

H

HOUSING NOW

Kelowna / Southern Interior

YOUR LINK TO THE HOUSING MARKET

New Construction Highlights

Canada Mortgage and Housing Corporation

Kelowna New Home Market Remains Buoyant

The Kelowna new home market maintained a steady pace in September. Housing starts edged up to 132 units from 126 units in August.

The singles sector saw another strong performance in September. Expect to begin seeing rebuilds of homes destroyed by the Okanagan Mountain Park wild fire.

Construction began on a 36 unit apartment condominium building, the eighth new condo project this year. The condo market has surged ahead in 2003, recording 400 starts to date this year. Condominium starts are on track to top 700 units in 2003. Retirees and others seeking resort and lifestyle-oriented housing are key markets. Upscale, mid to higher priced units are the focus of demand. Buyers are looking for prime locations - lake and valley views and good access to services and amenities. Lake-

front condos are the biggest sellers. Inventories are low and pre sales remain brisk.

Historically low mortgage rates and strong population growth are key drivers. Kelowna's diversified economy continues to expand, generating employment. Also, with resale house prices on the rise and supply of listings down sharply, more buyers are turning to the new home market.

Elsewhere, Kamloops housing starts reached a two year high in September. Multi-family construction boosted Vernon area starts. Penticton starts fell back following August's jump in multi-family construction. The singles sector remains the strongest performer in both centres, recording solid gains to date this year.

Kelowna's resale market has bounced back after slowing in response to this summer's wild fire threat. Kamloops and other Okanagan resale markets also remained strong in September.

SEPTEMBER 2003

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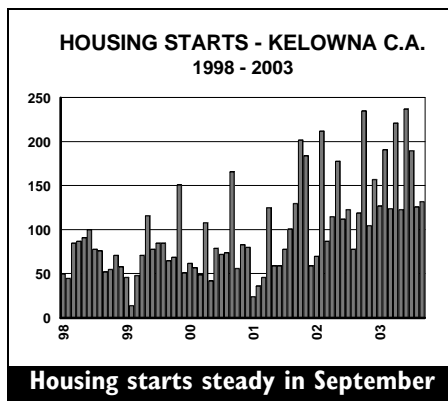
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CMHC Kelowna Noticeboard

♦ **October 2003 Housing Starts: Local, BC, and National news releases scheduled for Nov. 10, 2003.**

♦ **The Fall 2003 Kelowna Housing Market Outlook Report available by month end October. Coming Soon ...** CMHC's 2003 Okanagan Seniors' Housing Market Survey and Kelowna Rental Market FastFax 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



BC Starts Up In September

BC housing starts, were up sharply in September, the Vancouver area multi-family sector accounting for most of the increase. Year-to-date, BC starts are up 17%, both the singles and multiples sectors posting big gains. Nationally, Canada's new home market remained buoyant in September. Housing starts dipped 1% to 234,600 units, seasonally adjusted at annual rates (SAAR) from 237,200 units (SAAR), in August.

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HOME TO CANADIANS
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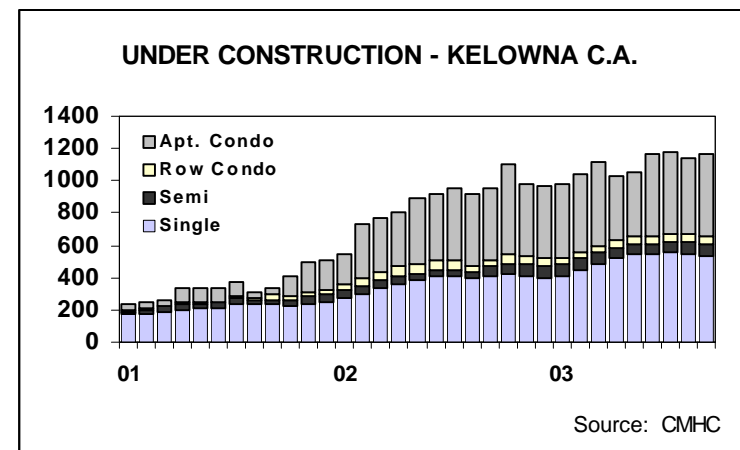
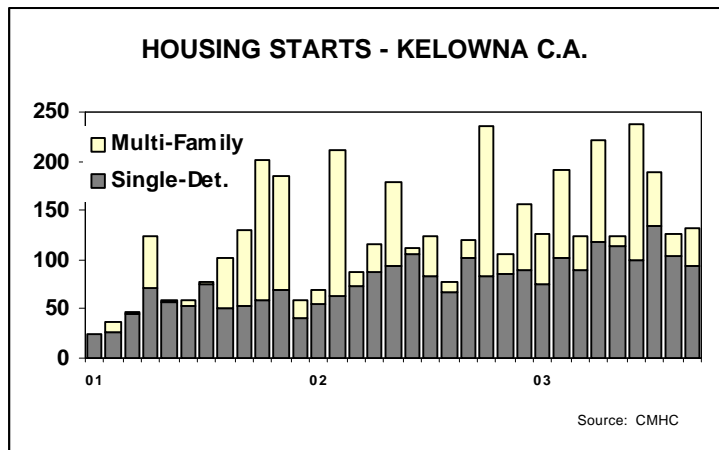
KELOWNA C.A.

