HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

New Construction Highlights

December 2005

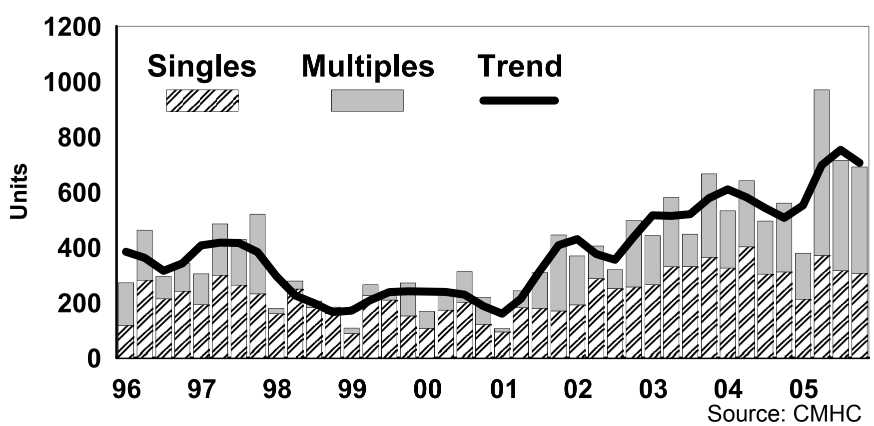
Kelowna Housing Starts Reach Record High in 2005

Kelowna area housing starts, led by the multi-family sector, jumped 24% to 2,755 units from 2,228 units in 2004. Kelowna's new home market closed the year on a strong note, starts reaching the highest fourth quarter level since 1991. Housing starts have broken the 2,000 unit mark for three straight years.

Multi-family starts shot up to the highest level ever, surpassing singles construction for the first time since the early 1980s. Price and lifestyle have been key drivers. The condo market is attracting a broader range of buyers. More first-time buyers are now turning to the new condo and townhouse markets. Retirees, move-down buyers and others seeking resort-oriented housing, also remain big sources of demand. More broadly based demand has, in turn led to greater market segmentation by product type and location. Both Rutland and North Glenmore saw a resurgence in multi-family construction activity last year. Absorption remains strong, keeping inventories of complete and unsold units near historical lows. Pre-sales have held up despite an increasingly competitive market.

Singles starts were down in 2005. Sharply rising new home prices have led to stronger competition from both the new and resale multi-family sectors. Also, rebuilds of homes

HOUSING STARTS - KELOWNA C.A.
1996 - 2005



Multi-Family Starts Lead in 2005.

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CMHC SCHL
HOME TO CANADIANS

New Homes con't.

destroyed in 2003's wildfires contributed to higher levels of singles starts in 2004. Singles starts have followed lot supply, Lake Country, Shannon Lake and North Glenmore seeing the strongest growth in singles construction activity

Market fundamentals remain solid. Strong employment growth has spurred in-migration, fueling demand for new and resale housing. The search for lifestyle remains a big draw, boosting population growth. Low interest rates have continued to support high levels of sales and new home construction activity.

The Kamloops new home market maintained a blistering pace through year-end, 2005 housing starts reaching the highest level since 1995. Penticton starts also reached a ten year high in 2005. Vernon area starts dropped back slightly following last year's big surge in construction activity, but recorded another strong performance overall.

