

H

OUSING NOW

Kelowna / Southern Interior

YOUR LINK TO THE HOUSING MARKET

New Construction Highlights

Canada Mortgage and Housing Corporation

Condominium Construction Boosts May Housing Starts

Kelowna area housing starts were sharply in May. The multi-family sector - condominium construction, accounted for most of the increase. May housing starts shot up to 178 units from 115 units in April. Singles starts maintained a blistering pace, rising for the fifth straight month. Housing starts have more than doubled from the same five month period a year ago, both the single and multi-family sectors recording big gains.

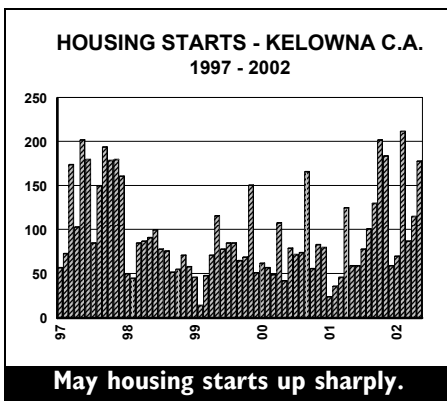
Condominium construction - two 37 unit projects boosted May housing starts. Both projects are targeting a broader range of buyers, more mainstream rather than niche markets.

Pent-up demand, triggered by low interest rates remains the key driver. New homes sales have kept pace with housing completions, keeping inventories low. Strong demand coupled with low

inventories has meant more opportunity for expansion. Also, with resale house prices on the rise and supply of listings down, more home buyers are turning to the new construction market. The demand outlook remains positive. Though good news, slightly higher interest rates and potential for big job losses in the forest products industry continue to pose some downside risk to BC housing markets.

Elsewhere, Kamloops, Vernon and Penticton housing starts dropped back following April's jump in singles and multi-family construction activity. Kamloops and Vernon area starts remain well ahead of last year despite April's decline.

Okanagan resale markets - especially Kelowna, recorded another strong performance in May. Year-to-date, the median resale house price is up 5%-6% in all centres, the biggest across-the-board increase since the early-mid 1990s.



BC Housing Starts up In May

Nationally, new home construction rebounded sharply in May. Housing starts climbed to 203,200 units, seasonally adjusted at annual rates (SAAR), up ten per cent from 184,500 units (SAAR) in April. All regions except Quebec saw an increase. The singles sector lead the BC new home market in May, rising singles construction more than offsetting fewer multi-family starts.

MAY 2002

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CMHC Kelowna Noticeboard

♦ **June 2002 Housing Starts:** Local, BC, and National news releases scheduled for July 9, 2002.

♦ **The Spring 2002 Kelowna Housing Market Outlook 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! Also available: Kelowna Rental Market, Rental Market Fastfax and Okanagan Seniors' Housing Reports. Order Now!

♦ **To subscribe to CMHC Housing Market reports call:** Telephone: (604) 737-4088. Fax: (604) 737-4021. E-mail: lpreston@cmhc-schl.gc.ca

Paul Fabri - CMHC Kelowna Market Analysis
Telephone: (250) 712-4334 Fax: (250) 712-4322
E-mail: pfabri@cmhc-schl.gc.ca

