HOUSING NOW

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

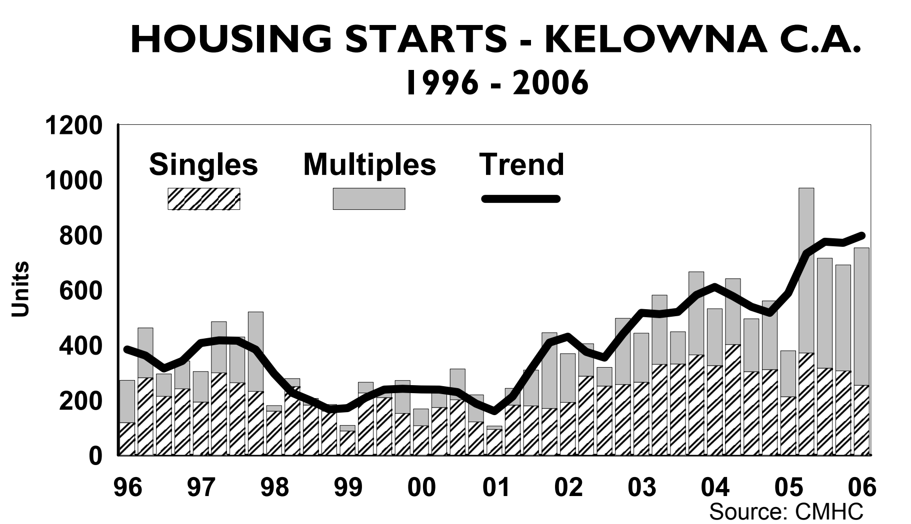
New Construction Highlights

First Quarter Housing Starts Jump to Record High

The Kelowna area new home market began the year on a strong note, housing starts rising to the highest first quarter level ever. First quarter starts, lead by the multi-family sector, jumped to 753 units, almost double the same three month period a year ago.

Last year's surge in condo and townhouse construction has carried over into 2006. Price and lifestyle have been key drivers. The condo market is attracting a broader range of buyers. With few detached units priced at less than $300,000, more first-time buyers are turning to multi-family housing - a major shift in local area buyer attitudes. Retirees, move-down buyers and others seeking resort-oriented housing remain big sources of new condo demand. The resort market has evolved quickly, segmentation by product type - tenure, location, building type and amenities - the key to expansion. Many are second residences, purchased in anticipation of retirement. Resort and conventional condo markets are seeing more and more overlap. Absorption remains strong, keeping inventories of complete and unsold units near historical lows. Pre-sales have held up despite an increasingly competitive market.

The singles sector has seen smaller gains, growth in demand tempered



Housing Starts Jump to Highest First Quarter Level Ever.

March 2006

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IN THIS ISSUE

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Canada

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HOME TO CANADIANS

New Homes con't.

by sharply rising prices. Singles construction has shifted outward, following lot supply. North Glenmore, Lake Country, Black Mountain and the Shannon Lake area are seeing the strongest growth in singles starts.

Growth in the Kelowna area economy and population continue to drive housing demand. Strong employment growth has spurred in-migration. Regional amenities remain a big draw, boosting population growth. An aging population and hot BC and Alberta economies have meant sustained demand for retiree, resort and lifestyle-oriented housing. Low interest rates have continued to support high levels of sales and new home construction activity.

First quarter starts were also up sharply in both Kamloops and Penticton. Like Kelowna, soaring multi-family starts accounted for most of the increase. Vernon area starts dropped back from last year.

Resale Market Highlights

First Quarter Sales Remain at High Levels

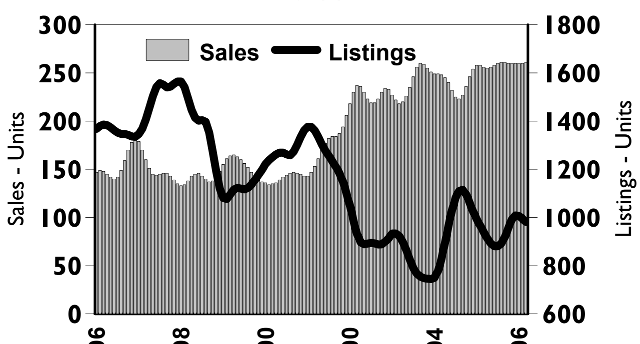
Kelowna's resale market has maintained blistering pace in 2006. First quarter sales are up from last year, growth in demand for multi-family housing driving the increase. Singles sales, though remaining at high levels, have flattened out in response to double-digit price gains, rising interest rates and tight supply.