STARTS/COMPLETIONS/UNDER CONSTRUCTION

SEPTEMBER 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	53	2	0	0	36	0	91	50	4	0	0	0	0	54	345	34	20	0	448	110	957
Sub. G*	22	0	0	0	0	0	22	11	0	0	0	0	0	11	60	0	0	0	0	0	60
Sub. H*	6	0	0	0	0	0	6	11	0	0	0	0	0	11	79	26	0	0	43	0	148
Sub. I*	4	0	0	0	0	0	4	6	0	0	0	0	0	6	14	2	0	0	0	0	16
Lake Country	6	0	0	0	0	0	6	14	0	4	0	0	0	18	23	0	18	0	25	0	66
Peachland	3	0	0	0	0	0	3	3	4	0	0	0	0	7	11	8	8	0	0	0	27
Indian Res.	0	0	0	0	0	0	0	2	0	0	0	0	0	2	4	0	0	0	0	0	4
MONTH TOTAL	94	2	0	0	36	0	132	97	8	4	0	0	0	109	536	70	46	0	516	110	1,278
YEAR-TO-DATE	926	66	26	0	400	54	1,472	790	66	27	4	337	4	1,228							

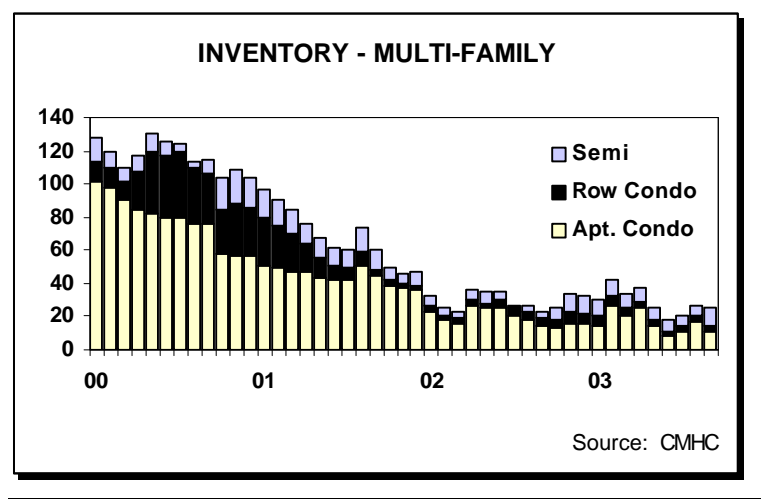
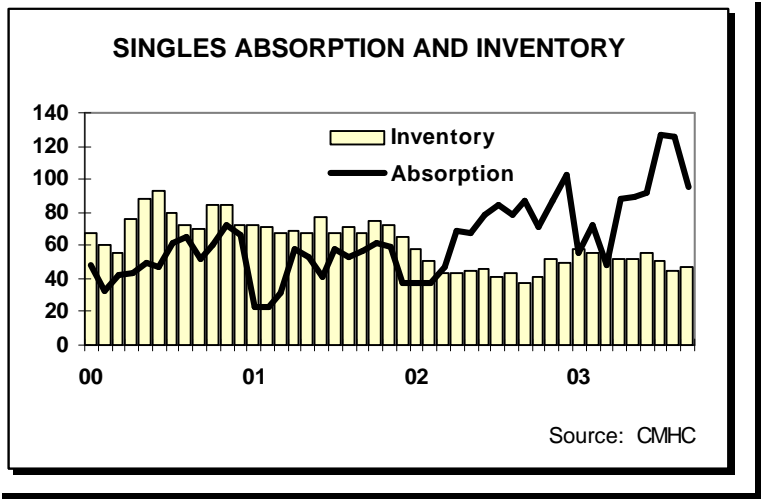
* Sub. G - West Kelowna, Lakeview Heights, Westside/Fintry. Sub H. - Westbank, Glenrosa, Shannon Heights. (Sub G and H former Sub B.) Sub. I - Joe Rich, Ellison (former A.)



