

## YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

### New Construction Highlights

#### Kelowna New Home Market Remains Strong in May

The Kelowna area new home market recorded another strong performance in May. Housing starts increased to 170 units from 142 units in May 2005.

Kelowna's new home market has maintained a blistering pace to date in 2006, matching 2005's record levels of construction activity. Growth in the Kelowna area economy and population continue to drive housing markets. Though edging up, interest rates remain low by historical standards. Demand remains strongest for multi-family housing. Price and lifestyle are the key drivers. With few new or resale detached units priced at less than \$300,000, more buyers are turning

to condos and townhouses. Higher density housing has become more widely accepted among younger Kelowna area buyers, representing a major shift in buyer attitudes. Retirees, move-down buyers and more recently, others seeking lifestyle oriented housing also remain big sources of demand. Looking forward, an aging population and hot Alberta and BC economies point to sustained demand for both retiree and resort housing.

Elsewhere, Penticton and Kamloops area starts were down in May. Last May, a spike in condo construction pushed up housing starts to exceptionally high levels. Both new home markets remain buoyant despite May's decline. Vernon area starts climbed to the highest monthly level to date this year.

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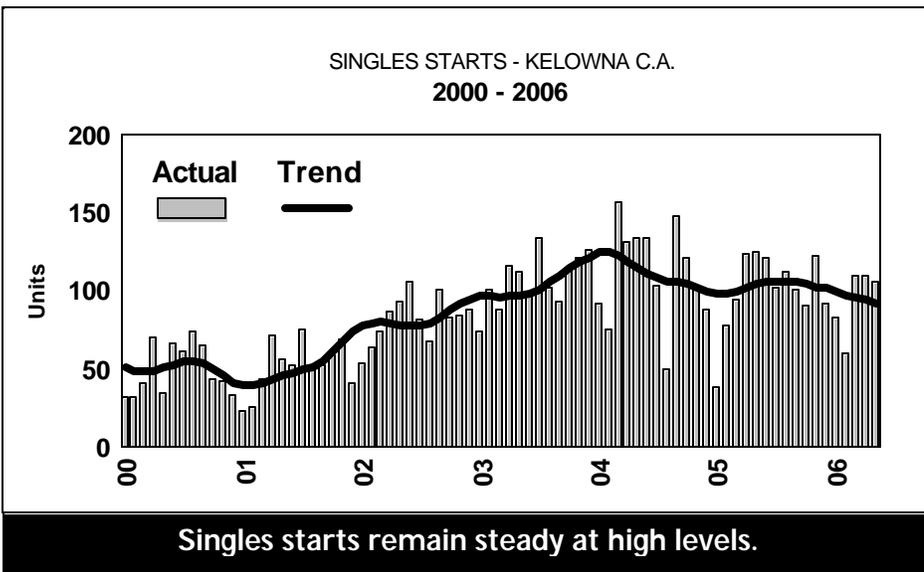
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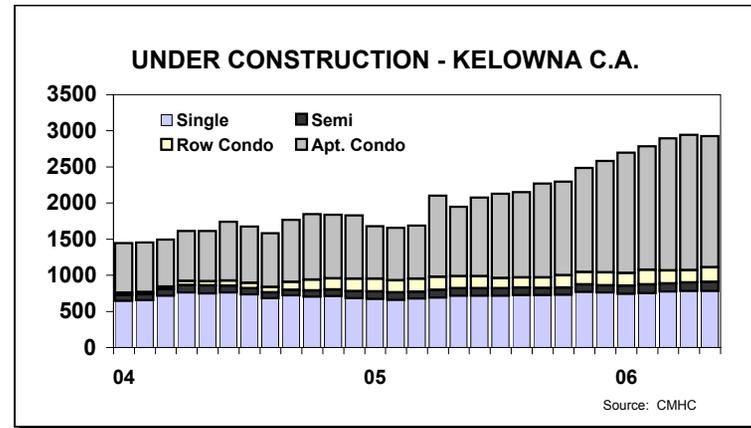
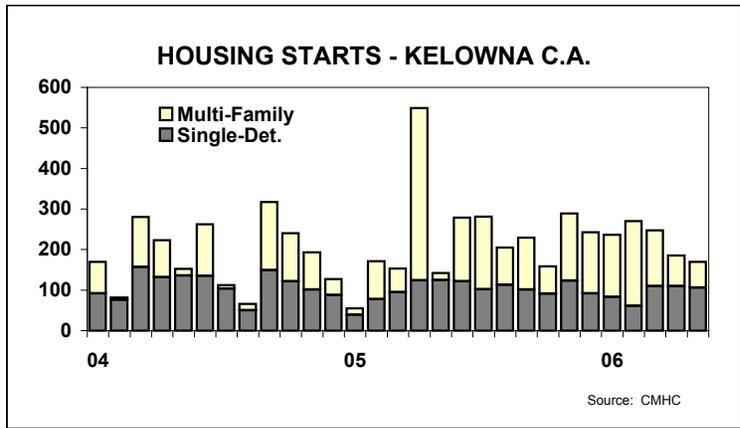
## KELOWNA C.A.

