

H

HOUSING NOW

Kelowna / Southern Interior

YOUR LINK TO THE HOUSING MARKET

New Construction Highlights

Canada Mortgage and Housing Corporation

Kelowna Housing Starts Reach Five Year High in 2002

The Kelowna area new home market surged ahead in 2002. Housing starts shot up 43 per cent to 1,590 units from 1,111 units in 2001 - a five year high. Both the singles and multi-family sectors recorded big gains.

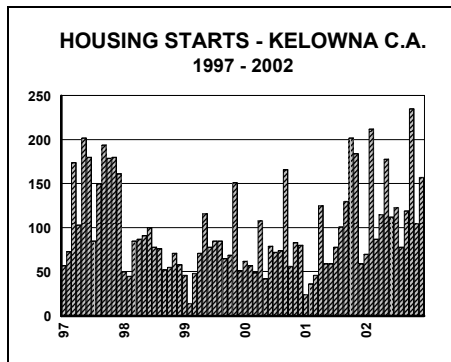
Kelowna's new home market closed out the year on a strong note. December housing starts bounced back after falling off in November.

Singles starts increased by more than half in 2002. On the multiples side, condominium starts jumped to the highest level since 1997, more than offsetting a drop in rental housing construction. Pent-up demand, triggered by low interest rates has been the key driver. The Kelowna area population and economy have continued to grow despite job losses in some sectors, boosting demand for both new and resale housing.

With resale house prices on the rise and supply of listings down sharply, more buyers have turned to the new home market this year. An aging population has meant increased demand for lifestyle/retiree and resort-oriented housing. Many new homes are second residences or purchased in anticipation of retirement. The mid to upper price ranges - more upscale housing, were the primary focus of new home demand in 2002.

Elsewhere, Penticton area starts more than doubled in 2002, both singles and multiples sectors seeing big gains. The Kamloops and Vernon new home markets also saw some improvement, rising singles construction accounting for all the increase.

Okanagan resale markets saw another strong performance in 2002, Kelowna singles sales approaching an all time high. Listings are down in all locations and prices on the rise.



Housing starts up sharply in 2002.

BC Starts Up Sharply in 2002

BC housing starts increased sharply for the second straight year, climbing 29 per cent in 2002. The singles sector lead the way. The greater Vancouver, Victoria and Kelowna areas accounted for the lion's share of new home construction. Nationally, housing starts rose to a 13 year high in 2002. December housing starts dipped to 198,500 units, (SAAR), down almost seven per cent from 212,500 units (SAAR) in November.

DECEMBER 2002

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CMHC Kelowna Noticeboard

- ◆ **January 2003 Housing Starts: Local, BC, and National news releases** scheduled for Feb. 10, 2003.
- ◆ **The 2002 Okanagan Seniors' Housing Market Survey Report and Kelowna Rental Market Report** are now available. 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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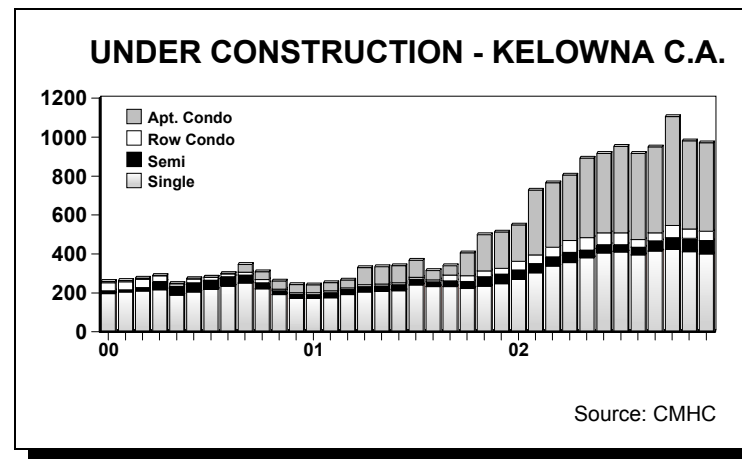
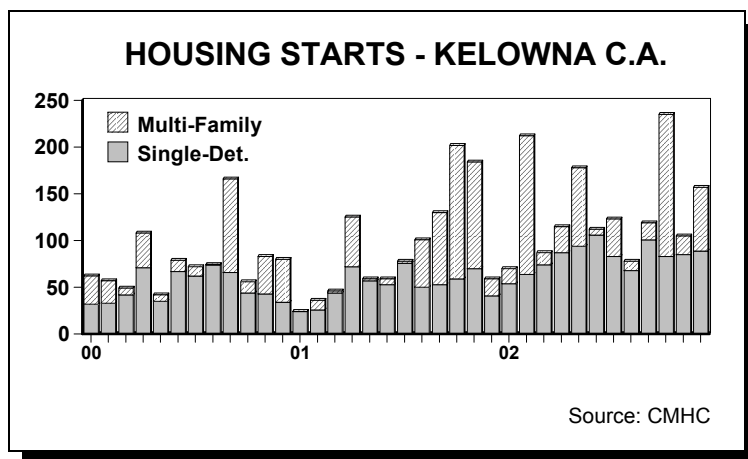