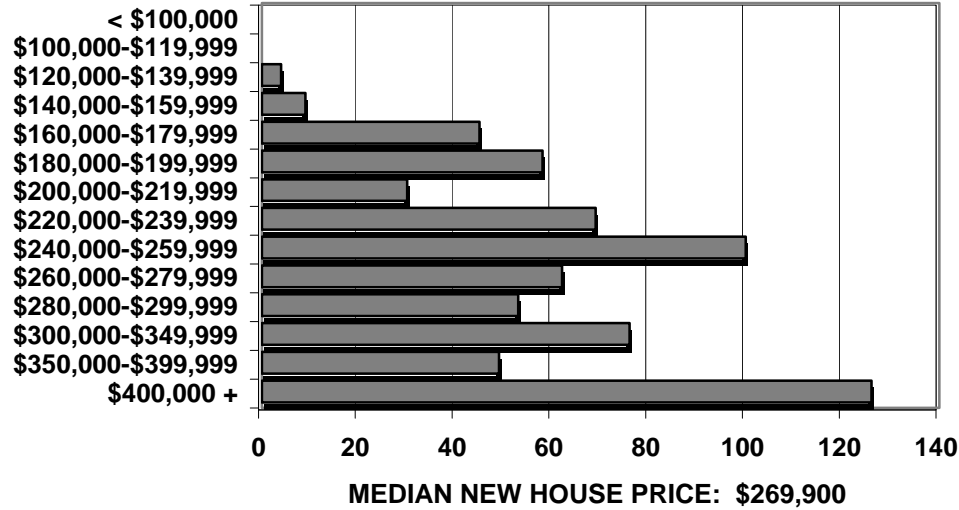
KELOWNA C.A. INVENTORY AND ABSORPTION SEPTEMBER 2003 & YEAR-TO-DATE 2002 & 2003

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	11	28	3	0	8	28	78	Kelowna City	30	0	0	0	1	47	78
Sub. G	0	0	0	0	0	5	5	Sub. G	0	0	0	0	0	10	10
Sub. H	0	0	0	0	0	12	12	Sub. H	43	0	0	0	0	12	55
Sub. I	0	0	0	0	1	2	3	Sub. I	0	0	0	0	0	6	6
Lake Country	0	0	0	0	0	0	0	Lake Country	1	0	1	0	0	14	16
Peachland	0	0	0	0	2	0	2	Peachland	0	0	0	0	2	4	6
Indian Reserve	0	0	0	0	0	0	0	Indian Reserve	0	0	0	0	0	2	2
MONTH TOTAL	11	28	3	0	11	47	100	MONTH TOTAL	74	0	1	0	3	95	173
Y.T.D. Average 2003*	17	32	4	0	8	52	113	Y.T.D. Total 2003	373	19	29	4	65	793	1,283
Y.T.D. Average 2002*	21	13	4	2	5	45	90	Y.T.D. Total 2002	317	0	51	45	64	589	1,066

Absorption does not include assisted rental units. * Rounded.



