	1,817
Completions									
Feb. 2006	49	6	15	110	0	0	0	0	180
YTD 2006	124	10	31	110	0	0	0	0	275
YTD 2005	137	6	11	98	1	0	0	0	253
Inventory									
Feb. 2006	39	9	1	9	0	0			58
Feb. 2005	78	15	6	29	0	0			128
Total Supply									
Feb. 2006	790	131	202	1,723	1	137	0	25	3,009
Feb. 2005	736	119	175	757	1	117	0	40	1,945
Absorption									
Feb. 2006	54	6	3	45	0	0			108
3 Mo. Ave.	92	9	19	98	0	7			225
12 Mo. Ave.	99	10	18	82	1	8			218

Absorption does not include assisted rentals.

RECORD OF STARTS - KELOWNA C.A.					
YEAR	SINGLE	SEMI	ROW	APT	TOTAL
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
2005	1205	112	206	1232	2755

OTHER CENTRES
Starts/Completions/Under Construction
FEBRUARY 2006 AND YEAR-TO-DATE 2006

	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	1	0	0	0	0	0	1	8	0	0	0	0	0	8	46	0	0	0	0	27	73
E. Kootenay C	0	0	0	0	0	0	0	0	0	0	0	0	0	0	57	0	0	0	0	0	57
Cranbrook CA	1	0	0	0	0	0	1	8	0	0	0	0	0	8	103	0	0	0	0	27	130
Y.T.D. 2006	6	0	0	0	0	0	6	23	0	0	0	0	0	23							
Kamloops C.	22	4	6	0	0	0	32	30	14	0	0	0	0	44	200	88	37	43	0	0	368
TNRD Sub. J*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TNRD Sub. P*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Logan Lake DM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kamloops CA	22	4	6	0	0	0	32	30	14	0	0	0	0	44	200	88	37	43	0	0	368
Y.T.D. 2006	59	16	6	0	0	0	81	63	20	0	0	0	0	83							
Penticton City	6	6	7	0	0	0	19	2	0	0	0	0	0	2	52	14	91	311	0	0	468
RDOS Sub. D*	1	0	0	0	0	0	1	0	0	0	0	0	0	0	28	0	0	0	0	0	28
RDOS Sub. E*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10	0	0	0	0	0	10
RDOS Sub. F*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1
Penticton CA	7	6	7	0	0	0	20	2	0	0	0	0	0	2	91	14	91	311	0	0	507
Y.T.D. 2006	13	8	18	15	0	0	54	6	0	8	0	0	0	14							
Salmon Arm	3	4	0	0	0	0	7	9	2	0	0	0	0	11	47	12	0	16	0	18	93
Y.T.D. 2006	10	4	0	0	0	0	14	17	4	0	0	0	0	21							
Summerland	0	0	6	0	0	0	6	1	0	0	0	0	0	1	25	2	6	0	0	0	33
Y.T.D. 2006	3	0	6	0	0	0	9	4	0	0	0	0	0	4							
Vernon City	12	0	3	0	0	0	15	22	2	13	0	3	0	40	128	24	19	0	0	15	186
Coldstream	7	0	0	0	0	0	7	7	0	0	0	0	0	7	42	0	0	0	0	0	42
NORD Sub. B*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0	0	0	0	0	5
NORD Sub. C*	0	0	0	0	0	0	0	2	0	0	0	0	0	2	16	4	0	0	0	0	20
Vernon CA	19	0	3	0	0	0	22	31	2	13	0	3	0	49	191	28	19	0	0	15	253
Y.T.D. 2006	45	0	3	0	0	0	48	66	6	13	0	3	0	88							

* TNRD - Regional District of Thompson-Nicola. RDOS - Regional District of Okanagan Similkameen. NORD - Regional District of North Okanagan.