HOME TO CANADIANS
Canada

KELOWNA C.A. STARTS/COMPLETIONS/UNDER CONSTRUCTION DECEMBER 2002 & YEAR TO DATE 2002

	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	4	0	60	119	63	4	0	0	0	0	67	253	48	22	4	428	60	815
Sub. G*	17	0	0	0	0	0	17	17	0	0	0	0	0	17	57	0	0	0	0	0	57
Sub. H*	11	2	0	0	0	0	13	12	0	0	0	0	0	12	51	2	0	0	0	0	53
Sub. I*	2	0	0	0	0	0	2	0	0	0	0	0	0	0	4	10	0	0	0	0	14
Lake Country	3	0	0	0	0	0	3	1	0	0	0	0	0	1	19	0	25	0	25	0	69
Peachland	3	0	0	0	0	0	3	7	0	0	0	0	0	7	16	10	0	0	0	0	26
Indian Res.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MONTH TOTAL	89	4	0	4	0	60	157	100	4	0	0	0	0	104	400	70	47	4	453	60	1034
YEAR-TO-DATE	987	100	60	13	370	60	1590	834	80	42	103	85	187	1331	---	---	---	---	---	---	---

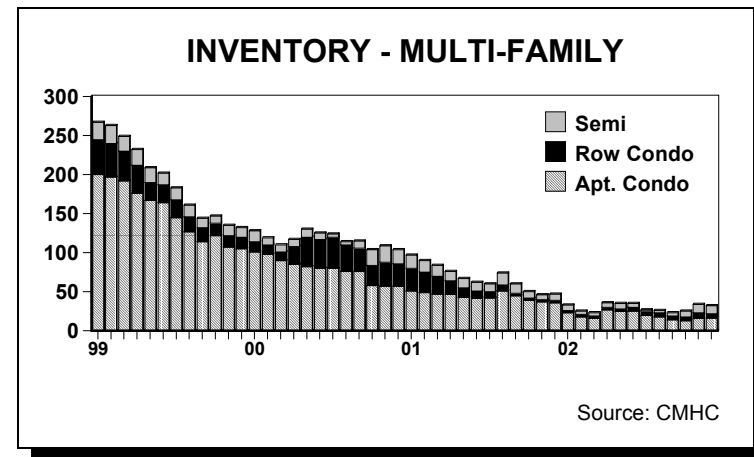
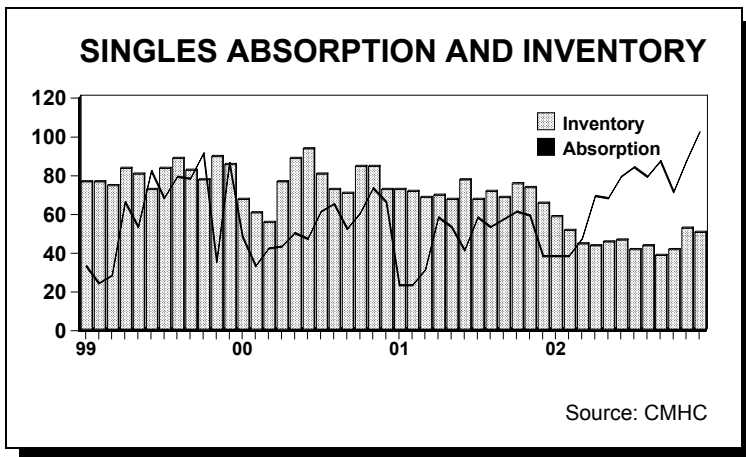
* Sub. G - West Kelowna, Lakeview Heights, Westside/Fintry. Sub H. - Westbank, Glenrosa, Shannon Heights. (Sub G and H former Sub B.) Sub. I - Joe Rich, Ellision (former A.)