First quarter condo and townhouse sales are up 17% and 11%, respectively, over 2005. With the price of detached units trending up sharply, more buyers are turning to higher density housing. Like the new home market, retirees, move-down buyers and lifestylers remain big sources of demand. High levels of construction activity have pushed up the supply of condo listings. The supply of townhouse listings has trended down over the past year, reflecting both lower levels of construction activity and growing demand among buyers seeking more affordably alternatives to detached housing. Rising demand has meant steady upward pressure on price levels.

On the singles side, big price gains have triggered stronger competition from new and resale multifamily sectors. The supply of singles listings has stabilized after trending down earlier last year, but remains tight overall. Strong demand in combination with reduced supply has continued to drive up prices. The first quarter median resale single price has shot up 19% to $343,000 from $287,000 in 2005. For now, the Kelowna area resale market remains in sellers' market territory.

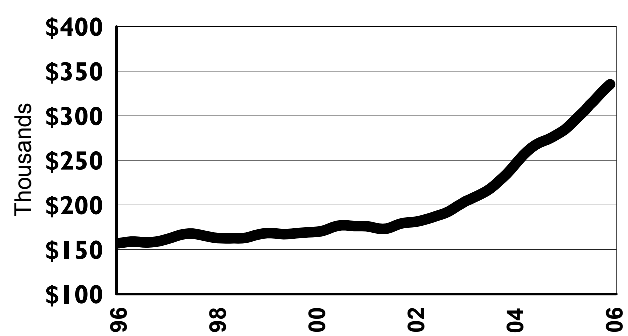
Elsewhere, Kamloops, Salmon Arm, Vernon, Penticton and Cranbrook also remain seller's markets. Singles sales have declined in both Salmon Arm and Cranbrook, due, in part, to supply constraints. Prices have continued to trend up in all five centres, the first quarter year-to-date median resale singles price increasing 19%-46% from 2005.

MLS SALES AND LISTINGS KELOWNA



Data seasonally adjusted. Source OMREB.

MEDIAN RESALE HOUSE PRICE (MLS) KELOWNA



Data seasonally adjusted. Source: OMREB.

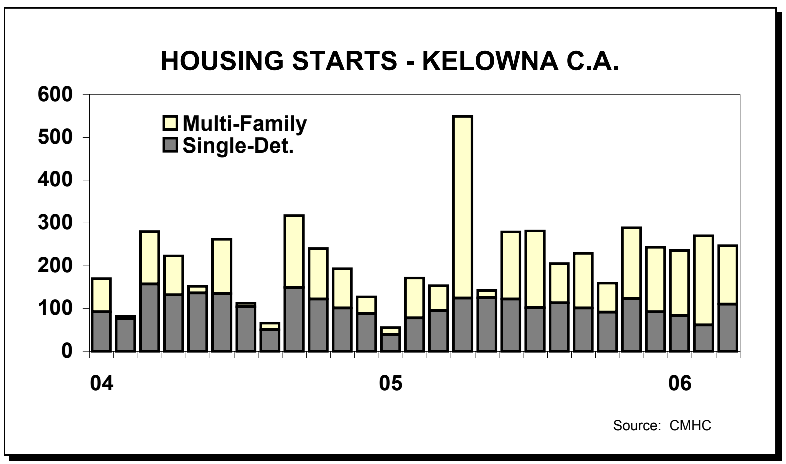
KELOWNA C.A.