**PRICES OF SINGLES ABSORBED AT COMPLETION
Kelowna C.A. January - September 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	35	39	34	27
Dilworth Mountain	34	59	25	64
Ellison	44	47	41	37
Glenrosa	25	13	15	8
Glenmore	43	43	26	31
I.R.	5	2	2	2
Core Area*	146	49	116	21
Lakeview Heights	82	56	58	48
Lower Mission	40	22	36	19
North Glenmore	9	11	9	5
Peachland	15	29	20	22
Rutland North	60	18	46	13
Rutland South	0	20	11	14
S. E. Kelowna	61	34	47	31
Shannon Lake	45	75	50	64
Upper Mission	139	83	124	73
Westbank	8	6	5	5
Winfield	32	20	27	19
West Kelowna	71	75	78	59
Other**	32	29	23	27
Total	926	730	793	589

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

HOUSING ACTIVITY SUMMARY - KELOWNA CA SEPTEMBER 2003

	OWNERSHIP				RENTAL				TOTAL
	FREEHOLD		CONDOMINIUM		PRIVATE		ASSISTED		
	Single	Semi	Row	Apt.	Row	Apt.	Row	Apt.	
Starts									
Sept. 2003	94	2	0	36	0	0	0	0	132
YTD 2003	926	66	26	400	0	54	0	0	1,472
YTD 2002	730	62	38	254	9	0	0	0	1,093
Under Construction									
Sept. 2003	536	70	46	516	0	110	0	0	1,278
Sept. 2002	415	52	41	442	0	0	0	0	950
Completions									
Sept. 2003	97	8	4	0	0	0	0	0	109
YTD 2003	790	66	27	337	4	4	0	0	1,228
YTD 2002	562	60	26	48	45	60	58	59	918
Inventory									
Sept. 2003	47	11	3	11	0	28			100
Sept. 2002	38	4	5	14	0	60			121
Total Supply									
Sept. 2003	583	81	49	527	0	138	0	0	1,378
Sept. 2002	453	56	46	456	0	60	0	0	1,071
Absorption									
Sept. 2003	95	3	1	74	0	0			173
3 Mo. Ave.	115	9	7	62	1	3			197
12 Mo. Ave.	87	7	5	30	1	9			139

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
SEPTEMBER 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	1	0	0	0	0	0	1	2	0	0	0	0	0	2	10	0	0	0	0	0	10
E. Kootenay C	8	0	0	0	0	0	8	0	0	0	0	0	0	0	31	0	0	0	0	0	31
Cranbrook CA	9	0	0	0	0	0	9	2	0	0	0	0	0	2	41	0	0	0	0	0	41
Y.T.D. 2003	55	0	0	0	0	0	55	49	0	0	27	0	0	76							
Kamloops C.	23	2	12	0	0	0	37	21	2	0	0	0	0	23	82	20	27	0	0	0	129
Kamloops IR	4	0	0	0	0	0	4	6	2	5	0	0	0	13	5	2	0	0	0	0	7
Kamloops CA	27	2	12	0	0	0	41	27	4	5	0	0	0	36	87	22	27	0	0	0	136
Y.T.D. 2003	150	20	27	0	0	0	197	145	24	9	0	0	0	178							
Penticton City	4	0	0	0	0	0	4	4	0	0	0	0	0	4	31	6	33	100	0	0	170
Sub. D	2	0	0	0	0	0	2	9	0	0	0	0	0	9	19	0	0	0	0	0	19
Sub. E	5	0	0	0	0	0	5	1	0	0	0	0	0	1	11	0	0	0	0	0	11
Sub. F	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	2
Penticton IR	5	0	0	0	0	0	5	1	0	0	0	0	0	1	12	0	0	0	0	0	12
Penticton CA	16	0	0	0	0	0	16	15	0	0	0	0	0	15	75	6	33	100	0	0	214
Y.T.D. 2003	98	6	39	40	0	0	183	91	2	49	0	0	0	142							
Salmon Arm	11	0	0	0	0	0	11	4	0	0	0	0	0	4	33	8	10	0	0	0	51
Y.T.D. 2003	52	2	0	0	0	0	54	39	4	11	16	0	0	70							
Summerland	6	0	0	0	0	0	6	5	0	0	0	0	0	5	16	0	0	0	0	0	16
Y.T.D. 2003	30	0	0	0	0	0	30	21	0	0	0	0	0	21							
Vernon City	18	2	8	0	0	0	28	12	0	0	0	0	0	12	81	12	30	0	0	0	123
Coldstream	5	0	0	0	0	0	5	9	0	0	0	0	0	9	39	0	0	0	0	0	39
Sub. C	4	4	0	0	0	0	8	6	0	0	0	0	0	6	14	4	0	0	0	0	18
Sub. D	1	0	0	0	0	0	1	4	0	0	0	0	0	4	1	0	0	0	0	0	1
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	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	28	6	8	0	0	0	42	31	0	0	0	0	0	31	142	18	30	0	0	0	190
Y.T.D. 2003	216	18	14	0	0	0	248	166	4	17	0	0	0	187							