Resale Market Highlights

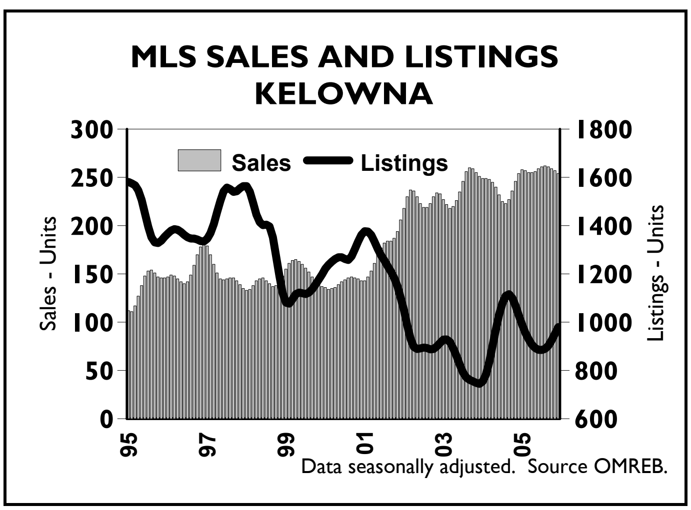
Resale Markets Surge Ahead in 2005

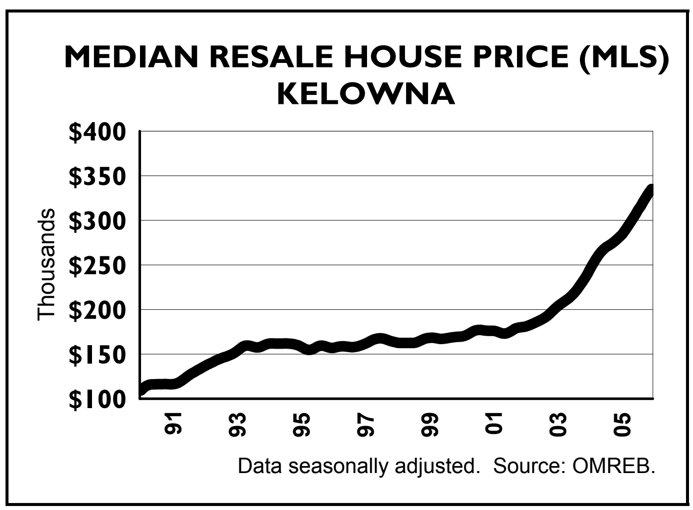
Skyrocketing demand for condos and townhouses pushed Kelowna area resale market activity to record highs in 2005. Fourth quarter sales activity slowed from the spring and summer months, but remained well ahead of last year's pace.

Condo and townhouse sales were up 37% in 2005. With the price of detached units trending up sharply, more buyers are turning to higher density housing. Like the new home market, retirees, move-down buyers and lifestylers remain big sources of demand. Both sectors are adequately supplied with listings, high levels of completions boosting supply. Rising demand has meant stronger upward pressure on price levels.

Singles sales have increased at a more moderate pace. Sharply rising prices have triggered stronger competition from the new singles and new and resale multifamily sectors. The supply of singles listings has stabilized after trending down earlier this year, but remains tight overall. Strong demand in combination with tight supply has continued to drive up prices. The median resale singles price jumped 16% to $310,000 from $267,000 in 2004. The resale singles sector has seen double-digit price increases for three straight years, the median resale house price climbing by almost two thirds since 2002. The increase is unprecedented. For now, the Kelowna area resale market remains firmly in sellers' market territory.

Kamloops, Salmon Arm, Vernon, Penticton and Cranbrook also remain sellers' markets. Sales are up in all centres except the Vernon area. Vernon's resale market remains buoyant, despite a small decline. The supply of listings remains near historical fourth quarter lows in most centres. Prices have continued to trend up sharply in response to strong demand and reduced supply, increases ranging from 20-29% over 2004.



