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Canada Mortgage and Housing Corporation

New Construction Highlights

Kelowna Housing Starts Down in October

Kelowna area housing starts were down in October, dipping below the 200 unit mark for the first time since May. October housing starts fell to 159 units from 229 units in September. Both singles and multi-family starts dropped back in October, fewer multiples starts accounting for most of the decline.

Multi-family starts typically see big fluctuations on a month-to-month basis. Expect multi-family starts to ramp back up in November. Rising costs and delays due to production constraints remain key challenges for the industry. The average time to build a detached unit has jumped to almost seven months this year from only four months in 2000.

Kelowna's new home market continues to see very high levels of

construction activity despite October's decline. Housing starts are on track to reach a record high in 2005. For the first time since the early 1980s, combined multi-family starts will surpass singles construction.

Market fundamentals remain solid. The Kelowna area economy continues to expand. Strong employment growth has, in turn, spurred in-migration, fueling demand for both new and resale housing. Retirees and others seeking lifestyle-oriented housing have also contributed to increased demand.

Elsewhere, the Kamloops new home market, led by the singles sector, recorded another strong performance in October. Vernon's new home market maintained a steady pace. Increased multi-family construction boosted Penticton area starts in October.

BC Starts Up Sharply

BC starts, boosted by Vancouver area multi-family construction, was up sharply in October. Vancouver starts jumped to the second highest monthly level ever. Nationally, housing starts dropped almost 10% to 206,700 units, seasonally adjusted at annual rates (SAAR), from 229,600 units (SAAR), in September. The decline was widespread extending across most provinces.

OCTOBER 2005

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Kamloops/Okanagan

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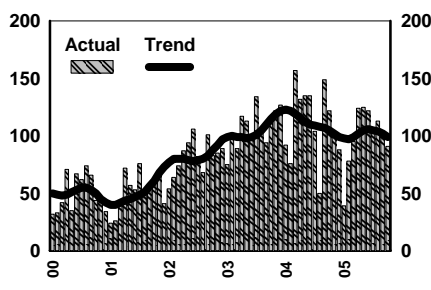
CMHC Kelowna Noticeboard

• **November 2005** Housing Starts: Local, BC, and National news releases scheduled for December 8, 2005. The 2005 BC Seniors' Housing Market Survey Report is now available. Look for the 2005 Kelowna Rental Market Survey Report on December 15, 2005.

• 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! **Ask for CMHC's Spring 2005 Kelowna Housing Market Outlook Report and 2004 Kelowna Rental Market Report.**

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SINGLES STARTS - KELOWNA C.A.
2000 - 2005



Singles starts decline in October.

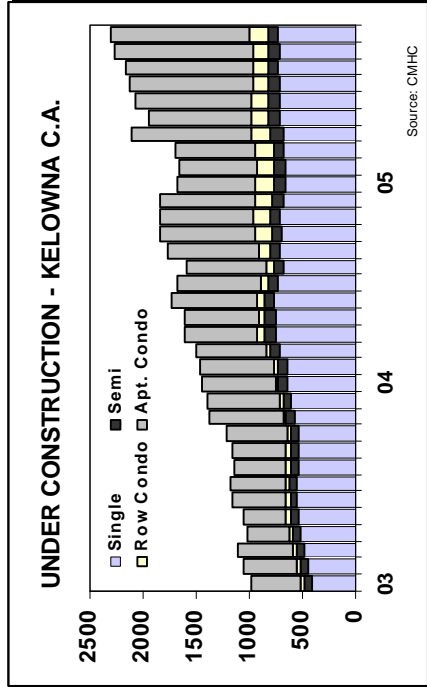
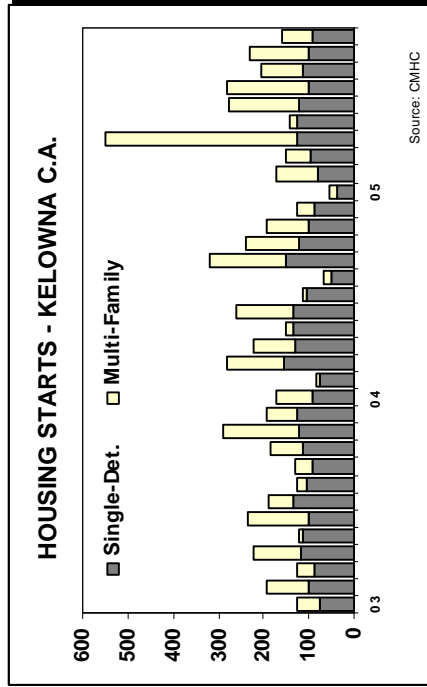
KELOWNA C.A.