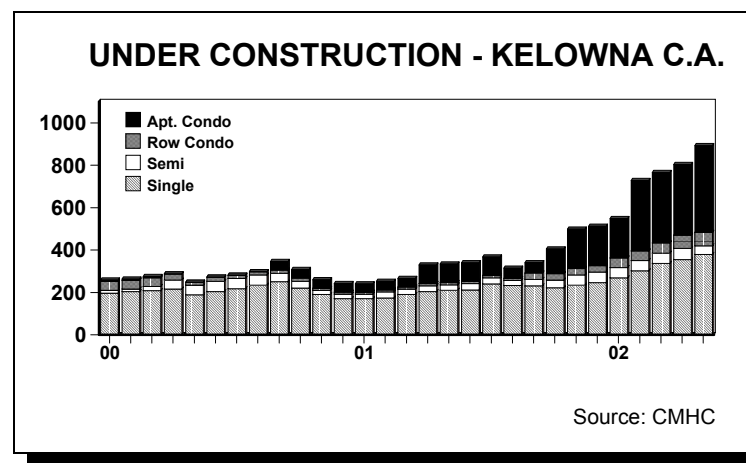
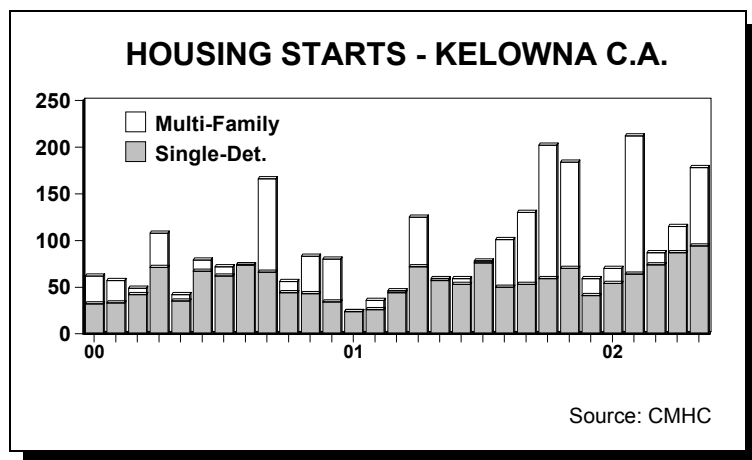


HOME TO CANADIANS
Canada

KELOWNA C.A. STARTS/COMPLETIONS/UNDER CONSTRUCTION MAY 2002 & YEAR TO DATE 2002

	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	60	8	2	0	74	0	144	49	6	0	20	0	59	134	217	30	57	0	408	60	772
Sub. G*	12	0	0	0	0	0	12	9	0	0	8	0	0	17	57	2	0	0	0	0	59
Sub. H*	16	0	0	0	0	0	16	9	2	0	38	0	0	49	67	2	0	0	0	0	69
Sub. I*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0	0	0	0	0	5
Lake Country	2	0	0	0	0	0	2	3	0	0	0	0	0	3	15	0	3	0	0	0	18
Peachland	3	0	0	0	0	0	3	0	6	0	0	0	0	6	17	4	4	0	0	0	25
Indian Res.	1	0	0	0	0	0	1	0	6	0	0	0	0	6	2	2	0	9	0	0	13
MONTH TOTAL	94	8	2	0	74	0	178	70	20	0	66	0	59	215	380	40	64	9	408	60	961
YEAR-TO-DATE	373	22	38	9	220	0	662	240	32	3	94	48	59	476	---	---	---	---	---	---	---

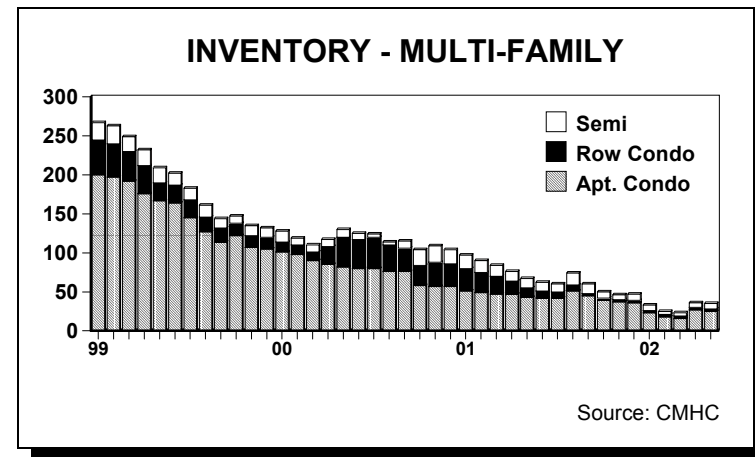
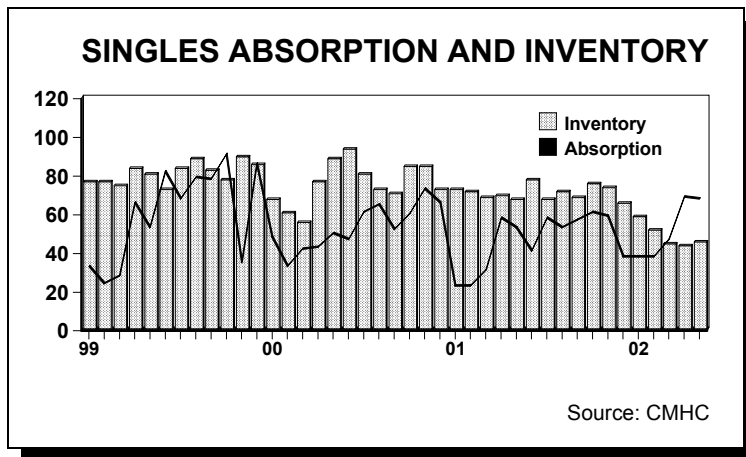
* Sub. G - West Kelowna, Lakeview Heights, Westside/Fintry. Sub H. - Westbank, Glenrosa, Shannon Heights. (Sub G and H former Sub B.) Sub. I - Joe Rich, Ellision (former A.)