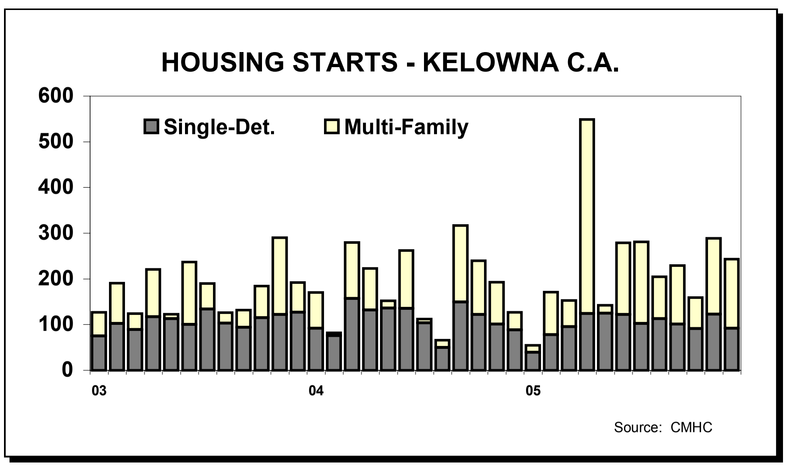


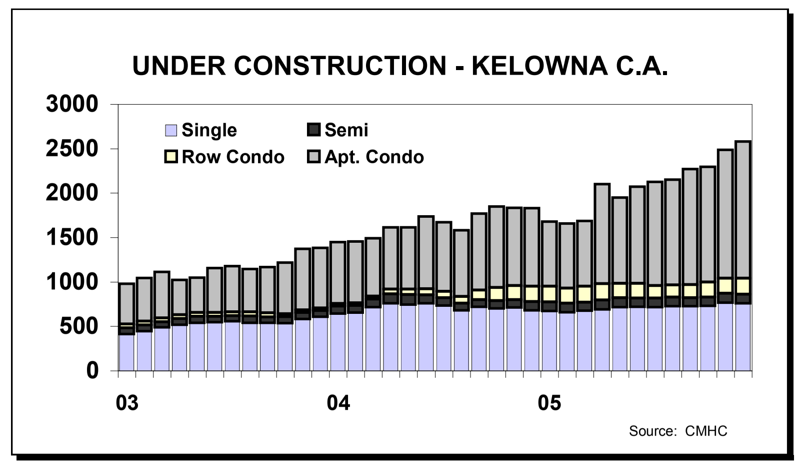
KELOWNA C.A.

STARTS/COMPLETIONS/UNDER CONSTRUCTION

DECEMBER 2005 & YEAR-TO-DATE 2005

	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	66	6	10	0	76	0	**158**	79	6	0	0	0	11	**96**	469	76	140	1	1,333	137	**2,156**
Sub. J*	12	2	0	0	0	0	**14**	10	2	0	0	0	40	**52**	147	10	35	0	42	0	**234**
Sub. I*	1	0	0	0	0	0	**1**	3	0	0	0	0	0	**3**	21	14	0	0	0	0	**35**
Lake Country	6	0	0	0	32	25	**63**	7	0	0	0	0	0	**7**	72	0	3	0	32	25	**132**
Peachland	1	0	0	0	0	0	**1**	0	2	0	0	0	0	**2**	16	4	3	0	134	0	**157**
Indian Res.	6	0	0	0	0	0	**6**	2	0	0	0	0	0	**2**	32	0	0	8	0	0	**40**
MONTH TOTAL	**92**	**8**	**10**	**0**	**108**	**25**	**243**	**101**	**10**	**0**	**0**	**0**	**51**	**162**	**757**	**104**	**181**	**9**	**1,541**	**162**	**2,754**
YEAR-TO-DATE	**1,205**	**112**	**197**	**9**	**1,124**	**108**	**2,755**	**1,126**	**110**	**188**	**2**	**451**	**59**	**1,936**							