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KAMLOOPS CA

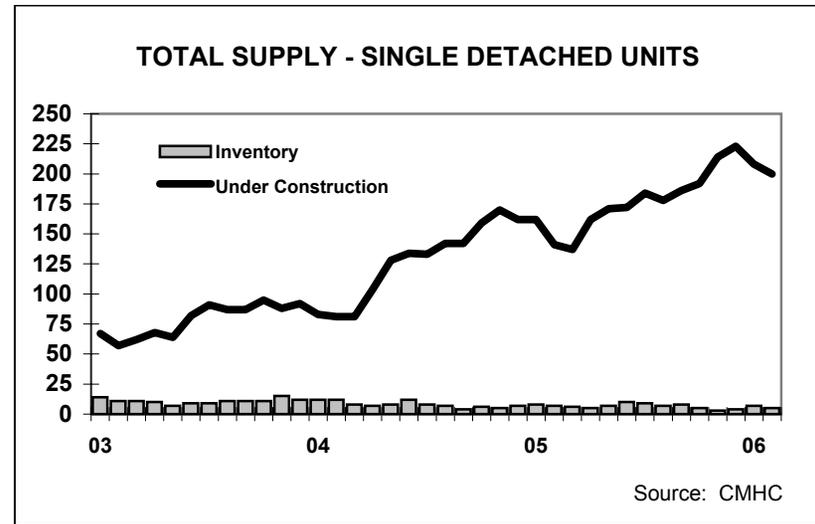
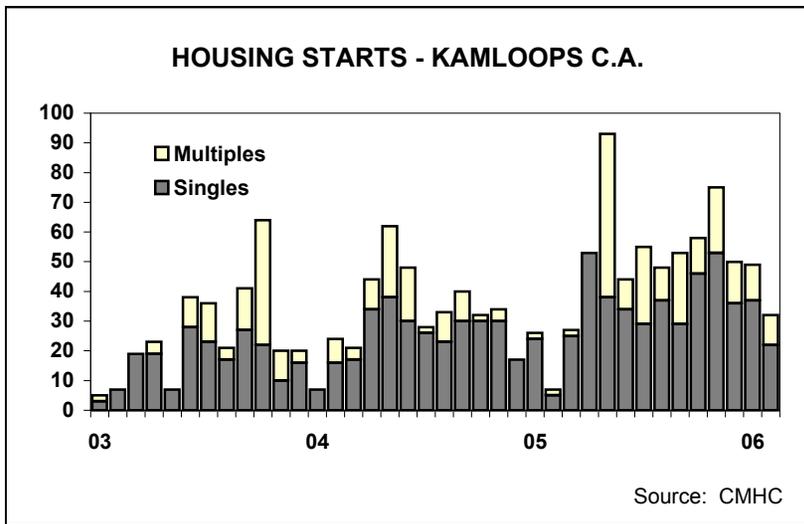
Inventory and Absorption by Municipality

FEBRUARY 2006 AND YEAR-TO-DATE 2005 & 2006

	Apt	Apt	Row	Row	Semi	Single	Total								
	Condo	Rental	Condo	Rental				Apt Condo	Apt Rental	Row Condo	Row Rental	Semi	Single	Grand Total	
Kamloops City	6	0	0	0	1	5	12	Kamloops City	5	0	2	0	14	32	53
TNRD Sub. J	0	0	0	0	0	0	0	TNRD Sub. J	0	0	0	0	0	0	0
TNRD Sub. P	0	0	0	0	0	0	0	TNRD Sub. P	0	0	0	0	0	0	0
Logan Lake DM	0	0	0	0	0	0	0	Logan Lake DM	0	0	0	0	0	0	0
MONTH TOTAL	6	0	0	0	1	5	12	MONTH TOTAL	5	0	2	0	14	32	53
Y.T.D. Average 2006*	6	0	0	0	1	6	13	Y.T.D. TOTAL 2006	5	0	5	0	21	62	93
Y.T.D. Average 2005*	8	0	0	0	4	8	20	Y.T.D. TOTAL 2005	2	0	6	0	6	50	64

