

H

HOUSING NOW

Kelowna / Southern Interior

YOUR LINK TO THE HOUSING MARKET

New Construction Highlights

Canada Mortgage and Housing Corporation

Kelowna Housing Starts Down in August

Kelowna housing starts were down in August. Housing starts fell to 126 units from 190 units in July. The multi-family sector accounted for most of the decline.

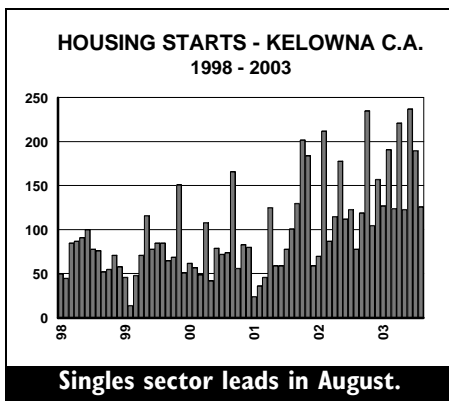
The Kelowna area new home market remains strong despite August's dip in multi-family construction activity. The multi-family sector typically sees big swings from month to month. The singles side recorded another robust performance, starts breaking the 100 unit mark for the sixth month this year. Expect multi-family construction to pick up sharply over the next few months. Overall, Kelowna housing starts are on track to reach a ten year high in 2003.

Move-up buyers, retirees and others seeking lifestyle-oriented housing remain the biggest source of new home demand. Kelowna's diversified economy continues to grow, boosting demand for both new

and resale housing. With resale house prices on the rise and supply of listings down sharply, more buyers are turning to the new home market. Historically low mortgage rates remain a key driver.

Elsewhere, Kamloops housing starts also declined in August. The Vernon area new home market maintained a steady pace, singles starts averaging almost 30 units per month for the third straight month. Penticton starts were up, an increase in multi-family construction offsetting fewer singles starts.

The Kelowna area saw August resale market activity slow in response to the threat of wildfires. Preliminary September data points to a quick recovery. Year-to-date, sales volumes have held at near record highs. Resale markets in other Okanagan markets and Kamloops also remain buoyant. Strong demand coupled with sharply reduced supply of listings has pushed up price levels in all centres.



BC Starts Down In August - Market Remains Buoyant

BC housing starts fell back following July's surge in construction activity. Year-to-date, BC starts are up 15%, both the singles and multiples sectors posting solid gains. Nationally, August housing starts rose almost five per cent to 233,900 units, seasonally adjusted at annual rates (SAAR) from 223,500 units (SAAR) in July. Quebec accounted for most of the increase.

AUGUST 2003

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CMHC Kelowna Noticeboard

◆ **September 2003 Housing Starts: Local, BC, and National news releases** scheduled for Oct. 8, 2003.

◆ **The Spring 2003 Kelowna Housing Market Outlook Report is now available.**

Ask for CMHC's 2002 Okanagan Seniors' Housing Market Survey and Kelowna Rental Market Reports. 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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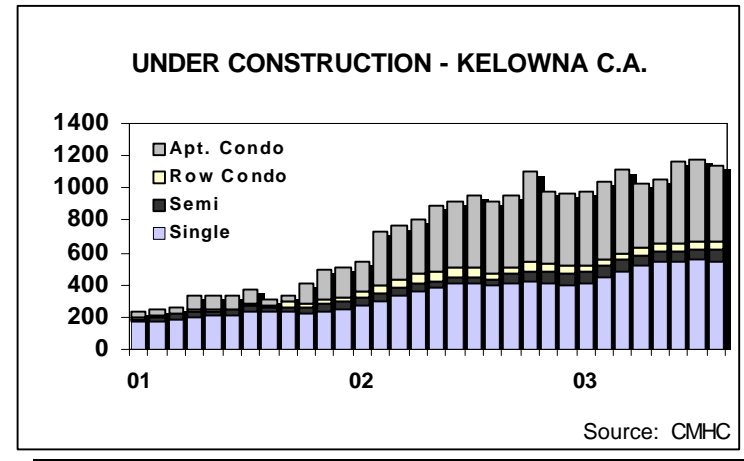
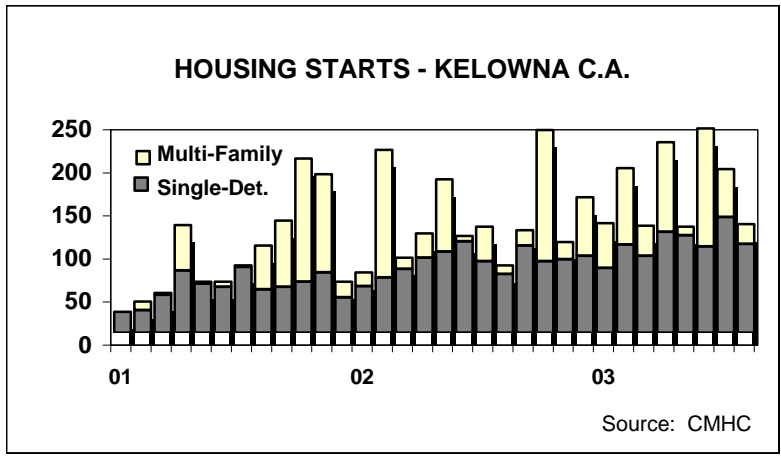
KELOWNA C.A.

