

H

HOUSING NOW

Kelowna / Southern Interior

YOUR LINK TO THE HOUSING MARKET

New Construction Highlights

Canada Mortgage and Housing Corporation

Kelowna Housing Starts Up Sharply in June

Kelowna area housing starts surged ahead, reaching a ten year high in June. Housing starts jumped to 237 units from 123 units in May.

Multi-family starts lead the way, a 110 unit lakefront condominium tower breaking ground in June. The condominium sector has rebounded strongly over the past two year period. An aging population and growing profile among Vancouver, out-of-province and international buyers has meant increased demand for retiree, lifestyle and resort-oriented housing.

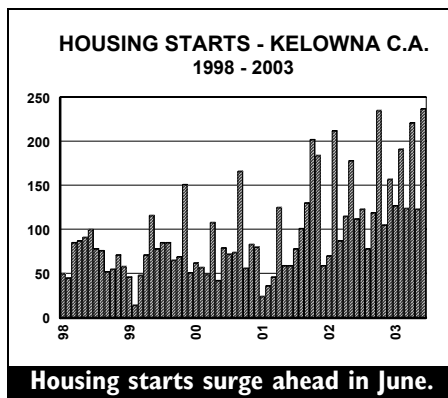
The singles sector recorded another strong performance, starts hitting the 100 unit mark for the fourth month this year.

Low mortgage rates - at 47 year lows - remain a key driver. With resale house prices on the rise and supply of listings down sharply, more buyers are turning to

the new home market. Also, the new home market has become increasingly competitive with the resale market, especially in the mid to upper price ranges. The Kelowna area economy and population continue to grow, boosting demand. Inventories of new, complete and unsold units are low, sales keeping pace with new supply.

Elsewhere, multi-family construction also boosted Penticton area starts in June. Kamloops starts shot back up, both single and multi-family sectors seeing the biggest gains to date this year. The Vernon new home market continued to move ahead, singles starts averaging almost thirty units per month for the third straight month.

Okanagan and Kamloops resale markets maintained a blistering pace in June. The supply of listings - across all price ranges - have continued to trend down. All centres are seeing stronger upward pressure on price levels.



BC New Home Market Remains Strong

The BC new home market remains on an upswing, June housing starts recording small gains. Year-to-date, BC starts are up 15% over 2002. Nationally, housing starts bounced back in June, rising six per cent to 210,400 units, seasonally adjusted at annual rates (SAAR) from 198,000 units (SAAR) in May. Ontario accounted for most of the increase.

JUNE 2003

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CMHC Kelowna Noticeboard

♦ **July 2003** Housing Starts: Local, BC, and National news releases scheduled for August 11, 2003.

♦ **The Spring 2003 Kelowna Housing Market Outlook Report is now available.**

Ask for CMHC's 2002 Okanagan Seniors' Housing Market Survey and Kelowna Rental Market 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.

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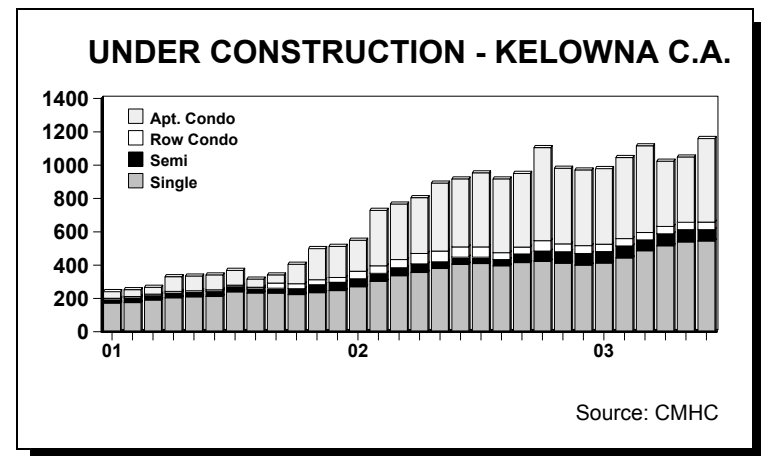
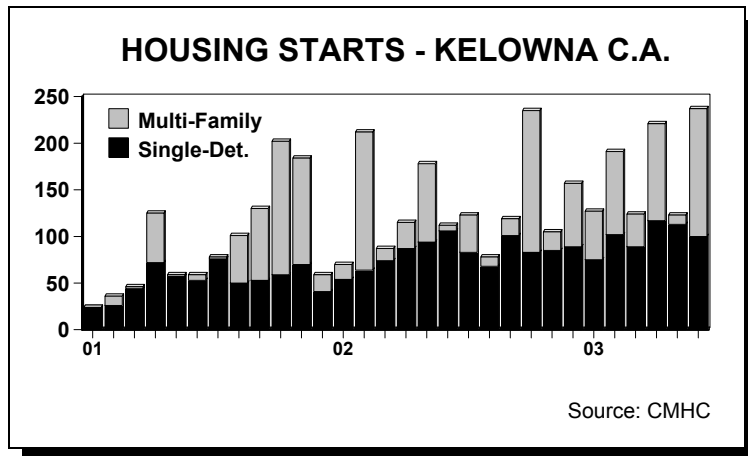
HOME TO CANADIANS

