

H O U S I N G N O W

YOUR LINK TO THE HOUSING MARKET

New Construction Highlights

Canada Mortgage and Housing Corporation

Kelowna Housing Starts Down in May

Kelowna area housing starts were down in May. Housing starts fell to 123 units from 221 units in April. Fewer multi-family starts accounted for most of the decline. The singles sector posted another strong performance.

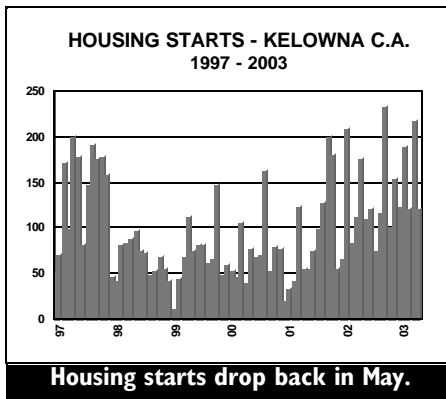
The Kelowna new home market remains strong despite May's decline. Singles construction maintained a blistering pace in May, starts breaking the 100 unit mark for the third month this year. Multi-family starts dropped back following April's surge in construction activity. The multi-family sector typically sees big swings from month to month. Expect multi-family starts to pick up over the next few months.

Low interest rates remain a key driver. An aging population has meant increased demand for retiree, resort and lifestyle oriented housing. With resale house

prices on the rise and supply of listings down sharply, more buyers are turning to the new home market. Also, the Kelowna area economy and population continue to grow, boosting demand. On the supply side, inventories of new, complete and unsold units are low, sales keeping pace with new supply.

Elsewhere, the Vernon and Penticton new home markets - lead by the singles sector - continued to move ahead, both centres recording solid gains to date this year. The Kamloops new home market remains sluggish, starts lagging well behind 2002.

The Kamloops and Okanagan resale markets posted another strong performance in May. The supply of listings has continued to trend down in all centres. Kelowna and Penticton area sales are down this year, the decline, due in part, to supply constraints. Prices are on the rise, strong demand in combination with reduced supply leading to higher prices.



BC Starts Down - New Home Market Remains Strong

BC housing starts also slipped back in May. Though down in May, the BC new home market remains on an upswing. Year-to-date, BC starts are up 20% over 2002, both the singles and multi-family sectors recording big gains. Nationally, housing starts dipped to 197,900 units, seasonally adjusted at annual rates (SAAR), down five per cent from 207,700 units (SAAR) in April.

MAY 2003

IN THIS ISSUE

Monthly Highlights 1

STATISTICAL TABLES:

Kelowna C.A.

Starts/Completions/Under Construction 2

Inventory & Absorptions 3

Record of Starts 4

Kelowna Activity Summary 5

Kamloops/Okanagan

Starts/Completions/Under Construction 6

Kamloops Inventory & Absorptions 7

Key Economic Indicators & MLS® Sales 8

CMHC Kelowna Noticeboard

- ◆ **June 2003 Housing Starts: Local, BC, and National news releases** scheduled for July 9, 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

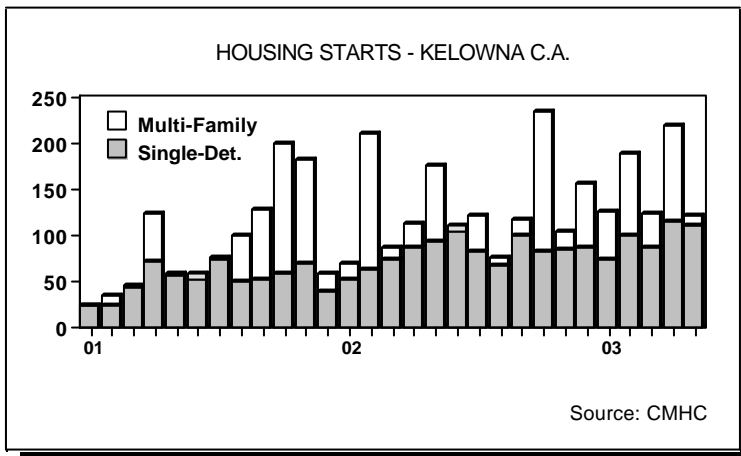
Paul Fabri - CMHC Kelowna Market Analysis
Telephone: (250) 712-4334 Fax: (250) 712-4322
E-mail: pfabri@cmhc-schl.gc.ca



