

H

OUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

New Construction Highlights

Kelowna Housing Starts Down in January

The Kelowna area new home market began 2005 on a slow note. January housing starts totaled only 55 units, down sharply from a year ago. Both the singles and multi-family sectors recorded fewer starts in January.

Winter weather conditions have been much more severe this year, causing widespread delays. Building sites saw the transition from heavy snow cover to mud in just two weeks. Work slowed to a crawl at most sites or was shut down completely. Rebuilds of homes destroyed in the Okanagan Mountain Park wildfire boosted housing starts in January 2004.

The inventory of complete and unoccupied single detached units has trended up since last spring, due in part, to sharply rising prices. Supply, especially in the upper price ranges, has begun to catch up with demand.

On the multi-family side, inventories remain low, pointing to more opportunity for expansion. Affordability and lifestyle will continue to fuel growth in demand for both low and higher density multi-family housing.

Kelowna's new home market remains buoyant despite January's decline. Low interest rates and strong employment growth remain key drivers. Also, an aging population and growing profile among Vancouver area and out-of-province buyers will mean increased demand for retiree, resort and lifestyle-oriented housing. Expect both singles and multi-family starts to pick up in February.

Elsewhere, the Vernon and Penticton new home markets also saw starts drop back in January. Kamloops housing starts were up sharply from last year. For now, the singles sector remains the focus of new home demand in all three centres. Look for more multi-family development later this year.

BC Starts Decline

Inclement weather hampered home builders across BC, urban housing starts dropping 17% from January 2004. Nationally, January housing starts dipped to 203,700 units, seasonally adjusted at annual rates (SAAR), down almost 14% from 236,300 units (SAAR) in December. All provinces except Newfoundland and Prince Edward Island recorded a decline.

January 2005

IN THIS ISSUE

Highlights - New Construction..... 1

STATISTICAL TABLES:

Kelowna C.A.

Starts/Completions/Under Construction..... 2

Inventory & Absorptions 3

Record of Starts 4

Kelowna Activity Summary 5

Kamloops/Okanagan

Starts/Completions/Under Construction 6

Kamloops Inventory & Absorptions 7

Key Economic Indicators & MLS® Sales..... 8

CMHC Kelowna Noticeboard

- ◆ **February 2005 Housing Starts:** Local, BC, and National news releases scheduled for Mar. 8, 2005.
- ◆ **The 2004 Kelowna Rental Market Report is 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! **Ask for CMHC's Fall 2004 Kelowna Housing Market Outlook and 2004 Okanagan Seniors Housing Market Survey Reports.**
- ◆ **To subscribe to CMHC Housing Market reports call:** Lisa Preston - Administrator, Products and Services. Telephone: (604) 737-4088. Fax: (604) 737-4021. E-mail: lpreston@cmhc-schl.gc.ca

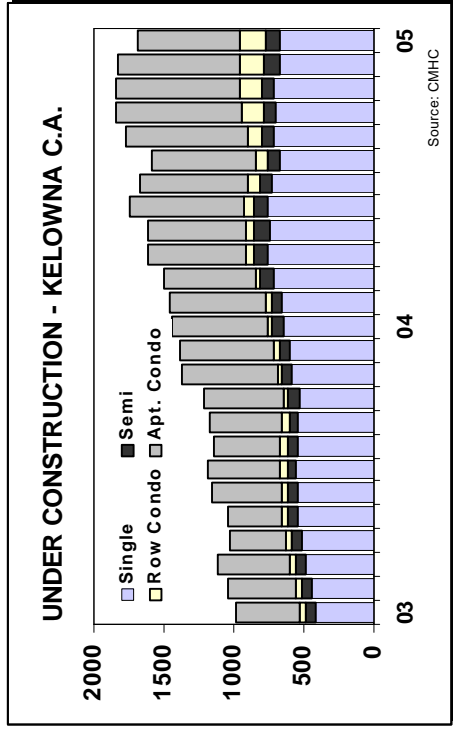
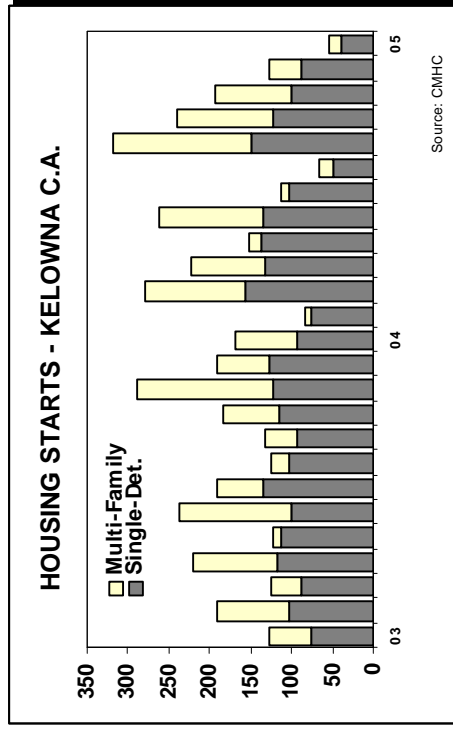
For more information call:
Paul Fabri - CMHC Kelowna
Telephone: (250) 712-4334
Fax: (250) 712-4322
E-mail: pfabri@cmhc-schl.gc.ca