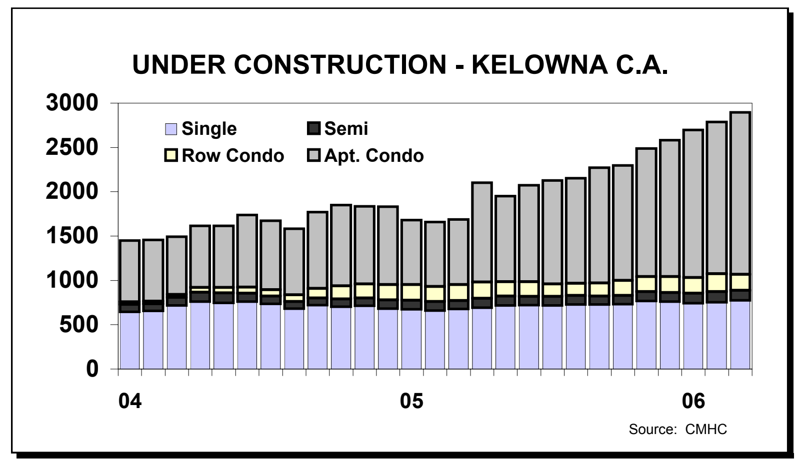
STARTS/COMPLETIONS/UNDER CONSTRUCTION

MARCH 2006 & YEAR-TO-DATE 2006

	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	70	8	0	0	87	0	**165**	61	8	18	0	0	89	**176**	477	88	142	1	1,593	48	**2,349**
CORD Sub. J*	18	0	0	0	40	0	**58**	6	2	0	0	0	0	**8**	171	8	35	0	82	0	**296**
CORD Sub. I*	3	2	0	0	0	0	**5**	1	4	0	0	0	0	**5**	23	16	0	0	0	0	**39**
Lake Country	17	0	0	0	0	0	**17**	19	0	3	0	0	0	**22**	85	0	0	0	32	25	**142**
Peachland	2	0	0	0	0	0	**2**	4	0	0	0	13	0	**17**	14	6	3	0	121	0	**144**
MONTH TOTAL	**110**	**10**	**0**	**0**	**127**	**0**	**247**	**91**	**14**	**21**	**0**	**13**	**89**	**228**	**770**	**118**	**180**	**1**	**1,828**	**73**	**2,970**
YEAR-TO-DATE	**254**	**38**	**51**	**0**	**410**	**0**	**753**	**215**	**24**	**52**	**0**	**123**	**89**	**503**							

** CORD - Regional District of Central Okanagan. Sub. J - Westside (former Sub. G and H) - Glenrosa, Westbank, Smith Creek, Shannon Heights, West Kelowna, Lakeview Heights, Westside/Fintry. Sub. I - Eastside - Joe Rich, Ellison. Please note, effective January 2006, Indian Reserves are no longer included in CMHC's monthly Starts and Completions and Absorption Surveys.*





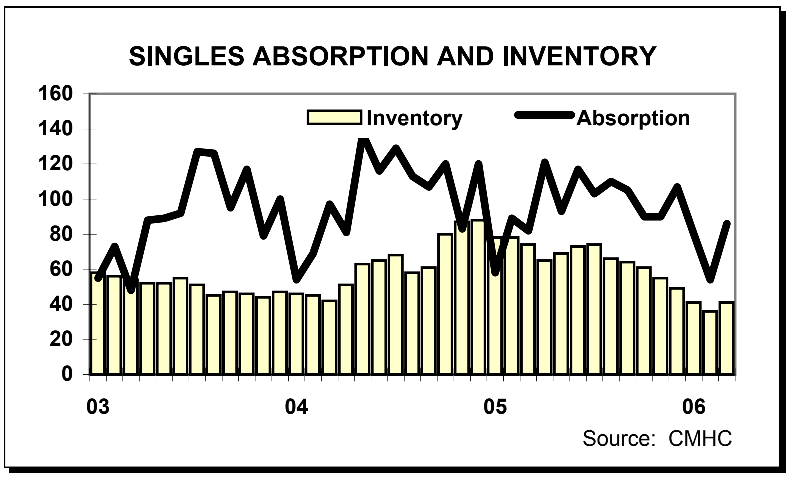
KELOWNA C.A.
INVENTORY AND ABSORPTION
MARCH 2006 & YEAR-TO-DATE 2005 & 2006

