

H

HOUSING NOW

Kelowna / Southern Interior

YOUR LINK TO THE HOUSING MARKET

New Construction Highlights

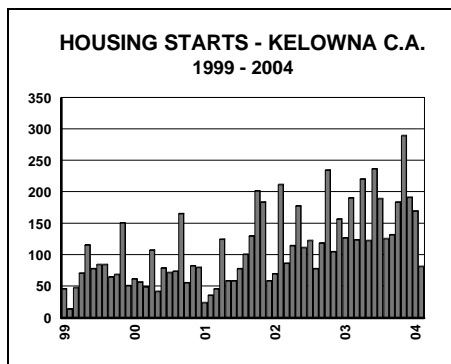
Canada Mortgage and Housing Corporation

Housing Starts Drop Back in February

The Kelowna area new home market saw housing starts decline in February. Housing starts fell to only 82 units, down by more than half from last month and February 2003. Both the singles and multi-family sectors recorded fewer starts in February.

The new home market remains buoyant despite February's decline. The market is seeing a normal seasonal slowdown. Winter weather conditions were much more severe than last year. More recently, building sites have seen the transition from ice to mud. A shortage of building lots has also contributed to the slowdown. Expect starts to pick up later this spring as proposals for more multi-family developments move through the approval process and new subdivisions come on stream.

The demand outlook remains positive.



Housing starts down in February.

Mortgage interest rates are holding near historical lows. The Kelowna economy and population continue to grow, fueling demand for both new and resale housing. With resale house prices on the rise and the supply of listings down sharply, more first time and first time move-up buyers will turn to the new home market this year. Buyers seeking lifestyle oriented housing remain key markets. Low inventories of complete and unsold units - all types - point to more opportunity for expansion in 2004. Though good news, rising lot, building materials and other costs continue to push up new home prices - a growing challenge for both builders and consumers.

Elsewhere, the Kamloops, Vernon and Penticton new home markets posted gains in February.

Okanagan resale markets recorded another strong performance in February. Prices continue to trend up in the face of growing supply constraints.

BC Housing Starts Up in February

BC starts were up again in February, last year's momentum carrying over into 2004. January-February starts have more than doubled over the same two month period last year. Nationally, February housing starts bounced back, increasing 10% to 214,100 units, seasonally adjusted at annual rates (SAAR) from 195,500 units (SAAR), in January.

FEBRUARY 2004

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CMHC Kelowna Noticeboard

◆ **March 2004** Housing Starts: Local, BC, and National news releases scheduled for April 8, 2004.

◆ **The 2003 Kelowna Rental Market and Okanagan Seniors Housing Survey Market Reports are 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!

◆ **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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HOME TO CANADIANS
Canada

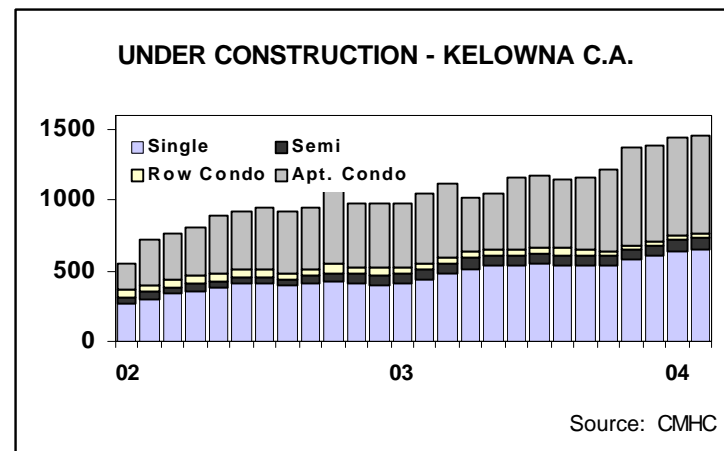
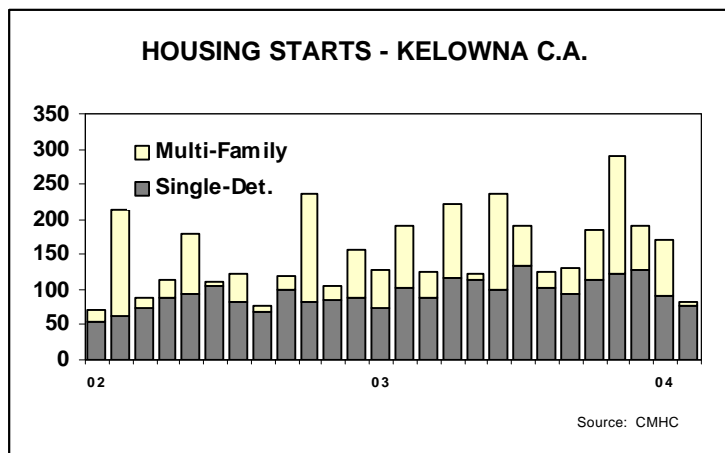
KELOWNA C.A.