Canada

KELOWNA C.A. STARTS/COMPLETIONS/UNDER CONSTRUCTION JUNE 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	62	0	18	0	110	0	190	52	4	20	4	0	0	80	345	34	20	0	476	110	985
Sub. G*	12	0	0	0	0	0	12	17	0	0	0	0	4	21	60	0	0	0	0	0	60
Sub. H*	14	4	0	0	0	0	18	18	0	0	0	0	0	18	90	18	0	0	0	0	108
Sub. I*	4	0	0	0	0	0	4	0	2	0	0	0	0	2	11	6	0	0	0	0	17
Lake Country	5	0	0	0	0	0	5	3	0	0	0	0	0	3	25	0	22	0	25	0	72
Peachland	3	2	3	0	0	0	8	5	4	0	0	0	0	9	11	10	3	0	0	0	24
Indian Res.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0	3
MONTH TOTAL	100	6	21	0	110	0	237	95	10	20	4	0	4	133	545	68	45	0	501	110	1269
YEAR-TO-DATE	595	40	21	0	314	54	1024	450	42	23	4	266	4	789	---	---	---	---	---	---	---

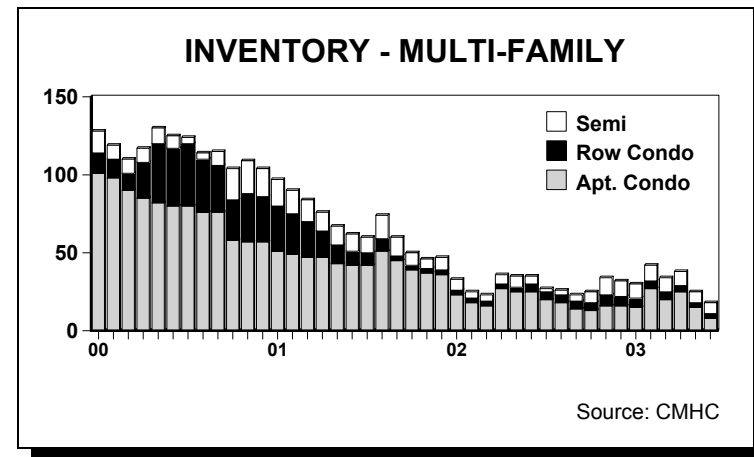
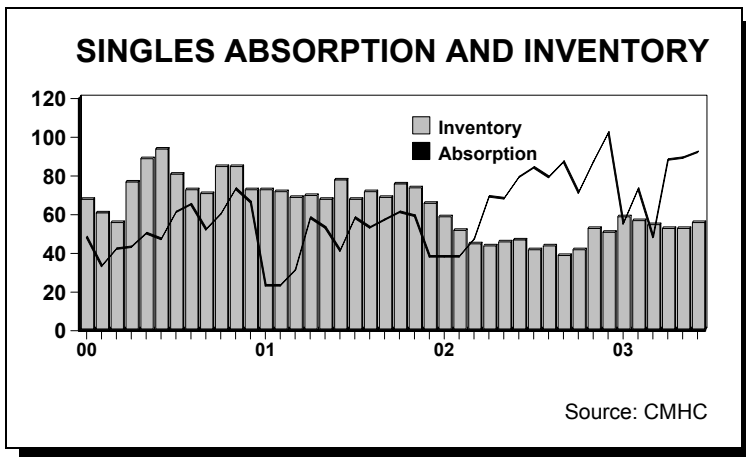
* Sub. G - West Kelowna, Lakeview Heights, Westside/Fintry. Sub H. - Westbank, Glenrosa, Shannon Heights. (Sub G and H former Sub B.) Sub. I - Joe Rich, Ellison (former A.)