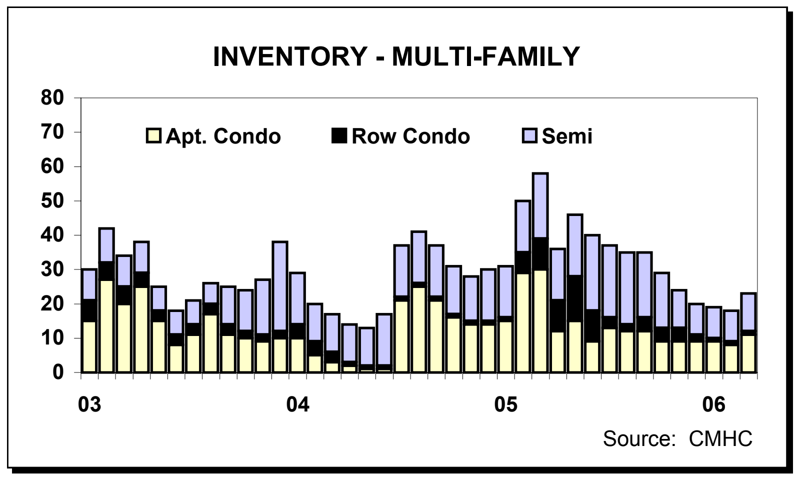
INVENTORY OF NEW HOMES	Apt Condo	Apt Rental	Row Condo	Row Rental	Semi	Single	Total
Kelowna City	8	0	0	0	7	28	**43**
CORD Sub. J	0	0	0	0	1	9	**10**
CORD Sub. I	0	0	0	0	3	0	**3**
Lake Country	0	0	1	0	0	4	**5**
Peachland	3	0	0	0	0	0	**3**
MONTH TOTAL	**11**	**0**	**1**	**0**	**11**	**41**	**64**
Y.T.D. Average 2006*	**9**	**0**	**1**	**0**	**10**	**39**	**59**
Y.T.D. Average 2005*	**25**	**0**	**5**	**0**	**16**	**77**	**123**

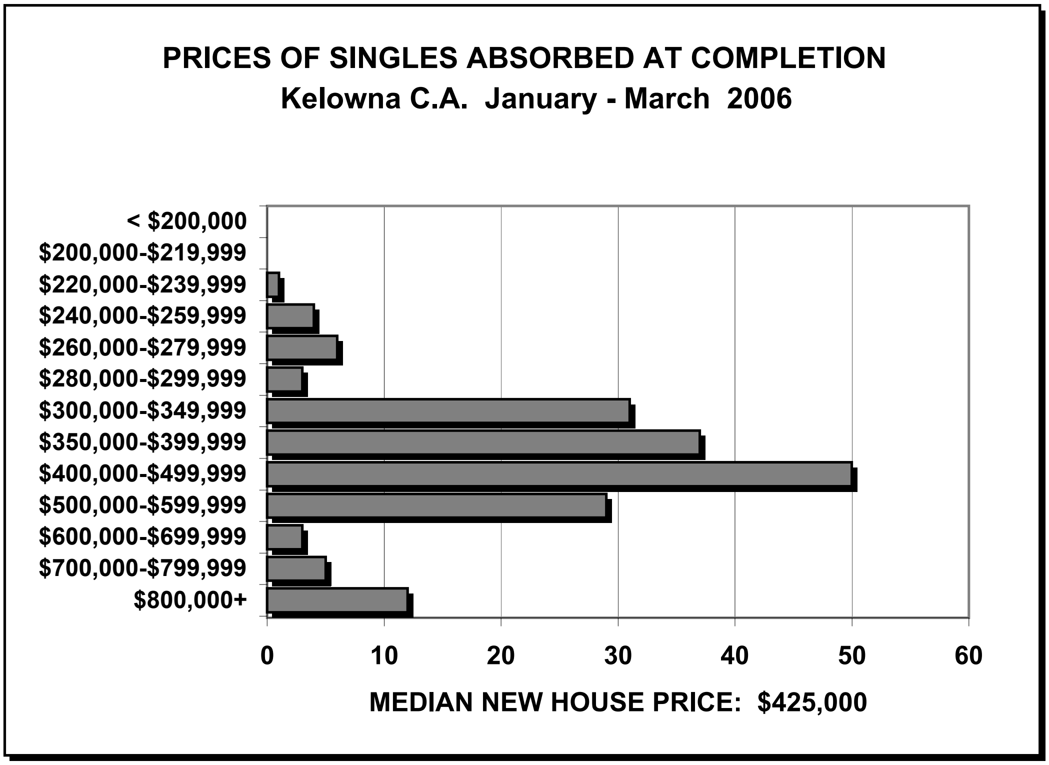
ABSORPTION OF NEW HOMES	Apt Condo	Apt Rental	Row Condo	Row Rental	Semi	Single	Grand Total
Kelowna City	55	11	6	0	6	60	**138**
CORD Sub. J	0	0	5	0	2	4	**11**
CORD Sub. I	0	0	0	0	4	1	**5**
Lake Country	0	0	0	0	0	17	**17**
Peachland	0	0	0	0	0	4	**4**
MONTH TOTAL	**55**	**11**	**11**	**0**	**12**	**86**	**175**
Y.T.D. Total 2006	**179**	**11**	**22**	**0**	**22**	**220**	**454**
Y.T.D. Total 2005	**67**	**45**	**36**	**1**	**12**	**229**	**390**