STARTS/COMPLETIONS/UNDER CONSTRUCTION

FEBRUARY 2004 & YEAR-TO-DATE 2004

| | 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 | 52 | 4 | 0 | 0 | 0 | 0 | 56 | 38 | 2 | 0 | 0 | 0 | 46 | 86 | 437 | 50 | 18 | 0 | 648 | 67 | 1,220 |
| Sub. J* | 22 | 2 | 0 | 0 | 0 | 0 | 24 | 21 | 2 | 0 | 0 | 0 | 23 | 151 | 32 | 4 | 0 | 43 | 0 | 230 | |
| Sub. I* | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 4 | 0 | 0 | 0 | 0 | 4 | 10 | 2 | 0 | 0 | 0 | 0 | 12 | |
| Lake Country | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 2 | 0 | 0 | 0 | 0 | 2 | 29 | 0 | 0 | 0 | 0 | 0 | 29 | |
| Peachland | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 2 | 11 | 0 | 8 | 0 | 0 | 0 | 19 | |
| Indian Res. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 3 | 13 | 0 | 0 | 0 | 0 | 0 | 13 | |
| MONTH TOTAL | 76 | 6 | 0 | 0 | 0 | 0 | 82 | 68 | 6 | 0 | 0 | 0 | 46 | 120 | 651 | 84 | 30 | 0 | 691 | 67 | 1,523 |
| YEAR-TO-DATE | 168 | 22 | 3 | 0 | 59 | 0 | 252 | 121 | 12 | 3 | 0 | 38 | 46 | 220 | | | | | | | |

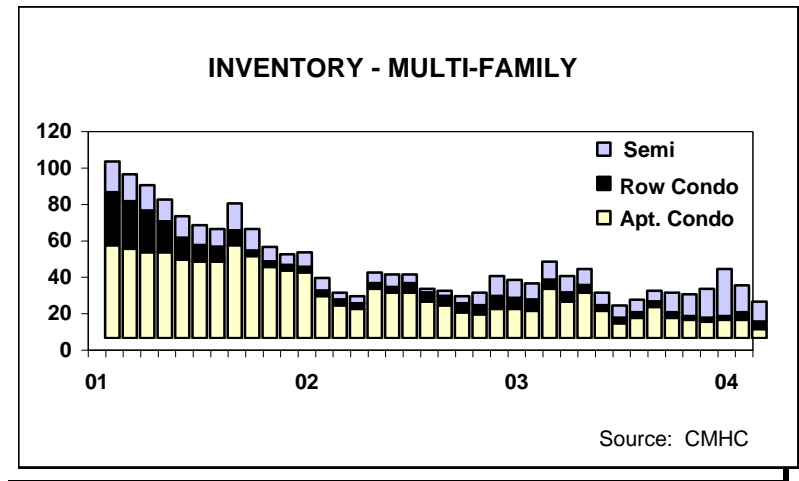
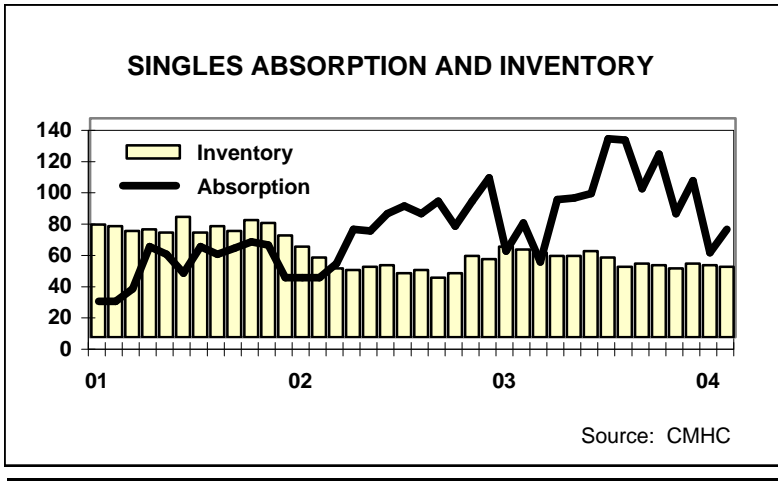
* Sub. J - Westside (former Sub. G and H) - Glenrosa, Westbank, Smith Creek, Shannon Heights, West Kelowna, Lakeview Heights, Westside/Fintry. Sub. I - Joe Rich, Ellision.