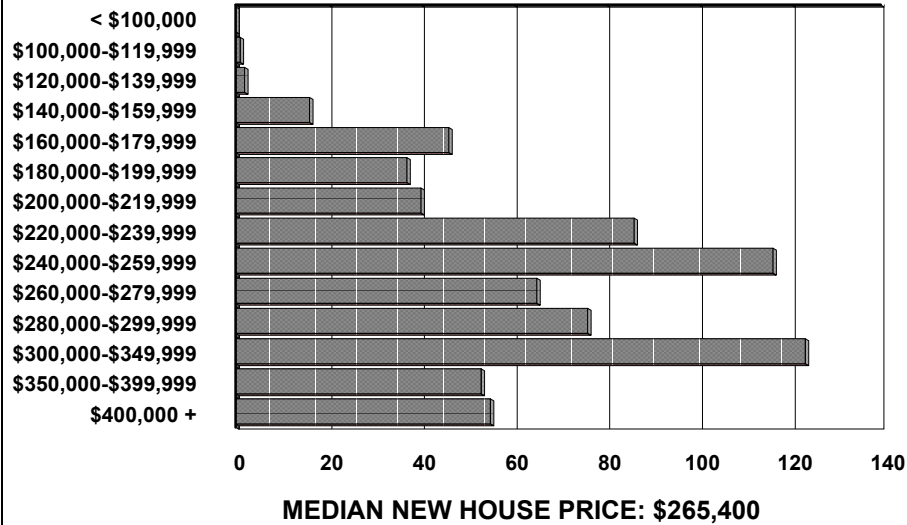
KELOWNA C.A. INVENTORY AND ABSORPTION DECEMBER 2002 AND YEAR TO DATE 2001 & 2002

	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	16	43	6	0	10	31	106	Kelowna City	1	0	1	0	5	62	69
Sub. G	0	0	0	0	0	9	9	Sub. G	0	0	0	0	0	18	18
Sub. H	0	0	0	0	0	9	9	Sub. H	0	0	0	0	0	14	14
Sub. I	0	0	0	0	0	1	1	Sub. I	0	0	0	0	0	0	0
Lake Country	0	0	0	0	0	0	0	Lake Country	0	0	8	0	0	1	9
Peachland	0	0	0	0	0	0	0	Peachland	0	0	0	0	0	7	7
Indian Reserve	0	0	0	0	0	0	0	Indian Reserve	0	0	0	0	0	0	0
MONTH TOTAL	16	43	6	0	10	50	125	MONTH TOTAL	1	0	9	0	5	102	117
Y.T.D. Average 2002*	19	19	4	1	6	46	95	Y.T.D. TOTAL 2002	366	85	83	45	78	849	1506
Y.T.D. Average 2001*	44	5	12	0	12	70	143	Y.T.D. TOTAL 2001	67	62	28	0	50	555	762

Absorption does not include assisted rental units. * Rounded.