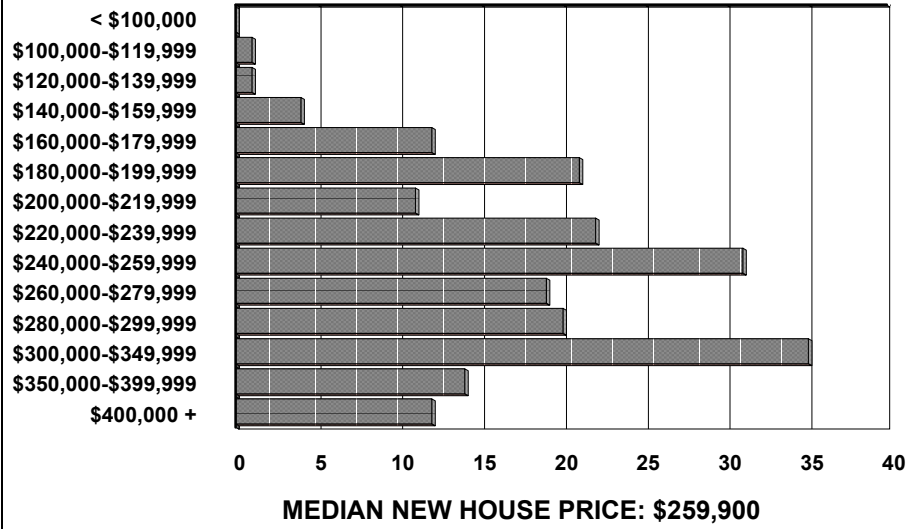
KELOWNA C.A. INVENTORY AND ABSORPTION MAY 2002 AND YEAR TO DATE 2001 & 2002

	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	25	0	3	0	3	25	56	Kelowna City	10	0	1	0	6	44	61
Sub. G	0	0	0	7	0	8	15	Sub. G	0	0	0	1	0	9	10
Sub. H	0	0	0	0	1	11	12	Sub. H	0	0	0	0	2	12	14
Sub. I	0	0	0	0	0	0	0	Sub. I	0	0	0	0	0	0	0
Lake Country	0	0	0	0	0	0	0	Lake Country	0	0	0	0	0	3	3
Peachland	0	0	0	0	2	1	3	Peachland	0	0	2	0	4	0	6
Indian Reserve	0	0	0	0	1	0	1	Indian Reserve	0	0	0	0	7	0	7
MONTH TOTAL	25	0	3	7	7	45	87	MONTH TOTAL	10	0	3	1	19	68	101
Y.T.D. Average 2002*	22	0	3	1	6	48	80	Y.T.D. TOTAL 2002	218	0	32	29	33	260	572
Y.T.D. Average 2001*	47	10	21	0	14	69	161	Y.T.D. TOTAL 2001	28	42	17	0	22	188	297

Absorption does not include assisted rental units. * Rounded.