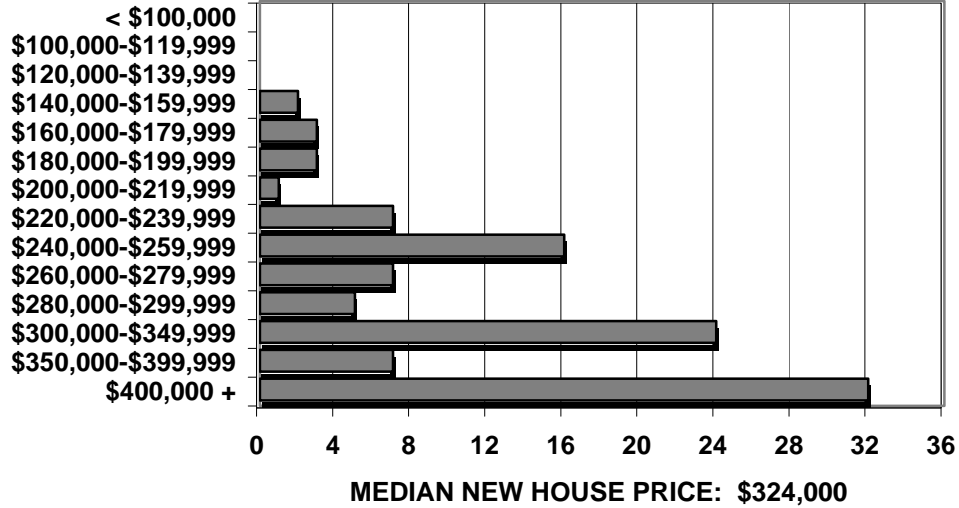
KELOWNA C.A.
INVENTORY AND ABSORPTION
FEBRUARY 2004 & YEAR-TO-DATE 2003 & 2004

| 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 | 24 | 2 | 0 | 6 | 27 | 64 | Kelowna City | 38 | 23 | 0 | 0 | 2 | 39 | 102 |
| Sub. J | 0 | 0 | 0 | 0 | 1 | 13 | 14 | Sub. J | 0 | 0 | 0 | 0 | 2 | 24 | 26 |
| Sub. I | 0 | 0 | 0 | 0 | 1 | 2 | 3 | Sub. I | 0 | 0 | 0 | 0 | 0 | 4 | 4 |
| Lake Country | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Lake Country | 0 | 0 | 0 | 0 | 0 | 2 | 2 |
| Peachland | 0 | 0 | 2 | 0 | 3 | 0 | 5 | Peachland | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| Indian Reserve | 0 | 0 | 0 | 0 | 0 | 3 | 3 | Indian Reserve | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MONTH TOTAL | 5 | 24 | 4 | 0 | 11 | 45 | 89 | MONTH TOTAL | 38 | 23 | 0 | 0 | 5 | 69 | 135 |
| Y.T.D. Average 2004* | 10 | 13 | 4 | 0 | 11 | 46 | 84 | Y.T.D. Total 2004 | 115 | 23 | 2 | 0 | 11 | 123 | 274 |
| Y.T.D. Average 2003* | 21 | 38 | 6 | 0 | 10 | 57 | 132 | Y.T.D. Total 2003 | 33 | 5 | 5 | 0 | 6 | 128 | 177 |

Absorption does not include assisted rental units. * Rounded.



