

H

HOUSING NOW

Kelowna / Southern Interior

YOUR LINK TO THE HOUSING MARKET

New Construction Highlights

Canada Mortgage and Housing Corporation

Shortage of Concrete Pushes Housing Starts Down

Kelowna area housing starts dropped back sharply for the second straight month in August. Housing starts totaled only 66 units, down from 112 units in July and 262 units the previous month.

A labour dispute among concrete suppliers accounted for most of the decline. The disruption in supply caused big delays, pushing down housing starts by an estimated 75-80 single-detached units and at least five multi-family projects since mid July. With the dispute now settled and concrete beginning to flow again, expect housing starts to spike up in September and October.

The outlook is positive. The inventory of complete and unoccupied units remains low. On the demand side, BC is poised to see stronger economic and population growth this year and next. Consumers are upbeat. Mortgage rates, though

edging up, remain low - a key driver. Closer to home, the Kelowna economy and population continue to grow, fueling demand for both new and resale homes. With the supply of listings up sharply in recent months, the new home market will begin to see stronger competition from the resale market.

Elsewhere, the Kamloops and Vernon area new home markets posted another strong performance in August. Penticton starts fell back, a drop in multi-family construction accounting for most of the decline. Year-to-date, all three centres have seen big gains over 2003.

Kelowna's resale market has flattened out, but continues to see a high level of activity. Sales have slowed in response to sharply rising prices. The median resale house price has jumped 22% over the same eight month period last year. The supply of listings is trending back up, expectations of big price gains drawing more sellers into the market place.

BC Starts Up in August

BC starts, lead by the Vancouver condo market, surged ahead in August. The up-tick in new home construction has become more widespread this year, extending beyond BC's larger urban centres. Combined starts in other smaller centres are up almost 71% to date this year. Nationally, housing starts jumped 10% to 241,500 units, seasonally adjusted at annual rates (SAAR) from 218,600 units (SAAR) in July. All regions except Quebec saw an increase.

AUGUST 2004

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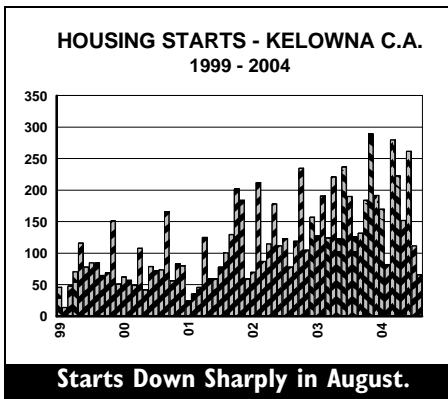
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CMHC Kelowna Noticeboard

- ◆ **September 2004** Housing Starts: Local, BC, and National news releases scheduled for Oct. 8, 2004.
- ◆ **Coming Soon ! The Fall 2004 Kelowna Housing Market Outlook and 2004 Okanagan Seniors Housing Market Survey 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



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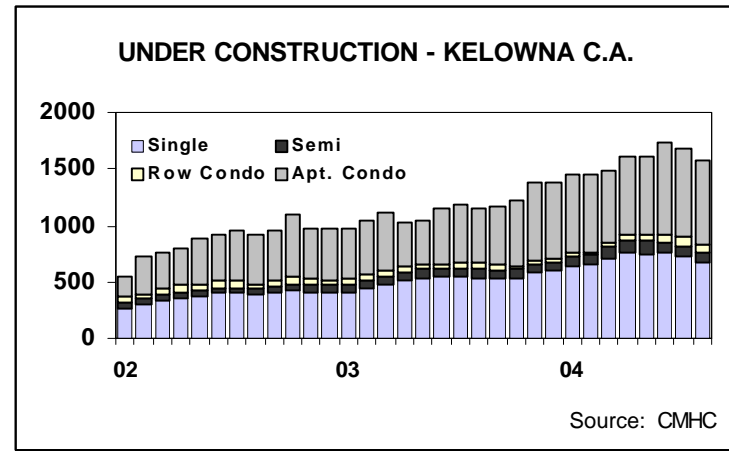
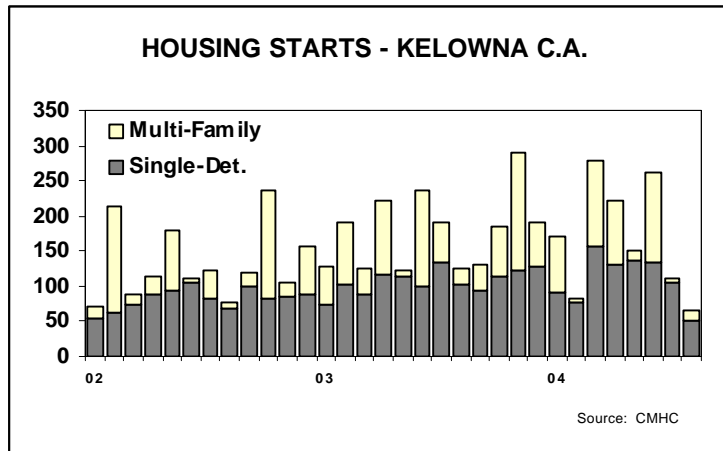