**PRICES OF SINGLES ABSORBED AT COMPLETION
Kelowna C. A. January - December 2002**



Sub Area	Singles Starts By Sub Area		Singles Absorption by Sub Area	
	Y.T.D. 2002	Y.T.D. 2001	Y.T.D. 2002	Y.T.D. 2001
Black Mountain	52	28	45	20
Dilworth Mountain	60	42	79	32
Ellison	59	39	54	36
Glenrosa	16	7	13	9
Glenmore	54	37	50	30
I.R.	2	3	3	2
Core Area*	88	21	50	20
Lakeview Heights	75	48	66	48
Lower Mission	35	35	31	28
North Glenmore	15	7	10	8
Peachland	37	22	31	19
Rutland North	28	8	15	5
Rutland South	23	13	21	12
S. E. Kelowna	45	59	45	52
Shannon Lake	88	41	91	42
Upper Mission	127	80	95	51
Westbank	9	22	7	24
Winfield	25	21	21	25
West Kelowna	107	59	85	53
Other**	42	33	37	39
Total	987	625	849	555

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

HOUSING ACTIVITY SUMMARY - KELOWNA CA DECEMBER 2002

	OWNERSHIP				RENTAL				TOTAL
	FREEHOLD		CONDOMINIUM		PRIVATE		ASSISTED		
	Single	Semi	Row	Apt.	Row	Apt.	Row	Apt.	
Starts									
Dec. 2002	89	4	0	0	4	60	0	0	157
YTD 2002	987	100	60	370	13	60	0	0	1,590
YTD 2001	625	66	21	186	36	60	58	59	1,111
Under Construction									
Dec. 2002	400	70	47	453	4	60	0	0	1,034
Dec. 2001	247	50	29	186	36	60	58	59	725
Completions									
Dec. 2002	100	4	0	0	0	0	0	0	104
YTD 2002	834	80	42	85	45	128	58	59	1,331
YTD 2001	548	40	1	40	0	60	80	0	769
Inventory									
Dec. 2002	50	10	6	16	0	43	-	-	125
Dec. 2001	65	8	3	36	0	0	-	-	112
Total Supply									
Dec. 2002	450	80	53	469	4	103	0	0	1,159
Dec. 2001	312	58	32	222	36	60	58	59	837
Absorption									
Dec. 2002	102	5	9	1	0	0	-	-	117
3 Mo. Ave.	82	4	8	20	0	28	-	-	142
12 Mo. Ave.	65	6	6	31	4	7	-	-	119

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 OKANAGAN CENTRES
Starts/Completions/Under Construction
DECEMBER 2002 AND YEAR TO DATE 2002

	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	2	0	0	0	0	0	2	13	0	0	27	0	0	40
E. Kootenay C	4	0	0	0	0	0	4	3	0	0	0	0	0	3	22	0	0	0	0	0	22
Cranbrook CA	6	0	0	0	0	0	6	5	0	0	0	0	0	5	35	0	0	27	0	0	62
Y.T.D. 2002	58	0	0	27	0	0	85	81	0	0	0	0	0	81							
Kamloops C.	10	4	0	0	0	0	14	10	0	4	0	0	0	14	74	22	4	0	0	0	100
Kamloops IR	1	4	0	0	0	0	5	2	0	0	0	0	0	2	8	4	5	0	0	0	17
Kamloops CA	11	8	0	0	0	0	19	12	0	4	0	0	0	16	82	26	9	0	0	0	117
Y.T.D. 2002	194	28	13	0	0	0	235	184	14	28	72	0	32	330							
Penticton City	5	0	0	0	0	0	5	5	0	0	0	0	0	5	31	2	43	60	0	0	136
Sub. D	4	0	0	0	0	0	4	4	0	0	0	0	0	4	20	0	0	0	0	0	20
Sub. E	1	0	0	0	0	0	1	3	0	0	0	0	0	3	14	0	0	0	0	0	14
Sub. F	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0
Penticton IR	1	0	0	0	0	0	1	1	0	0	0	0	0	1	3	0	0	0	0	0	3
Penticton CA	11	0	0	0	0	0	11	14	0	0	0	0	0	14	68	2	43	60	0	0	173
Y.T.D. 2002	123	2	43	93	0	0	261	99	0	0	33	0	0	132							
Salmon Arm	4	0	4	0	0	0	8	11	0	0	0	0	0	11	20	10	21	16	0	0	67
Y.T.D. 2002	49	10	13	16	0	0	88	44	2	0	3	0	0	49							
Summerland	0	0	0	0	0	0	0	4	0	0	0	0	0	4	7	0	0	0	0	0	7
Y.T.D. 2002	21	0	0	0	0	0	21	23	0	0	0	0	0	23							
Vernon City	6	0	0	0	0	0	6	4	0	0	0	0	0	4	52	2	33	0	0	0	87
Coldstream	7	0	0	0	0	0	7	4	0	0	0	0	0	4	27	0	0	0	0	0	27
Sub. C	0	0	0	0	0	0	0	9	4	0	0	0	0	13	7	2	0	0	0	0	9
Sub. D	1	0	0	0	0	0	1	0	0	0	0	0	0	0	4	0	0	0	0	0	4
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.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1
Vernon CA	14	0	0	0	0	0	14	18	4	0	0	0	0	22	92	4	33	0	0	0	129
Y.T.D. 2002	206	14	16	0	0	35	271	179	20	20	0	44	35	298							

