

YOUR LINK TO THE HOUSING MARKET

Canada Mortgage and Housing Corporation

New Construction Highlights

Condo Construction Boosts Kelowna Area Housing Starts

The Kelowna area new home market maintained a blistering pace in July. Housing starts, led by the condominium sector, broke the 300 unit mark for the second straight month. Housing starts increased to 332 units from 281 units in July 2005.

Apartment condo starts have surged ahead this year, builders responding to strong growth in demand. Construction began on seven projects totaling 452 units in June and July. Price and lifestyle are the key drivers. Kelowna's condo market has moved in new directions, attracting not only retirees, but first-time buyers and especially buyers seeking resort style housing. Multi-family housing has become more

widespread. Also, many new, larger neighbourhood developments are now designed to include a mix of **both** detached and higher density housing. Mixed residential - commercial developments and towers, rare just a few years ago, have become more common.

Though skyrocketing new home prices and slightly higher interest rates have begun to temper growth in demand for detached units, market fundamentals remain solid. Strong employment growth has spurred immigration, boosting demand for housing. Regional amenities remain a big draw, fueling population growth.

Elsewhere, the Kamloops and Vernon new home markets recorded another strong performance. Penticton starts were down from last July.

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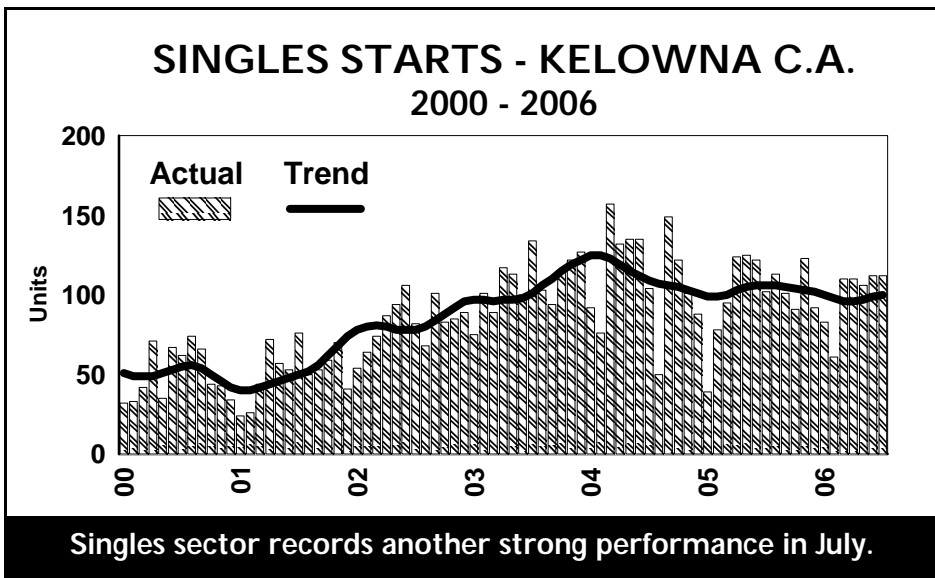
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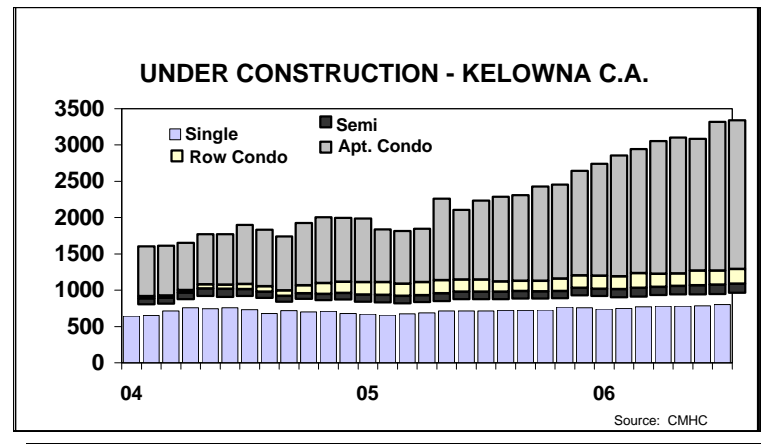
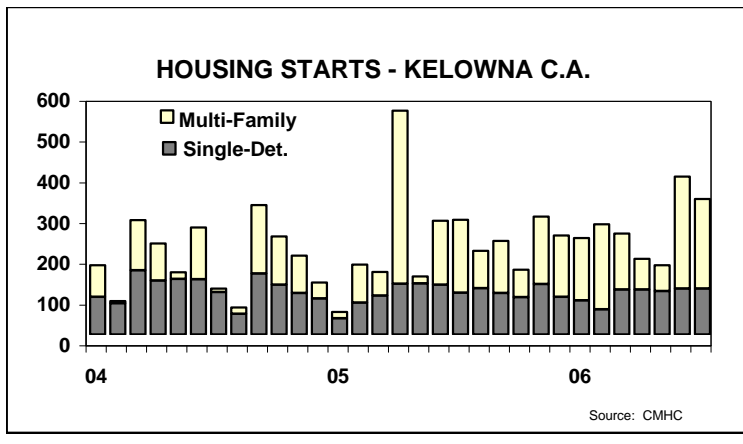
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KELOWNA C.A. STARTS/COMPLETIONS/UNDER CONSTRUCTION JULY 2006 & YEAR-TO-DATE 2006

