

H

HOUSING NOW

Kelowna / Southern Interior

YOUR LINK TO THE HOUSING MARKET

New Construction Highlights

Canada Mortgage and Housing Corporation

Housing Starts Down Sharply in July

Kelowna area housing starts dropped back sharply in July, the multi-family sector accounting for most of the decline. July housing starts fell to 112 units from 262 units in June.

Kelowna's new home market remains buoyant despite July's decline. The market is seeing a normal seasonal slowdown. Also, housing starts were expected drop following June's surge in condominium construction activity. Multi-family starts typically see big swings on a month to month basis. A month long disruption in the supply of concrete has also caused widespread delays, especially on the multi-family side. Expect multi-family starts - both apartment condominiums and townhouses to pick up through the fall.

The demand outlook is positive BC is poised to see stronger economic and

population growth this year and next. Consumers are upbeat. Low mortgage rates remain a key driver. Closer to home, the Kelowna economy and population continue to grow, fueling demand for both new and resale homes.

Elsewhere, Vernon area starts jumped to a five year high in July. The Kamloops new home market recorded another strong performance. Penticton starts, lead by the multi-family sector, bounced back in July. Year-to-date, starts are up in all three centres.

Kelowna's resale market slowed in July. Sales have dropped back from this springs record setting pace, slowing in response to sharply rising prices. The median resale house price is up 21% over the same seven month period a year ago. Kelowna area sales are on track to reach record levels for the third straight year. The supply of listings is trending back up, expectations of big price gains drawing more sellers into the market place.

BC Starts Down in July

BC starts were also down in July, the province's three largest centres, Vancouver, Victoria and Kelowna, recording a decline. Despite fewer starts in July, BC remains Canada's fastest growing new home market. Nationally, housing starts dropped almost 6% to 218,700 units, seasonally adjusted at annual rates (SAAR) from 232,100 units (SAAR) in June. The decline extended across all regions.

JULY 2004

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CMHC Kelowna Noticeboard

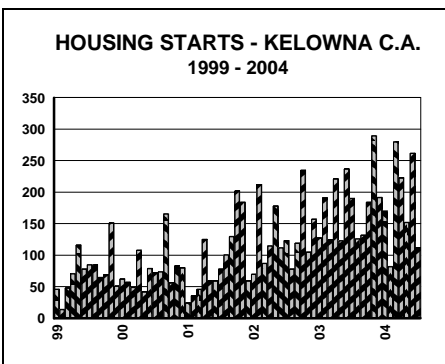
♦ **August 2004 Housing Starts:** Local, BC, and National news releases scheduled for Sept. 9, 2004.

♦ **The Spring 2004 Kelowna Housing Market Outlook Report is now available.**

Also available - the 2003 Kelowna Rental Market and Okanagan Seniors' Housing Market Survey Report. 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



New home construction slows in July.

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

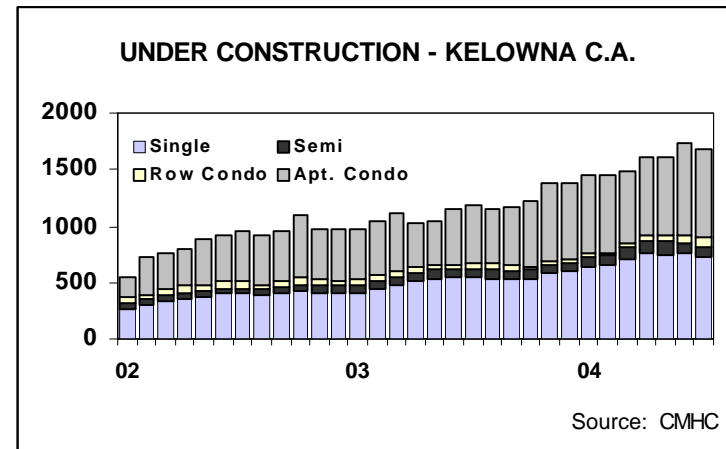
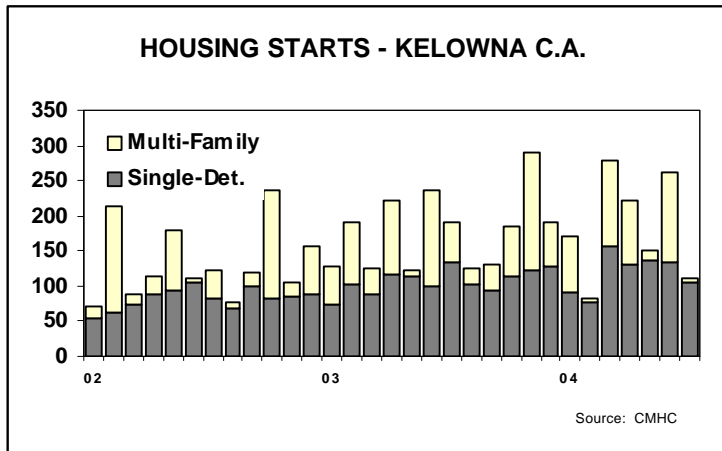