HOME TO CANADIANS
Canada

KELOWNA C.A. STARTS/COMPLETIONS/UNDER CONSTRUCTION AUGUST 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	25	0	8	0	0	0	33	75	8	3	0	32	0	118	471	34	55	5	691	89	1,345
Sub. J*	11	6	0	0	0	0	17	19	6	0	0	0	0	25	137	36	14	0	43	0	230
Sub. I*	1	0	0	0	0	0	1	3	0	0	0	0	0	3	15	12	0	0	0	0	27
Lake Country	2	0	0	0	0	0	2	3	0	0	0	0	0	3	27	0	0	0	0	0	27
Peachland	8	2	0	0	0	0	10	1	0	3	0	0	0	4	11	2	6	0	13	0	32
Indian Res.	3	0	0	0	0	0	3	2	0	0	0	0	0	2	17	0	0	0	0	0	17
MONTH TOTAL	50	8	8	0	0	0	66	103	14	6	0	32	0	155	678	84	75	5	747	89	1,678
YEAR-TO-DATE	881	78	59	5	239	89	1,351	807	68	14	0	162	113	1,164							

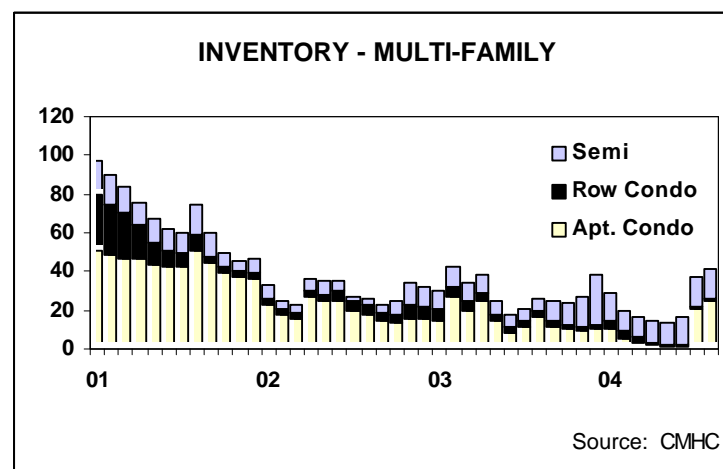
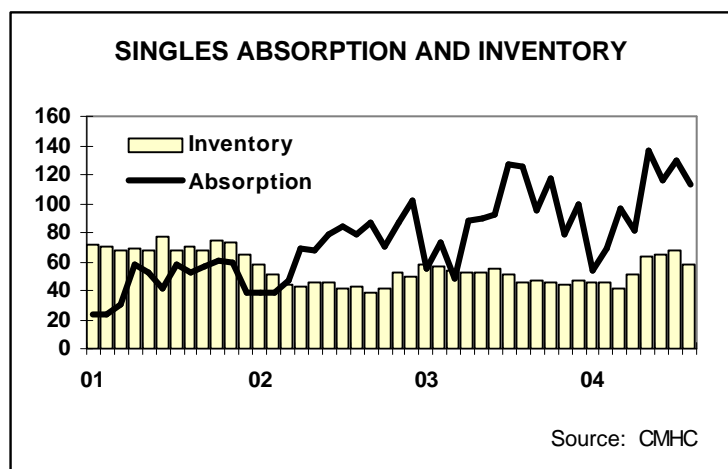
* Sub. J - Westside (former Sub. G and H) - Glenrosa, Westbank, Smith Creek, Shannon Heights, West Kelowna, Lakeview Heights, Westside/Fintry. Sub. I - Joe Rich, Ellison.