**PRICES OF SINGLES ABSORBED AT COMPLETION
Kelowna C.A. January-February 2004**



| Sub Area | Singles Starts By Sub Area | | Singles Absorption By Sub Area | |
|-------------------|----------------------------|-------------|--------------------------------|-------------|
| | Y.T.D. 2004 | Y.T.D. 2003 | Y.T.D. 2004 | Y.T.D. 2003 |
| Black Mountain | 2 | 6 | 3 | 7 |
| Dilworth Mountain | 2 | 5 | 2 | 4 |
| Ellison | 9 | 7 | 7 | 4 |
| Glenrosa | 2 | 4 | 6 | 0 |
| Glenmore | 4 | 3 | 5 | 6 |
| I.R. | 9 | 0 | 0 | 0 |
| Core Area* | 19 | 37 | 10 | 12 |
| Lakeview Heights | 11 | 15 | 20 | 11 |
| Lower Mission | 2 | 10 | 2 | 6 |
| North Glenmore | 7 | 0 | 1 | 0 |
| Peachland | 0 | 1 | 0 | 6 |
| Rutland North | 6 | 8 | 11 | 5 |
| Rutland South | 0 | 0 | 1 | 3 |
| S. E. Kelowna | 7 | 16 | 4 | 5 |
| Shannon Lake | 2 | 10 | 3 | 9 |
| Upper Mission | 51 | 32 | 27 | 26 |
| Westbank | 6 | 2 | 0 | 1 |
| Winfield | 7 | 6 | 4 | 6 |
| West Kelowna | 14 | 15 | 14 | 15 |
| Other** | 8 | 0 | 3 | 2 |
| Total | 168 | 177 | 123 | 128 |

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

HOUSING ACTIVITY SUMMARY - KELOWNA CA FEBRUARY 2004

| | OWNERSHIP | | | | RENTAL | | | | TOTAL |
|---------------------------|-----------|------|-------------|------|---------|------|----------|------|-------|
| | FREEHOLD | | CONDOMINIUM | | PRIVATE | | ASSISTED | | |
| | Single | Semi | Row | Apt. | Row | Apt. | Row | Apt. | |
| Starts | | | | | | | | | |
| Feb. 2004 | 76 | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 82 |
| YTD 2004 | 168 | 22 | 3 | 59 | 0 | 0 | 0 | 0 | 252 |
| YTD 2003 | 177 | 8 | 0 | 83 | 4 | 46 | 0 | 0 | 318 |
| Under Construction | | | | | | | | | |
| Feb. 2004 | 651 | 84 | 30 | 691 | 0 | 67 | 0 | 0 | 1,523 |
| Feb. 2003 | 443 | 72 | 44 | 486 | 4 | 110 | 0 | 0 | 1,159 |
| Completions | | | | | | | | | |
| Feb. 2004 | 68 | 6 | 0 | 0 | 0 | 46 | 0 | 0 | 120 |
| YTD 2004 | 121 | 12 | 3 | 38 | 0 | 46 | 0 | 0 | 220 |
| YTD 2003 | 134 | 6 | 3 | 50 | 0 | 0 | 0 | 0 | 193 |
| Inventory | | | | | | | | | |
| Feb. 2004 | 45 | 11 | 4 | 5 | 0 | 24 | | | 89 |
| Feb. 2003 | 56 | 10 | 5 | 27 | 0 | 38 | | | 136 |
| Total Supply | | | | | | | | | |
| Feb. 2004 | 696 | 95 | 34 | 696 | 0 | 91 | 0 | 0 | 1,612 |
| Feb. 2003 | 499 | 82 | 49 | 513 | 4 | 148 | 0 | 0 | 1,295 |
| Absorption | | | | | | | | | |
| Feb. 2004 | 69 | 5 | 0 | 38 | 0 | 23 | | | 135 |
| 3 Mo. Ave. | 78 | 11 | 1 | 89 | 0 | 0 | | | 179 |
| 12 Mo. Ave. | 91 | 8 | 3 | 55 | 1 | 4 | | | 162 |

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 |
| 2003 | 1290 | 100 | 30 | 718 | 2138 |