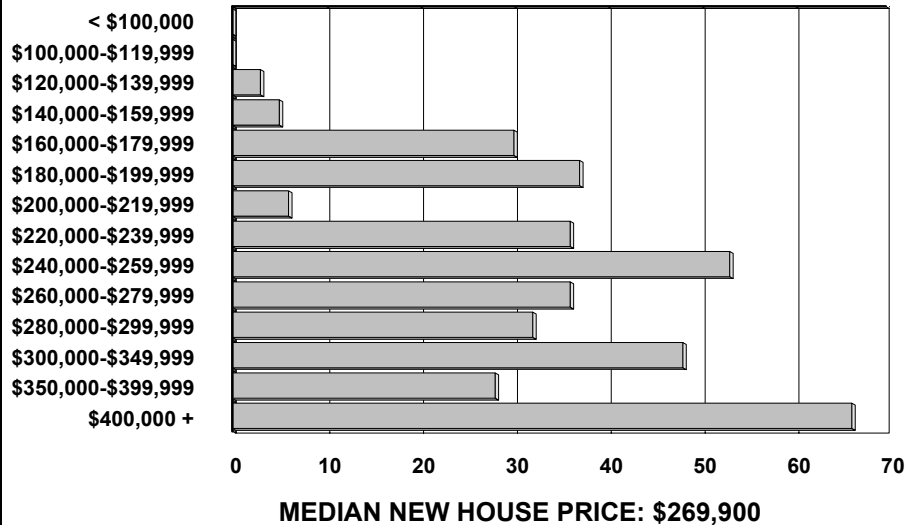
KELOWNA C.A.
INVENTORY AND ABSORPTION
JUNE 2003 AND YEAR TO DATE 2002 & 2003

	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	
Kelowna City	8	31	3	0	6	38	86	Kelowna City	29	1	0	4	4	52	90
Sub. G	0	0	0	0	0	3	3	Sub. G	0	4	0	0	0	17	21
Sub. H	0	0	0	0	0	12	12	Sub. H	0	0	0	0	0	15	15
Sub. I	0	0	0	0	1	2	3	Sub. I	0	0	0	0	2	0	2
Lake Country	0	0	0	0	0	0	0	Lake Country	0	0	0	0	0	3	3
Peachland	0	0	0	0	0	0	0	Peachland	0	0	0	0	4	5	9
Indian Reserve	0	0	0	0	0	0	0	Indian Reserve	0	0	0	0	0	0	0
MONTH TOTAL	8	31	3	0	7	55	104	MONTH TOTAL	29	5	0	4	10	92	140
Y.T.D. Average 2003*	18	34	4	0	9	55	120	Y.T.D. TOTAL 2003	142	16	8	4	45	445	660
Y.T.D. Average 2002*	22	0	3	2	6	48	81	Y.T.D. TOTAL 2002	263	0	42	29	39	339	712

Absorption does not include assisted rental units. * Rounded.