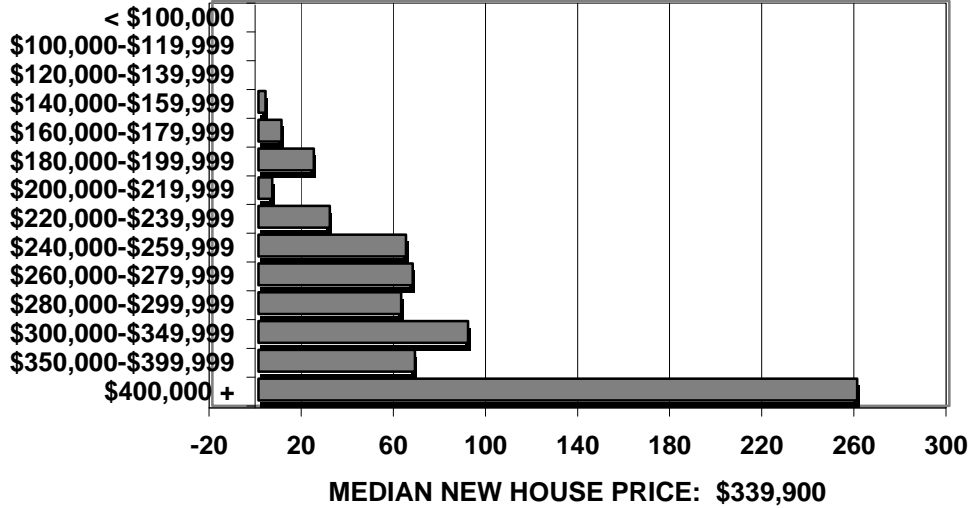
KELOWNA C.A. INVENTORY AND ABSORPTION AUGUST 2004 & YEAR-TO-DATE 2003 & 2004

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	25	30	0	0	10	40	105	Kelowna City	50	0	6	0	8	77	141
Sub. J	0	0	0	0	2	13	15	Sub. J	0	0	0	0	6	26	32
Sub. I	0	0	0	0	1	2	3	Sub. I	0	0	0	0	0	3	3
Lake Country	0	0	0	0	0	0	0	Lake Country	0	0	0	0	0	2	2
Peachland	0	0	1	0	2	0	3	Peachland	0	0	0	0	0	3	3
Indian Reserve	0	0	0	0	0	3	3	Indian Reserve	0	0	0	0	0	2	2
MONTH TOTAL	25	30	1	0	15	58	129	MONTH TOTAL	50	0	6	0	14	113	183
Y.T.D. Average 2004*	9	24	2	0	12	55	102	Y.T.D. Total 2004	282	84	36	0	63	796	1,261
Y.T.D. Average 2003*	17	33	4	0	8	53	115	Y.T.D. Total 2003	299	19	28	4	62	698	1,110

Absorption does not include assisted rental units. * Rounded.



PRICES OF SINGLES ABSORBED AT COMPLETION
Kelowna C.A. January - August 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	38	31	24	32
Dilworth Mountain	36	33	11	23
Ellison	51	37	39	29
Glenrosa	8	23	17	12
Glenmore	12	41	20	24
I.R.	26	5	13	0
Core Area*	127	133	123	103
Lakeview Heights	51	79	60	53
Lower Mission	37	37	31	32
North Glenmore	46	9	25	8
Peachland	12	12	12	16
Rutland North	23	53	33	40
Rutland South	1	0	1	10
S. E. Kelowna	33	52	40	44
Shannon Lake	22	43	26	45
Upper Mission	227	128	197	117
Westbank	11	7	13	5
Winfield	22	26	20	15
West Kelowna	53	60	59	72
Other**	45	23	32	18
Total	881	832	796	698