STARTS/COMPLETIONS/UNDER CONSTRUCTION

AUGUST 2003 & YEAR-TO-DATE 2003

	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	68	8	0	0	0	0	76	84	0	0	0	34	0	118	342	36	20	0	412	110	920
Sub. G*	5	0	0	0	0	0	5	11	0	0	0	0	0	11	49	0	0	0	0	0	49
Sub. H*	22	8	0	0	0	0	30	22	2	0	0	0	0	24	84	26	0	0	43	0	153
Sub. I*	4	0	0	0	0	0	4	1	4	0	0	0	0	5	16	2	0	0	0	0	18
Lake Country	0	0	0	0	0	0	0	0	0	0	0	0	0	0	31	0	22	0	25	0	78
Peachland	1	2	5	0	0	0	8	2	0	0	0	0	0	2	11	12	8	0	0	0	31
Indian Res.	3	0	0	0	0	0	3	0	0	0	0	0	0	0	6	0	0	0	0	0	6
MONTH TOTAL	103	18	5	0	0	0	126	120	6	0	0	34	0	160	539	76	50	0	480	110	1,255
YEAR-TO-DATE	832	64	26	0	364	54	1,340	693	58	23	4	337	4	1,119							

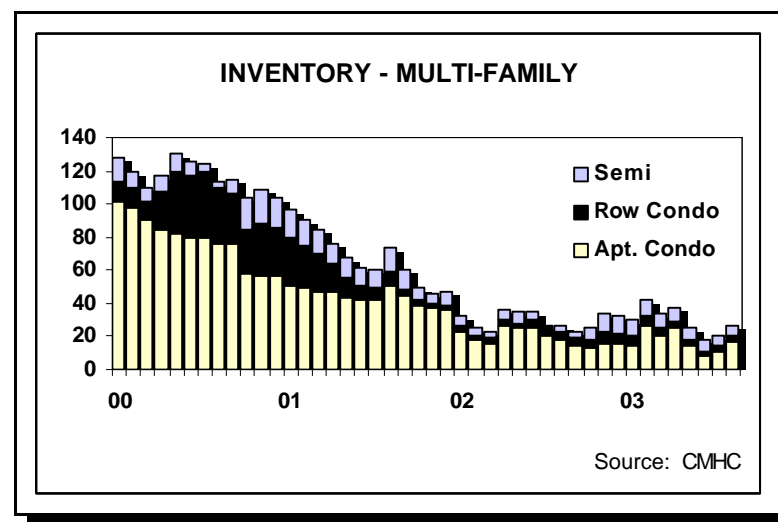
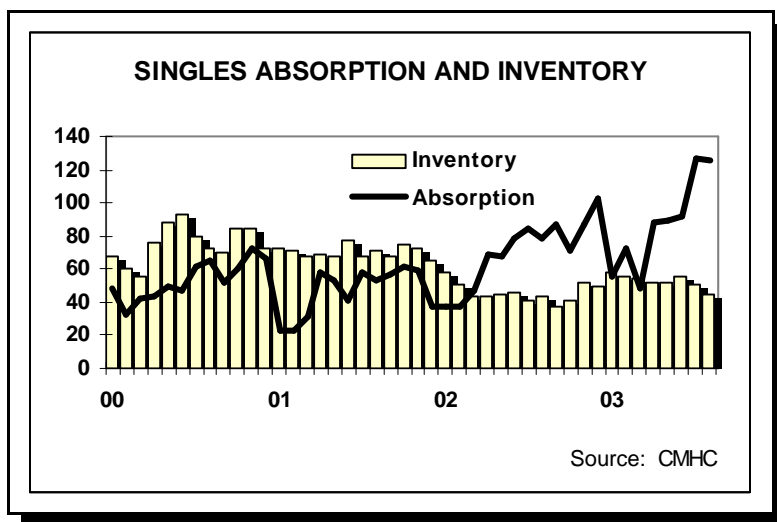
* Sub. G - West Kelowna, Lakeview Heights, Westside/Fintry. Sub H. - Westbank, Glenrosa, Shannon Heights. (Sub G and H former Sub B.) Sub. I - Joe Rich, Ellison (former A.)



