

H O U S I N G N O W

YOUR LINK TO THE HOUSING MARKET

New Construction Highlights

Canada Mortgage and Housing Corporation

Condo Construction Boosts June Housing Starts

Kelowna area housing starts, lead by the multiples sector, surged ahead in June. Housing starts shot up to 262 units from 152 units in May. Soaring apartment condominium starts accounted for all of the increase.

Construction began on three condominium projects totaling 120 units. Strong demand in combination with low inventories of complete and unsold units has meant more opportunity for expansion. Sharply rising singles prices has led to growing interest in low density multi-family housing. Expect to see more townhouses come on stream over the next several months.

The singles sector maintained a blistering pace in June. Almost three quarters of the homes destroyed in the Okanagan Mountain Park wild fire have been rebuilt or are currently under construction.

Mortgage interest rates, though beginning to edge up, remain low - a key driver. BC is poised to see stronger economic and population growth this year and next. The Kelowna economy and population continue to grow, fueling demand for both new and resale housing. Consumers remain upbeat. Also, an aging population and growing profile among out-of-area buyers, points to rising demand for retiree, resort and other lifestyle-oriented housing.

Elsewhere, the Kamloops and Vernon new home markets recorded another strong performance in June. Kamloops housing starts have more than doubled over the same six month period last year, both the singles and multiples sectors seeing big gains. Penticton starts dropped back following this spring's up-tick in multi-family construction.

Sales activity flattened out in June, but remains at a high level. Prices continue to trend up in all Okanagan centres.

BC New Home Market Remains Strong

Nationally, the new home market continue to see a high level of construction activity, recording the strongest mid-year performance since 1987. June housing starts were virtually unchanged from May at 239,300 units, seasonally adjusted at annual rates (SAAR). Here in BC, starts were up almost 30% from last June. BC starts are on track to reach a ten year high in 2004.

JUNE 2004

IN THIS ISSUE

Monthly Highlights 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

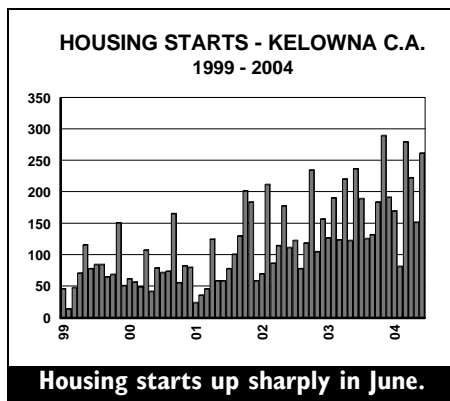
♦ **July 2004 Housing Starts:** Local, BC, and National news releases scheduled for Aug. 10, 2004.

♦ **The Spring 2004 Kelowna Housing Market Outlook Report is now available.**

Also available - the 2003 Kelowna Rental Market and Okanagan Seniors' Housing Market Survey Report. 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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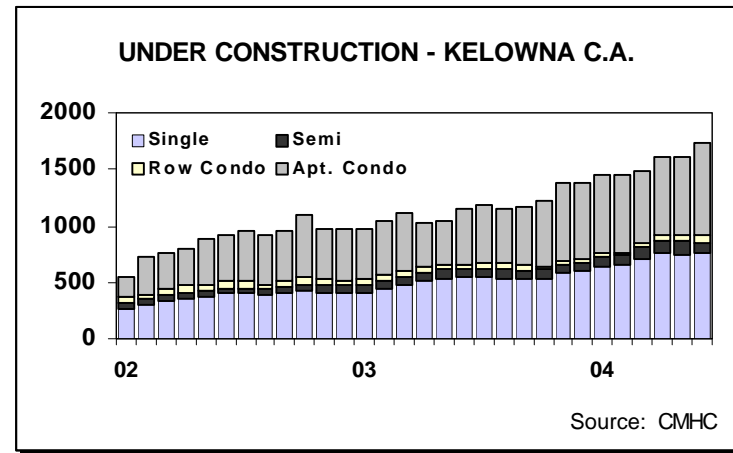
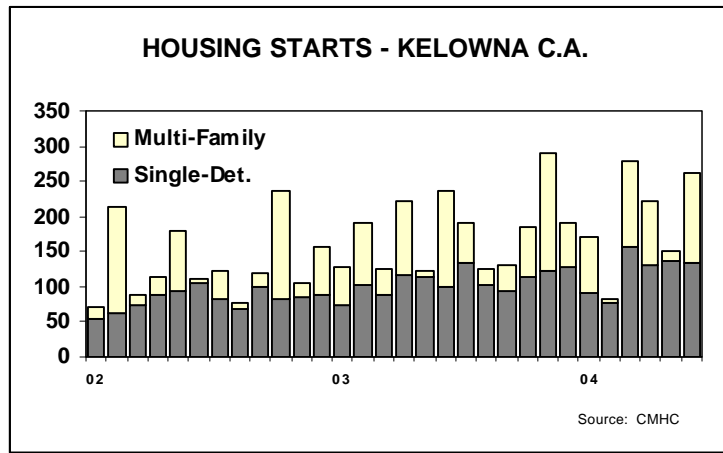
KELOWNA C.A.