KAMLOOPS CA

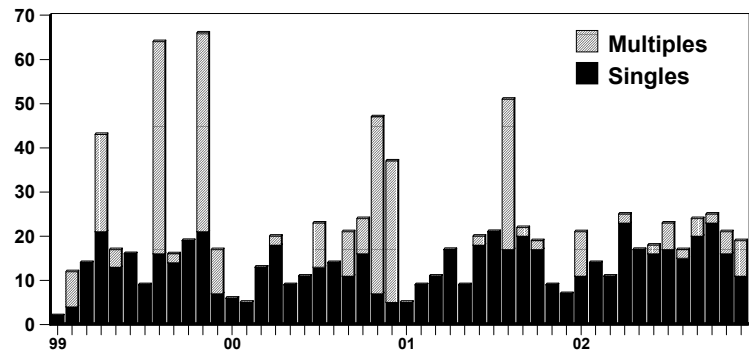
Inventory and Absorption by Municipality

DECEMBER 2002 AND YEAR-TO-DATE 2001 & 2002

	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	33	0	5	0	16	10	64	Kamloops City	0	0	3	0	0	15	18
Kamloops IR	0	0	0	0	0	3	3	Kamloops IR	0	0	0	0	0	3	3
TOTAL	33	0	5	0	16	13	67	TOTAL	0	0	3	0	0	18	21
Y.T.D. AVG. 2002*	32	0	5	0	17	13	67	Y.T.D. TOTAL 2002	30	0	17	0	17	182	246
Y.T.D. AVG. 2001*	25	0	1	0	22	14	62	Y.T.D. TOTAL 2001	47	0	3	0	17	151	218

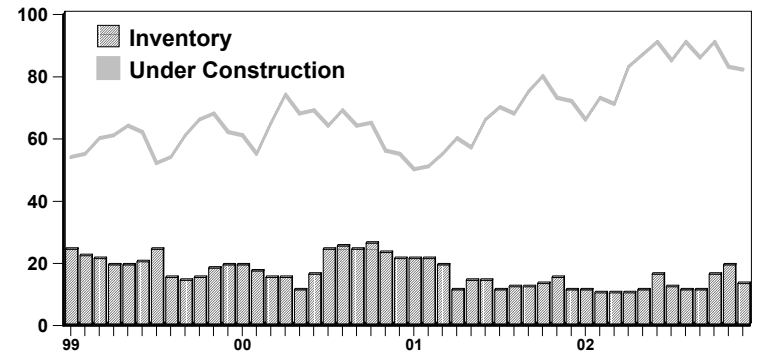
*Absorption does not include assisted rental units. * Rounded.*

HOUSING STARTS - KAMLOOPS C.A.