HOME TO CANADIANS
Canada

KELOWNA C.A. STARTS/COMPLETIONS/UNDER CONSTRUCTION JULY 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	77	0	4	0	0	0	81	95	8	0	0	36	0	139	521	42	50	5	723	89	1,430
Sub. J*	22	4	0	0	0	0	26	25	0	0	0	0	25	145	36	14	0	43	0	238	
Sub. I*	0	0	0	0	0	0	0	3	2	0	0	0	5	17	12	0	0	0	0	29	
Lake Country	3	0	0	0	0	0	3	7	0	0	0	0	7	26	0	0	0	0	0	26	
Peachland	0	0	0	0	0	0	0	1	0	0	0	0	1	6	0	9	0	13	0	28	
Indian Res.	2	0	0	0	0	0	2	1	0	0	0	0	1	16	0	0	0	0	0	16	
MONTH TOTAL	104	4	4	0	0	0	112	132	10	0	0	36	178	731	90	73	5	779	89	1,767	
YEAR-TO-DATE	831	70	51	5	239	89	1,285	704	54	8	0	130	1,009								

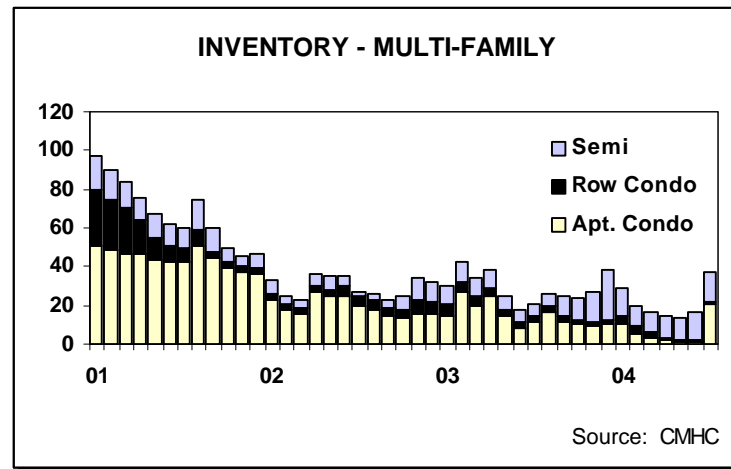
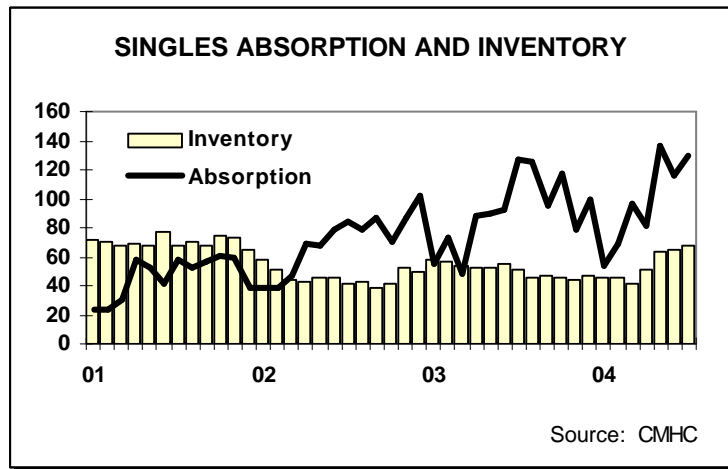
* Sub. J - Westside (former Sub. G and H) - Glenrosa, Westbank, Smith Creek, Shannon Heights, West Kelowna, Lakeview Heights, Westside/Fintry. Sub. I - Joe Rich, Ellison.