STARTS/COMPLETIONS/UNDER CONSTRUCTION

OCTOBER 2005 & YEAR-TO-DATE 2005

	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	59	4	12	0	0	0	75	58	4	8	0	26	0	96	460	74	129	1	1,153	137	1,954
Sub. J*	17	2	20	0	0	0	39	14	2	0	0	0	0	16	133	10	35	0	42	40	260
Sub. I*	4	2	0	0	0	0	6	2	0	0	0	0	0	2	26	12	0	0	0	0	38
Lake Country	8	0	0	0	0	0	8	7	0	0	0	0	0	7	76	0	3	0	0	0	79
Peachland	1	0	0	0	20	0	21	3	0	0	0	0	0	3	15	6	3	0	102	0	126
Indian Res.	2	0	0	8	0	0	10	3	0	0	0	0	0	3	17	0	0	8	0	0	25
MONTH TOTAL	91	8	32	8	20	0	159	87	6	8	0	26	0	127	727	102	170	9	1,297	177	2,482
YEAR-TO-DATE	990	94	178	9	869	83	2,223	941	94	180	2	451	8	1,676							

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



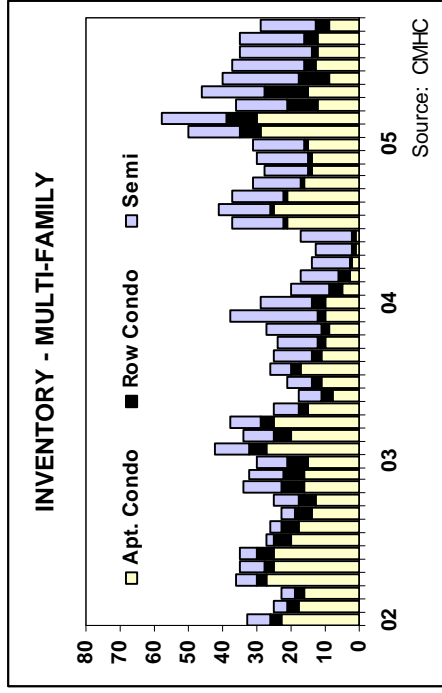
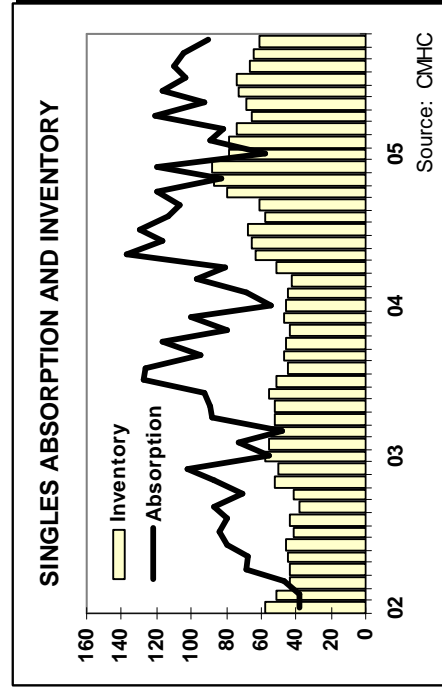
KELOWNA C.A.