### STARTS/COMPLETIONS/UNDER CONSTRUCTION

MAY 2006 & YEAR-TO-DATE 2006

	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	75	14	28	0	0	0	117	77	10	11	0	59	15	172	483	94	151	3	1,534	28	2,293
CORD Sub. J*	23	0	0	0	0	0	23	15	0	3	0	0	0	18	179	6	29	0	82	0	296
CORD Sub. I*	1	2	0	0	0	0	3	3	0	0	0	0	0	3	21	18	0	0	0	0	39
Lake Country	6	0	0	0	0	0	6	7	0	0	0	0	0	7	86	0	0	0	79	25	190
Peachland	1	0	20	0	0	0	21	2	0	0	0	0	0	2	13	8	23	0	121	0	165
<b>MONTH TOTAL</b>	<b>106</b>	<b>16</b>	<b>48</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>170</b>	<b>104</b>	<b>10</b>	<b>14</b>	<b>0</b>	<b>59</b>	<b>15</b>	<b>202</b>	<b>782</b>	<b>126</b>	<b>203</b>	<b>3</b>	<b>1,816</b>	<b>53</b>	<b>2,983</b>
<b>YEAR-TO-DATE</b>	<b>470</b>	<b>68</b>	<b>110</b>	<b>3</b>	<b>457</b>	<b>0</b>	<b>1,108</b>	<b>419</b>	<b>46</b>	<b>88</b>	<b>1</b>	<b>182</b>	<b>109</b>	<b>845</b>							

\* CORD - Regional District of Central Okanagan. Sub. J - Westside (former Sub. G and H) - Glenrosa, Westbank, Smith Creek, Shannon Heights, West Kelowna, Lakeview Heights, 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.

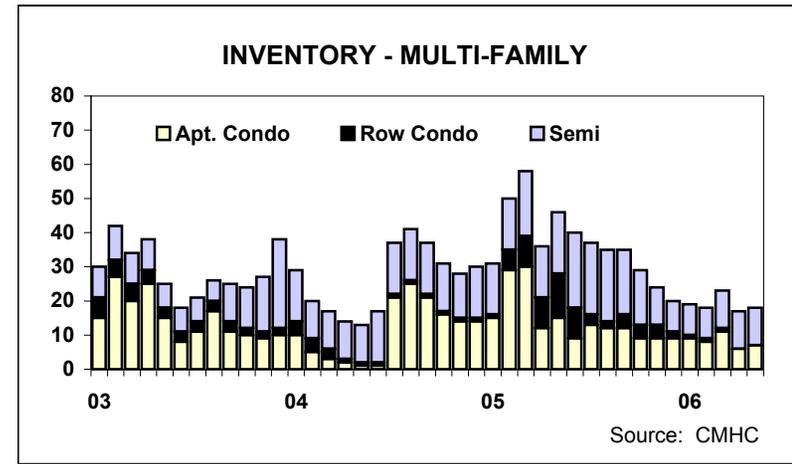
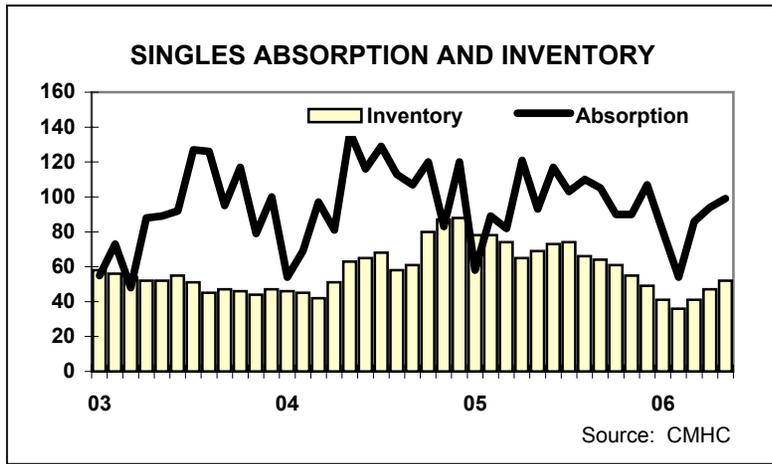