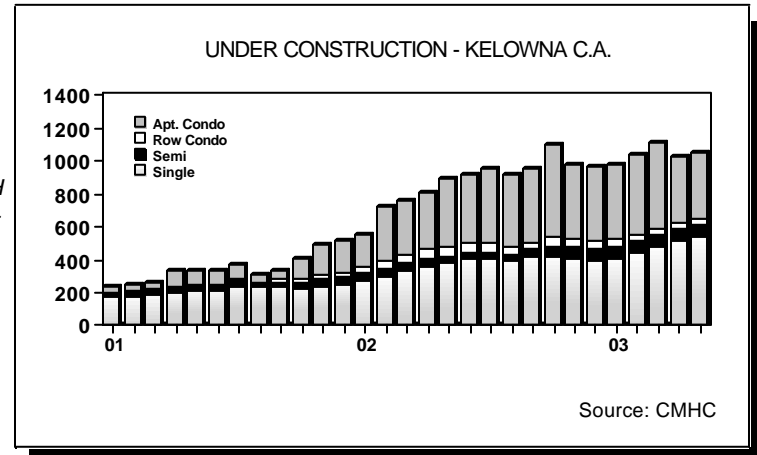
HOME TO CANADIANS
Canada

KELOWNA C.A. STARTS/COMPLETIONS/UNDER CONSTRUCTION MAY 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	76	0	0	0	0	0	76	64	6	0	0	0	0	70	334	40	22	4	366	110	876
Sub. G*	11	0	0	0	0	0	11	11	0	0	0	0	0	11	65	0	0	0	0	4	69
Sub. H*	15	8	0	0	0	0	23	7	0	0	0	0	0	7	94	14	0	0	0	0	108
Sub. I*	1	2	0	0	0	0	3	3	4	0	0	0	0	7	7	8	0	0	0	0	15
Lake Country	5	0	0	0	0	0	5	3	0	0	0	0	0	3	23	0	22	0	25	0	70
Peachland	2	0	0	0	0	0	2	1	0	0	0	0	0	1	13	12	0	0	0	0	25
Indian Res.	3	0	0	0	0	0	3	0	0	0	0	0	0	0	3	0	0	0	0	0	3
MONTH TOTAL	113	10	0	0	0	0	123	89	10	0	0	0	0	99	539	74	44	4	391	114	1166
YEAR-TO-DATE	495	34	0	0	204	54	787	355	32	3	0	266	0	656	---	---	---	---	---	---	---



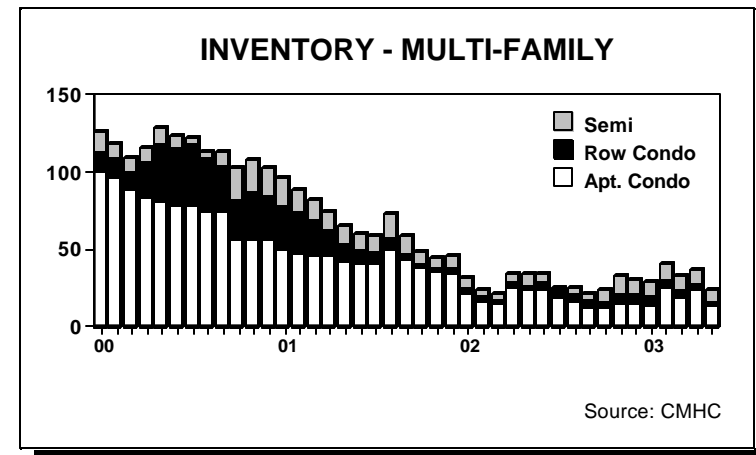
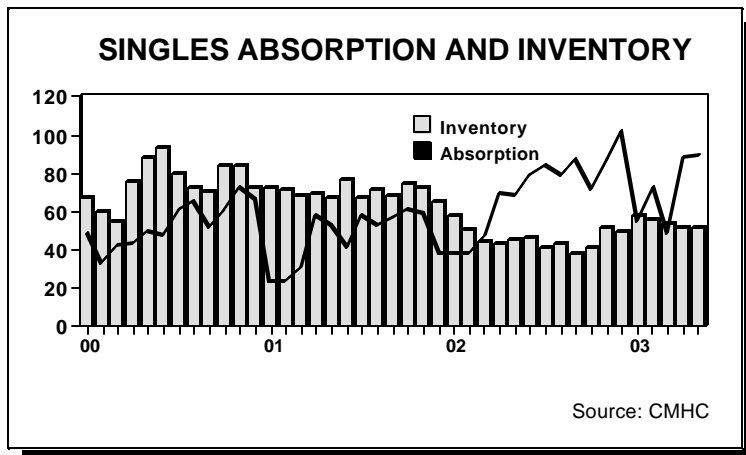
* Sub. G - West Kelowna, Lakeview Heights, Westside/Fintry. Sub H. - Westbank, Glenrosa, Shannon Heights. (Sub G and H former Sub B.) Sub. I - Joe Rich, Ellision (former A.)