**KELOWNA C.A.
STARTS/COMPLETIONS/UNDER CONSTRUCTION
JANUARY 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	24	4	4	0	0	0	32	38	2	0	0	59	0	99	453	58	151	2	673	102	1,439
Sub. J*	8	2	4	0	0	0	14	8	2	3	0	0	0	13	125	30	14	0	0	0	169
Sub. I*	3	2	0	0	0	0	5	2	0	0	0	0	0	2	21	6	0	0	0	0	27
Lake Country	2	0	0	0	0	0	2	0	0	0	0	0	0	0	26	2	12	0	0	0	40
Peachland	2	0	0	0	0	0	2	0	0	0	0	0	0	0	15	10	0	0	56	0	81
Indian Res.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	29	0	0	0	0	0	29
MONTH TOTAL	39	8	8	0	0	0	55	48	4	3	0	59	0	114	669	106	177	2	729	102	1,785
YEAR-TO-DATE	39	8	8	0	0	0	55	48	4	3	0	59	0	114	669	106	177	2	729	102	1,785

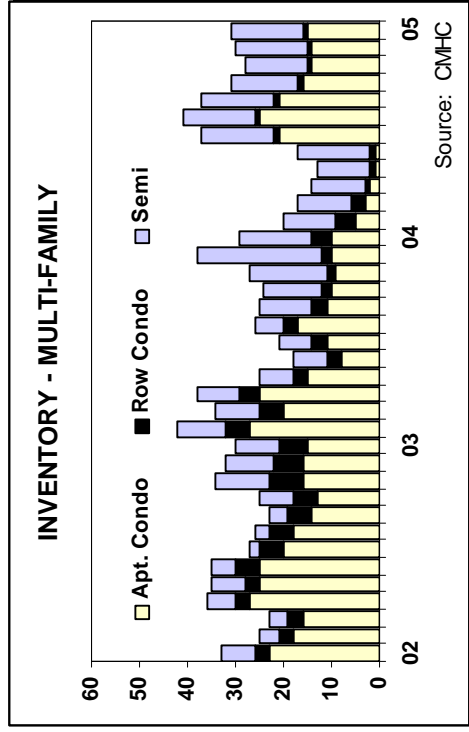
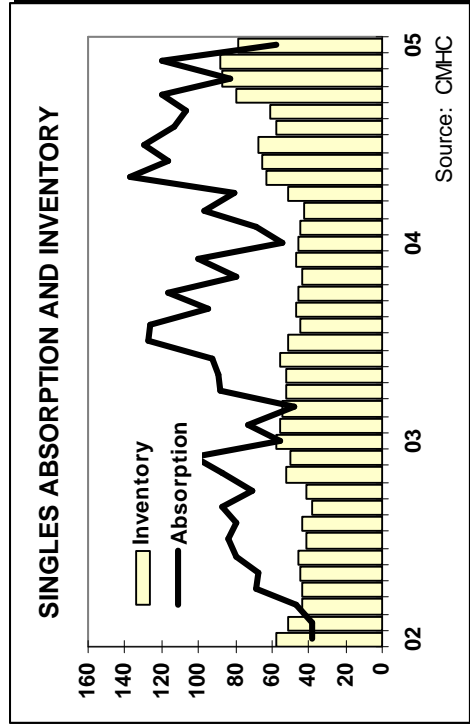
* Sub. J - Westside (former Sub. G and H) - Glenrosa, Westbank, Smith Creek, Shannon Heights, West Kelowna, Lakeview Heights, Westside/Fintry. Sub. I - Joe Rich, Ellision.