## KELOWNA C.A. INVENTORY AND ABSORPTION MAY 2006 & YEAR-TO-DATE 2005 & 2006

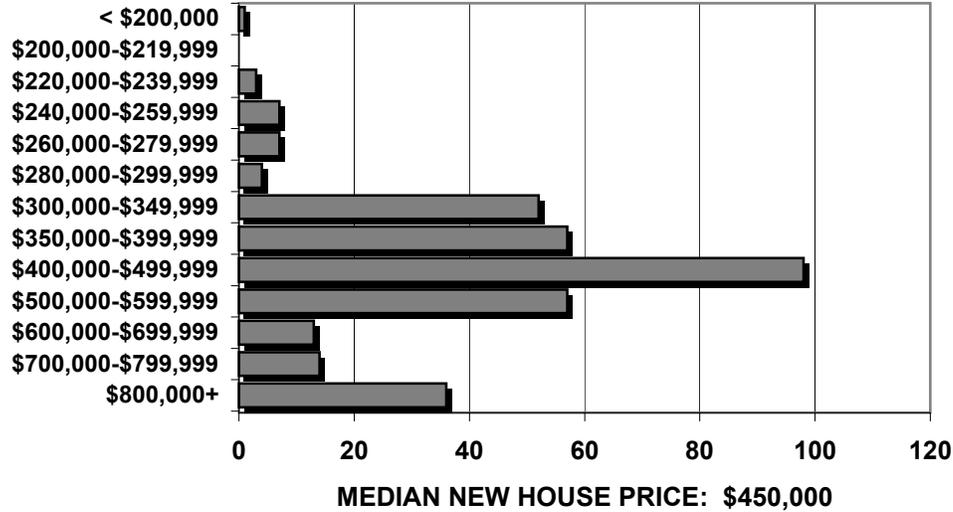
INVENTORY OF NEW HOMES								ABSORPTION OF NEW HOMES							
	Apt Condo	Apt Rental	Row Condo	Row Rental	Semi	Single	Total	Apt Condo	Apt Rental	Row Condo	Row Rental	Semi	Single	Grand Total	
Kelowna City	5	4	0	0	7	39	55	Kelowna City	3	11	4	0	10	73	101
CORD Sub. J	0	0	0	0	1	9	10	CORD Sub. J	0	0	0	0	0	16	16
CORD Sub. I	0	0	0	0	3	0	3	CORD Sub. I	0	0	0	0	0	3	3
Lake Country	0	0	0	0	0	4	4	Lake Country	0	0	0	0	0	5	5
Peachland	2	0	0	0	0	0	2	Peachland	0	0	0	0	0	2	2
<b>MONTH TOTAL</b>	<b>7</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>52</b>	<b>74</b>	<b>MONTH TOTAL</b>	<b>3</b>	<b>11</b>	<b>4</b>	<b>0</b>	<b>10</b>	<b>99</b>	<b>127</b>
<b>Y.T.D. Average 2006*</b>	<b>8</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>10</b>	<b>43</b>	<b>63</b>	<b>Y.T.D. Total 2006</b>	<b>222</b>	<b>27</b>	<b>30</b>	<b>1</b>	<b>44</b>	<b>413</b>	<b>737</b>
<b>Y.T.D. Average 2005*</b>	<b>20</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>16</b>	<b>73</b>	<b>117</b>	<b>Y.T.D. Total 2005</b>	<b>388</b>	<b>53</b>	<b>74</b>	<b>2</b>	<b>37</b>	<b>443</b>	<b>997</b>