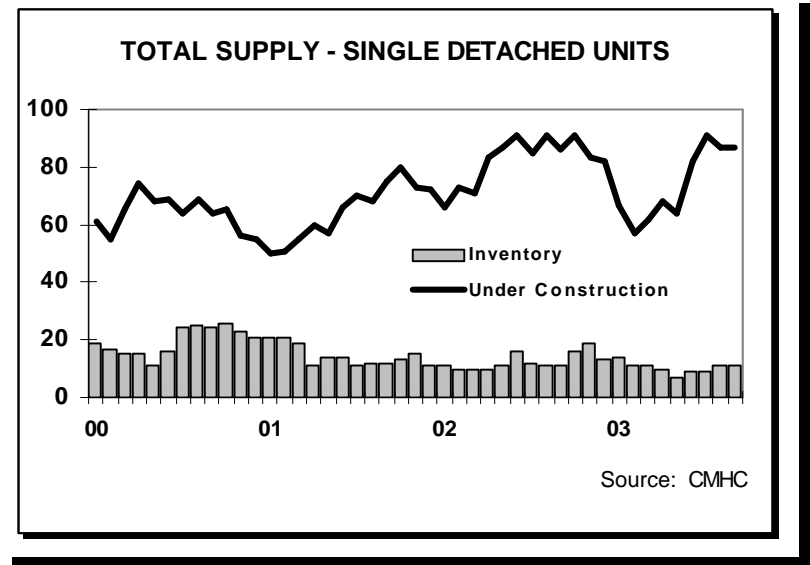
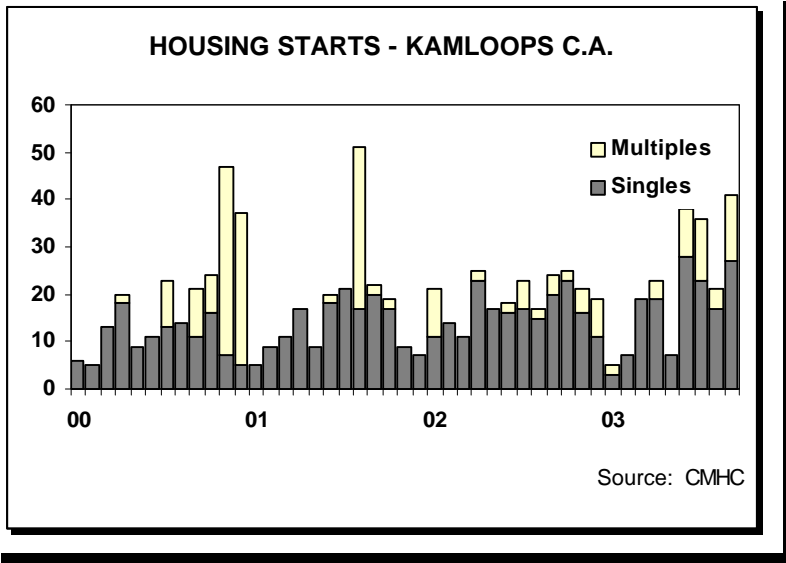
KAMLOOPS CA