OTHER CENTRES
Starts/Completions/Under Construction
FEBRUARY 2004 AND YEAR-TO-DATE 2004

| | 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 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| E. Kootenay C | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 31 | 0 | 0 | 0 | 0 | 0 | 31 |
| Cranbrook CA | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 38 | 0 | 0 | 0 | 0 | 0 | 38 |
| Y.T.D. 2004 | 2 | 0 | 0 | 0 | 0 | 0 | 2 | 1 | 0 | 0 | 0 | 0 | 1 | | | | | | | | |
| Kamloops C. | 12 | 8 | 0 | 0 | 0 | 0 | 20 | 16 | 0 | 0 | 0 | 0 | 16 | 68 | 26 | 23 | 42 | 0 | 0 | 159 | |
| Kamloops IR | 4 | 0 | 0 | 0 | 0 | 0 | 4 | 2 | 0 | 0 | 0 | 0 | 2 | 13 | 0 | 0 | 0 | 0 | 0 | 13 | |
| Kamloops CA | 16 | 8 | 0 | 0 | 0 | 0 | 24 | 18 | 0 | 0 | 0 | 0 | 18 | 81 | 26 | 23 | 42 | 0 | 0 | 172 | |
| Y.T.D. 2004 | 23 | 8 | 0 | 0 | 0 | 0 | 31 | 34 | 6 | 0 | 0 | 0 | 40 | | | | | | | | |
| Penticton City | 3 | 2 | 0 | 0 | 0 | 0 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 24 | 6 | 32 | 38 | 0 | 0 | 100 | |
| Sub. D | 2 | 0 | 0 | 12 | 0 | 0 | 14 | 5 | 0 | 0 | 0 | 0 | 5 | 25 | 0 | 0 | 12 | 0 | 0 | 37 | |
| Sub. E | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9 | 0 | 0 | 0 | 0 | 0 | 9 | |
| Sub. F | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Penticton IR | 3 | 0 | 0 | 0 | 0 | 0 | 3 | 1 | 0 | 0 | 0 | 0 | 1 | 13 | 0 | 0 | 0 | 0 | 0 | 13 | |
| Penticton CA | 8 | 2 | 0 | 12 | 0 | 0 | 22 | 6 | 0 | 0 | 0 | 0 | 6 | 71 | 6 | 32 | 50 | 0 | 0 | 159 | |
| Y.T.D. 2004 | 16 | 2 | 0 | 12 | 0 | 0 | 30 | 15 | 0 | 0 | 62 | 0 | 77 | | | | | | | | |
| Salmon Arm | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 28 | 6 | 10 | 0 | 0 | 3 | 47 | |
| Y.T.D. 2004 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9 | 0 | 0 | 0 | 0 | 9 | | | | | | | | |
| Summerland | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 17 | 0 | 0 | 0 | 0 | 0 | 17 | |
| Y.T.D. 2004 | 3 | 0 | 0 | 0 | 0 | 0 | 3 | 1 | 0 | 0 | 0 | 0 | 1 | | | | | | | | |
| Vernon City | 11 | 4 | 0 | 0 | 0 | 0 | 15 | 8 | 2 | 0 | 0 | 0 | 10 | 92 | 18 | 13 | 0 | 0 | 0 | 123 | |
| Coldstream | 6 | 0 | 0 | 0 | 0 | 0 | 6 | 6 | 0 | 0 | 0 | 0 | 6 | 30 | 0 | 0 | 0 | 0 | 0 | 30 | |
| Sub. C | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 8 | 2 | 0 | 0 | 0 | 10 | 6 | 2 | 0 | 0 | 0 | 0 | 8 | |
| Sub. D | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Sub. E | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Lumby | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | |
| I. R. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Vernon CA | 18 | 4 | 0 | 0 | 0 | 0 | 22 | 22 | 4 | 0 | 0 | 0 | 26 | 129 | 20 | 13 | 0 | 0 | 0 | 162 | |
| Y.T.D. 2004 | 35 | 4 | 0 | 0 | 0 | 0 | 39 | 49 | 6 | 0 | 0 | 0 | 55 | | | | | | | | |