**PRICES OF SINGLES ABSORBED AT COMPLETION
Kelowna C. A. January - June 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	19	28	18	19
Dilworth Mountain	27	48	13	41
Ellison	27	32	19	22
Glenrosa	14	10	7	2
Glenmore	25	29	15	17
I.R.	3	2	0	1
Core Area*	95	23	63	9
Lakeview Heights	58	43	30	28
Lower Mission	24	9	16	12
North Glenmore	4	6	7	1
Peachland	9	16	14	8
Rutland North	29	14	19	6
Rutland South	0	11	9	9
S. E. Kelowna	42	21	24	21
Shannon Lake	33	50	26	34
Upper Mission	98	50	83	42
Westbank	3	4	3	5
Winfield	20	11	13	12
West Kelowna	50	49	55	31
Other**	15	23	11	19
Total	595	479	445	339

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

HOUSING ACTIVITY SUMMARY - KELOWNA CA JUNE 2003

	OWNERSHIP				RENTAL				TOTAL
	FREEHOLD		CONDOMINIUM		PRIVATE		ASSISTED		
	Single	Semi	Row	Apt.	Row	Apt.	Row	Apt.	
Starts									
June 2003	100	6	21	110	0	0	0	0	237
YTD 2003	595	40	21	314	0	54	0	0	1,024
YTD 2002	479	28	38	220	9	0	0	0	774
Under Construction									
June 2003	545	68	45	501	0	110	0	0	1,269
June 2002	406	42	61	408	9	60	0	0	986
Completions									
June 2003	95	10	20	0	4	4	0	0	133
YTD 2003	450	42	23	266	4	4	0	0	789
YTD 2002	320	36	6	48	36	0	58	59	563
Inventory									
June 2003	55	7	3	8	0	31	-	-	104
June 2002	46	5	5	25	7	0	-	-	88
Total Supply									
June 2003	600	75	48	509	0	141	0	0	1,373
June 2002	452	47	66	433	16	60	0	0	1,074
Absorption									
June 2003	92	10	0	29	4	5	-	-	140
3 Mo. Ave.	75	10	1	27	0	2	-	-	115
12 Mo. Ave.	79	7	5	22	1	8	-	-	122

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 CENTRES

Starts/Completions/Under Construction

JUNE 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	3	0	0	0	0	0	3	5	0	0	0	0	0	5	12	0	0	0	0	0	12
E. Kootenay C	6	0	0	0	0	0	6	5	0	0	0	0	0	5	20	0	0	0	0	0	20
Cranbrook CA	9	0	0	0	0	0	9	10	0	0	0	0	0	10	32	0	0	0	0	0	32
Y.T.D. 2003	27	0	0	0	0	0	27	30	0	0	27	0	0	57							
Kamloops C.	25	10	0	0	0	0	35	7	4	0	0	0	0	11	74	24	0	0	0	0	98
Kamloops IR	3	0	0	0	0	0	3	3	0	0	0	0	0	3	8	4	5	0	0	0	17
Kamloops CA	28	10	0	0	0	0	38	10	4	0	0	0	0	14	82	28	5	0	0	0	115
Y.T.D. 2003	83	16	0	0	0	0	99	83	14	4	0	0	0	101							
Penticton City	3	4	0	38	0	0	45	1	2	0	0	0	0	3	33	4	44	100	0	0	181
Sub. D	4	0	0	0	0	0	4	2	0	0	0	0	0	2	22	0	0	0	0	0	22
Sub. E	1	0	0	0	0	0	1	1	0	0	0	0	0	1	6	0	0	0	0	0	6
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	6	0	0	0	0	0	6
Penticton CA	9	4	0	38	0	0	51	6	2	0	0	0	0	8	67	4	44	100	0	0	215
Y.T.D. 2003	53	4	25	40	0	0	122	54	2	24	0	0	0	80							
Salmon Arm	8	0	0	0	0	0	8	5	0	0	0	0	0	5	24	10	10	0	0	0	44
Y.T.D. 2003	30	2	0	0	0	0	32	26	2	11	16	0	0	55							
Summerland	2	0	0	0	0	0	2	4	0	0	0	0	0	4	18	0	0	0	0	0	18
Y.T.D. 2003	20	0	0	0	0	0	20	9	0	0	0	0	0	9							
Vernon City	13	0	3	0	0	0	16	8	0	0	0	0	0	8	72	2	33	0	0	0	107
Coldstream	7	0	0	0	0	0	7	3	0	0	0	0	0	3	34	0	0	0	0	0	34
Sub. C	5	0	0	0	0	0	5	1	0	0	0	0	0	1	11	0	0	0	0	0	11
Sub. D	1	0	0	0	0	0	1	1	0	0	0	0	0	1	5	0	0	0	0	0	5
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	0	0	0	0	0	1
I. R.	1	0	0	0	0	0	1	0	0	0	0	0	0	0	6	0	0	0	0	0	6
Vernon CA	27	0	3	0	0	0	30	13	0	0	0	0	0	13	129	2	33	0	0	0	164
Y.T.D. 2003	128	2	6	0	0	0	136	91	4	6	0	0	0	101							