*CORD - Regional District of Central Okanagan. Absorption does not include assisted rental units. * Rounded.*

Please note, effective January 2006, Indian Reserves are no longer included in CMHC's monthly Starts and Completions and Absorption Surveys







	Singles Starts By Sub Area		Singles Absorption By Sub Area	
Sub Area	**Y.T.D. 2006**	**Y.T.D. 2005**	**Y.T.D. 2006**	**Y.T.D. 2005**
Black Mountain	24	16	11	22
Dilworth Mountain	5	3	5	15
Ellison	4	5	5	16
Glenrosa	0	0	2	1
Glenmore	2	0	5	4
Core Area*	17	20	28	26
I.R.	n/a	2	n/a	3
Lake Country	40	18	24	5
Lakeview Heights	16	19	9	11
Lower Mission	2	10	9	15
North Glenmore	24	14	23	9
Peachland	5	8	7	5
Rutland North	10	3	13	5
Rutland South	0	0	0	0
S. E. Kelowna	7	11	5	11
Shannon Lake	16	15	11	5
Upper Mission	61	46	53	58
Westbank	3	2	3	5
West Kelowna	12	12	5	10
Other**	6	8	2	3
Total	**254**	**212**	**220**	**229**

** Kelowna North/South/Springfield-Spall. ** Fintry/Joe Rich/Oyama/Other. Please note, effective January 2006, Indian Reserves are no longer included in CMHC's monthly Starts and Completions and Absorption Surveys.*

HOUSING ACTIVITY SUMMARY - KELOWNA CA
MARCH 2006

	OWNERSHIP				RENTAL				TOTAL
	FREEHOLD		CONDOMINIUM		PRIVATE		ASSISTED		
	Single	Semi	Row	Apt.	Row	Apt.	Row	Apt.	
Starts									
Mar. 2006	110	10	0	127	0	0	0	0	247
YTD 2006	254	38	51	410	0	0	0	0	753
YTD 2005	212	12	36	64	0	15	0	40	379
Under Construction									
Mar. 2006	770	118	180	1,828	1	48	0	25	2,970
Mar. 2005	675	98	178	737	1	117	0	40	1,846
Completions									
Mar. 2006	91	14	21	13	0	89	0	0	228
YTD 2006	215	24	52	123	0	89	0	0	503
YTD 2005	215	16	30	115	1	0	0	0	377
Inventory									
Mar. 2006	41	11	1	11	0	0			64
Mar. 2005	74	19	9	30	0	0			132
Total Supply									
Mar. 2006	811	129	181	1,839	1	48	0	25	3,034
Mar. 2005	749	117	187	767	1	117	0	40	1,978
Absorption									
Mar. 2006	86	12	11	55	0	11			175
3 Mo. Ave.	80	7	9	78	0	7			181
12 Mo. Ave.	96	10	17	84	1	8			216

Absorption does not include assisted rentals.

RECORD OF STARTS - KELOWNA C.A.