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

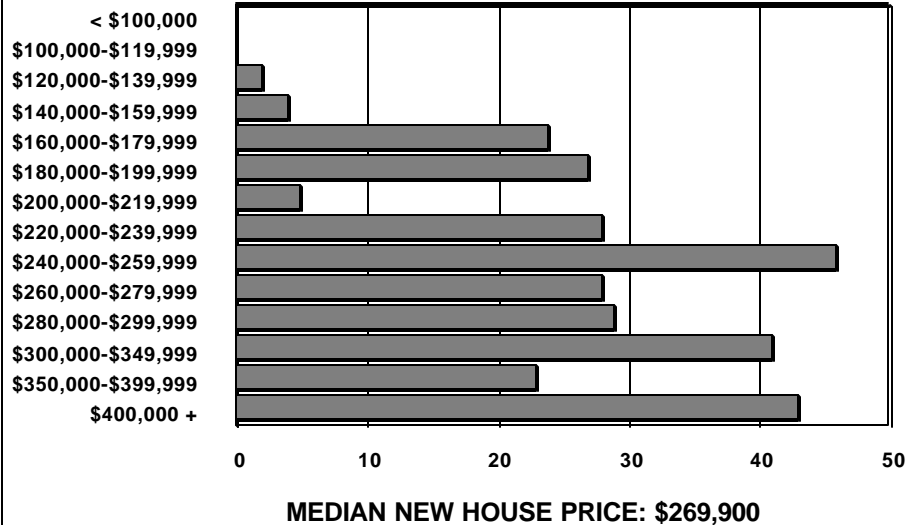
	INVENTORY OF NEW HOMES							ABSORPTION OF NEW HOMES							
	Apt Condo	Apt Rental	Row Condo	Row Rental	Semi	Single	Total	Apt Condo	Apt Rental	Row Condo	Row Rental	Semi	Single	Grand Total	
Kelowna City	15	32	3	0	6	38	94	Kelowna City	37	0	1	0	9	62	109
Sub. G	0	0	0	0	0	3	3	Sub. G	0	0	0	0	0	11	11
Sub. H	0	0	0	0	0	9	9	Sub. H	0	0	0	0	0	9	9
Sub. I	0	0	0	0	1	2	3	Sub. I	0	0	0	0	4	3	7
Lake Country	0	0	0	0	0	0	0	Lake Country	0	0	0	0	0	3	3
Peachland	0	0	0	0	0	0	0	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	15	32	3	0	7	52	109	MONTH TOTAL	37	0	1	0	13	89	140
Y.T.D. Average	20	35	5	0	9	54	123	Y.T.D. TOTAL 2003	113	11	8	0	35	353	520
Y.T.D. Average	22	0	3	1	6	48	80	Y.T.D. TOTAL 2002	218	0	32	29	33	260	572

Absorption does not include assisted rental units. * Rounded.