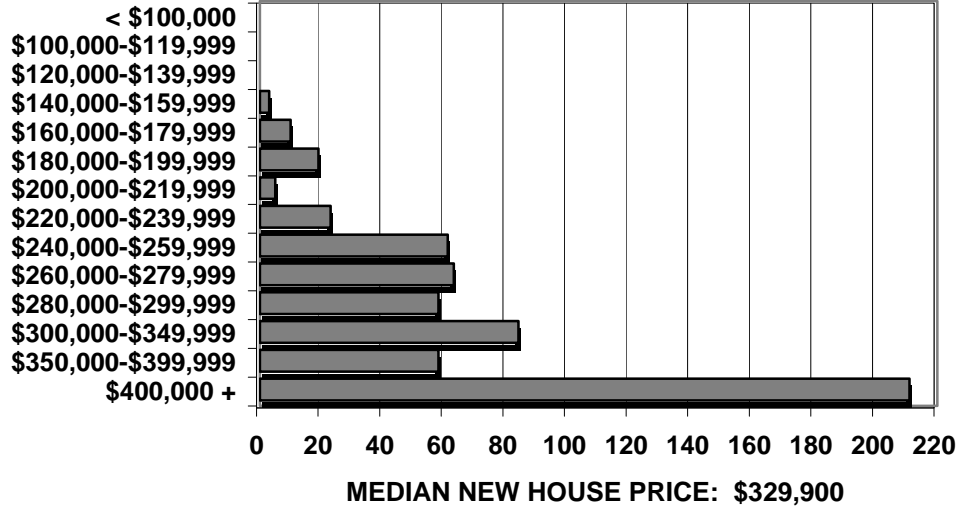
KELOWNA C.A. INVENTORY AND ABSORPTION JULY 2004 & YEAR-TO-DATE 2003 & 2004

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	21	30	0	0	10	42	103	Kelowna City	27	0	3	0	8	91	129
Sub. J	0	0	0	0	2	20	22	Sub. J	0	0	0	0	0	26	26
Sub. I	0	0	0	0	1	2	3	Sub. I	0	0	0	0	2	3	5
Lake Country	0	0	0	0	0	1	1	Lake Country	0	0	0	0	0	7	7
Peachland	0	0	1	0	2	0	3	Peachland	0	0	1	0	0	1	2
Indian Reserve	0	0	0	0	0	3	3	Indian Reserve	0	0	0	0	0	1	1
MONTH TOTAL	21	30	1	0	15	68	135	MONTH TOTAL	27	0	4	0	10	129	170
Y.T.D. Average 2004*	7	23	2	0	12	54	98	Y.T.D. Total 2004	232	84	30	0	49	683	1,078
Y.T.D. Average 2003*	17	34	4	0	8	54	117	Y.T.D. Total 2003	167	17	27	4	55	572	842

Absorption does not include assisted rental units. * Rounded.



PRICES OF SINGLES ABSORBED AT COMPLETION
Kelowna C.A. January - July 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	34	26	21	23
Dilworth Mountain	30	30	8	16
Ellison	49	30	32	22
Glenrosa	8	18	15	9
Glenmore	12	33	17	19
I.R.	23	3	11	0
Core Area*	122	113	112	85
Lakeview Heights	48	70	52	43
Lower Mission	36	32	28	25
North Glenmore	45	9	15	8
Peachland	4	11	9	15
Rutland North	23	44	30	28
Rutland South	1	0	1	9
S. E. Kelowna	31	49	37	35
Shannon Lake	19	37	20	37
Upper Mission	223	116	163	97
Westbank	9	5	11	5
Winfield	20	26	19	15
West Kelowna	50	55	54	63
Other**	44	22	28	18
Total	831	729	683	572