STARTS/COMPLETIONS/UNDER CONSTRUCTION

JUNE 2004 & YEAR-TO-DATE 2004

	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	98	0	4	1	107	0	210	83	12	0	0	0	0	95	539	50	46	5	759	89	1,488
Sub. J*	20	0	0	0	0	0	20	19	10	0	0	0	0	29	148	32	14	0	43	0	237
Sub. I*	6	2	0	0	0	0	8	4	0	0	0	0	0	4	20	14	0	0	0	0	34
Lake Country	7	0	0	0	0	0	7	8	0	0	0	0	0	8	30	0	0	0	0	0	30
Peachland	0	0	0	0	13	0	13	0	0	0	0	0	0	0	7	0	9	0	13	0	29
Indian Res.	4	0	0	0	0	0	4	4	0	0	0	0	0	4	15	0	0	0	0	0	15
MONTH TOTAL	135	2	4	1	120	0	262	118	22	0	0	0	0	140	759	96	69	5	815	89	1,833
YEAR-TO-DATE	727	66	47	5	239	89	1,173	572	44	8	0	94	113	831							

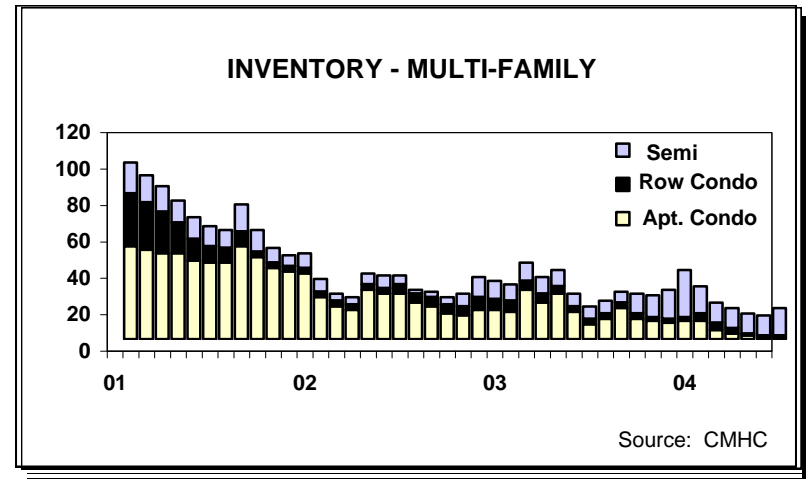
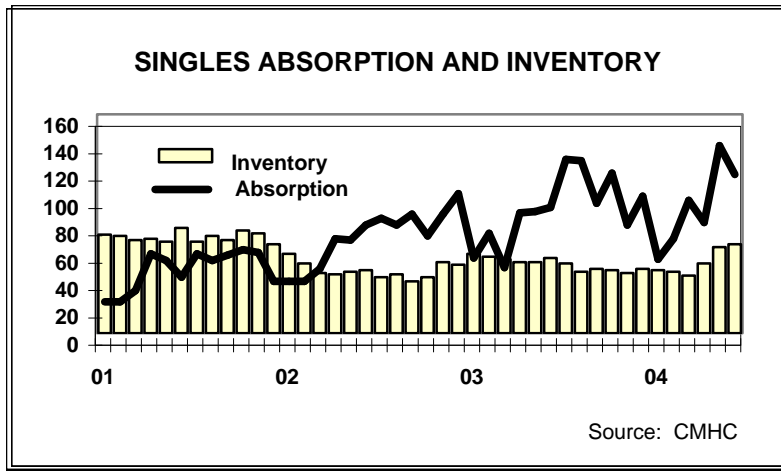
* Sub. J - Westside (former Sub. G and H) - Glenrosa, Westbank, Smith Creek, Shannon Heights, West Kelowna, Lakeview Heights, Westside/Fintry. Sub. I - Joe Rich, Ellison.