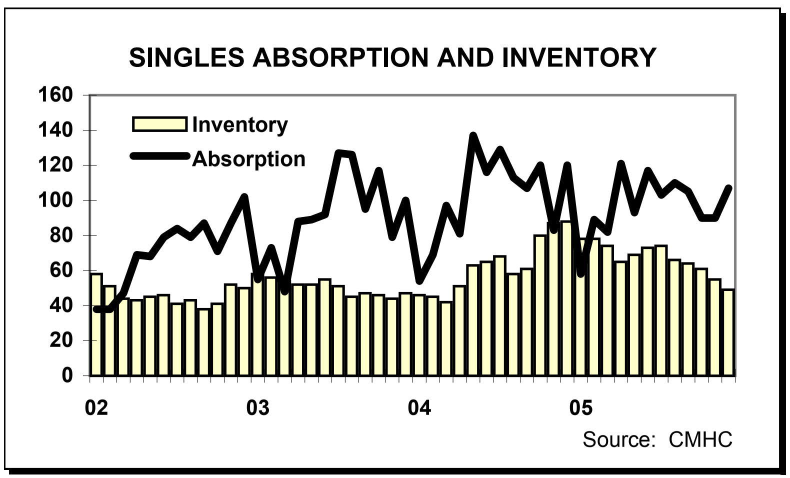


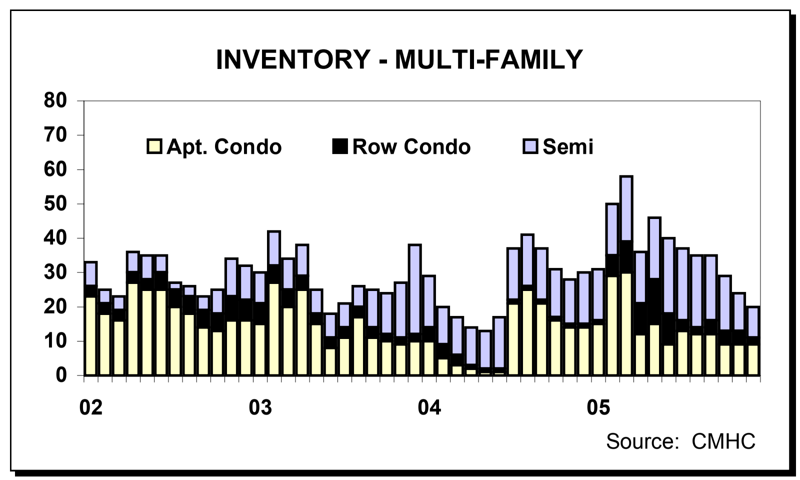
KELOWNA C.A.
INVENTORY AND ABSORPTION
DECEMBER 2005 & YEAR-TO-DATE 2004 & 2005

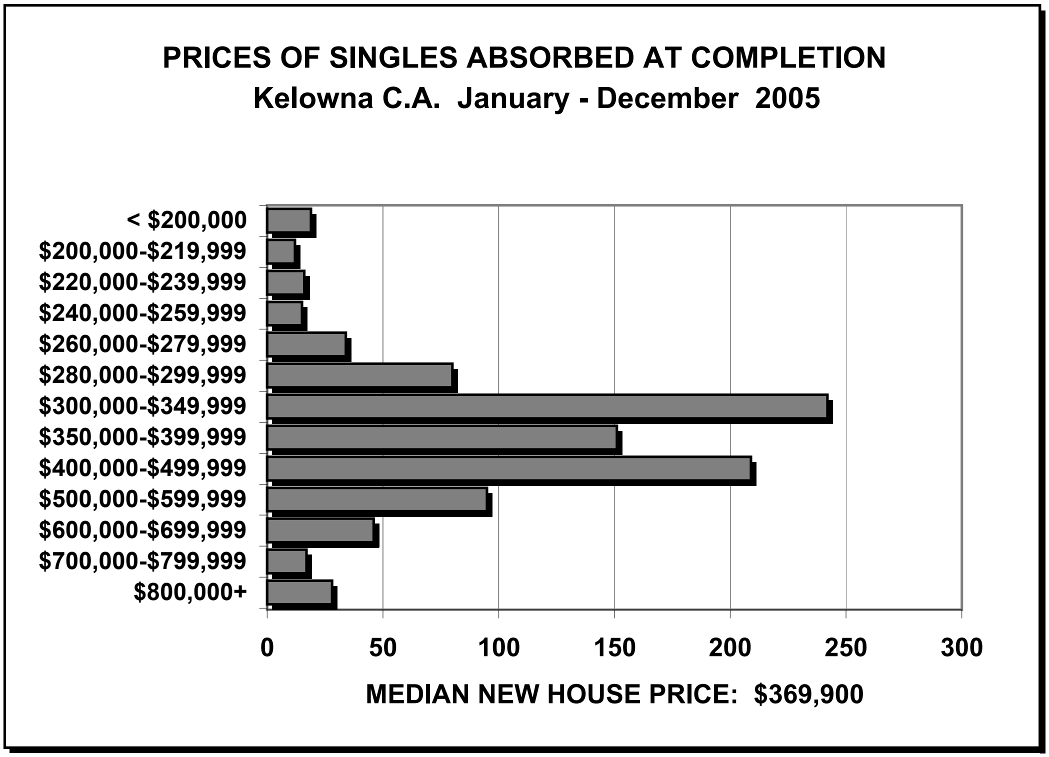
	Apt Condo	Apt Rental	Row Condo	Row Rental	Semi	Single	Total
Kelowna City	9	0	1	0	5	38	**53**
Sub. J	0	0	1	0	1	7	**9**
Sub. I	0	0	0	0	3	0	**3**
Lake Country	0	0	0	0	0	1	**1**
Peachland	0	0	0	0	0	0	**0**
Indian Reserve	0	0	0	0	0	3	**3**
MONTH TOTAL	**9**	**0**	**2**	**0**	**9**	**49**	**69**
Y.T.D. Average 2005*	**15**	**0**	**6**	**0**	**17**	**67**	**105**
Y.T.D. Average 2004*	**12**	**19**	**2**	**0**	**13**	**63**	**109**