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

HOUSING ACTIVITY SUMMARY - KELOWNA CA JULY 2004

	OWNERSHIP				RENTAL				TOTAL
	FREEHOLD		CONDOMINIUM		PRIVATE		ASSISTED		
	Single	Semi	Row	Apt.	Row	Apt.	Row	Apt.	
Starts									
July 2004	104	4	4	0	0	0	0	0	112
YTD 2004	831	70	51	239	5	89	0	0	1,285
YTD 2003	729	46	21	364	0	54	0	0	1,214
Under Construction									
July 2004	731	90	73	779	5	89	0	0	1,767
July 2003	556	64	45	514	0	110	0	0	1,289
Completions									
July 2004	132	10	0	36	0	0	0	0	178
YTD 2004	704	54	8	130	0	113	0	0	1,009
YTD 2003	573	52	23	303	4	4	0	0	959
Inventory									
July 2004	68	15	1	21	0	30			135
July 2003	51	7	3	11	0	30			102
Total Supply									
July 2004	799	105	74	800	5	119	0	0	1,902
July 2003	607	71	48	525	0	140	0	0	1,391
Absorption									
July 2004	129	10	4	27	0	0			170
3 Mo. Ave.	111	8	7	19	0	16			161
12 Mo. Ave.	100	8	4	55	0	10			177

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
JULY 2004 AND YEAR-TO-DATE 2004