PRICES OF SINGLES ABSORBED AT COMPLETION

Kelowna C. A. January - May 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	17	24	17	14
Dilworth Mountain	21	39	9	31
Ellison	24	25	18	18
Glenrosa	10	8	3	2
Glenmore	18	18	12	14
I.R.	3	2	0	1
Core Area*	82	17	49	8
Lakeview Heights	53	36	24	20
Lower Mission	22	7	13	11
North Glenmore	3	4	5	1
Peachland	6	13	9	5
Rutland North	26	12	17	5
Rutland South	0	8	9	6
S. E. Kelowna	33	16	15	16
Shannon Lake	25	38	21	24
Upper Mission	81	36	70	35
Westbank	3	4	2	4
Winfield	16	8	11	5
West Kelowna	43	41	43	25
Other**	9	17	6	15
Total	495	373	353	260

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

HOUSING ACTIVITY SUMMARY - KELOWNA CA MAY 2003

	OWNERSHIP				RENTAL				TOTAL
	FREEHOLD		CONDOMINIUM		PRIVATE		ASSISTED		
	Single	Semi	Row	Apt.	Row	Apt.	Row	Apt.	
Starts									
May 2003	113	10	0	0	0	0	0	0	123
YTD 2003	495	34	0	204	0	54	0	0	787
YTD 2002	373	22	38	220	9	0	0	0	662
Under Construction									
May 2003	539	74	44	391	4	114	0	0	1,166
May 2002	380	40	64	408	9	60	0	0	961
Completions									
May 2003	89	10	0	0	0	0	0	0	99
YTD 2003	355	32	3	266	0	0	0	0	656
YTD 2002	240	32	3	48	36	0	58	59	476
Inventory									
May 2003	52	7	3	15	0	32	-	-	109
May 2002	45	7	3	25	7	0	-	-	87
Total Supply									
May 2003	591	81	47	406	4	146	0	0	1,275
May 2002	425	47	67	433	16	60	0	0	1,048
Absorption									
May 2003	89	13	1	37	0	0	-	-	140
3 Mo. Ave.	70	6	1	20	0	2	-	-	99
12 Mo. Ave.	77	7	5	20	1	8	-	-	118

Absorption does not include assisted rentals.

RECORD OF STARTS - KELOWNA C.A.					
YEAR	SINGLE	SEMI	ROW	APARTMENT	TOTAL
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
2002	987	100	73	430	1,590

Row and apartment starts include rental units.

OTHER CENTRES
Starts/Completions/Under Construction

MAY 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	3	0	0	0	0	0	3	14	0	0	0	0	0	14
E. Kootenay C	2	0	0	0	0	0	2	3	0	0	0	0	0	3	19	0	0	0	0	0	19
Cranbrook CA	4	0	0	0	0	0	4	6	0	0	0	0	0	6	33	0	0	0	0	0	33
Y.T.D. 2003	18	0	0	0	0	0	18	20	0	0	27	0	0	47							
Kamloops C.	7	0	0	0	0	0	7	11	2	0	0	0	0	13	56	18	0	0	0	0	74
Kamloops IR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8	4	5	0	0	0	17
Kamloops CA	7	0	0	0	0	0	7	11	2	0	0	0	0	13	64	22	5	0	0	0	91
Y.T.D. 2003	55	6	0	0	0	0	61	73	10	4	0	0	0	87							
Penticton City	4	0	0	0	0	0	4	4	0	0	0	0	0	4	31	2	44	62	0	0	139
Sub. D	5	0	0	0	0	0	5	1	0	0	0	0	0	1	20	0	0	0	0	0	20
Sub. E	2	0	0	0	0	0	2	7	0	0	0	0	0	7	6	0	0	0	0	0	6
Sub. F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1
Penticton IR	2	0	0	0	0	0	2	3	0	0	0	0	0	3	6	0	0	0	0	0	6
Penticton CA	13	0	0	0	0	0	13	15	0	0	0	0	0	15	64	2	44	62	0	0	172
Y.T.D. 2003	44	0	21	2	0	0	67	48	0	24	0	0	0	72							
Salmon Arm	6	0	0	0	0	0	6	5	0	0	0	0	0	5	21	10	10	0	0	0	41
Y.T.D. 2003	22	2	0	0	0	0	24	21	2	11	16	0	0	50							
Summerland	7	0	0	0	0	0	7	2	0	0	0	0	0	2	20	0	0	0	0	0	20
Y.T.D. 2003	18	0	0	0	0	0	18	5	0	0	0	0	0	5							
Vernon City	14	0	0	0	0	0	14	9	0	0	0	0	0	9	67	2	30	0	0	0	99
Coldstream	4	0	0	0	0	0	4	10	0	0	0	0	0	10	30	0	0	0	0	0	30
Sub. C	4	0	0	0	0	0	4	3	0	0	0	0	0	3	7	0	0	0	0	0	7
Sub. D	2	0	0	0	0	0	2	1	0	0	0	0	0	1	5	0	0	0	0	0	5
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	1	0	0	0	0	0	1	1	0	0	0	0	0	1
I. R.	5	0	0	0	0	0	5	0	0	0	0	0	0	0	5	0	0	0	0	0	5
Vernon CA	29	0	0	0	0	0	29	24	0	0	0	0	0	24	115	2	30	0	0	0	147
Y.T.D. 2003	101	2	3	0	0	0	106	78	4	6	0	0	0	88							