	Apt Condo	Apt Rental	Row Condo	Row Rental	Semi	Single	Grand Total
Kelowna City	110	22	15	0	8	85	**240**
Sub. J	0	0	1	0	2	10	**13**
Sub. I	0	0	0	0	0	3	**3**
Lake Country	0	0	0	0	0	7	**7**
Peachland	1	0	0	0	2	0	**3**
Indian Reserve	0	0	0	0	0	2	**2**
MONTH TOTAL	**111**	**22**	**16**	**0**	**12**	**107**	**268**
Y.T.D. Total 2005	**929**	**97**	**226**	**2**	**116**	**1,165**	**2,535**
Y.T.D. Total 2004	**398**	**114**	**104**	**4**	**115**	**1,226**	**1,961**

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







Sub Area	**Y.T.D. 2005**	**Y.T.D. 2004**	**Y.T.D. 2005**	**Y.T.D. 2004**
Black Mountain	86	77	81	47
Dilworth Mountain	34	50	39	30
Ellison	24	87	69	60
Glenrosa	3	19	12	22
Glenmore	24	14	19	28
I.R.	31	51	34	26
Core Area*	118	181	134	176
Lakeview Heights	53	70	58	84
Lower Mission	42	59	57	49
North Glenmore	106	79	75	48
Peachland	21	18	18	16
Rutland North	53	36	47	41
Rutland South	0	3	2	2
S. E. Kelowna	39	48	48	56
Shannon Lake	66	30	45	39
Upper Mission	267	320	244	319
Westbank	15	24	18	14
Winfield	103	34	61	33
West Kelowna	46	72	56	81
Other**	74	69	48	55
Total	**1205**	**1341**	**1165**	**1226**

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

HOUSING ACTIVITY SUMMARY - KELOWNA CA
DECEMBER 2005

	OWNERSHIP				RENTAL				TOTAL
	FREEHOLD		CONDOMINIUM		PRIVATE		ASSISTED		
	Single	Semi	Row	Apt.	Row	Apt.	Row	Apt.	
Starts									
Dec. 2005	92	8	10	108	0	0	0	25	243
YTD 2005	1,205	112	197	1,124	1	43	8	65	2,755
YTD 2004	1,341	148	171	461	5	102	0	0	2,228
Under Construction									
Dec. 2005	757	104	181	1,541	1	137	8	25	2,754
Dec. 2004	678	102	172	879	2	102	0	0	1,935
Completions									
Dec. 2005	101	10	0	0	0	11	0	40	162
YTD 2005	1,126	110	188	451	2	19	0	40	1,936
YTD 2004	1,267	120	28	252	4	113	0	0	1,784
Inventory									
Dec. 2005	49	9	2	9	0	0			69
Dec. 2004	88	15	1	14	0	0			118
Total Supply									
Dec. 2005	806	113	183	1,550	1	137	8	25	2,823
Dec. 2004	766	117	173	893	2	102	0	0	2,053
Absorption									
Dec. 2005	107	12	16	111	0	22			268
3 Mo. Ave.	95	11	25	95	0	7			233
12 Mo. Ave.	98	9	19	69	2	6			203