INVENTORY AND ABSORPTION

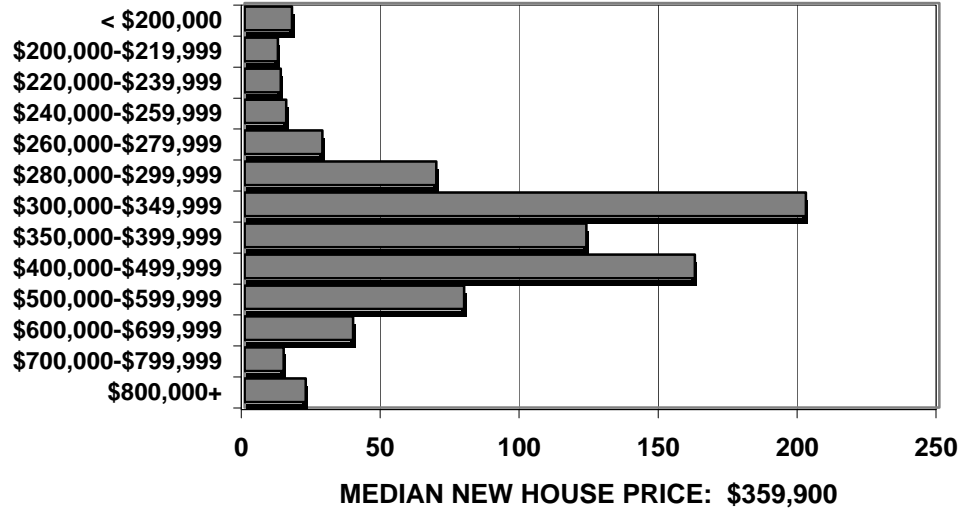
OCTOBER 2005 & YEAR-TO-DATE 2004 & 2005

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	9	0	2	0	10	49	70	26	22	12	0	6	61	127					
Sub. J	0	0	2	0	1	7	10	0	0	0	0	3	14	17					
Sub. I	0	0	0	0	3	1	4	0	0	0	0	0	2	2					
Lake Country	0	0	0	0	0	0	0	0	0	0	0	0	7	7					
Peachland	0	0	0	0	2	0	2	3	0	0	0	0	3	6					
Indian Reserve	0	0	0	0	0	4	4	0	0	0	0	0	3	3					
MONTH TOTAL	9	0	4	0	16	61	90	29	22	12	0	9	90	162					
Y.T.D. Average 2005*	16	0	6	0	18	70	110	713	75	178	2	93	968	2,029					
Y.T.D. Average 2004*	11	22	2	0	13	58	106	372	114	48	4	96	1,023	1,657					

Absorption does not include assisted rental units. * Rounded.



PRICES OF SINGLES ABSORBED AT COMPLETION
Kelowna C.A. January - October 2005



Sub Area	Singles Starts By Sub Area		Singles Absorption By Sub Area	
	Y.T.D. 2005	Y.T.D. 2004	Y.T.D. 2005	Y.T.D. 2004
Black Mountain	62	67	67	35
Dilworth Mountain	28	43	34	21
Ellison	22	75	56	51
Glenrosa	3	15	11	19
Glenmore	22	14	11	25
I.R.	20	38	31	19
Core Area*	107	163	109	157
Lakeview Heights	47	65	54	73
Lower Mission	36	50	48	41
North Glenmore	89	65	65	32
Peachland	17	16	15	16
Rutland North	47	31	29	38
Rutland South	0	3	2	1
S. E. Kelowna	27	41	35	49
Shannon Lake	53	26	36	33
Upper Mission	204	272	205	262
Westbank	11	16	17	13
Winfield	95	29	52	29
West Kelowna	38	63	49	70
Other**	62	60	42	39
Total	990	1152	968	1023