Inventory and Absorption by Municipality

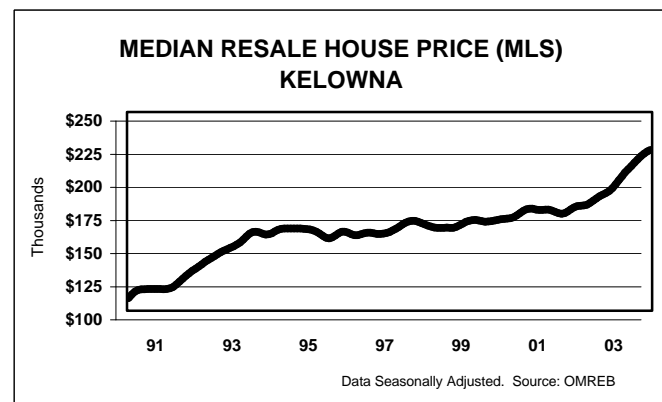
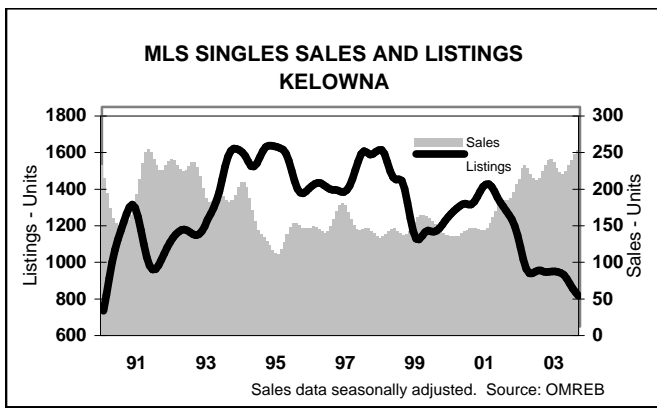
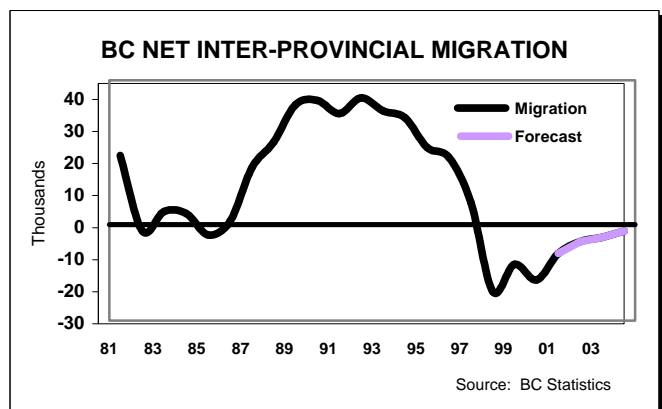
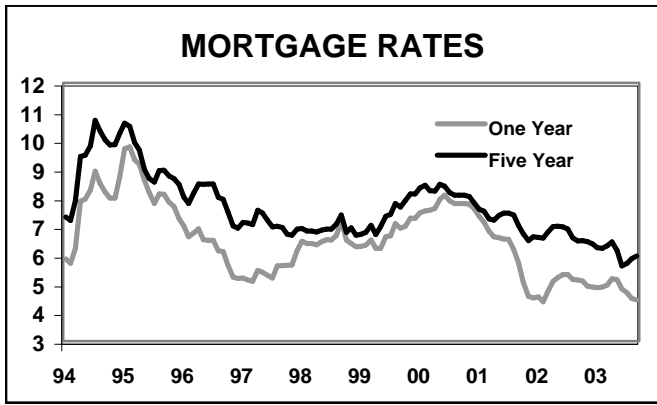
SEPTEMBER 2003 AND YEAR-TO-DATE 2002 & 2003

	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
Kamloops City	14	0	0	0	12	7	33	0	0	1	0	2	22	25
Kamloops IR	0	0	0	0	0	4	4	0	0	1	0	2	5	8
MONTH TOTAL	14	0	0	0	12	11	37	0	0	2	0	4	27	33
Y.T.D. Average 2003*	22	0	2	0	15	10	49	19	0	13	0	28	147	207
Y.T.D. Average 2002*	31	0	5	0	17	11	64	24	0	8	0	12	130	174

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



KEY ECONOMIC INDICATORS



SOUTHERN INTERIOR RESALE MARKETS

MLS SALES	SEPTEMBER				YEAR-TO-DATE			
	Sales Sept. 2003	Percent Change Sept. 02	Median Price Sept. 03	Percent Change Sept. 02	Sales YTD 2003	Percent Change YTD 02	Median Price YTD 2003	Percent Change YTD 02
Single Detached								
Kelowna	252	14%	\$224,250	13%	2,248	2%	\$216,000	15%
Kamloops	84	22%	\$158,900	5%	910	14%	\$158,000	7%
Vernon	136	35%	\$168,000	8%	1,167	27%	\$167,000	7%
Penticton	39	18%	\$174,000	11%	324	-0.3%	\$170,000	10%
Salmon Arm	29	142%	\$176,000	14%	196	17%	\$175,500	11%
Cranbrook	15	7%	\$105,000	-6%	184	6%	\$116,250	n/a

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Current month MLS data is preliminary.

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