YEAR	SINGLE	SEMI	ROW	APT	TOTAL
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**
2005	1205	112	206	1232	**2755**

OTHER CENTRES

Starts/Completions/Under Construction

MARCH 2006 AND YEAR-TO-DATE 2006

	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	7	0	0	0	0	0	**7**	3	0	0	0	0	27	**30**	50	0	0	0	0	0	**50**
E. Kootenay C	3	0	0	0	0	0	**3**	12	0	0	0	0	0	**12**	48	0	0	0	0	0	**48**
Cranbrook CA	10	0	0	0	0	0	**10**	15	0	0	0	0	27	**42**	98	0	0	0	0	0	**98**
Y.T.D. 2006	16	0	0	0	0	0	**16**	38	0	0	0	0	27	**65**							
Kamloops C.	24	14	4	0	0	0	**42**	21	4	0	0	0	0	**25**	203	98	41	43	0	0	**385**
TNRD Sub. J*	2	0	0	0	0	0	**2**	0	0	0	0	0	0	**0**	2	0	0	0	0	0	**2**
TNRD Sub. P*	6	0	0	0	0	0	**6**	0	0	0	0	0	0	**0**	6	0	0	0	0	0	**0**
Logan Lake DM	0	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**	0	0	0	0	0	0	**0**
Kamloops CA	32	14	4	0	0	0	**50**	21	4	0	0	0	0	**25**	211	98	41	43	0	0	**393**
Y.T.D. 2006	91	30	10	0	0	0	**131**	84	24	0	0	0	0	**108**							
Penticton City	0	0	9	87	0	0	**96**	6	2	0	59	0	0	**67**	46	12	100	339	0	0	**497**
RDOS Sub. D*	1	0	0	0	0	0	**1**	1	0	0	0	0	0	**1**	28	0	0	0	0	0	**28**
RDOS Sub. E*	3	0	0	0	0	0	**3**	4	0	0	0	0	0	**4**	9	0	0	0	0	0	**9**
RDOS Sub. F*	1	0	0	0	0	0	**1**	0	0	0	0	0	0	**0**	2	0	0	0	0	0	**2**
Penticton CA	5	0	9	87	0	0	**101**	11	2	0	59	0	0	**72**	85	12	100	339	0	0	**536**
Y.T.D. 2006	18	8	27	102	0	0	**155**	17	2	8	59	0	0	**86**							
Salmon Arm	16	0	0	0	0	0	**16**	5	0	0	0	0	0	**5**	58	12	0	16	0	18	**104**
Y.T.D. 2006	26	4	0	0	0	0	**30**	22	4	0	0	0	0	**26**							
Summerland	2	2	4	0	0	0	**8**	3	0	0	0	0	0	**3**	24	4	10	0	0	0	**38**
Y.T.D. 2006	5	2	10	0	0	0	**17**	7	0	0	0	0	0	**7**							
Vernon City	11	0	0	0	0	0	**11**	2	0	0	0	0	0	**2**	137	24	19	0	0	15	**195**
Coldstream	4	0	0	0	0	0	**4**	3	0	0	0	0	0	**3**	43	0	0	0	0	0	**43**
NORD Sub. B*	1	0	0	0	0	0	**1**	1	0	0	0	0	0	**1**	5	0	0	0	0	0	**5**
NORD Sub. C*	1	0	0	0	0	0	**1**	1	0	0	0	0	0	**1**	16	4	0	0	0	0	**20**
Vernon CA	17	0	0	0	0	0	**17**	7	0	0	0	0	0	**7**	201	28	19	0	0	15	**263**
Y.T.D. 2006	62	0	3	0	0	0	**65**	73	6	13	0	3	0	**95**							

** TNRD - Regional District of Thompson-Nicola. RDOS - Regional District of Okanagan Similkameen. NORD - Regional District of North Okanagan.*

Please note, effective January 2006, Indian Reserves are no longer included in CMHC's monthly Starts and Completions and Absorption Surveys.

KAMLOOPS CA

Inventory and Absorption by Municipality

MARCH 2006 AND YEAR-TO-DATE 2005 & 2006

INVENTORY OF NEW HOMES	Apt Condo	Apt Rental	Row Condo	Row Rental	Semi	Single	Total
Kamloops City	6	0	0	0	1	4	**11**
TNRD Sub. J	0	0	0	0	0	0	**0**
TNRD Sub. P	0	0	0	0	0	0	**0**
Logan Lake DM	0	0	0	0	0	0	**0**
MONTH TOTAL	**6**	**0**	**0**	**0**	**1**	**4**	11
Y.T.D. Average 2006*	**6**	**0**	**0**	**0**	**1**	**5**	12
Y.T.D. Average 2005*	**8**	**0**	**0**	**0**	**4**	**7**	19