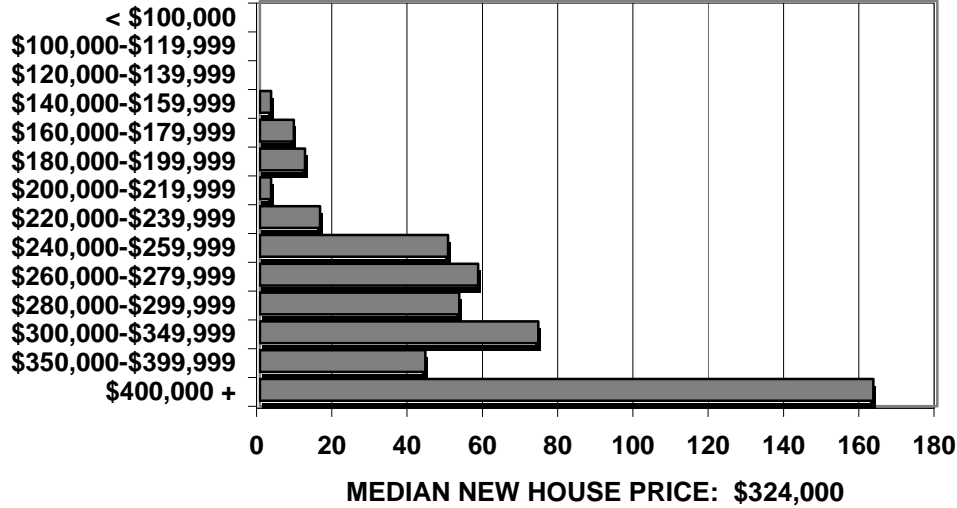
KELOWNA C.A.
INVENTORY AND ABSORPTION
JUNE 2004 & YEAR-TO-DATE 2003 & 2004

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	1	30	0	0	10	38	79	Kelowna City	11	0	3	0	9	84	107
Sub. J	0	0	0	0	2	21	23	Sub. J	0	0	8	0	9	17	34
Sub. I	0	0	0	0	1	2	3	Sub. I	0	0	0	0	0	4	4
Lake Country	0	0	0	0	0	1	1	Lake Country	0	0	0	0	0	7	7
Peachland	0	0	1	0	2	0	3	Peachland	0	0	6	0	0	0	6
Indian Reserve	0	0	0	0	0	3	3	Indian Reserve	0	0	0	0	0	4	4
MONTH TOTAL	1	30	1	0	15	65	112	MONTH TOTAL	11	0	17	0	18	116	162
Y.T.D. Average 2004*	5	22	2	0	12	52	93	Y.T.D. Total 2004	205	84	26	0	39	554	908
Y.T.D. Average 2003*	18	34	4	0	9	55	120	Y.T.D. Total 2003	142	16	8	4	45	445	660

Absorption does not include assisted rental units. * Rounded.



**PRICES OF SINGLES ABSORBED AT COMPLETION
Kelowna C.A. January - June 2004**



Sub Area	Singles Starts By Sub Area		Singles Absorption By Sub Area	
	Y.T.D. 2004	Y.T.D. 2003	Y.T.D. 2004	Y.T.D. 2003
Black Mountain	32	19	20	18
Dilworth Mountain	25	27	6	13
Ellison	43	27	24	19
Glenrosa	6	14	13	7
Glenmore	10	25	15	15
I.R.	21	3	10	0
Core Area*	108	95	87	63
Lakeview Heights	43	58	46	30
Lower Mission	27	24	22	16
North Glenmore	33	4	10	7
Peachland	4	9	8	14
Rutland North	22	29	29	19
Rutland South	1	0	1	9
S. E. Kelowna	25	42	28	24
Shannon Lake	16	33	18	26
Upper Mission	203	98	128	83
Westbank	8	3	9	3
Winfield	20	20	18	13
West Kelowna	44	50	40	55
Other**	36	15	22	11
Total	727	595	554	445