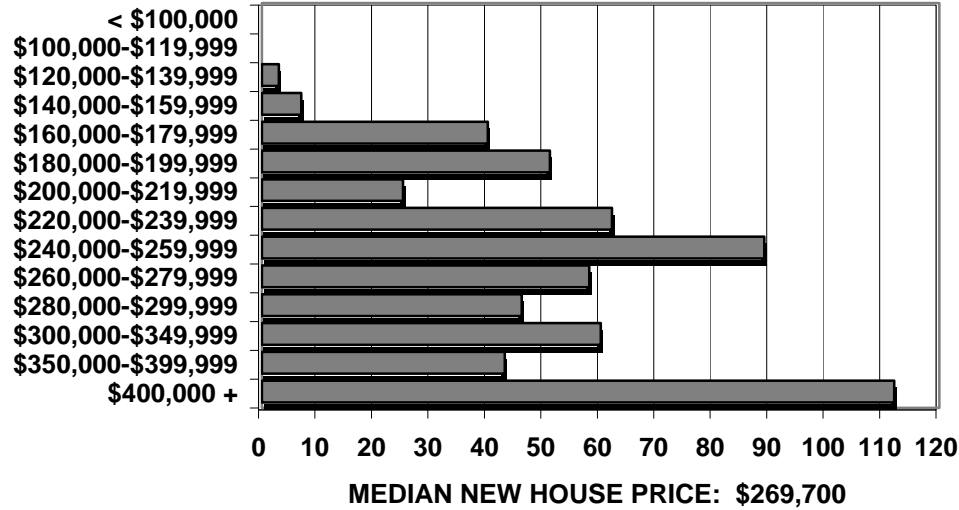
KELOWNA C.A. INVENTORY AND ABSORPTION AUGUST 2003 & YEAR-TO-DATE 2002 & 2003

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	17	28	3	0	5	25	78	Kelowna City	132	2	0	0	1	94	229
Sub. G	0	0	0	0	0	4	4	Sub. G	0	0	0	0	0	10	10
Sub. H	0	0	0	0	0	13	13	Sub. H	0	0	0	0	2	20	22
Sub. I	0	0	0	0	1	2	3	Sub. I	0	0	0	0	4	1	5
Lake Country	0	0	0	0	0	0	0	Lake Country	0	0	1	0	0	0	1
Peachland	0	0	0	0	0	1	1	Peachland	0	0	0	0	0	1	1
Indian Reserve	0	0	0	0	0	0	0	Indian Reserve	0	0	0	0	0	0	0
MONTH TOTAL	17	28	3	0	6	45	99	MONTH TOTAL	132	2	1	0	7	126	268
Y.T.D. Average 2003*	17	33	4	0	8	53	115	Y.T.D. Total 2003	299	19	28	4	62	698	1,110
Y.T.D. Average 2002*	22	8	4	2	5	46	87	Y.T.D. Total 2002	305	0	50	45	61	502	963

Absorption does not include assisted rental units. * Rounded.



**PRICES OF SINGLES ABSORBED AT COMPLETION
Kelowna C.A. January - August 2003**



Sub Area	Singles Starts By Sub Area		Singles Absorption By Sub Area	
	Y.T.D. 2003	Y.T.D. 2002	Y.T.D. 2003	Y.T.D. 2002
Black Mountain	31	35	32	22
Dilworth Mountain	33	55	23	58
Ellison	37	42	29	31
Glenrosa	23	11	12	3
Glenmore	41	40	24	21
I.R.	5	2	0	2
Core Area*	133	39	103	15
Lakeview Heights	79	52	53	43
Lower Mission	37	19	32	17
North Glenmore	9	8	8	4
Peachland	12	22	16	20
Rutland North	53	15	40	12
Rutland South	0	14	10	13
S. E. Kelowna	52	29	44	29
Shannon Lake	43	68	45	49
Upper Mission	128	68	117	69
Westbank	7	5	5	5
Winfield	26	13	15	16
West Kelowna	60	66	72	50
Other**	23	26	18	23
Total	832	629	698	502