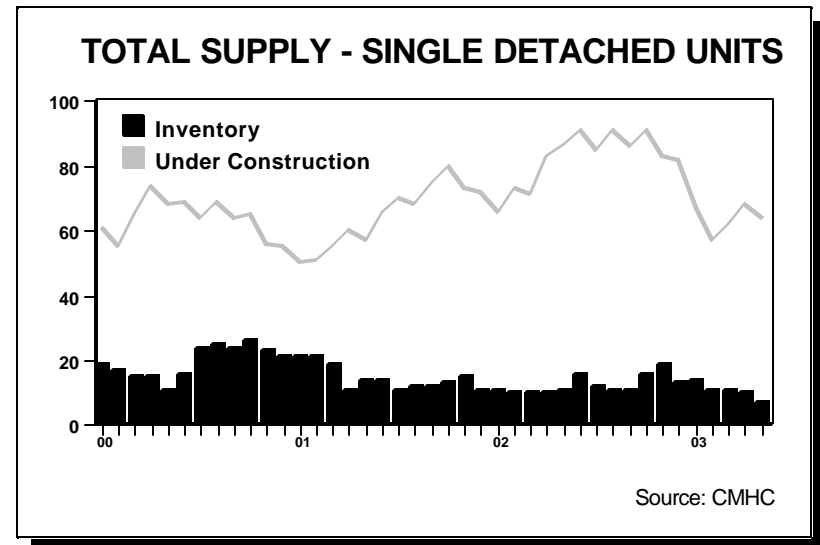
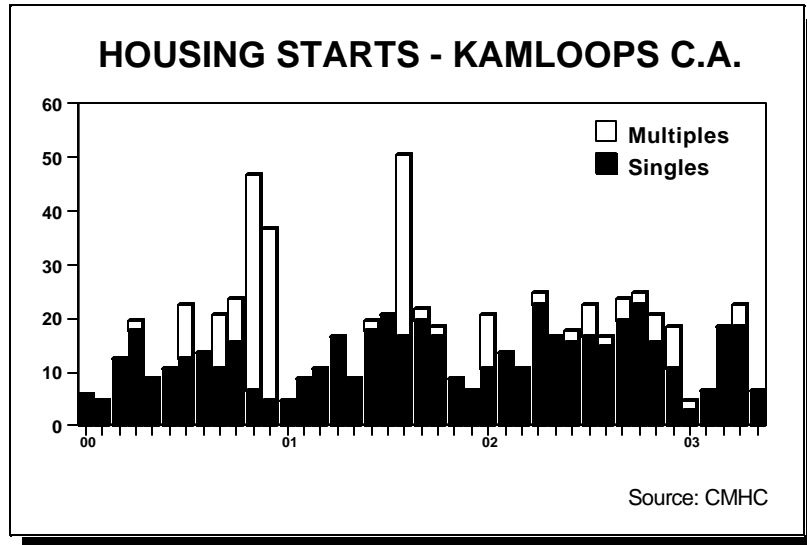
KAMLOOPS CA