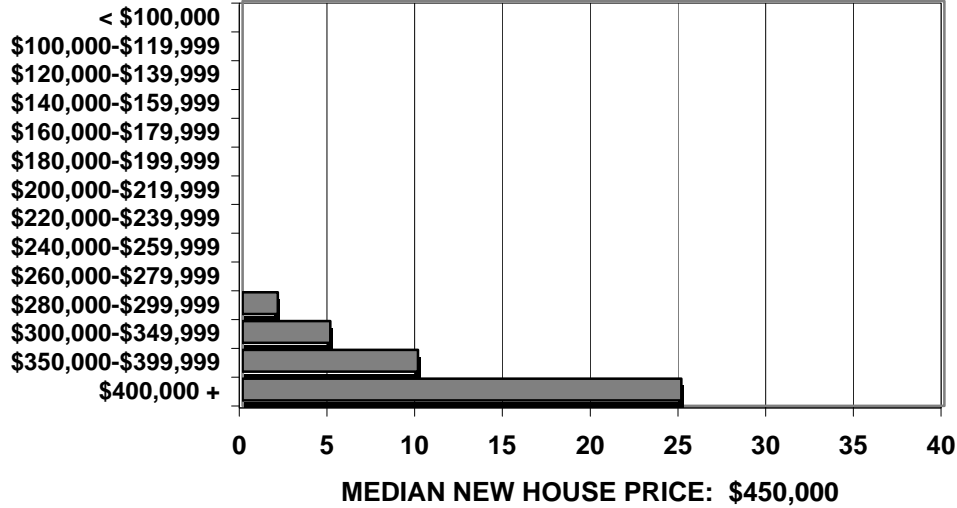
**KELOWNA C.A.
INVENTORY AND ABSORPTION
JANUARY 2005 & YEAR-TO-DATE 2004 & 2005**

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	15	0	0	0	8	50	73	Kelowna City	18	0	20	0	2	46	86				
Sub. J	0	0	1	0	3	23	27	Sub. J	0	0	0	0	2	10	12				
Sub. I	0	0	0	0	2	2	4	Sub. I	0	0	0	0	0	2	2				
Lake Country	0	0	0	0	0	0	0	Lake Country	0	0	0	0	0	0	0				
Peachland	0	0	0	0	2	0	2	Peachland	1	0	0	0	0	0	1				
Indian Reserve	0	0	0	0	0	3	3	Indian Reserve	0	0	0	0	0	0	0				
MONTH TOTAL	15	0	1	0	15	78	109	MONTH TOTAL	19	0	20	0	4	58	101				
Y.T.D. Average 2005*	15	0	1	0	15	78	109	Y.T.D. Total 2005	19	0	20	0	4	58	101				
Y.T.D. Average 2004*	15	1	4	0	10	46	76	Y.T.D. Total 2004	77	0	2	0	6	54	139				

Absorption does not include assisted rental units. * Rounded.



PRICES OF SINGLES ABSORBED AT COMPLETION
Kelowna C.A. - January 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	1	0	0	0
Dilworth Mountain	0	1	3	0
Ellison	2	2	6	2
Glenrosa	0	1	0	2
Glenmore	0	2	1	2
I.R.	0	9	0	0
Core Area*	1	15	8	6
Lakeview Heights	4	3	4	9
Lower Mission	7	1	6	1
North Glenmore	1	4	0	0
Peachland	2	0	0	0
Rutland North	0	4	0	5
Rutland South	0	0	0	1
S. E. Kelowna	1	3	5	1
Shannon Lake	2	2	2	3
Upper Mission	12	24	19	12
Westbank	0	4	1	0
Winfield	1	6	0	4
West Kelowna	2	5	3	6
Other**	3	6	0	0
Total	39	92	58	54

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

HOUSING ACTIVITY SUMMARY - KELOWNA CA JANUARY 2005

	OWNERSHIP				RENTAL				TOTAL
	FREEHOLD		CONDOMINIUM		PRIVATE		ASSISTED		
	Single	Semi	Row	Apt.	Row	Apt.	Row	Apt.	
Starts									
Jan. 2005	39	8	8	0	0	0	0	0	55
YTD 2005	39	8	8	0	0	0	0	0	55
YTD 2004	92	16	3	59	0	0	0	0	170
Under Construction									
Jan. 2005	669	106	177	729	2	102	0	0	1,785
Jan. 2004	643	84	30	691	0	113	0	0	1,561
Completions									
Jan. 2005	48	4	3	59	0	0	0	0	114
YTD 2005	48	4	3	59	0	0	0	0	114
YTD 2004	53	6	3	38	0	0	0	0	100
Inventory									
Jan. 2005	78	15	1	15	0	0			109
Jan. 2004	46	10	4	15	0	1			76
Total Supply									
Jan. 2005	747	121	178	744	2	102	0	0	1,894
Jan. 2004	689	94	34	706	0	114	0	0	1,637
Absorption									
Jan. 2005	58	4	20	19	0	0			101
3 Mo. Ave.	108	11	21	35	0	10			185
12 Mo. Ave.	102	10	9	33	1	10			165