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 - May 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	41	35	32	36
Dilworth Mountain	10	15	11	20
Ellison	9	9	10	31
Glenrosa	2	0	2	3
Glenmore	4	4	6	6
Core Area*	22	53	42	50
I.R.	n/a	3	n/a	17
Lake Country	61	45	45	12
Lakeview Heights	26	26	17	25
Lower Mission	10	19	16	25
North Glenmore	55	31	38	26
Peachland	8	10	11	7
Rutland North	16	15	15	9
Rutland South	0	0	0	0
S. E. Kelowna	9	16	9	15
Shannon Lake	28	30	26	14
Upper Mission	125	103	108	96
Westbank	11	4	6	7
West Kelowna	21	21	13	22
Other**	12	22	6	22
<b>Total</b>	<b>470</b>	<b>461</b>	<b>413</b>	<b>443</b>

\* 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 MAY 2006

	OWNERSHIP				RENTAL				TOTAL
	FREEHOLD		CONDOMINIUM		PRIVATE		ASSISTED		
	Single	Semi	Row	Apt.	Row	Apt.	Row	Apt.	
<b>Starts</b>									
May 2006	106	16	48	0	0	0	0	0	170
YTD 2006	470	68	110	457	3	0	0	0	1,108
YTD 2005	461	44	61	448	1	15	0	40	1,070
<b>Under Construction</b>									
May 2006	782	126	203	1,816	3	28	0	25	2,983
May 2005	715	106	165	963	1	109	0	40	2,099
<b>Completions</b>									
May 2006	104	10	14	59	0	15	0	0	202
YTD 2006	419	46	88	182	1	109	0	0	845
YTD 2005	424	40	68	273	2	8	0	0	815
<b>Inventory</b>									
May 2006	52	11	0	7	0	4			74
May 2005	69	18	13	15	0	0			115
<b>Total Supply</b>									
May 2006	834	137	203	1,823	3	32	0	25	3,057
May 2005	784	124	178	978	1	109	0	40	2,214
<b>Absorption</b>									
May 2006	99	10	4	3	0	11			127
3 Mo. Ave.	78	10	6	47	1	5			147
12 Mo. Ave.	94	10	17	83	1	6			211

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**  
**MAY 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	11	6	0	0	0	0	17	10	0	0	0	0	0	10	56	6	0	0	0	0	62
E. Kootenay C	7	0	0	0	0	0	7	2	0	0	0	0	0	2	55	0	0	0	0	0	55
Cranbrook CA	18	6	0	0	0	0	24	12	0	0	0	0	0	12	111	6	0	0	0	0	117
<b>Y.T.D. 2006</b>	47	6	0	0	0	0	53	56	0	0	0	0	27	83							
Kamloops C.	24	24	18	0	0	0	66	28	10	0	0	0	0	38	225	118	51	43	0	0	437
TNRD Sub. J*	2	0	0	0	0	0	2	0	0	0	0	0	0	0	6	0	0	0	0	0	6
TNRD Sub. P*	2	0	0	0	0	0	2	0	0	0	0	0	0	0	12	0	0	0	0	0	12
Logan Lake DM	2	0	0	0	0	0	2	2	0	0	0	0	0	2	0	0	0	0	0	0	0
Kamloops CA	30	24	18	0	0	0	72	30	10	0	0	0	0	40	243	118	51	43	0	0	455
<b>Y.T.D. 2006</b>	177	68	32	0	0	0	277	138	42	12	0	0	0	192							
Penticton City	3	2	3	0	0	0	8	8	2	11	0	0	0	21	37	12	95	392	0	0	536
RDOS Sub. D*	1	0	0	0	0	0	1	1	0	0	0	0	0	1	26	0	0	0	0	0	26
RDOS Sub. E*	4	0	0	0	0	0	4	0	0	0	0	0	0	0	16	0	0	0	0	0	16
RDOS Sub. F*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	2
Penticton CA	8	2	3	0	0	0	13	9	2	11	0	0	0	22	81	12	95	392	0	0	580
<b>Y.T.D. 2006</b>	40	10	33	179	0	0	262	43	4	19	83	0	0	149							
Salmon Arm	19	0	0	0	0	0	19	12	4	0	0	0	0	16	76	12	0	16	0	18	122
<b>Y.T.D. 2006</b>	63	8	0	0	0	0	71	41	8	0	0	0	0	49							
Summerland	3	0	0	0	0	0	3	0	0	0	0	0	0	0	30	6	10	0	0	0	46
<b>Y.T.D. 2006</b>	16	6	10	0	0	0	32	12	2	0	0	0	0	14							
Vernon City	32	2	8	0	0	0	42	13	2	0	0	0	0	15	158	24	23	0	0	15	220
Coldstream	9	0	0	0	0	0	9	5	0	0	0	0	0	5	53	0	0	0	0	0	53
NORD Sub. B*	1	0	0	0	0	0	1	0	0	0	0	0	0	0	6	0	0	0	0	0	6
NORD Sub. C*	1	0	0	0	0	0	1	0	0	0	0	0	0	0	20	4	0	0	0	0	24
Vernon CA	43	2	8	0	0	0	53	18	2	0	0	0	0	20	237	28	23	0	0	15	303
<b>Y.T.D. 2006</b>	140	6	11	0	0	0	157	115	12	17	0	3	0	147							