ABSORPTION OF NEW HOMES	Apt Condo	Apt Rental	Row Condo	Row Rental	Semi	Single	Grand Total
Kamloops City	1	0	2	0	4	22	**29**
TNRD Sub. J	0	0	0	0	0	0	**0**
TNRD Sub. P	0	0	0	0	0	0	**0**
Logan Lake DM	0	0	0	0	0	0	**0**
MONTH TOTAL	**1**	**0**	**2**	**0**	**4**	**22**	**29**
Y.T.D. TOTAL 2006	**6**	**0**	**7**	**0**	**25**	**84**	**122**
Y.T.D. TOTAL 2005	**2**	**0**	**7**	**0**	**14**	**80**	**103**

*TNRD - Regional District of Thompson/Nicola. Absorption does not include assisted rental units. * Rounded.*

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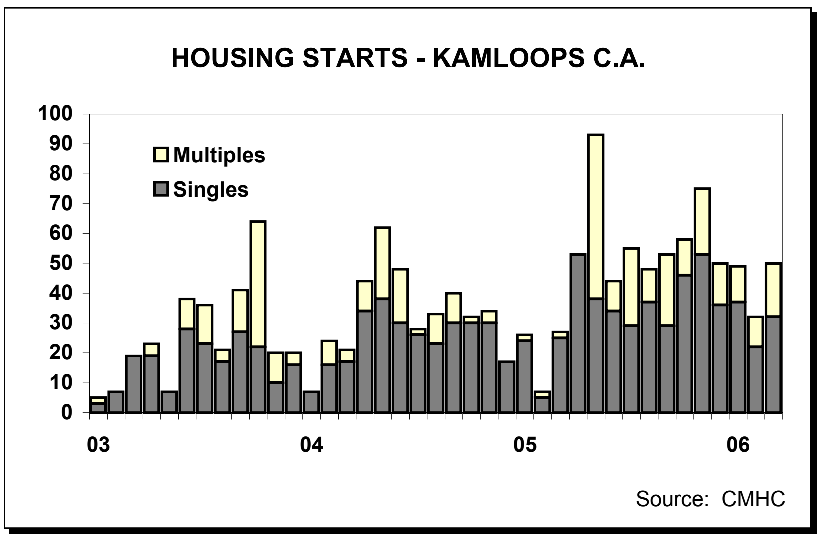
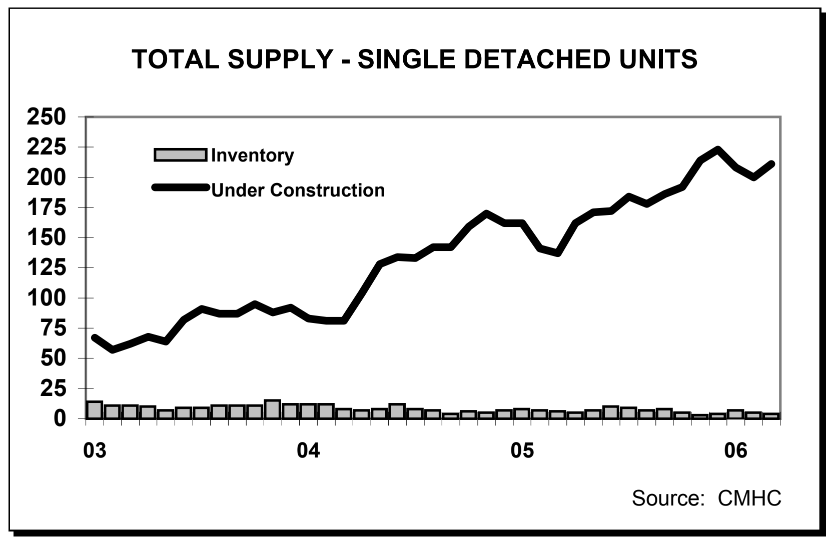
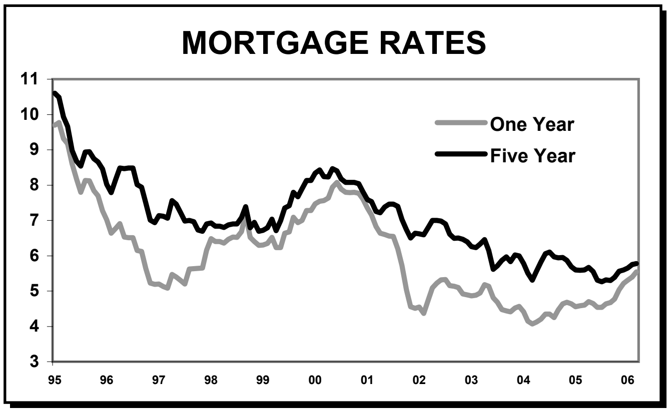
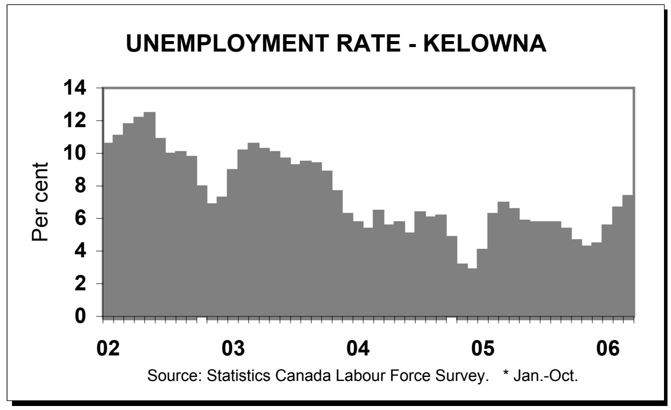
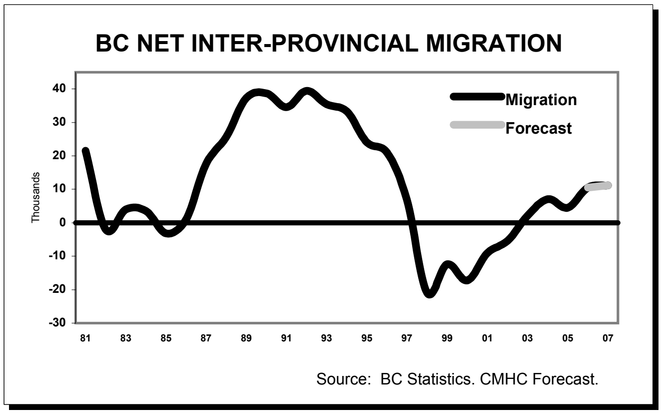