Absorption does not include assisted rentals.

RECORD OF STARTS - KELOWNA C.A.

YEAR	SINGLE	SEMI	ROW	APT	TOTAL
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**
2004	1341	148	176	563	**2228**
2004	1205	112	206	1232	**2755**

OTHER CENTRES
Starts/Completions/Under Construction
DECEMBER 2005 AND YEAR-TO-DATE 2005

	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	4	0	0	0	0	27	**31**	13	0	0	0	0	0	**13**	60	0	0	0	0	27	**87**
E. Kootenay C	10	0	0	0	0	0	**10**	2	0	0	0	0	0	**2**	60	0	0	0	0	0	**60**
Cranbrook CA	14	0	0	0	0	27	**41**	15	0	0	0	0	0	**15**	120	0	0	0	0	27	**147**
Y.T.D. 2005	161	0	0	0	0	27	**188**	122	2	0	0	0	0	**124**							
Kamloops C.	36	8	0	0	0	0	**44**	27	8	0	0	0	0	**35**	204	92	31	43	0	0	**370**
Kamloops IR	0	2	0	0	4	0	**6**	0	0	0	0	0	0	**0**	19	2	0	0	4	0	**25**
Kamloops CA	36	10	0	0	4	0	**50**	27	8	0	0	0	0	**35**	223	94	31	43	4	0	**395**
Y.T.D. 2005	409	110	23	43	4	0	**589**	348	54	16	0	6	0	**424**							
Penticton City	3	0	12	0	0	0	**15**	6	0	19	0	0	0	**25**	47	6	81	296	0	0	**430**
Sub. D	4	0	0	0	0	0	**4**	6	0	0	0	0	0	**6**	27	0	0	0	0	0	**27**
Sub. E	2	0	0	0	0	0	**2**	2	0	0	0	0	0	**2**	10	0	0	0	0	0	**10**
Sub. F	0	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**
Penticton IR	0	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	2	0	0	0	0	0	**2**
Penticton CA	9	0	12	0	0	0	**21**	14	0	19	0	0	0	**33**	86	6	81	296	0	0	**469**
Y.T.D. 2005	115	6	91	194	0	0	**406**	102	10	49	0	0	0	**161**							
Salmon Arm	4	0	0	0	0	18	**22**	4	0	0	0	0	0	**4**	54	12	0	16	0	18	**100**
Y.T.D. 2005	109	14	0	16	0	18	**157**	96	16	12	12	0	0	**136**							
Summerland	5	0	0	0	0	0	**5**	1	0	0	0	0	0	**1**	26	2	0	0	0	0	**28**
Y.T.D. 2005	34	2	0	0	0	0	**36**	27	0	10	0	0	0	**37**							
Vernon City	11	2	0	0	0	0	**13**	7	4	20	0	0	0	**31**	150	30	29	0	3	15	**227**
Coldstream	1	0	0	0	0	0	**1**	4	0	0	0	0	0	**4**	42	0	0	0	0	0	**42**
Sub. C	0	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	14	4	0	0	0	0	**18**
Sub. B	0	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	6	0	0	0	0	0	**6**
I. R.	0	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**
Vernon CA	12	2	0	0	0	0	**14**	11	4	20	0	0	0	**35**	212	34	29	0	3	15	**293**
Y.T.D. 2005	325	40	32	0	3	15	**415**	300	24	55	0	4	0	**383**							