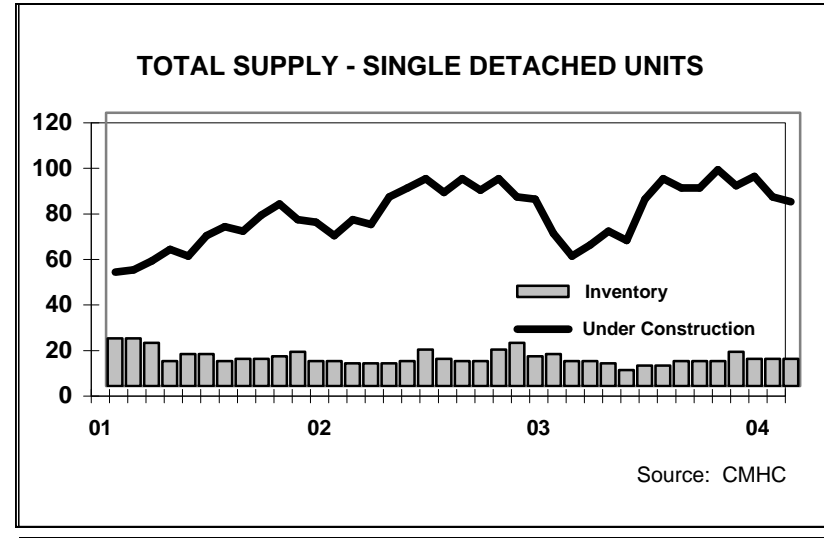
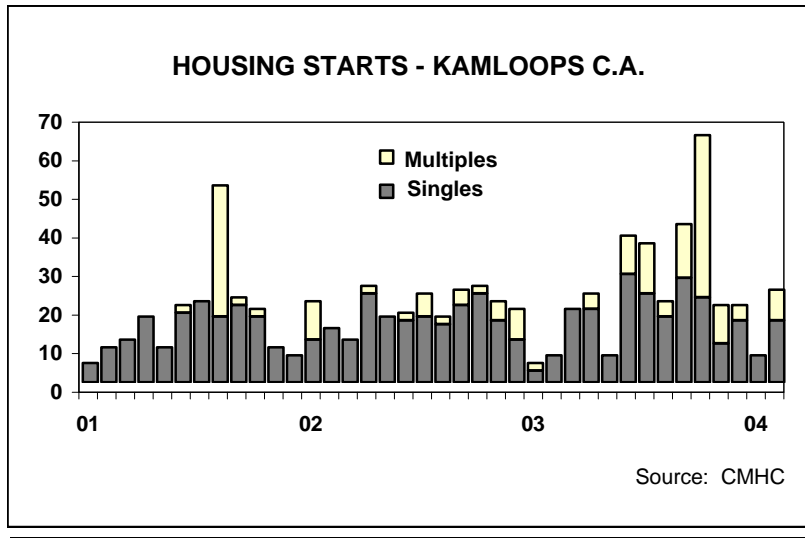
KAMLOOPS CA

Inventory and Absorption by Municipality

FEBRUARY 2004 AND YEAR-TO-DATE 2003 & 2004

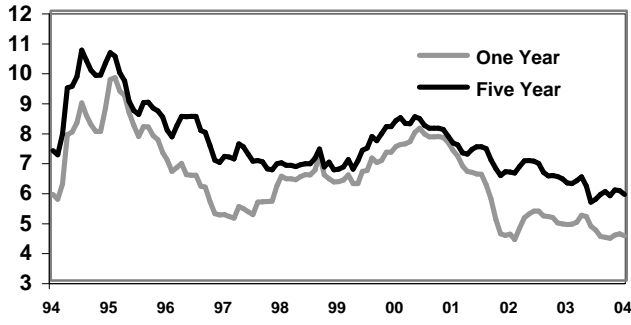
| INVENTORY OF NEW HOMES | | | | | | | | ABSORPTION OF NEW HOMES | | | | | | |
|-----------------------------|--------------|---------------|--------------|---------------|-----------|-----------|-----------|-------------------------|---------------|--------------|---------------|----------|-----------|----------------|
| | Apt Condo | Apt Rental | Row Condo | Row Rental | Semi | Single | Total | Apt Condo | Apt Rental | Row Condo | Row Rental | Semi | Single | Grand Total |
| Kamloops City | 13 | 0 | 3 | 0 | 12 | 10 | 38 | 29 | 0 | 0 | 0 | 1 | 16 | 46 |
| Kamloops IR | 0 | 0 | 0 | 0 | 0 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 2 | 2 |
| MONTH TOTAL | 13 | 0 | 3 | 0 | 12 | 12 | 40 | 29 | 0 | 0 | 0 | 1 | 18 | 48 |
| Y.T.D. Average 2004* | 13 | 0 | 3 | 0 | 13 | 12 | 41 | 30 | 0 | 2 | 0 | 5 | 34 | 71 |
| Y.T.D. Average 2003* | 32 | 0 | 4 | 0 | 15 | 13 | 64 | 1 | 0 | 4 | 0 | 5 | 37 | 47 |