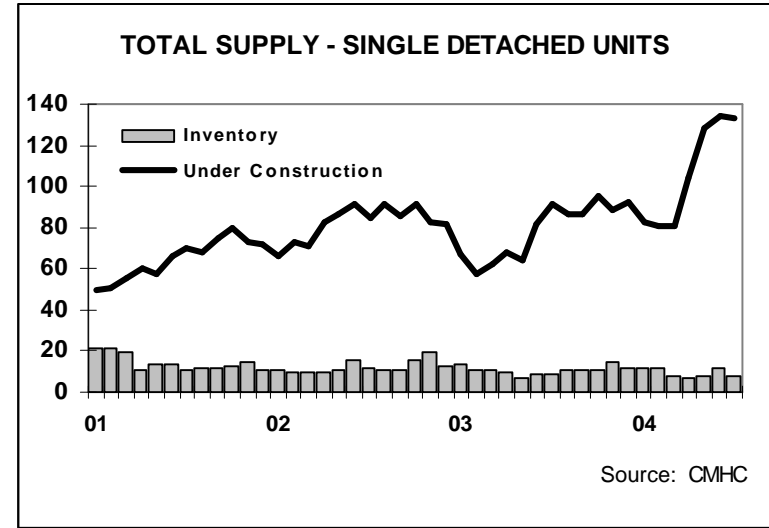
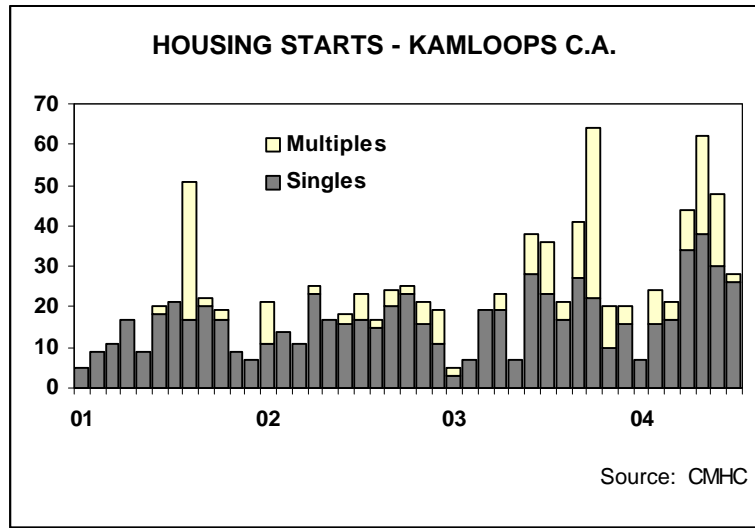
	STARTS							COMPLETIONS							UNDER CONSTRUCTION						
	Single	Semi	Row Condo	Apt. Condo	Row Rental	Apt. Rental	Total	Single	Semi	Row Condo	Apt. Condo	Row Rental	Apt. Rental	Total	Single	Semi	Row Condo	Apt. Condo	Row Rental	Apt. Rental	Total
Cranbrook City	5	0	0	0	0	0	5	3	0	0	0	0	0	3	19	0	0	0	0	0	19
E. Kootenay C	9	0	0	0	0	0	9	2	0	0	0	0	0	2	49	0	0	0	0	0	49
Cranbrook CA	14	0	0	0	0	0	14	5	0	0	0	0	0	5	68	0	0	0	0	0	68
Y.T.D. 2004	48	0	0	0	0	0	48	17	0	0	0	0	0	17							
Kamloops C.	23	2	0	0	0	0	25	22	2	11	0	0	0	35	113	60	12	42	0	0	227
Kamloops IR	3	0	0	0	0	0	3	5	0	0	0	0	0	5	20	0	0	0	6	0	26
Kamloops CA	26	2	0	0	0	0	28	27	2	11	0	0	0	40	133	60	12	42	6	0	253
Y.T.D. 2004	168	56	10	0	0	0	234	127	20	19	0	0	0	166							
Penticton City	4	0	10	0	0	0	14	9	2	10	0	0	0	21	25	4	40	107	12	0	188
Sub. D	2	0	0	0	0	0	2	2	0	0	12	0	0	14	26	0	0	0	0	0	26
Sub. E	2	0	0	0	0	0	2	4	0	0	0	0	0	4	7	0	0	0	0	0	7
Sub. F	1	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0	0	1
Penticton IR	1	0	0	0	0	0	1	4	0	0	0	0	0	4	6	0	0	0	0	0	6
Penticton CA	10	0	10	0	0	0	20	19	2	10	12	0	0	43	65	4	40	107	12	0	228
Y.T.D. 2004	75	4	26	81	8	0	194	80	4	14	74	0	0	172							
Salmon Arm	10	2	0	0	0	0	12	16	2	0	0	0	0	18	32	8	6	6	0	0	52
Y.T.D. 2004	49	4	0	6	0	0	59	54	2	4	0	0	3	63							
Summerland	5	0	4	0	0	0	9	1	0	0	0	0	0	1	25	0	10	0	0	0	35
Y.T.D. 2004	25	0	10	0	0	0	35	15	0	0	0	0	0	15							
Vernon City	22	0	18	0	0	0	40	16	2	5	0	0	0	23	121	10	29	0	0	0	160
Coldstream	6	0	0	0	0	0	6	5	0	0	0	0	0	5	43	0	0	0	0	0	43
Sub. C	10	6	0	0	0	0	16	0	0	0	0	0	0	0	14	6	0	0	0	0	20
Sub. D	1	0	0	0	0	0	1	1	0	0	0	0	0	1	2	0	0	0	0	0	2
Sub. E	1	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0	0	0	0	1
Lumby	5	0	0	0	0	0	5	0	0	0	0	0	0	0	8	0	0	0	0	0	8
I. R.	0	0	0	0	4	0	4	0	0	0	0	0	0	0	0	0	0	0	4	0	4
Vernon CA	45	6	18	0	4	0	73	22	2	5	0	0	0	29	189	16	29	0	4	0	238
Y.T.D. 2004	209	14	24	0	4	0	251	163	20	8	0	0	0	191							