KAMLOOPS CA

Inventory and Absorption by Municipality

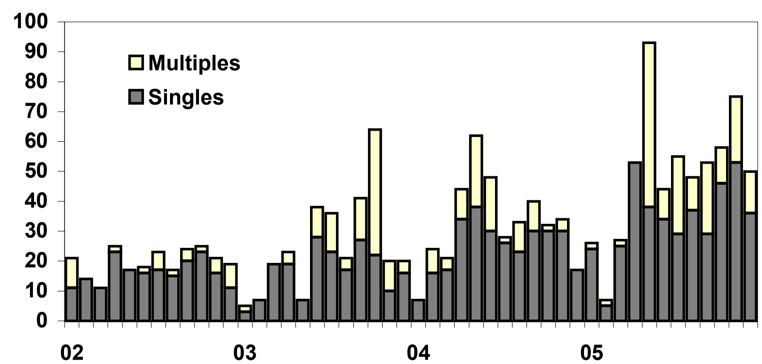
DECEMBER 2005 AND YEAR-TO-DATE 2004 & 2005

INVENTORY OF NEW HOMES	Apt Condo	Apt Rental	Row Condo	Row Rental	Semi	Single	Total
Kamloops City	6	0	0	0	2	4	**12**
Kamloops IR	0	0	0	0	0	0	**0**
MONTH TOTAL	**6**	**0**	**0**	**0**	**2**	**4**	**12**
Y.T.D. Average 2005*	**8**	**0**	**1**	**0**	**4**	**7**	**20**
Y.T.D. Average 2004*	**12**	**0**	**2**	**0**	**8**	**8**	**30**

ABSORPTION OF NEW HOMES	Apt Condo	Apt Rental	Row Condo	Row Rental	Semi	Single	Grand Total
Kamloops City	4	0	5	0	7	26	**42**
Kamloops IR	0	0	0	0	0	0	**0**
MONTH TOTAL	**4**	**0**	**5**	**0**	**7**	**26**	**42**
Y.T.D. TOTAL 2005	**39**	**0**	**21**	**0**	**58**	**351**	**469**
Y.T.D. TOTAL 2004	**46**	**0**	**23**	**0**	**61**	**233**	**363**

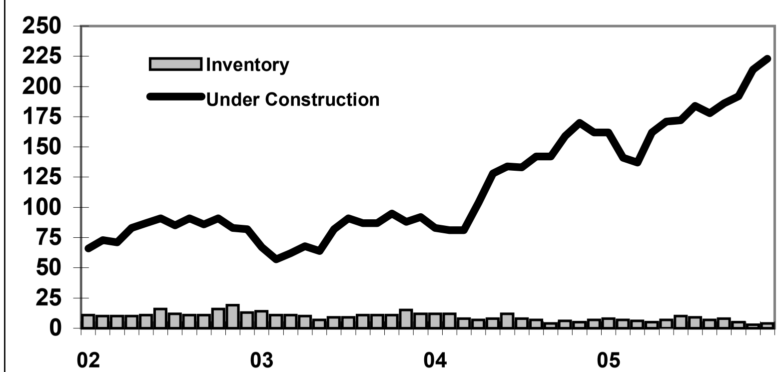
*Absorption does not include assisted rental units. * Rounded.*

HOUSING STARTS - KAMLOOPS C.A.