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

HOUSING ACTIVITY SUMMARY - KELOWNA CA AUGUST 2003

	OWNERSHIP				RENTAL				TOTAL
	FREEHOLD		CONDOMINIUM		PRIVATE		ASSISTED		
	Single	Semi	Row	Apt.	Row	Apt.	Row	Apt.	
Starts									
Aug. 2003	103	18	5	0	0	0	0	0	126
YTD 2003	832	64	26	364	0	54	0	0	1,340
YTD 2002	629	44	38	254	9	0	0	0	974
Under Construction									
Aug. 2003	539	76	50	480	0	110	0	0	1,255
Aug. 2002	396	38	41	442	0	0	0	0	917
Completions									
Aug. 2003	120	6	0	34	0	0	0	0	160
YTD 2003	693	58	23	337	4	4	0	0	1,119
YTD 2002	480	56	26	48	45	60	58	59	832
Inventory									
Aug. 2003	45	6	3	17	0	28			99
Aug. 2002	43	3	5	18	0	60			129
Total Supply									
Aug. 2003	584	82	53	497	0	138	0	0	1,354
Aug. 2002	439	41	46	460	0	60	0	0	1,046
Absorption									
Aug. 2003	126	7	1	132	0	2			268
3 Mo. Ave.	103	11	7	30	1	2			154
12 Mo. Ave.	83	7	5	22	1	9			127

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

OTHER CENTRES
Starts/Completions/Under Construction
AUGUST 2003 AND YEAR-TO-DATE 2003

	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	2	0	0	0	0	0	2	4	0	0	0	0	0	4	11	0	0	0	0	0	11
E. Kootenay C	7	0	0	0	0	0	7	7	0	0	0	0	0	7	23	0	0	0	0	0	23
Cranbrook CA	9	0	0	0	0	0	9	11	0	0	0	0	0	11	34	0	0	0	0	0	34
Y.T.D. 2003	46	0	0	0	0	0	46	47	0	0	27	0	0	74							
Kamloops C.	16	0	4	0	0	0	20	17	2	0	0	0	0	19	80	20	15	0	0	0	115
Kamloops IR	1	0	0	0	0	0	1	4	0	0	0	0	0	4	7	4	5	0	0	0	16
Kamloops CA	17	0	4	0	0	0	21	21	2	0	0	0	0	23	87	24	20	0	0	0	131
Y.T.D. 2003	123	18	15	0	0	0	156	118	20	4	0	0	0	142							
Penticton City	5	0	14	0	0	0	19	6	0	11	0	0	0	17	31	6	33	100	0	0	170
Sub. D	3	0	0	0	0	0	3	2	0	0	0	0	0	2	26	0	0	0	0	0	26
Sub. E	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7	0	0	0	0	0	7
Sub. F	1	0	0	0	0	0	1	0	0	0	0	0	0	0	2	0	0	0	0	0	2
Penticton IR	3	0	0	0	0	0	3	3	0	0	0	0	0	3	8	0	0	0	0	0	8
Penticton CA	12	0	14	0	0	0	26	11	0	11	0	0	0	22	74	6	33	100	0	0	213
Y.T.D. 2003	82	6	39	40	0	0	167	76	2	49	0	0	0	127							
Salmon Arm	5	0	0	0	0	0	5	0	0	0	0	0	0	0	26	8	10	0	0	0	44
Y.T.D. 2003	41	2	0	0	0	0	43	35	4	11	16	0	0	66							
Summerland	3	0	0	0	0	0	3	3	0	0	0	0	0	3	15	0	0	0	0	0	15
Y.T.D. 2003	24	0	0	0	0	0	24	16	0	0	0	0	0	16							
Vernon City	16	4	0	0	0	0	20	14	0	0	0	0	0	14	76	8	22	0	0	0	106
Coldstream	9	0	0	0	0	0	9	3	0	0	0	0	0	3	43	0	0	0	0	0	43
Sub. C	4	0	0	0	0	0	4	2	0	0	0	0	0	2	16	0	0	0	0	0	16
Sub. D	0	0	0	0	0	0	0	1	0	0	0	0	0	1	4	0	0	0	0	0	4
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	2	0	0	0	0	2	0	0	0	0	0	0	0	1	2	0	0	0	0	3
I. R.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6	0	0	0	0	0	6
Vernon CA	29	6	0	0	0	0	35	20	0	0	0	0	0	20	146	10	22	0	0	0	178
Y.T.D. 2003	189	10	6	0	0	0	205	135	4	17	0	0	0	156							