KAMLOOPS CA

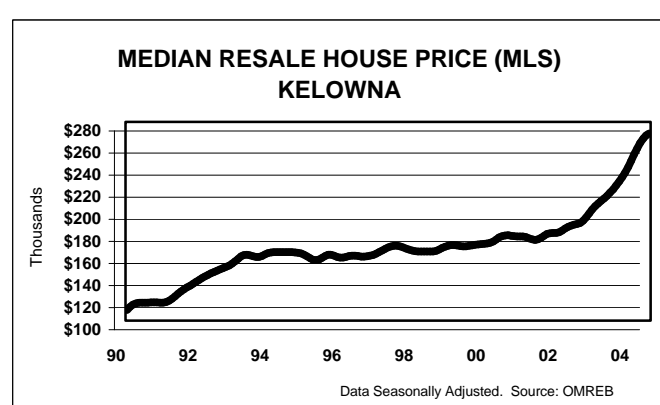
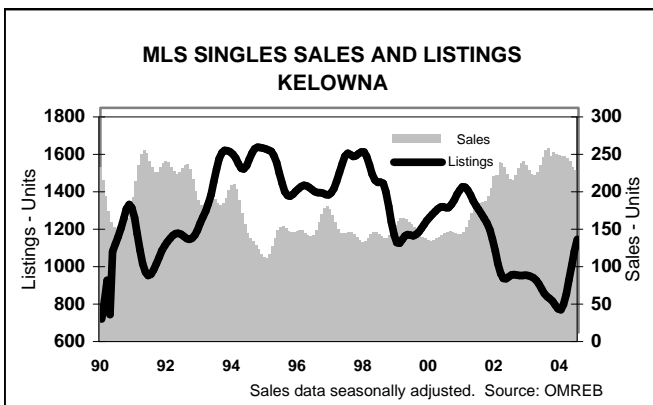
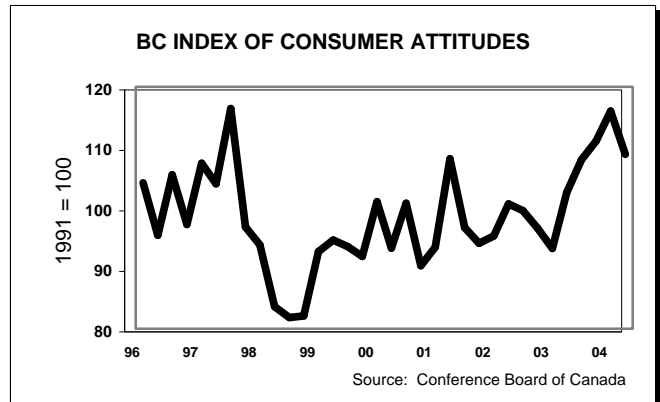
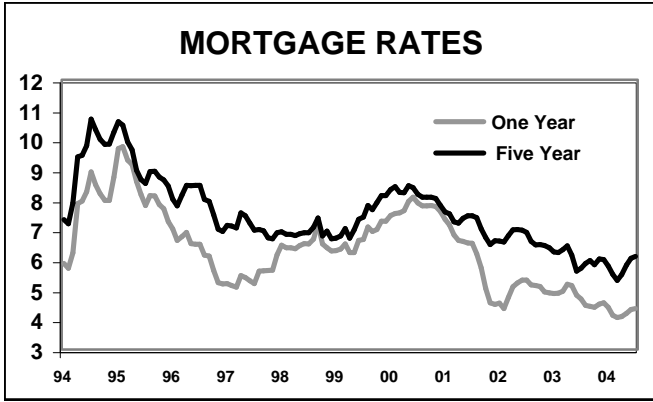
Inventory and Absorption by Municipality JULY 2004 AND YEAR-TO-DATE 2003 & 2004

	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	11	0	5	0	8	6	30	1	0	2	0	2	25	30
Kamloops IR	0	0	0	0	0	2	2	0	0	0	0	0	6	6
MONTH TOTAL	11	0	5	0	8	8	32	1	0	2	0	2	31	36
Y.T.D. Average 2004*	12	0	3	0	10	10	35	40	0	12	0	23	131	206
Y.T.D. Average 2003*	24	0	2	0	15	10	51	19	0	10	0	20	101	150

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



KEY ECONOMIC INDICATORS



SOUTHERN INTERIOR RESALE MARKETS

MLS SALES	JULY				YEAR-TO-DATE			
	Sales July 2004	Percent Change July 03	Median Price July 04	Percent Change July 03	Sales YTD 2004	Percent Change YTD 03	Median Price YTD 2004	Percent Change YTD 03
Single Detached								
Kelowna	250	-25%	\$269,700	21%	1,827	3%	\$260,000	21%
Kamloops	115	-6%	\$180,000	17%	812	11%	\$175,000	11%
Vernon Area	157	-0.6%	\$210,200	25%	1,037	18%	\$189,000	15%
Penticton	43	16%	\$199,500	15%	258	2%	\$195,000	17%
Salmon Arm	27	8%	\$181,500	3%	163	11%	\$169,000	-5%
Cranbrook	17	-29%	\$121,500	2%	185	30%	\$121,500	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