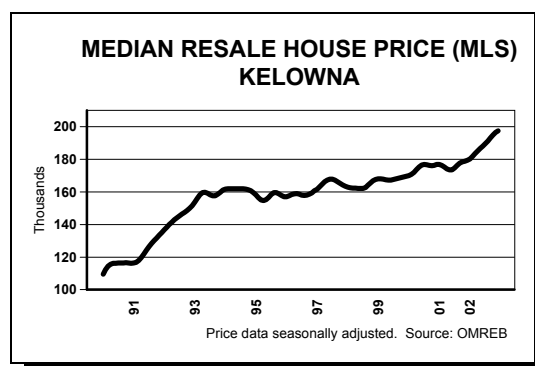
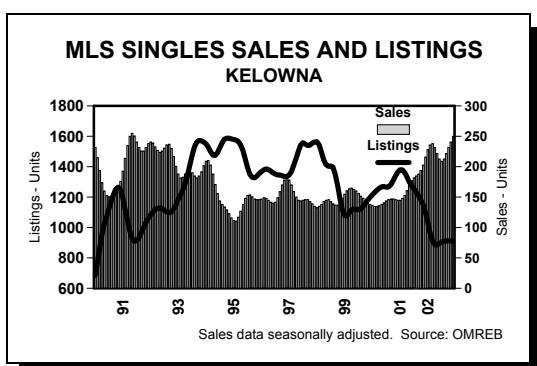
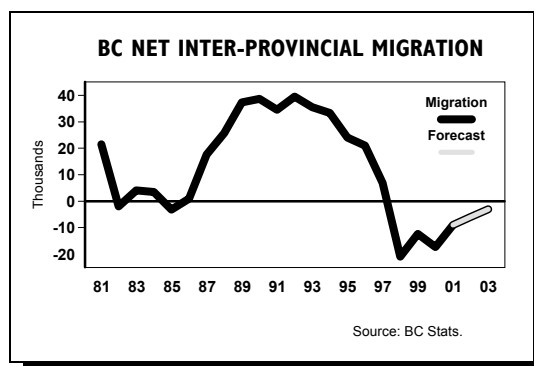
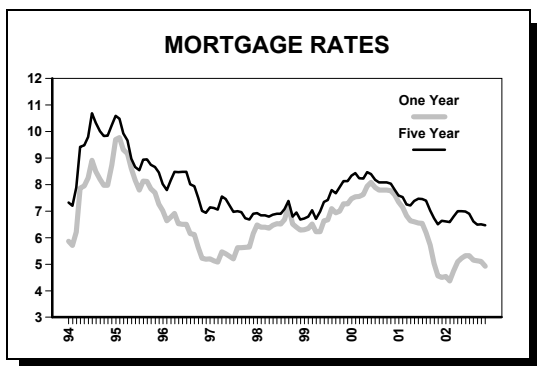
Source: CMHC

TOTAL SUPPLY - SINGLE DETACHED UNITS



Source: CMHC

KEY ECONOMIC INDICATORS



SOUTHERN INTERIOR RESALE MARKETS

MLS SALES	DECEMBER				YEAR TO DATE			
	Sales Dec. 2002	Percent Change Dec. 01	Median Price Dec. 02	Percent Change Dec. 01	Sales YTD 2002	Percent Change YTD 01	Median Pr. YTD 2002	Percent Change YTD 01
Single - Detached								
Kelowna	123	3%	\$195,000	8%	2,745	24%	\$189,000	7%
Kamloops	32	-32%	\$150,000	5%	958	5%	\$148,000	3%
Vernon	64	56%	\$150,000	0.7%	1,180	15%	\$155,000	5%
Penticton	11	-15%	\$175,000	2%	398	23%	\$157,000	8%
Salmon Arm	12	33%	\$141,750	14%	205	5%	\$154,900	5%
Cranbrook	8	-20%	\$106,500	-15%	235	4%	\$116,000	4%

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