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

HOUSING ACTIVITY SUMMARY - KELOWNA CA AUGUST 2004

	OWNERSHIP				RENTAL				TOTAL
	FREEHOLD		CONDOMINIUM		PRIVATE		ASSISTED		
	Single	Semi	Row	Apt.	Row	Apt.	Row	Apt.	
Starts									
Aug. 2004	50	8	8	0	0	0	0	0	66
YTD 2004	881	78	59	239	5	89	0	0	1,351
YTD 2003	832	64	26	364	0	54	0	0	1,340
Under Construction									
Aug. 2004	678	84	75	747	5	89	0	0	1,678
Aug. 2003	539	76	50	480	0	110	0	0	1,255
Completions									
Aug. 2004	103	14	6	32	0	0	0	0	155
YTD 2004	807	68	14	162	0	113	0	0	1,164
YTD 2003	693	58	23	337	4	4	0	0	1,119
Inventory									
Aug. 2004	58	15	1	25	0	30			129
Aug. 2003	45	6	3	17	0	28			99
Total Supply									
Aug. 2004	736	99	76	772	5	119	0	0	1,807
Aug. 2003	584	82	53	497	0	138	0	0	1,354
Absorption									
Aug. 2004	113	14	6	50	0	0			183
3 Mo. Ave.	127	11	8	21	0	5			172
12 Mo. Ave.	100	8	3	55	0	10			176

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
AUGUST 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	3	0	0	0	0	0	3	2	0	0	0	0	0	2	20	0	0	0	0	0	20
E. Kootenay C	3	0	0	0	0	0	3	0	0	0	0	0	0	0	52	0	0	0	0	0	52
Cranbrook CA	6	0	0	0	0	0	6	2	0	0	0	0	0	2	72	0	0	0	0	0	72
Y.T.D. 2004	54	0	0	0	0	0	54	19	0	0	0	0	0	19							
Kamloops C.	17	6	4	0	0	0	27	13	0	4	42	0	0	59	117	66	12	0	0	0	195
Kamloops IR	6	0	0	0	0	0	6	1	0	0	0	0	0	1	25	0	0	0	6	0	31
Kamloops CA	23	6	4	0	0	0	33	14	0	4	42	0	0	60	142	66	12	0	6	0	226
Y.T.D. 2004	191	62	14	0	0	0	267	141	20	23	42	0	0	226							
Penticton City	5	0	0	0	0	0	5	1	0	4	0	0	0	5	29	4	36	107	12	0	188
Sub. D	2	0	0	0	0	0	2	3	0	0	0	0	0	3	25	0	0	0	0	0	25
Sub. E	2	0	0	0	0	0	2	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	1	0	0	0	0	0	1
Penticton IR	0	0	0	0	0	0	0	1	0	0	0	0	0	1	5	0	0	0	0	0	5
Penticton CA	9	0	0	0	0	0	9	5	0	4	0	0	0	9	69	4	36	107	12	0	228
Y.T.D. 2004	84	4	26	81	8	0	203	85	4	18	74	0	0	181							
Salmon Arm	7	2	0	0	0	0	9	6	0	3	0	0	0	9	33	10	3	6	0	0	52
Y.T.D. 2004	56	6	0	6	0	0	68	60	2	7	0	0	3	72							
Summerland	4	0	0	0	0	0	4	5	0	0	0	0	0	5	24	0	10	0	0	0	34
Y.T.D. 2004	29	0	10	0	0	0	39	20	0	0	0	0	0	20							
Vernon City	23	0	20	0	0	0	43	22	6	0	0	0	0	28	122	4	49	0	0	0	175
Coldstream	4	0	0	0	0	0	4	10	0	0	0	0	0	10	37	0	0	0	0	0	37
Sub. C	2	4	0	0	0	0	6	0	0	0	0	0	0	0	16	10	0	0	0	0	26
Sub. D	1	0	0	0	0	0	1	0	0	0	0	0	0	0	3	0	0	0	0	0	3
Sub. E	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1
Lumby	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8	0	0	0	0	0	8
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	30	4	20	0	0	0	54	32	6	0	0	0	0	38	187	14	49	0	4	0	254
Y.T.D. 2004	239	18	44	0	4	0	305	195	26	8	0	0	0	229							