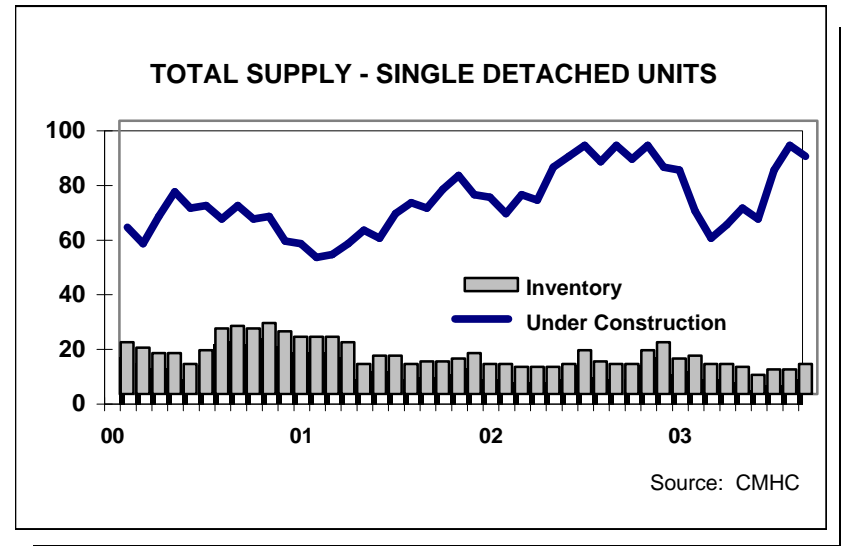
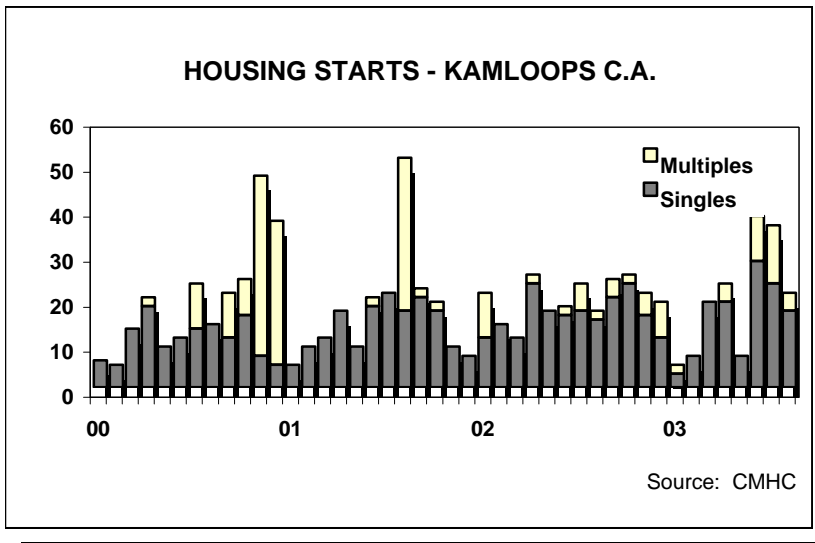
KAMLOOPS CA