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

HOUSING ACTIVITY SUMMARY - KELOWNA CA JUNE 2004

	OWNERSHIP				RENTAL				TOTAL
	FREEHOLD		CONDOMINIUM		PRIVATE		ASSISTED		
	Single	Semi	Row	Apt.	Row	Apt.	Row	Apt.	
Starts									
June 2004	135	2	4	120	1	0	0	0	262
YTD 2004	727	66	47	239	5	89	0	0	1,173
YTD 2003	595	40	21	314	0	54	0	0	1,024
Under Construction									
June 2004	759	96	69	815	5	89	0	0	1,833
June 2003	545	68	45	501	0	110	0	0	1,269
Completions									
June 2004	118	22	0	0	0	0	0	0	140
YTD 2004	572	44	8	94	0	113	0	0	831
YTD 2003	450	42	23	266	4	4	0	0	789
Inventory									
June 2004	65	15	1	1	0	30			112
June 2003	55	7	3	8	0	31			104
Total Supply									
June 2004	824	111	70	816	5	119	0	0	1,945
June 2003	600	75	48	509	0	141	0	0	1,373
Absorption									
June 2004	116	18	17	11	0	0			162
3 Mo. Ave.	105	3	2	26	0	20			156
12 Mo. Ave.	98	7	3	56	1	10			175

Absorption does not include assisted rentals.

RECORD OF STARTS - KELOWNA C.A.					
YEAR	SINGLE	SEMI	ROW	APT	TOTAL
1991	1294	82	218	623	2217
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

OTHER CENTRES
Starts/Completions/Under Construction
JUNE 2004 AND YEAR-TO-DATE 2004

	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	4	0	0	0	0	0	4	17	0	0	0	0	0	17
E. Kootenay C	5	0	0	0	0	0	5	1	0	0	0	0	0	1	42	0	0	0	0	0	42
Cranbrook CA	8	0	0	0	0	0	8	5	0	0	0	0	0	5	59	0	0	0	0	0	59
Y.T.D. 2004	34	0	0	0	0	0	34	12	0	0	0	0	0	12							
Kamloops C.	25	12	0	0	0	0	37	24	4	8	0	0	0	36	112	60	23	42	0	0	237
Kamloops IR	5	0	6	0	0	0	11	0	0	0	0	0	0	0	22	0	6	0	0	0	28
Kamloops CA	30	12	6	0	0	0	48	24	4	8	0	0	0	36	134	60	29	42	0	0	265
Y.T.D. 2004	142	54	10	0	0	0	206	100	18	8	0	0	0	126							
Penticton City	3	0	0	0	0	0	3	6	0	0	0	0	0	6	30	6	40	107	12	0	195
Sub. D	5	0	0	0	0	0	5	6	0	0	0	0	0	6	26	0	0	12	0	0	38
Sub. E	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9	0	0	0	0	0	9
Sub. F	1	0	0	0	0	0	1	1	0	0	0	0	0	1	0	0	0	0	0	0	0
Penticton IR	0	0	0	0	0	0	0	1	0	0	0	0	0	1	9	0	0	0	0	0	9
Penticton CA	9	0	0	0	0	0	9	14	0	0	0	0	0	14	74	6	40	119	12	0	251
Y.T.D. 2004	65	4	16	81	8	0	174	61	2	4	62	0	0	129							
Salmon Arm	6	0	0	0	0	0	6	3	0	0	0	0	0	3	38	8	6	6	0	0	58
Y.T.D. 2004	39	2	0	6	0	0	47	38	0	4	0	0	3	45							
Summerland	2	0	0	0	0	0	2	7	0	0	0	0	0	7	21	0	6	0	0	0	27
Y.T.D. 2004	20	0	6	0	0	0	26	14	0	0	0	0	0	14							
Vernon City	25	0	3	0	0	0	28	27	2	0	0	0	0	29	115	12	16	0	0	0	143
Coldstream	5	0	0	0	0	0	5	9	0	0	0	0	0	9	42	0	0	0	0	0	42
Sub. C	2	0	0	0	0	0	2	3	0	0	0	0	0	3	4	0	0	0	0	0	4
Sub. D	1	0	0	0	0	0	1	1	0	0	0	0	0	1	2	0	0	0	0	0	2
Sub. E	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lumby	3	0	0	0	0	0	3	0	0	0	0	0	0	0	3	0	0	0	0	0	3
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	36	0	3	0	0	0	39	40	2	0	0	0	0	42	166	12	16	0	0	0	194
Y.T.D. 2004	164	8	6	0	0	0	178	141	18	3	0	0	0	162							