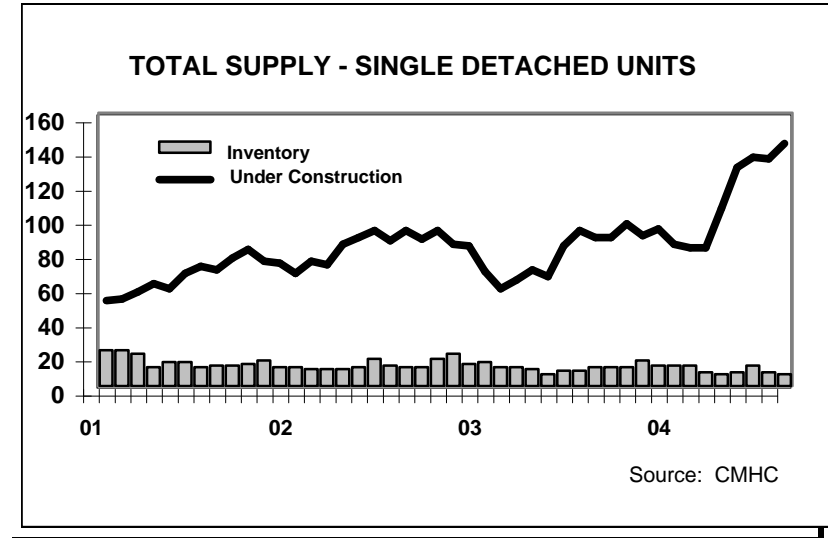
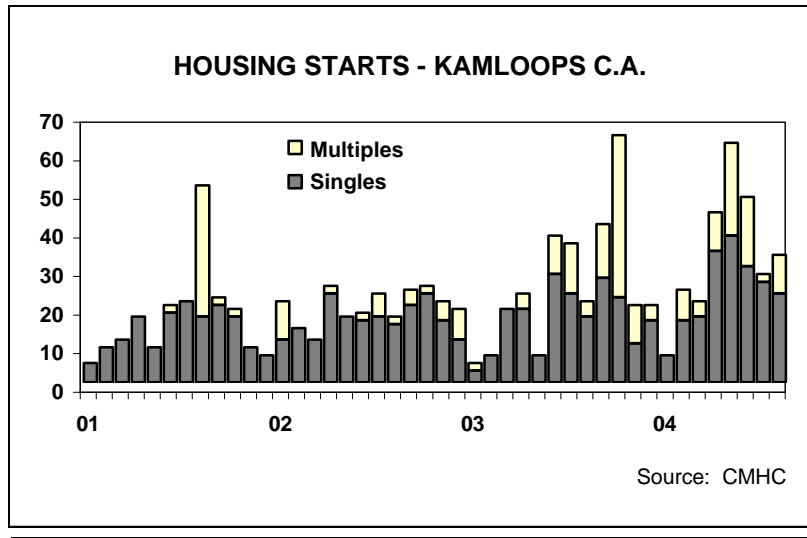
KAMLOOPS CA