	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	66	8	17	0	193	0	284	56	10	3	0	192	0	261	503	98	165	3	1,639	0	2,408
CORD Sub. J*	28	2	0	0	0	0	30	16	2	6	0	0	0	24	190	8	14	0	128	0	340
CORD Sub. I*	3	0	0	0	0	0	3	5	4	0	0	0	0	9	19	14	0	0	0	0	33
Lake Country	12	0	0	0	0	0	12	12	0	0	0	0	0	12	80	0	0	0	161	25	266
Peachland	3	0	0	0	0	0	3	5	0	0	0	0	0	5	12	6	23	0	121	0	162
MONTH TOTAL	112	10	17	0	193	0	332	94	16	9	0	192	0	311	804	126	202	3	2,049	25	3,209
YEAR-TO-DATE	694	94	127	3	909	0	1,827	621	72	106	1	401	137	1,338							

* 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.

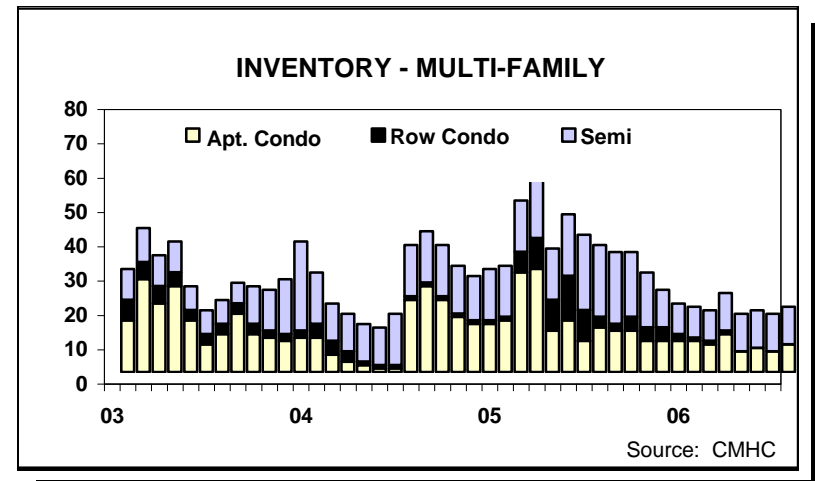
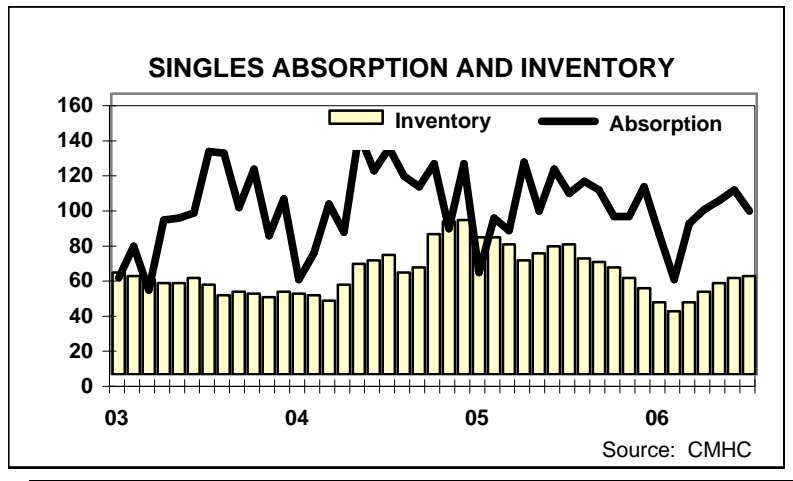