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

HOUSING ACTIVITY SUMMARY - KELOWNA CA OCTOBER 2005

	OWNERSHIP				RENTAL				TOTAL
	FREEHOLD		CONDOMINIUM		PRIVATE		ASSISTED		
	Single	Semi	Row	Apt.	Row	Apt.	Row	Apt.	
Starts									
Oct. 2005	91	8	32	20	0	0	8	0	159
YTD 2005	990	94	178	869	1	43	8	40	2,223
YTD 2004	1,152	116	137	401	5	97	0	0	1,908
Under Construction									
Oct. 2005	727	102	170	1,297	1	137	8	40	2,482
Oct. 2004	700	90	149	909	1	97	0	0	1,946
Completions									
Oct. 2005	87	6	8	26	0	0	0	0	127
YTD 2005	941	94	180	451	2	8	0	0	1,676
YTD 2004	1,056	100	18	162	4	113	0	0	1,453
Inventory									
Oct. 2005	61	16	4	9	0	0			90
Oct. 2004	80	14	1	16	0	0			111
Total Supply									
Oct. 2005	788	118	174	1,306	1	137	8	40	2,572
Oct. 2004	780	104	150	925	1	97	0	0	2,057
Absorption									
Oct. 2005	90	9	12	29	22	0			162
3 Mo. Ave.	106	12	22	72	0	0			212
12 Mo. Ave.	100	10	19	66	2	7			204

Absorption does not include assisted rentals.

RECORD OF STARTS - KELOWNA C.A.					
YEAR	SINGLE	SEMI	ROW	APT	TOTAL
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
2004	1341	148	176	563	2228

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

	STARTS											COMPLETIONS											UNDER CONSTRUCTION										
	Single	Semi	Condo	Apt.	Row Rental	Total	Single	Semi	Condo	Apt.	Row Rental	Total	Single	Semi	Condo	Apt.	Row Rental	Total	Single	Semi	Condo	Apt.	Row Rental	Total									
																									Condo	Rental	Condo	Rental	Condo	Rental	Condo	Rental	Condo
Cranbrook City	5	0	0	0	0	5	6	0	0	0	0	6	64	0	0	0	0	64	64	0	0	0	0	64									
E. Kootenay C	4	0	0	0	0	4	0	0	0	0	0	0	0	0	0	0	0	0	55	0	0	0	0	55									
Cranbrook CA	9	0	0	0	0	9	6	0	0	0	0	6	119	0	0	0	0	119	119	0	0	0	0	119									
Y.T.D. 2005	116	0	0	0	0	116	78	2	0	0	0	80	171	82	19	43	0	315	171	82	19	43	0	315									
Kamloops C.	42	12	0	0	0	54	38	6	0	0	0	44	21	0	0	0	0	21	192	82	19	43	0	336									
Kamloops IR	4	0	0	0	0	4	2	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0									
Kamloops CA	46	12	0	0	0	58	40	6	0	0	0	46	0	0	0	0	0	0	0	0	0	0	0	0									
Y.T.D. 2005	320	90	11	43	0	464	290	46	16	0	6	358	48	8	73	296	0	425	48	8	73	296	0	425									
Penticton City	5	2	11	0	0	18	2	4	0	0	0	6	30	0	0	0	0	30	30	0	0	0	0	30									
Sub. D	3	0	0	0	0	3	0	0	0	0	0	0	16	0	0	0	0	16	0	0	0	0	0	0									
Sub. E	0	0	0	0	0	0	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0									
Sub. F	0	0	0	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	2	0	0	0	0	2	2	0	0	0	0	2									
Penticton CA	8	2	11	0	0	21	3	4	0	0	0	7	96	8	73	296	0	473	96	8	73	296	0	473									
Y.T.D. 2005	96	6	59	194	0	355	73	8	25	0	0	106	56	10	0	16	0	82	56	10	0	16	0	82									
Salmon Arm	5	0	0	0	0	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0									
Y.T.D. 2005	90	10	0	16	0	116	75	14	12	12	0	113	20	2	0	0	0	22	20	2	0	0	0	22									
Summerland	2	0	0	0	0	2	7	0	0	0	0	7	140	28	49	0	3	220	140	28	49	0	3	220									
Y.T.D. 2005	24	2	0	0	0	26	23	0	10	0	0	33	45	0	0	0	0	45	45	0	0	0	0	45									
Vernon City	20	0	0	0	0	20	16	4	0	0	0	20	15	4	0	0	0	19	15	4	0	0	0	19									
Coldstream	7	0	0	0	0	7	2	0	0	0	0	2	8	0	0	0	0	8	8	0	0	0	0	8									
Sub. C	1	2	0	0	0	3	1	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0									
Sub. B	1	0	0	0	0	1	2	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0									
I. R.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0									
Vernon CA	29	2	0	0	0	31	21	4	0	0	0	25	208	32	49	0	3	292	208	32	49	0	3	292									
Y.T.D. 2005	285	34	32	0	3	354	264	20	35	0	4	323	0	0	0	0	0	0	0	0	0	0	0	0									