**PRICES OF SINGLES ABSORBED AT COMPLETION
Kelowna C. A. January - May 2002**



Sub Area	Singles Starts By Sub Area		Singles Absorption by Sub Area	
	Y.T.D. 2002	Y.T.D. 2001	Y.T.D. 2002	Y.T.D. 2001
Black Mountain	24	7	14	5
Dilworth Mountain	39	9	31	11
Ellison	25	13	18	11
Glenrosa	8	4	2	3
Glenmore	18	19	14	9
I.R.	2	1	1	0
Core Area*	17	5	8	6
Lakeview Heights	36	25	20	17
Lower Mission	7	11	11	7
North Glenmore	4	3	1	4
Peachland	13	9	5	9
Rutland North	12	3	5	3
Rutland South	8	4	6	6
S. E. Kelowna	16	31	16	19
Shannon Lake	38	12	24	16
Upper Mission	36	18	35	18
Westbank	4	4	4	4
Winfield	8	8	5	13
West Kelowna	41	25	25	16
Other**	17	12	15	11
Total	373	223	260	188

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

HOUSING ACTIVITY SUMMARY - KELOWNA CA MAY 2002

	OWNERSHIP				RENTAL				TOTAL
	FREEHOLD		CONDOMINIUM		PRIVATE		ASSISTED		
	Single	Semi	Row	Apt.	Row	Apt.	Row	Apt.	
Starts									
May 2002	94	8	2	74	0	0	0	0	178
YTD 2002	373	22	38	220	9	0	0	0	662
YTD 2001	223	18	1	48	0	0	0	0	290
Under Construction									
May 2002	380	40	64	408	9	60	0	0	961
May 2001	210	26	10	88	0	0	80	0	414
Completions									
May 2002	70	20	0	0	8	0	58	59	215
YTD 2002	240	32	3	48	36	0	58	59	476
YTD 2001	183	16	0	0	0	60	0	0	259
Inventory									
May 2002	45	7	3	25	7	0	-	-	87
May 2001	67	12	12	43	0	20	-	-	154
Total Supply									
May 2002	425	47	67	433	16	60	0	0	1,048
May 2001	277	38	22	131	0	20	80	0	568
Absorption									
May 2002	68	19	3	10	1	0	-	-	101
3 Mo. Ave.	51	4	10	64	0	0	-	-	129
12 Mo. Ave.	51	4	4	22	2	3	-	-	86

Absorption does not include assisted rentals.

RECORD OF STARTS - KELOWNA C.A.

YEAR	SINGLE	SEMI	ROW	APARTMENT	TOTAL
1990	1,257	30	173	608	2,068
1991	1,294	82	218	623	2,217
1992	1,484	80	292	763	2,619
1993	1,149	44	194	584	1,971
1994	918	152	169	255	1,494
1995	776	92	170	167	1,205
1996	859	131	85	307	1,382
1997	987	192	131	428	1,738
1998	751	88	9	0	848
1999	675	46	62	96	879
2000	603	77	94	154	928
2001	625	66	115	305	1,111

Row and apartment starts include rental units.

OTHER OKANAGAN CENTRES
Starts/Completions/Under Construction
MAY 2002 AND YEAR TO DATE 2002