KELOWNA C.A. INVENTORY AND ABSORPTION JULY 2006 & YEAR-TO-DATE 2005 & 2006

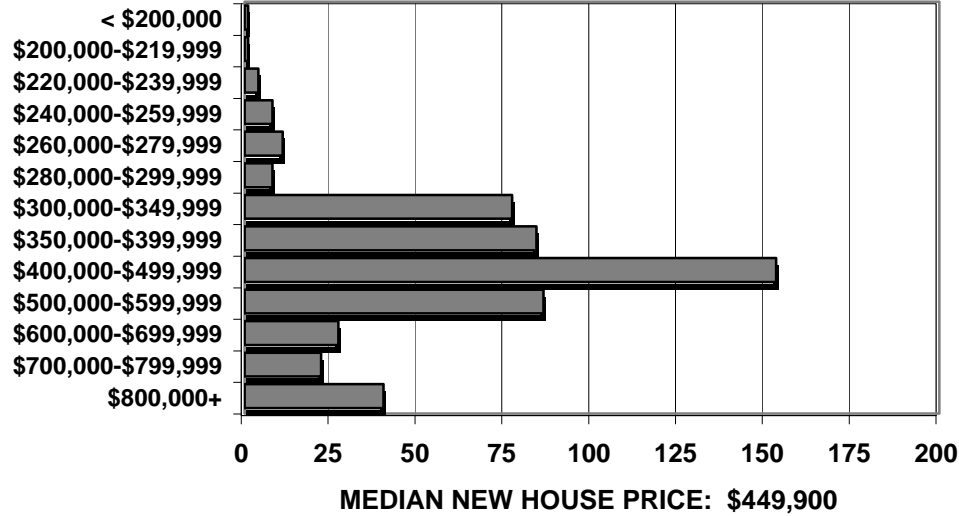
INVENTORY OF NEW HOMES							ABSORPTION OF NEW HOMES								
	Apt Condo	Apt Rental	Row Condo	Row Rental	Semi	Single	Total		Apt Condo	Apt Rental	Row Condo	Row Rental	Semi	Single	Grand Total
Kelowna City	7	4	0	0	7	40	58	Kelowna City	29	0	3	0	10	56	98
CORD Sub. J	0	0	0	0	1	11	12	CORD Sub. J	0	0	0	0	2	16	18
CORD Sub. I	0	0	0	0	3	0	3	CORD Sub. I	0	0	0	0	4	5	9
Lake Country	0	0	0	0	0	5	5	Lake Country	0	0	0	0	0	11	11
Peachland	1	0	0	0	0	0	1	Peachland	1	0	0	0	0	5	6
MONTH TOTAL	8	4	0	0	11	56	79	MONTH TOTAL	30	0	3	0	16	93	142
Y.T.D. Average 2006*	8	2	1	0	10	47	68	Y.T.D. Total 2006	262	55	33	1	70	611	1,032
Y.T.D. Average 2005*	18	0	7	0	18	73	116	Y.T.D. Total 2005	482	53	129	2	60	663	1,389