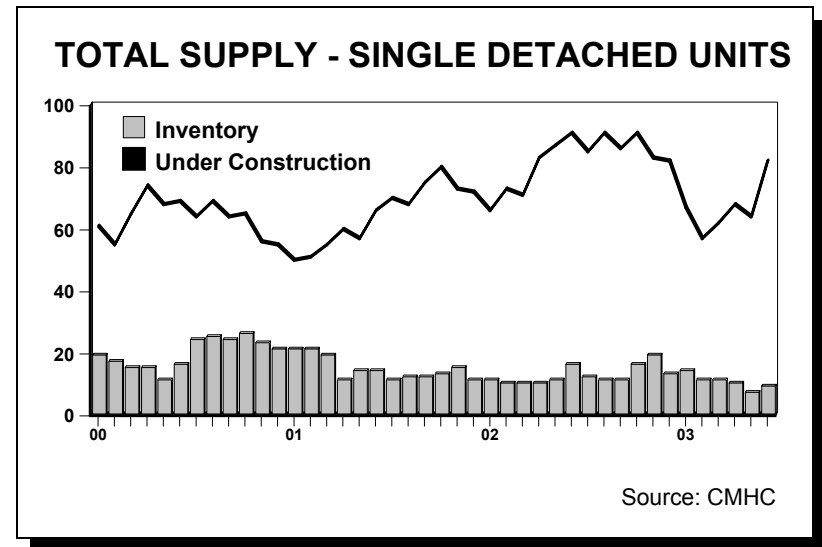
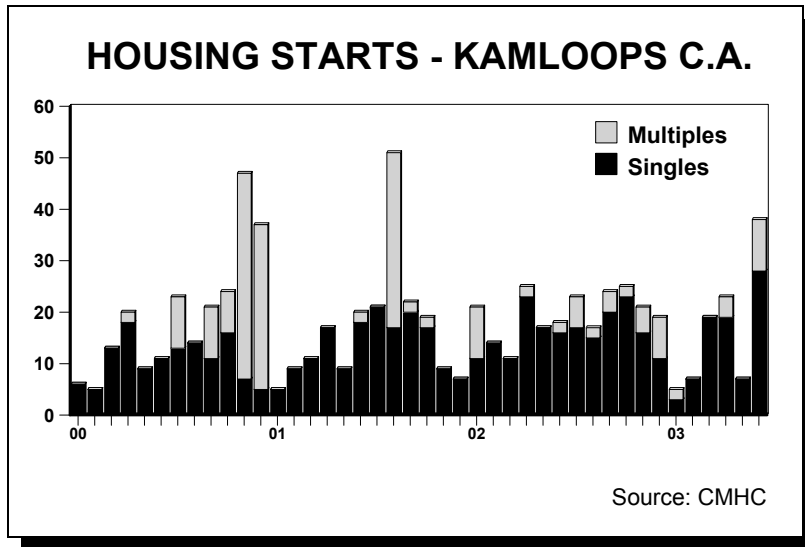
KAMLOOPS CA