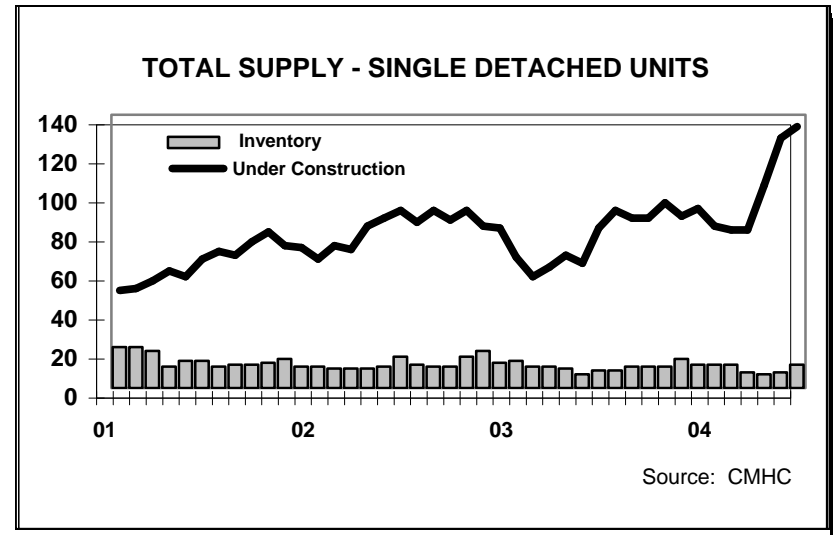
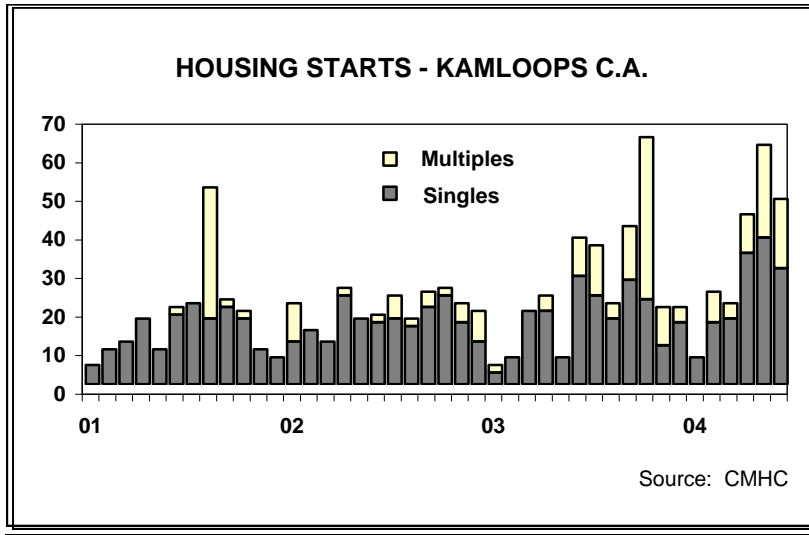
KAMLOOPS CA