	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	3	0	0	0	0	0	3	1	0	0	0	0	0	1	10	0	0	0	0	0	10
E. Kootenay C	3	0	0	0	0	0	3	7	0	0	0	0	0	7	23	0	0	0	0	0	23
Cranbrook CA	6	0	0	0	0	0	6	8	0	0	0	0	0	8	33	0	0	0	0	0	33
Y.T.D. 2002	11	0	0	0	0	0	11	36	0	0	0	0	0	36							
Kamloops C.	14	0	0	0	0	0	14	11	2	0	0	0	0	13	77	10	12	54	0	0	153
Kamloops IR	3	0	0	0	0	0	3	2	0	0	0	0	0	2	10	0	0	0	0	0	10
Kamloops CA	17	0	0	0	0	0	17	13	2	0	0	0	0	15	87	10	12	54	0	0	163
Y.T.D. 2002	76	4	8	0	0	0	88	61	6	20	18	0	32	137							
Penticton City	4	0	0	0	0	0	4	2	0	0	0	0	0	2	15	0	0	0	0	0	15
Sub. D	0	0	0	0	0	0	0	2	0	0	0	0	0	2	17	0	0	21	0	0	38
Sub. E	4	0	0	0	0	0	4	1	0	0	0	0	0	1	9	0	0	0	0	0	9
Sub. F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0	3
Penticton IR	1	0	0	0	0	0	1	0	0	0	0	0	0	0	3	0	0	0	0	0	3
Penticton CA	9	0	0	0	0	0	9	5	0	0	0	0	0	5	47	0	0	21	0	0	68
Y.T.D. 2002	30	0	0	21	0	0	51	27	0	0	0	0	0	27							
Salmon Arm	0	0	3	0	0	0	3	4	0	0	0	0	0	4	6	2	11	19	0	0	38
Y.T.D. 2002	6	0	3	16	0	0	25	15	0	0	0	0	0	15							
Summerland	3	0	0	0	0	0	3	0	0	0	0	0	0	0	13	0	0	0	0	0	13
Y.T.D. 2002	9	0	0	0	0	0	9	5	0	0	0	0	0	5							
Vernon City	7	0	0	0	0	0	7	12	0	0	0	0	0	12	43	10	34	0	40	35	162
Coldstream	3	0	0	0	0	0	3	2	0	0	0	0	0	2	21	0	0	0	0	0	21
Sub. C	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8	0	0	0	0	0	8
Sub. D	6	0	0	0	0	0	6	0	0	0	0	0	0	0	6	0	0	0	0	0	6
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	0	0	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	4	0	4
Vernon CA	16	0	0	0	0	0	16	14	0	0	0	0	0	14	78	10	34	0	44	35	201
Y.T.D. 2002	73	6	3	0	0	35	117	60	6	6	0	0	0	72							

KAMLOOPS CA

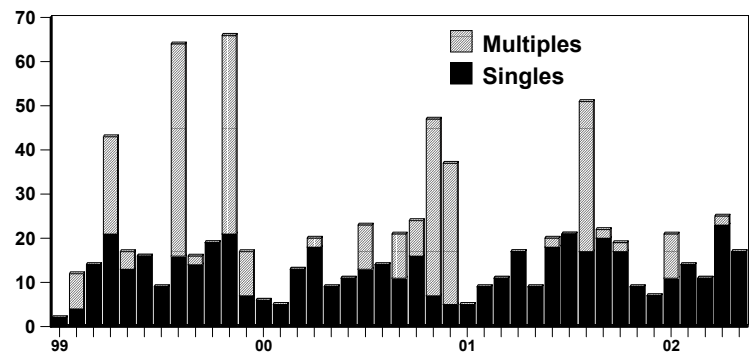
Inventory and Absorption by Municipality

MAY 2002 AND YEAR-TO-DATE 2001 & 2002

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	Total
Kamloops City	29	0	7	0	17	7	60	Kamloops City	6	0	0	0	2	11	19
Kamloops IR	0	0	0	0	0	4	4	Kamloops IR	0	0	0	0	0	1	1
TOTAL	29	0	7	0	17	11	64	TOTAL	6	0	0	0	2	12	20
Y.T.D. AVG. 2002*	31	0	4	0	17	10	62	Y.T.D. TOTAL 2002	18	0	5	0	8	61	92
Y.T.D. AVG. 2001*	13	0	2	0	24	17	56	Y.T.D. TOTAL 2001	3	0	0	0	4	56	63

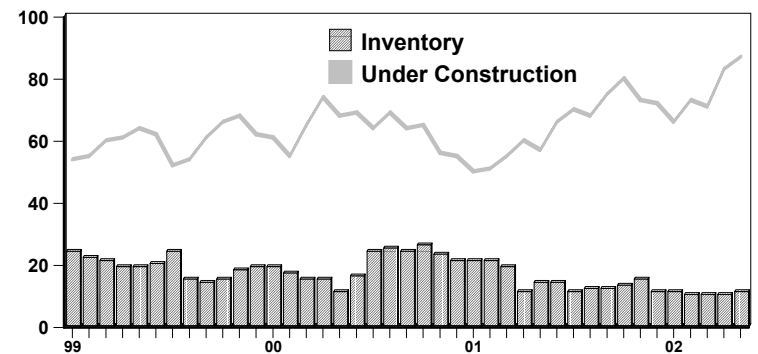
*Absorption does not include assisted rental units. * Rounded.*

HOUSING STARTS - KAMLOOPS C.A.