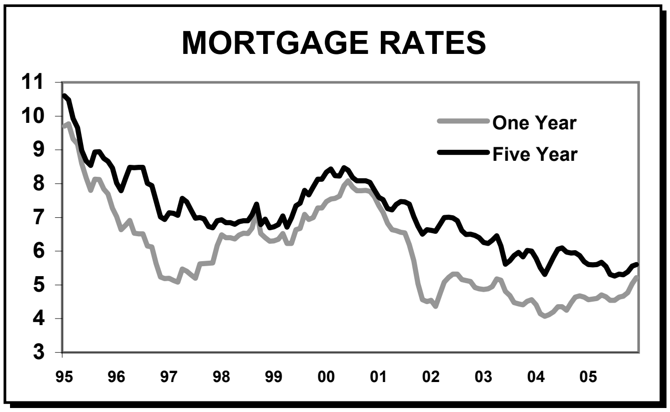
Source: CMHC

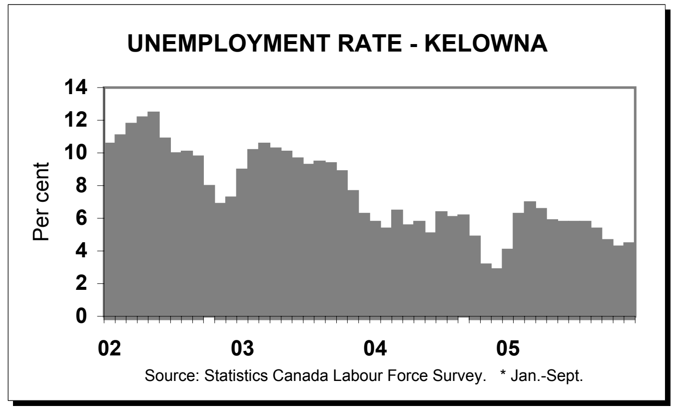
TOTAL SUPPLY - SINGLE DETACHED UNITS

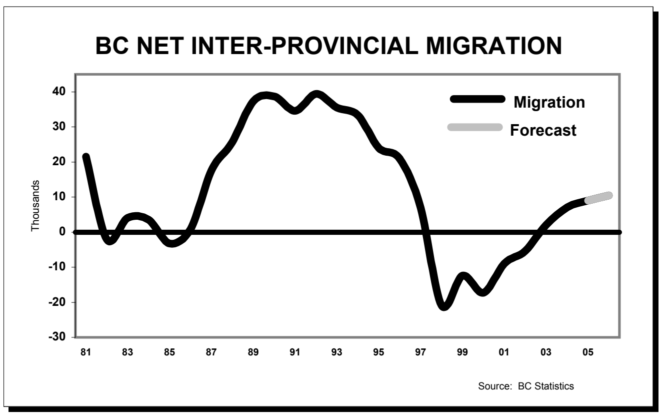


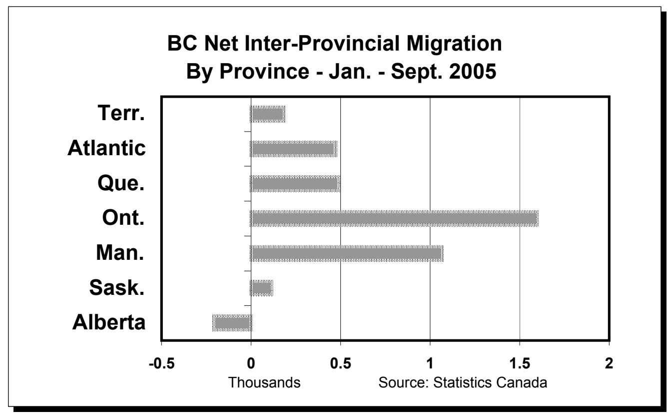
Source: CMHC

KEY ECONOMIC INDICATORS









MLS SALES								
Single Detached	Sales Dec. 2005	Percent Change Dec. 04	Median Price Dec. 05	Percent Change Dec. 04	Sales YTD 2005	Percent Change YTD 04	Median Price YTD 2005	Percent Change YTD 04
Kelowna	152	-3%	$329,750	22%	3,115	8%	$310,000	16%
Kamloops	51	23%	$228,000	33%	1,327	5%	$214,000	21%
Vernon Area	83	8%	$268,000	31%	1,548	-6%	$240,000	26%
Penticton	26	24%	$282,000	15%	432	7%	$262,000	22%
Salmon Arm	6	-60%	$274,370	50%	328	17%	$225,525	29%
Cranbrook	13	18%	$138,100	7%	342	13%	$154,000	23%

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