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

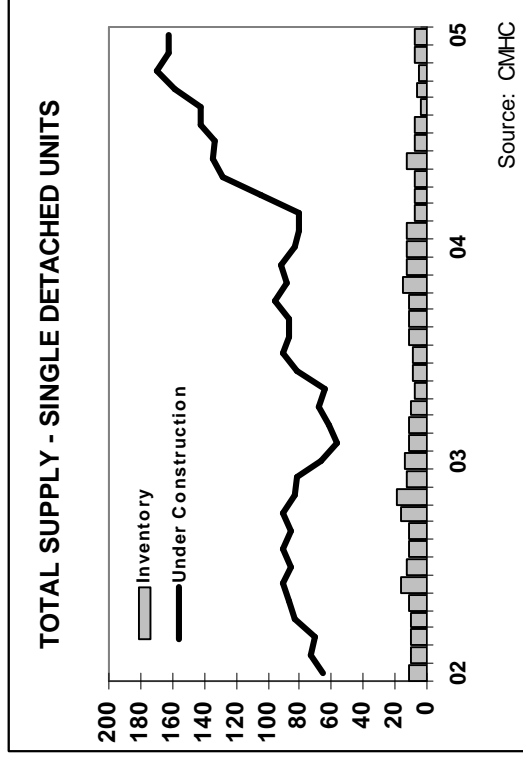
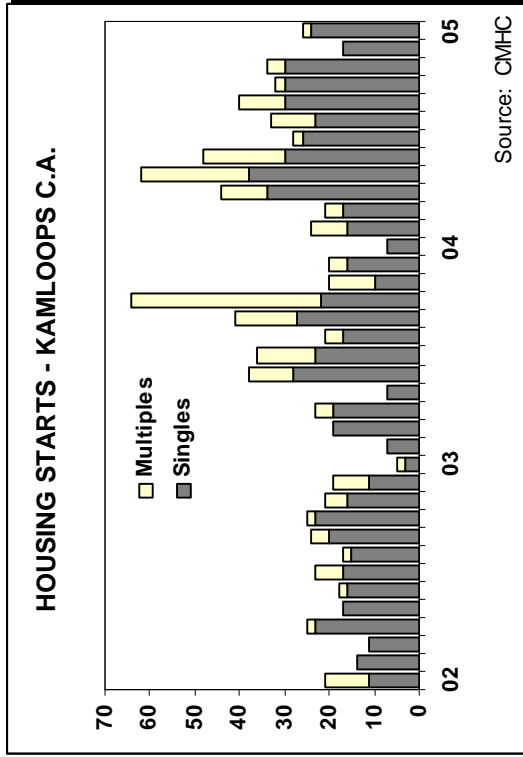
KAMLOOPS CA