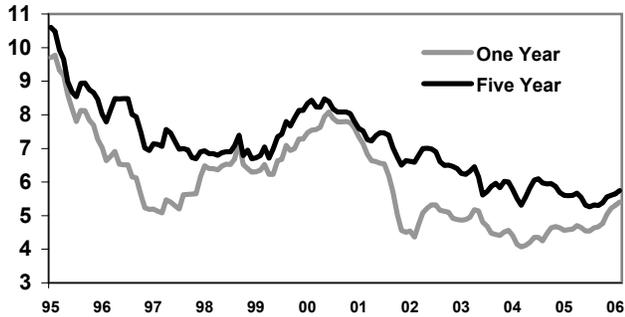
TNRD - Regional District of Thompson/Nicola. Absorption does not include assisted rental units. * Rounded.

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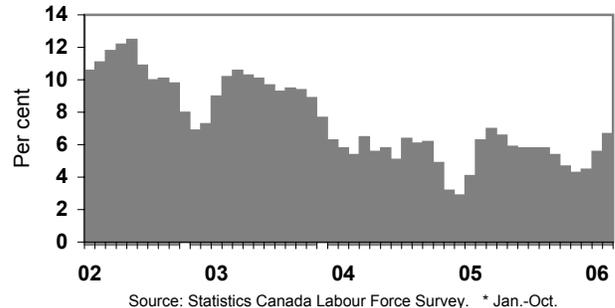


KEY ECONOMIC INDICATORS

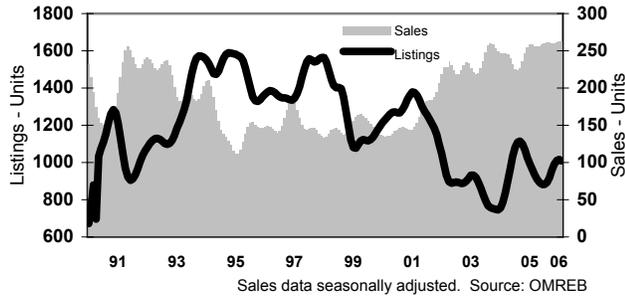
MORTGAGE RATES



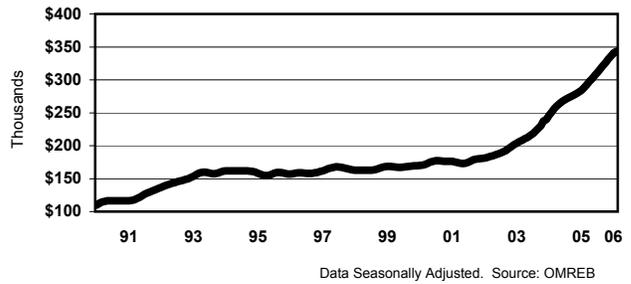
UNEMPLOYMENT RATE - KELOWNA



MLS SINGLES SALES AND LISTINGS KELOWNA



MEDIAN RESALE HOUSE PRICE (MLS) KELOWNA



SOUTHERN INTERIOR RESALE MARKETS

MLS SALES								
	Sales Feb. 2006	Percent Change Feb. 05	Median Price Feb. 06	Percent Change Feb. 05	Sales YTD 2006	Percent Change YTD 05	Median Price YTD 2006	Percent Change YTD 05
Single Detached								
Kelowna	248	0.8%	\$340,000	19%	430	2%	\$338,900	18%
Kamloops	95	-14%	\$245,800	42%	206	14%	\$250,000	40%
Vernon Area	132	26%	\$262,100	33%	220	23%	\$260,850	36%
Penticton	37	28%	\$298,000	16%	72	24%	\$285,000	19%
Salmon Arm	16	-11%	\$260,500	27%	28	-10%	\$282,450	45%
Cranbrook	27	50%	\$176,000	22%	37	-3%	\$170,000	22%

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Current month MLS data is preliminary.