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

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## KAMLOOPS CA

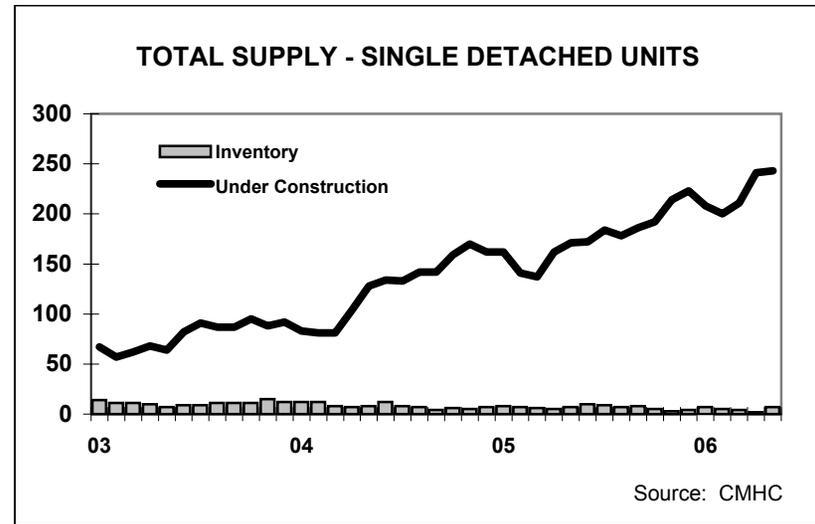
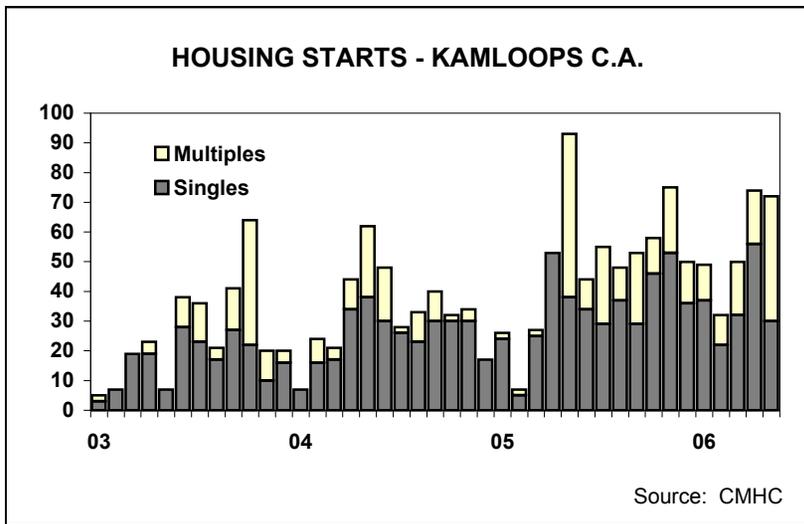
### Inventory and Absorption by Municipality

#### MAY 2006 AND YEAR-TO-DATE 2005 & 2006

INVENTORY OF NEW HOMES								ABSORPTION OF NEW HOMES							
	Apt	Apt	Row	Row	Semi	Single	Total		Apt	Apt	Row	Row	Semi	Single	Grand Total
	Condo	Rental	Condo	Rental					Condo	Rental	Condo	Rental			
Kamloops City	5	0	0	0	2	7	14	Kamloops City	1	0	0	0	9	23	33
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	2	2
<b>MONTH TOTAL</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>7</b>	<b>14</b>	<b>MONTH TOTAL</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>25</b>	<b>35</b>
<b>Y.T.D. Average 2006*</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>5</b>	<b>12</b>	<b>Y.T.D. TOTAL 2006</b>	<b>10</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>42</b>	<b>135</b>	<b>195</b>
<b>Y.T.D. Average 2005*</b>	<b>8</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>4</b>	<b>7</b>	<b>20</b>	<b>Y.T.D. TOTAL 2005</b>	<b>2</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>26</b>	<b>136</b>	<b>174</b>