Inventory and Absorption by Municipality

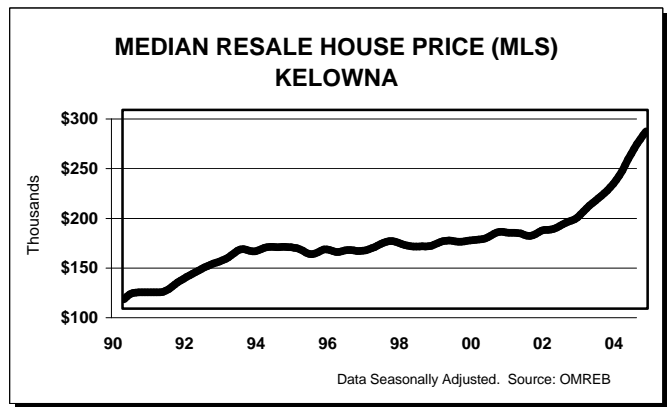
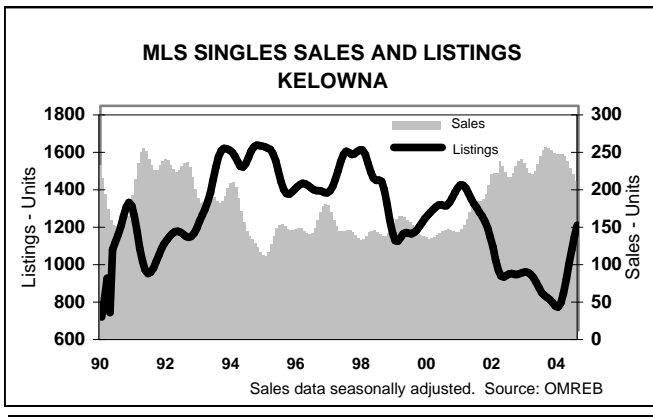
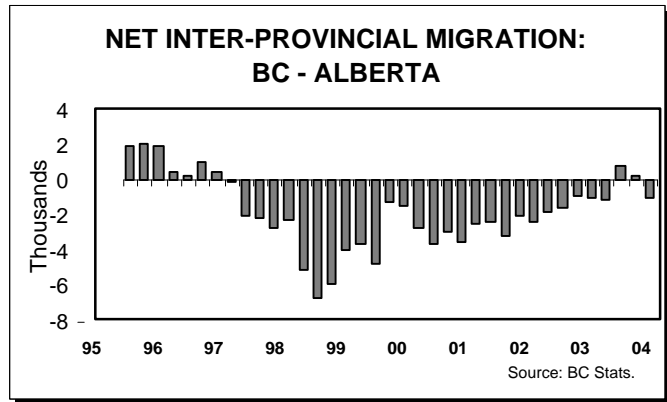
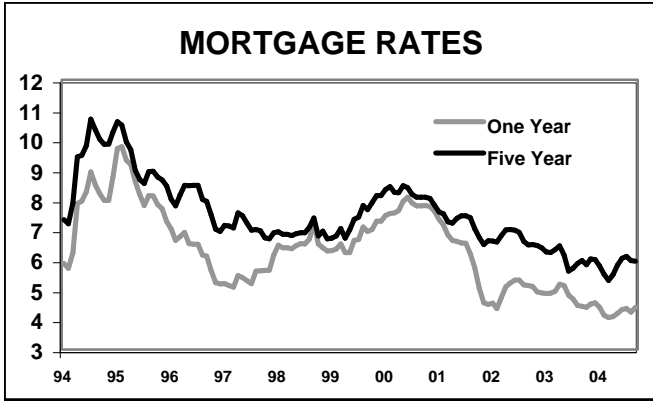
AUGUST 2004 AND YEAR-TO-DATE 2003 & 2004

	INVENTORY OF NEW HOMES							ABSORPTION OF NEW HOMES							
	Apt	Apt	Row	Row	Semi	Single	Total	Apt	Apt	Row	Row	Semi	Single	Grand	
	Condo	Rental	Condo	Rental				Condo	Rental	Condo	Rental			Total	
Kamloops City	15	0	2	0	7	6	30	Kamloops City	0	0	5	0	1	13	19
Kamloops IR	0	0	0	0	0	1	1	Kamloops IR	0	0	0	0	0	2	2
MONTH TOTAL	15	0	2	0	7	7	31	MONTH TOTAL	0	0	5	0	1	15	21
Y.T.D. Average 2004*	12	0	3	0	9	9	33	Y.T.D. TOTAL 2004	41	0	17	0	24	146	228
Y.T.D. Average 2003*	23	0	2	0	15	10	50	Y.T.D. TOTAL 2003	19	0	11	0	24	120	174

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



KEY ECONOMIC INDICATORS



SOUTHERN INTERIOR RESALE MARKETS

MLS SALES	AUGUST				YEAR-TO-DATE			
	Sales Aug. 2004	Percent Change Aug. 03	Median Price Aug. 04	Percent Change Aug. 03	Sales YTD 2004	Percent Change YTD 03	Median Price YTD 2004	Percent Change YTD 03
Single Detached								
Kelowna	234	-3%	\$291,500	33%	2,059	2%	\$262,500	22%
Kamloops	104	11%	\$176,500	15%	931	13%	\$176,000	11%
Vernon Area	111	-16%	\$187,500	11%	1,148	13%	\$189,000	14%
Penticton	39	22%	\$221,000	4%	303	7%	\$202,000	19%
Salmon Arm	32	52%	\$186,000	18%	195	16%	\$172,500	-2%
Cranbrook	27	35%	\$131,900	-8%	220	36%	\$122,500	n/a

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Current month MLS data is preliminary.

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