Inventory and Absorption by Municipality

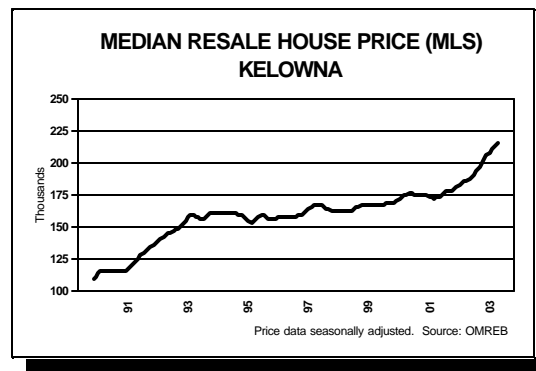
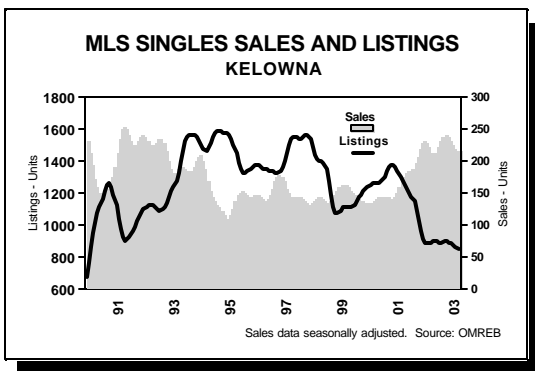
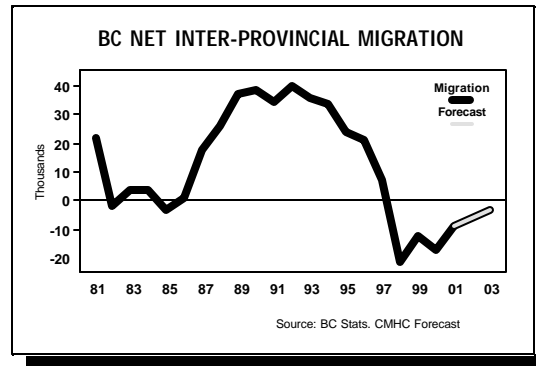
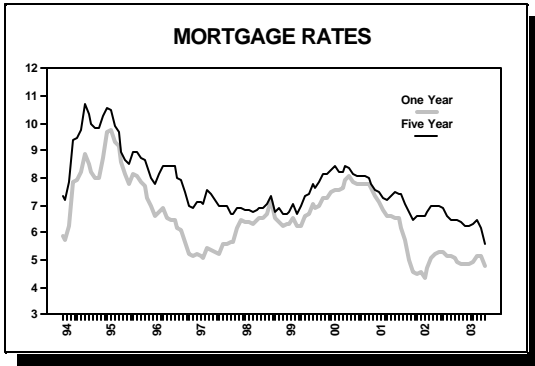
JUNE 2003 AND YEAR-TO-DATE 2002 & 2003

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	Total	
Kamloops City	14	0	1	0	15	4	34	Kamloops City	4	0	1	0	5	7	17
Kamloops IR	0	0	0	0	0	5	5	Kamloops IR	0	0	0	0	0	1	1
TOTAL	14	0	1	0	15	9	39	TOTAL	4	0	1	0	5	8	18
Y.T.D. AVG. 2003*	26	0	3	0	16	10	55	Y.T.D. TOTAL 2003	19	0	8	0	15	87	129
Y.T.D. AVG. 2002*	30	0	4	0	17	11	62	Y.T.D. TOTAL 2002	23	0	6	0	9	68	106

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



KEY ECONOMIC INDICATORS



SOUTHERN INTERIOR RESALE MARKETS

MLS SALES	JUNE				YEAR TO DATE			
	Sales June 2003	Percent Change June 02	Median Price June 03	Percent Change June 02	Sales YTD 2003	Percent Change YTD 02	Median Pr. YTD 2003	Percent Change YTD 02
Kelowna	287	20%	\$223,000	16%	1,427	-4%	\$211,000	13%
Kamloops	113	16%	\$164,000	6%	599	10%	\$158,000	8%
Vernon	154	29%	\$174,000	10%	728	22%	\$165,000	6%
Penticton	43	54%	\$199,000	24%	215	3%	\$165,200	7%
Salmon Arm	28	40%	\$180,000	2%	121	4%	\$178,000	15%
Cranbrook	21	-13%	\$101,500	-3%	120	-0.8%	\$115,950	n/a

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Current month MLS data is preliminary.

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