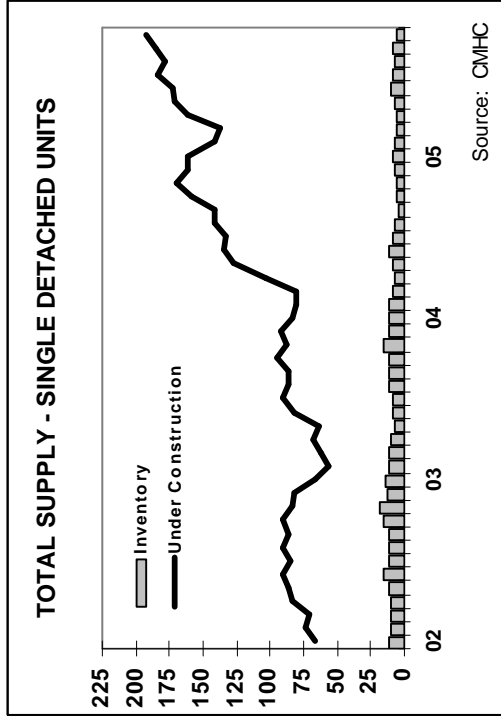
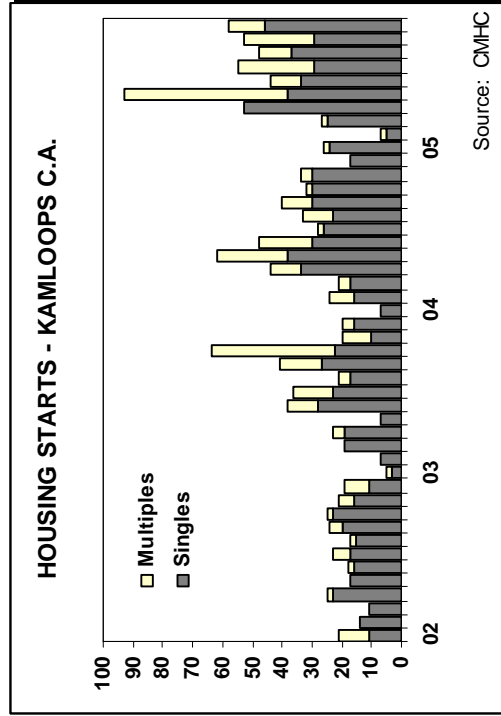
KAMLOOPS CA