Inventory and Absorption by Municipality

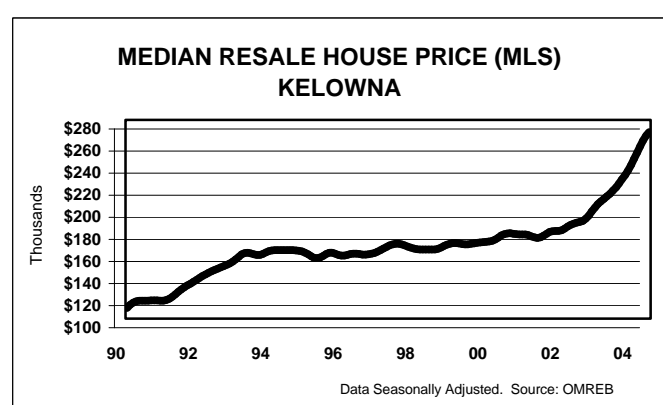
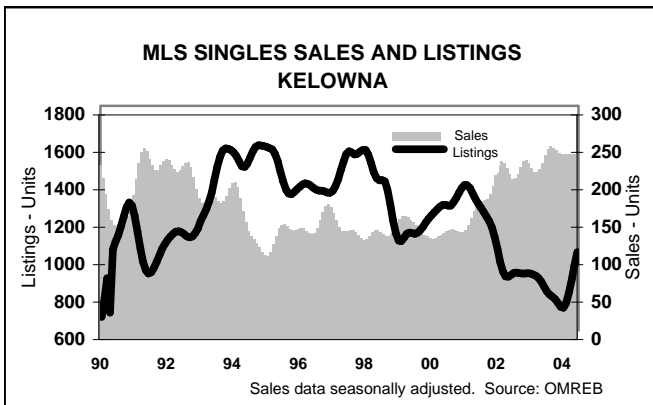
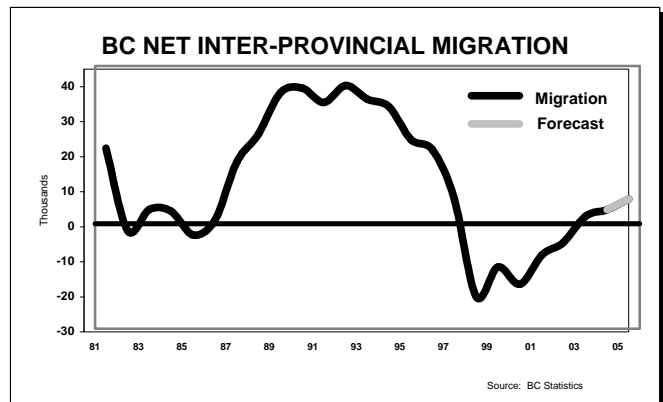
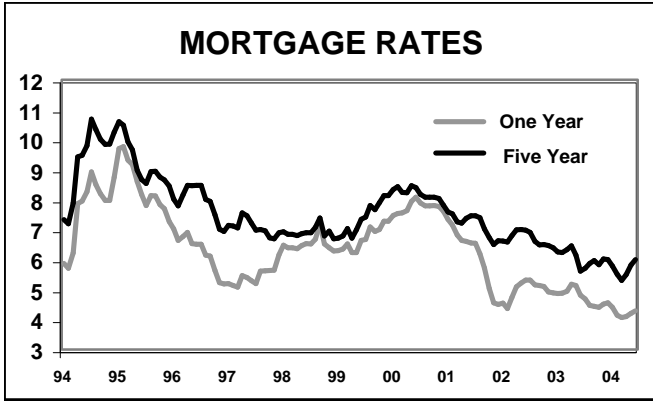
JUNE 2004 AND YEAR-TO-DATE 2003 & 2004

	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
Kamloops City	11	0	3	0	8	9	31	0	0	4	0	3	20	27
Kamloops IR	0	0	0	0	0	3	3	0	0	0	0	0	0	0
MONTH TOTAL	11	0	3	0	8	12	34	0	0	4	0	3	20	27
Y.T.D. Average 2004*	12	0	3	0	10	10	35	39	0	10	0	21	100	170
Y.T.D. Average 2003*	26	0	3	0	16	10	55	19	0	8	0	15	87	129

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



KEY ECONOMIC INDICATORS



SOUTHERN INTERIOR RESALE MARKETS

MLS SALES	JUNE				YEAR-TO-DATE			
	Sales June 2004	Percent Change June 03	Median Price June 04	Percent Change June 03	Sales YTD 2004	Percent Change YTD 03	Median Price YTD 2004	Percent Change YTD 03
Single Detached								
Kelowna	286	-3%	\$268,950	21%	1,575	9%	\$259,000	22%
Kamloops	109	-10%	\$185,000	10%	676	11%	\$174,000	10%
Vernon Area	159	3%	\$195,000	16%	877	21%	\$185,000	13%
Penticton	29	-36%	\$214,500	1%	207	-4%	\$193,000	17%
Salmon Arm	33	18%	\$163,500	-9%	136	11%	\$165,750	-7%
Cranbrook	21	0	\$149,900	48%	165	40%	\$122,000	n/a

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Current month MLS data is preliminary.

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