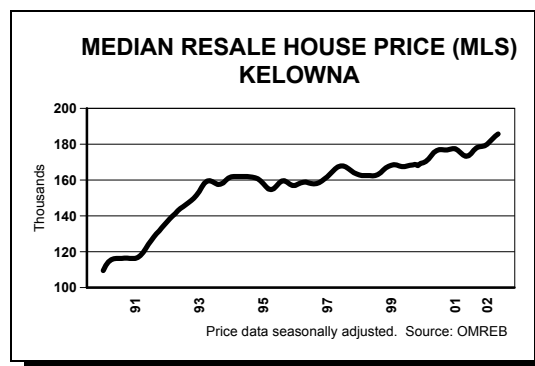
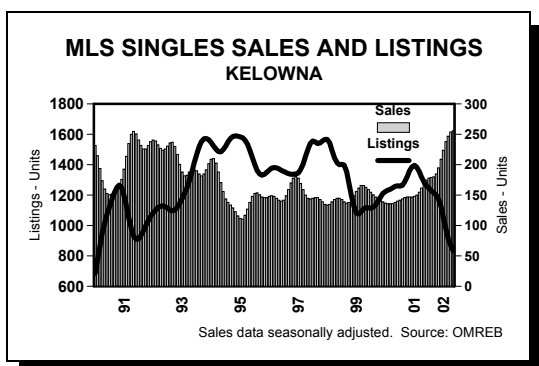
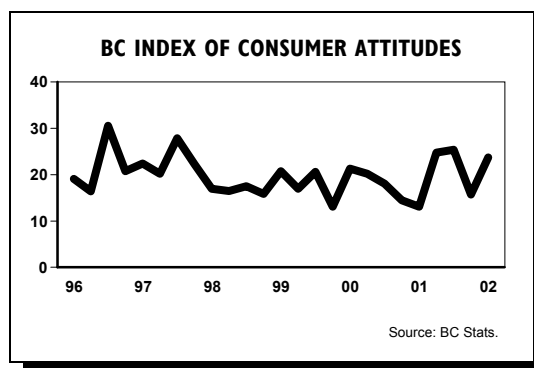
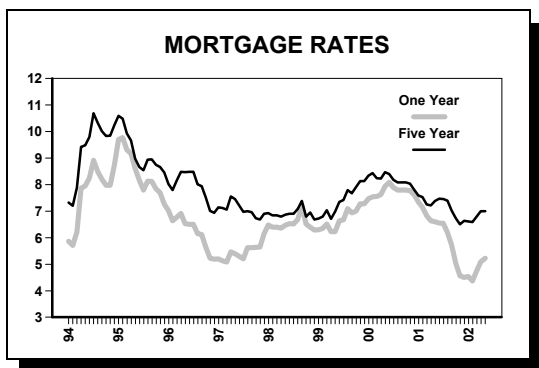
Source: CMHC

TOTAL SUPPLY - SINGLE DETACHED UNITS



Source: CMHC

KEY ECONOMIC INDICATORS



SOUTHERN INTERIOR RESALE MARKETS

MLS SALES	MAY				YEAR TO DATE			
	Sales May 2002	Percent Change May 01	Median Price May 02	Percent Change May 01	Sales YTD 2002	Percent Change YTD 01	Median Pr. YTD 2002	Percent Change YTD 01
Kelowna	290	20%	\$188,250	4.9%	1,239	43%	\$185,000	5.7%
Kamloops	99	-1%	\$145,000	3.6%	425	12%	\$145,000	1.4%
Vernon	127	0%	\$155,000	8.0%	472	14%	\$153,500	6.4%
Penticton	37	6%	\$164,000	7.9%	174	12%	\$154,000	5.5%
Salmon Arm	22	-24%	\$149,500	10.3%	84	17%	\$147,750	0.5%
Cranbrook	21	-5	\$121,000	3.4%	101	13%	\$119,500	n/a

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Current month MLS data is preliminary.

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Phone: (604) 737-4088 or Fax: (604) 737-4021.

E-mail: lpreston@cmhc-schl.gc.ca