Inventory and Absorption by Municipality

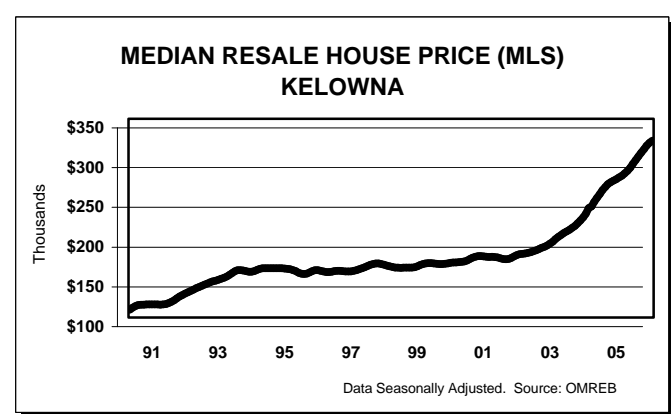
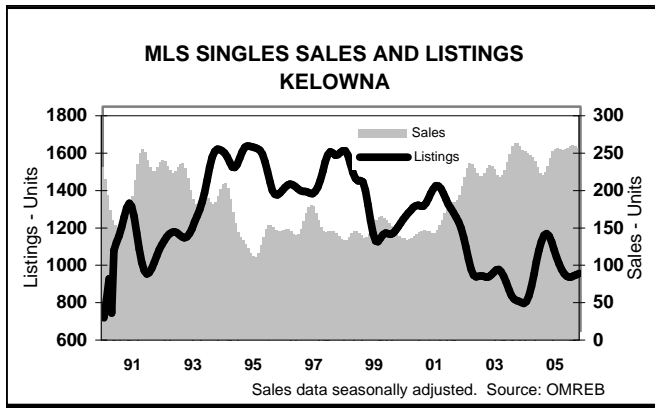
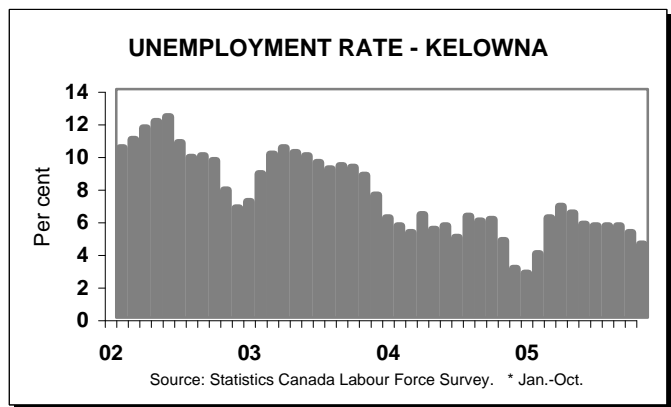
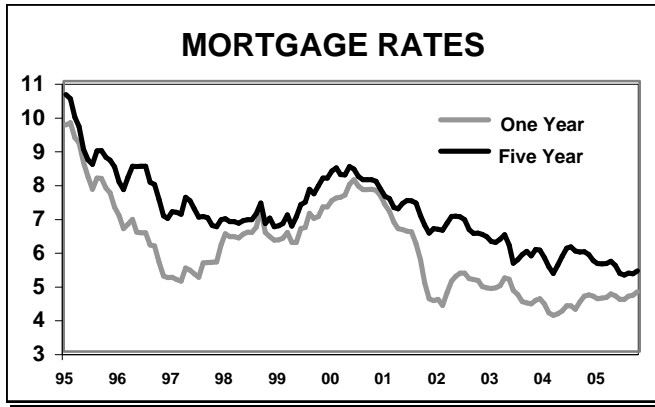
OCTOBER 2005 AND YEAR-TO-DATE 2004 & 2005

	INVENTORY OF NEW HOMES				ABSORPTION OF NEW HOMES							
	Apt Condo	Apt Rental	Row Condo	Semi Rental	Single Total	Apt Condo	Apt Rental	Row Condo	Row Rental	Semi Rental	Single Total	Grand Total
Kamloops City	6	0	1	0	4	5	16	0	0	0	6	59
Kamloops IR	0	0	0	0	0	0	0	0	0	0	3	3
MONTH TOTAL	6	0	1	0	4	5	16	0	0	0	6	62
Y.T.D. Average 2005*	8	0	1	0	5	7	21	0	0	0	48	292
Y.T.D. Average 2004*	12	0	3	0	9	8	32	0	0	0	39	295

Absorption does not include assisted rental units. * Rounded.



KEY ECONOMIC INDICATORS



SOUTHERN INTERIOR RESALE MARKETS

MLS SALES	OCTOBER				YEAR-TO-DATE			
	Sales Oct. 2005	Percent Change Oct. 04	Median Price Oct. 05	Percent Change Oct. 04	Sales YTD 2005	Percent Change YTD 04	Median Price YTD 2005	Percent Change YTD 04
Single Detached								
Kelowna	213	8%	\$322,000	17%	2,730	9%	\$307,250	16%
Kamloops	83	-15%	\$231,200	32%	1,190	3%	\$210,000	19%
Vernon Area	119	-27%	\$250,000	28%	1,380	-6%	\$239,000	26%
Penticton	37	54%	\$286,000	19%	375	4%	\$263,000	23%
Salmon Arm	32	78%	\$247,503	45%	304	24%	\$225,000	29%
Cranbrook	25	150%	\$160,000	27%	309	17%	\$153,000	23%

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Current month MLS data is preliminary.

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