Inventory and Absorption by Municipality

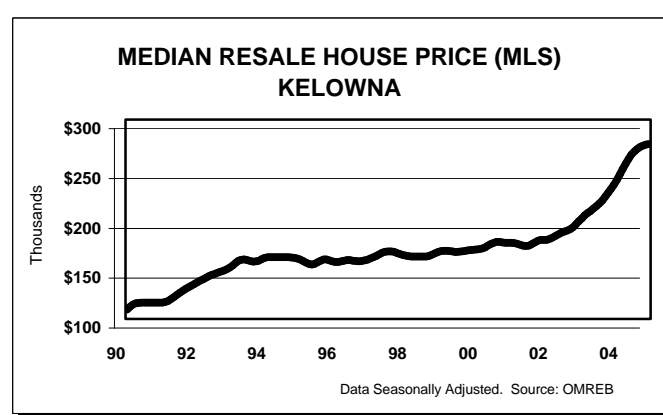
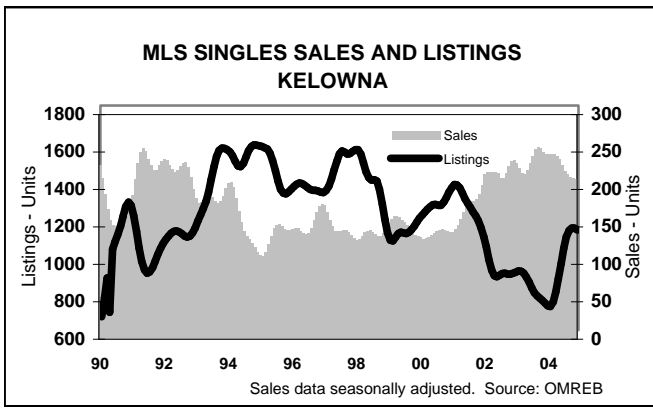
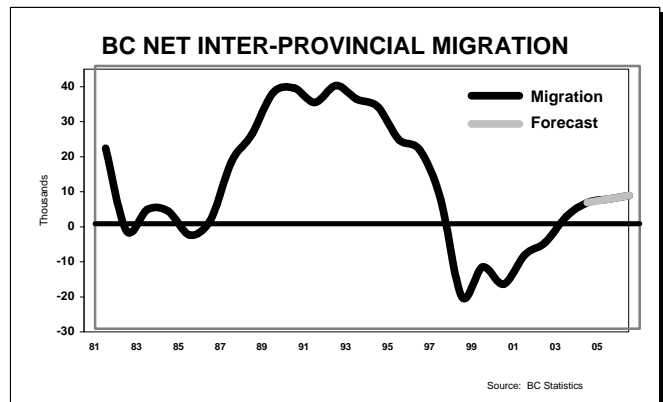
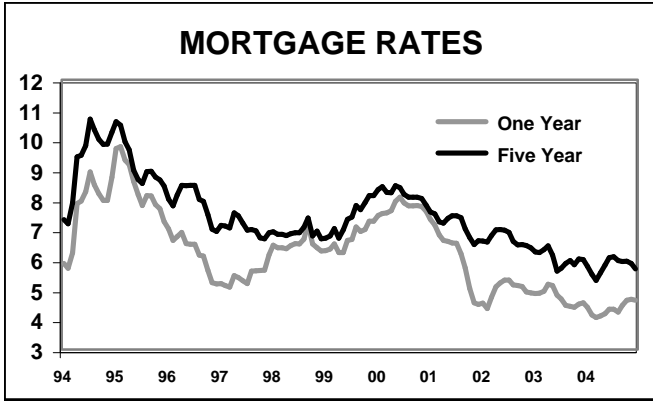
JANUARY 2005 AND YEAR-TO-DATE 2004 & 2005

	INVENTORY OF NEW HOMES					ABSORPTION OF NEW HOMES				
	Apt Condo	Apt Rental	Row Condo	Row Rental	Total	Apt Condo	Apt Rental	Row Condo	Row Rental	Grand Total
Kamloops City	8	0	0	0	19	2	0	5	0	32
Kamloops IR	0	0	0	0	1	0	0	0	0	2
MONTH TOTAL	8	0	0	0	20	2	0	5	0	34
Y.T.D. Average 2005*	8	0	0	0	20	2	0	5	0	34
Y.T.D. Average 2004*	13	0	3	0	41	1	0	2	0	23

Absorption does not include assisted rental units. * Rounded.



KEY ECONOMIC INDICATORS



SOUTHERN INTERIOR RESALE MARKETS

MLS SALES	JANUARY				YEAR-TO-DATE			
	Sales Jan. 2005	Percent Change Jan. 04	Median Price Jan. 05	Percent Change Jan. 04	Sales YTD 2005	Percent Change YTD 04	Median Price YTD 2005	Percent Change YTD 04
Single Detached								
Kelowna	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Kamloops	64	-24	\$185,000	11%	64	-24%	\$185,000	11%
Vernon Area	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Penticton	29	0%	\$212,000	26%	29	0%	\$212,000	26%
Salmon Arm	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cranbrook	18	-25%	\$137,750	15%	18	-25%	\$137,750	15%

MLS - Multiple Listing Service is a registered trademark owned by The Canadian Real Estate Association (CREA).
 Current month MLS data is preliminary.

HOUSING NOW

To subscribe call: Lisa Preston.
 Phone: (604) 737-4088 or Fax: (604) 737-4021.
 E-mail: lpreston@cmhc-schl.gc.ca

© 2005 Canada Mortgage and Housing Corporation. All rights reserved. No portion of this book may be reproduced, stored in a retrieval system or transmitted in any form or by any means, mechanical, electronic, photocopying, recording or otherwise without the prior written permission of Canada Mortgage and Housing Corporation. Without limiting the generality of the foregoing, no portion of this book may be translated from English into any other language without the prior written permission of Canada Mortgage and Housing Corporation.