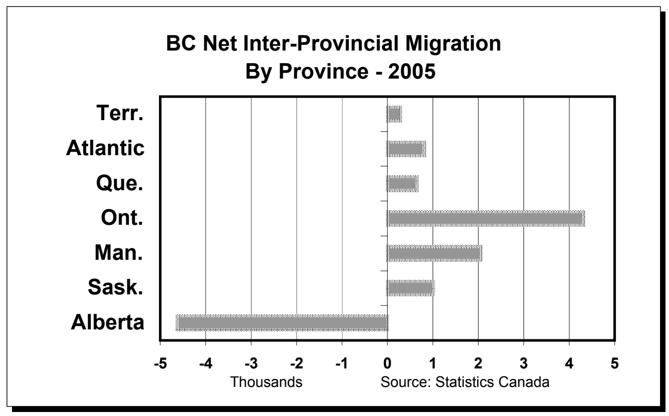


KEY ECONOMIC INDICATORS









SOUTHERN INTERIOR RESALE MARKETS

MLS SALES	MARCH				YEAR-TO-DATE			
Single Detached	Sales Mar. 2006	Percent Change Mar. 05	Median Price Mar. 06	Percent Change Mar. 05	Sales YTD 2006	Percent Change YTD 05	Median Price YTD 2006	Percent Change YTD 05
Kelowna	298	-0.7%	$352,000	22%	728	1%	$343,000	19%
Kamloops	116	-7%	$254,000	31%	336	10%	$254,000	37%
Vernon Area	143	-8%	$279,000	23%	363	9%	$265,000	27%
Penticton	47	27%	$313,000	23%	119	25%	$288,400	19%
Salmon Arm	21	-19%	$297,000	38%	49	-14%	$289,900	46%
Cranbrook	30	-9%	$191,500	29%	69	-15%	$181,500	25%

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

Current month MLS data is preliminary.

CMHC – HOME TO CANADIANS

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