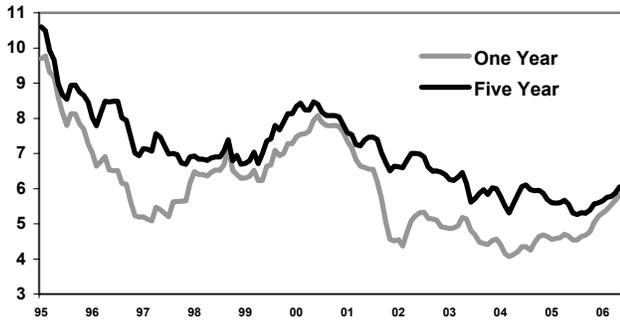
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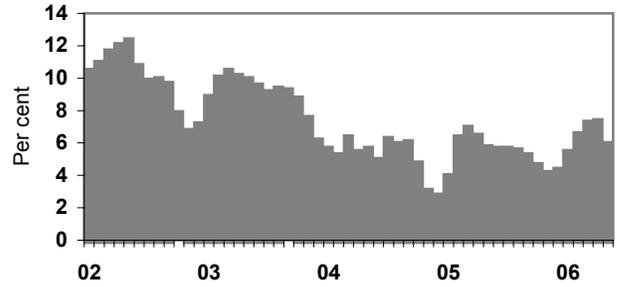


## KEY ECONOMIC INDICATORS

### MORTGAGE RATES

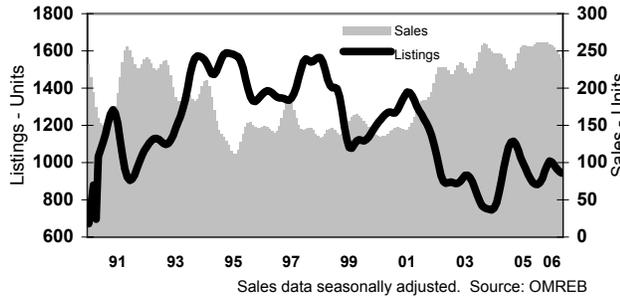


### UNEMPLOYMENT RATE - KELOWNA



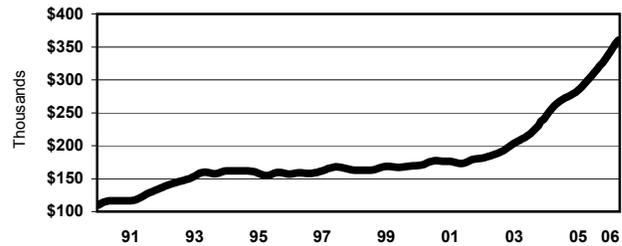
Source: Statistics Canada Labour Force Survey. \* Jan.-Oct.

### MLS SINGLES SALES AND LISTINGS KELOWNA



Sales data seasonally adjusted. Source: OMREB

### MEDIAN RESALE HOUSE PRICE (MLS) KELOWNA



Data Seasonally Adjusted. Source: OMREB

## SOUTHERN INTERIOR RESALE MARKETS

MLS SALES	MAY				YEAR-TO-DATE			
	Sales May 2006	Percent Change May 05	Median Price May 06	Percent Change May 05	Sales YTD 2006	Percent Change YTD 05	Median Price YTD 2006	Percent Change YTD 05
Single Detached								
Kelowna	288	-2%	\$377,750	19%	1,284	-3%	\$360,000	22%
Kamloops	127	-12%	\$270,000	31%	620	4%	\$258,900	36%
Vernon Area	169	9%	\$305,000	18%	692	3%	\$284,000	25%
Penticton	44	-17%	\$340,000	28%	203	13%	\$298,000	18%
Salmon Arm	28	-32%	\$285,000	23%	106	-21%	\$289,950	35%
Cranbrook	41	8%	\$200,000	30%	140	-13%	\$192,500	n/a

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Current month MLS data is preliminary.

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