Inventory and Absorption by Municipality

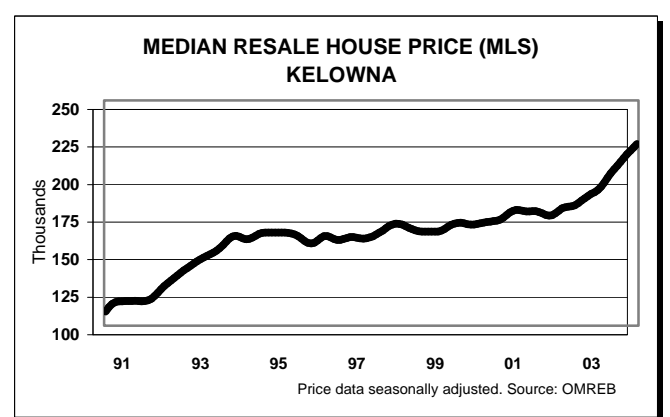
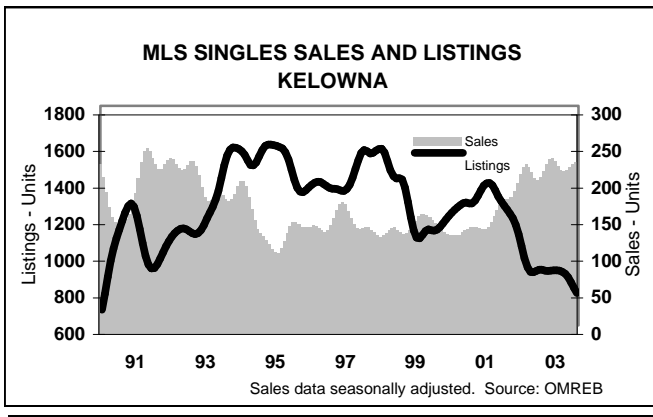
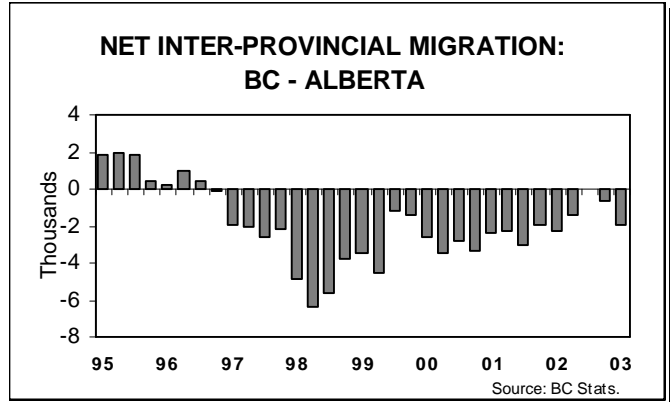
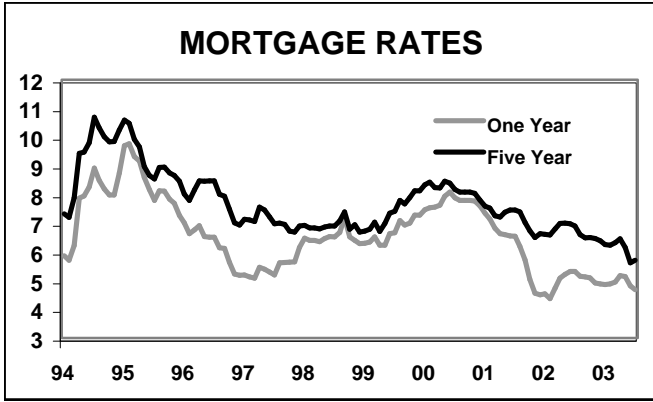
AUGUST 2003 AND YEAR-TO-DATE 2002 & 2003

	INVENTORY OF NEW HOMES							ABSORPTION OF NEW HOMES							
	Apt	Apt	Row	Row	Semi	Single	Total	Apt	Apt	Row	Row	Semi	Single	Grand	
	Condo	Rental	Condo	Rental				Condo	Rental	Condo	Rental			Total	
Kamloops City	14	0	0	0	12	8	34	Kamloops City	0	0	1	0	4	14	19
Kamloops IR	0	0	0	0	0	3	3	Kamloops IR	0	0	0	0	0	5	5
MONTH TOTAL	14	0	0	0	12	11	37	MONTH TOTAL	0	0	1	0	4	19	24
Y.T.D. Average 2003*	23	0	2	0	15	10	50	Y.T.D. TOTAL 2003	19	0	11	0	24	120	174
Y.T.D. Average 2002*	30	0	5	0	17	11	63	Y.T.D. TOTAL 2002	24	0	8	0	12	105	149

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



KEY ECONOMIC INDICATORS



SOUTHERN INTERIOR RESALE MARKETS

MLS SALES	AUGUST				YEAR-TO-DATE			
	Sales August 2003	Percent Change Aug. 02	Median Price Aug. 03	Percent Change Aug. 02	Sales YTD 2003	Percent Change YTD 02	Median Price YTD 2003	Percent Change YTD 02
Single Detached								
Kelowna	234	-0.8%	\$220,000	20%	1,996	0.5%	\$215,000	15%
Kamloops	84	-7%	\$154,000	7%	813	11%	\$157,500	7%
Vernon	134	37%	\$169,250	6%	1,030	26%	\$167,000	7%
Penticton	32	-14%	\$212,000	34%	285	-2%	\$170,000	10%
Salmon Arm	21	31%	\$158,200	-7%	167	8%	\$174,500	9%
Cranbrook	19	12%	\$142,000	39%	168	5%	\$116,750	0.2%

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Current month MLS data is preliminary.

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