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

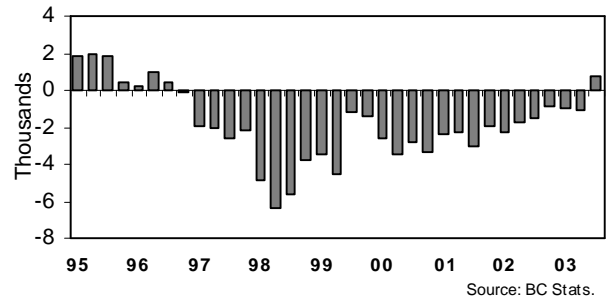


KEY ECONOMIC INDICATORS

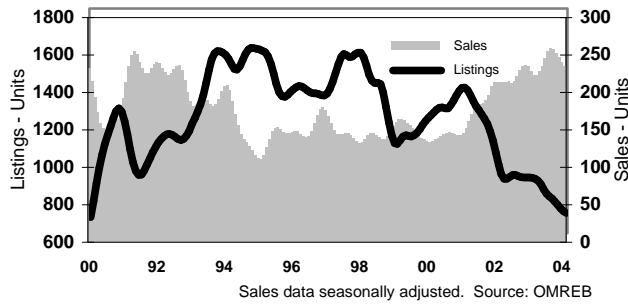
MORTGAGE RATES



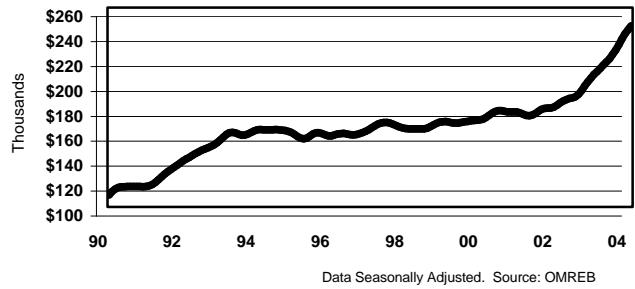
NET INTER-PROVINCIAL MIGRATION: BC - ALBERTA



MLS SINGLES SALES AND LISTINGS KELOWNA



MEDIAN RESALE HOUSE PRICE (MLS) KELOWNA



SOUTHERN INTERIOR RESALE MARKETS

| MLS SALES | FEBRUARY | | | | YEAR-TO-DATE | | | |
|-----------------|-----------------------|------------------------------|----------------------------|------------------------------|-------------------|-----------------------------|-----------------------------|-----------------------------|
| | Sales Feb. 2004 | Percent Change Feb. 03 | Median Price Feb. 04 | Percent Change Feb. 03 | Sales YTD 2004 | Percent Change YTD 03 | Median Price YTD 2004 | Percent Change YTD 03 |
| Single Detached | | | | | | | | |
| Kelowna | 214 | 4% | \$239,000 | 17% | 373 | 0.5% | \$241,000 | 17% |
| Kamloops | 87 | 13% | \$170,500 | 12% | 171 | 22% | \$168,500 | 11% |
| Vernon | 111 | 22% | \$158,000 | 6% | 194 | 21% | \$168,750 | 9% |
| Penticton | 22 | -31% | \$170,000 | 6% | 51 | -18% | \$169,900 | 5% |
| Salmon Arm | 15 | 0 | \$162,000 | -6% | 27 | -10% | \$165,500 | -9% |
| Cranbrook | 22 | 10% | \$116,250 | 0.6% | 46 | 44% | \$116,400 | N/A |

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Current month MLS data is preliminary.

HOUSING NOW

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