Inventory and Absorption by Municipality

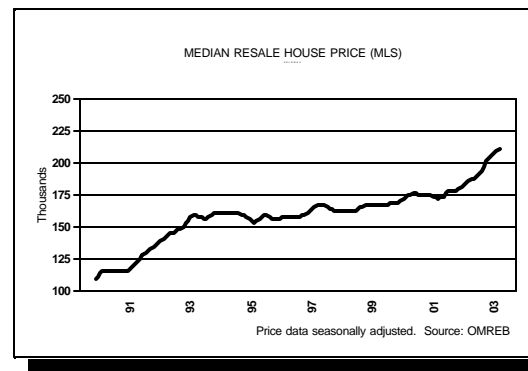
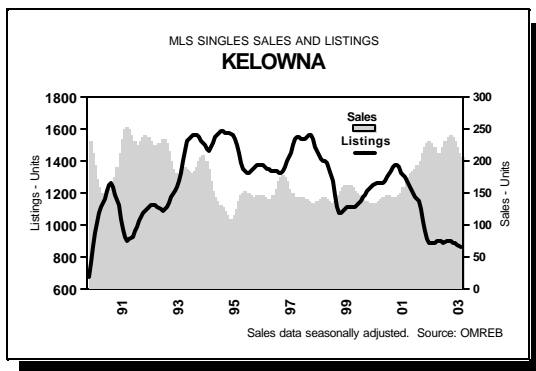
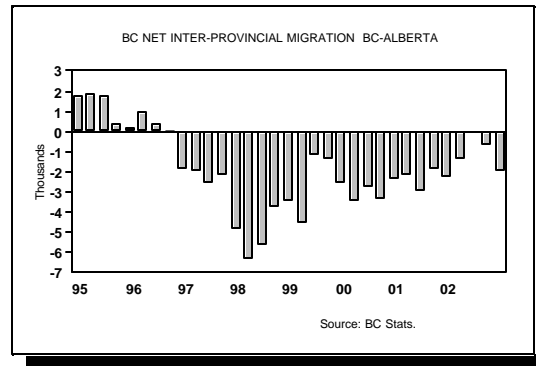
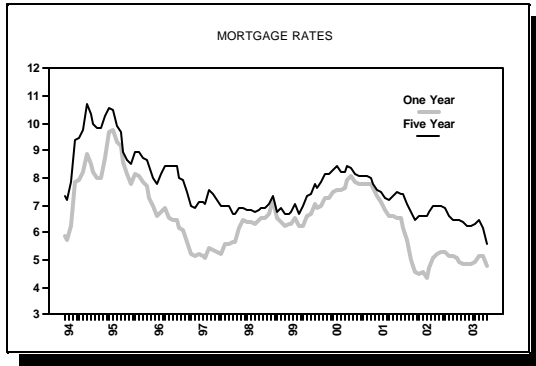
MAY 2003 AND YEAR-TO-DATE 2002 & 2003

	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	Total	
Kamloops City	18	0	2	0	16	4	40	Kamloops City	12	0	0	0	2	14	28
Kamloops IR	0	0	0	0	0	3	3	Kamloops IR	0	0	2	0	0	0	2
TOTAL	18	0	2	0	16	7	43	TOTAL	12	0	2	0	2	14	30
Y.T.D. AVG. 2003*	29	0	3	0	16	11	59	Y.T.D. TOTAL 2003	15	0	7	0	10	79	111
Y.T.D. AVG. 2002*	31	0	4	0	17	10	62	Y.T.D. TOTAL 2002	18	0	5	0	8	61	92

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



KEY ECONOMIC INDICATORS



SOUTHERN INTERIOR RESALE MARKETS

MLS SALES	MAY				YEAR TO DATE			
	Sales May 2003	Percent Change May 02	Median Price May 03	Percent Change May 02	Sales YTD 2003	Percent Change YTD 02	Median Pr. YTD 2003	Percent Change YTD 02
Single - Detached								
Kelowna	259	-12%	\$218,000	16%	1,139	-9%	\$210,000	14%
Kamloops	127	5%	\$164,000	9%	481	7%	\$157,000	8%
Vernon	150	15%	\$175,000	13%	574	20%	\$164,500	8%
Penticton	40	-7%	\$185,000	13%	171	-6%	\$165,000	7%
Salmon Arm	26	-7%	\$168,750	9%	93	-3%	\$174,500	17%
Cranbrook	25	32%	\$116,500	-4%	97	0%	\$116,500	n/a

MLS - Multiple Listing Service is a registered trademark owned by The Canadian Real Estate Association (C,50A).
Current month MLS data is preliminary.

HOUSING NOW - To subscribe call: Lisa Preston.

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

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