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



PRICES OF SINGLES ABSORBED AT COMPLETION
Kelowna C.A. January - July 2006



Sub Area	Singles Starts By Sub Area		Singles Absorption By Sub Area	
	Y.T.D. 2006	Y.T.D. 2005	Y.T.D. 2006	Y.T.D. 2005
Black Mountain	57	48	45	46
Dilworth Mountain	12	21	16	24
Ellison	13	15	14	41
Glenrosa	3	1	2	6
Glenmore	6	14	11	6
Core Area*	33	75	53	73
I.R.	n/a	10	n/a	25
Lake Country	87	68	74	30
Lakeview Heights	35	37	23	42
Lower Mission	14	28	16	36
North Glenmore	80	51	52	43
Peachland	12	14	16	11
Rutland North	25	31	18	13
Rutland South	0	0	0	2
S. E. Kelowna	15	20	12	24
Shannon Lake	39	41	40	22
Upper Mission	176	141	160	144
Westbank	17	5	9	15
West Kelowna	35	29	18	33
Other**	35	36	32	27
Total	694	685	611	663

* 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 JULY 2006

	OWNERSHIP				RENTAL				TOTAL
	FREEHOLD		CONDOMINIUM		PRIVATE		ASSISTED		
	Single	Semi	Row	Apt.	Row	Apt.	Row	Apt.	
Starts									
July 2006	112	10	17	193	0	0	0	0	332
YTD 2006	694	94	127	909	3	0	0	0	1,827
YTD 2005	685	70	92	699	1	43	0	40	1,630
Under Construction									
July 2006	804	126	202	2,049	3	0	0	25	3,209
July 2005	714	106	139	1,168	1	137	0	40	2,305
Completions									
July 2006	94	16	9	192	0	0	0	0	311
YTD 2006	621	72	106	401	1	137	0	0	1,338
YTD 2005	649	66	125	319	2	8	0	0	1,169
Inventory									
July 2006	56	11	0	8	0	4			79
July 2005	74	21	3	13	0	0			111
Total Supply									
July 2006	860	137	202	2,057	3	4	0	25	3,288
July 2005	788	127	142	1,181	1	137	0	40	2,416
Absorption									
July 2006	93	16	3	30	0	0			142
3 Mo. Ave.	99	11	3	18	1	15			147
12 Mo. Ave.	94	10	13	58	1	8			184

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
JULY 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	6	0	0	0	0	0	6	3	0	0	0	0	0	3	60	6	0	0	0	0	66
E. Kootenay C	3	0	0	0	0	0	3	5	0	0	0	0	0	5	54	0	0	0	0	0	54
Cranbrook CA	9	0	0	0	0	0	9	8	0	0	0	0	0	8	114	6	0	0	0	0	120
Y.T.D. 2006	80	6	0	0	0	0	86	86	0	0	0	0	27	113							
Kamloops C.	53	12	0	0	0	0	65	46	24	0	0	0	0	70	247	116	51	0	0	0	414
TNRD Sub. J*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6	0	0	0	0	0	6
TNRD Sub. P*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12	0	0	0	0	0	12
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	53	12	0	0	0	0	65	46	24	0	0	0	0	70	265	116	51	0	0	0	432
Y.T.D. 2006	278	90	32	0	0	0	400	217	66	12	43	0	0	338							
Penticton City	8	0	0	0	7	0	15	7	0	4	0	0	0	11	36	12	95	392	13	0	548
RDOS Sub. D*	0	0	0	0	0	0	0	1	0	0	0	0	0	1	26	0	0	0	0	0	26
RDOS Sub. E*	4	0	0	0	0	0	4	3	0	0	0	0	0	3	17	0	0	0	0	0	17
RDOS Sub. F*	1	0	0	0	0	0	1	0	0	0	0	0	0	0	3	0	0	0	0	0	3
Penticton CA	13	0	0	0	7	0	20	11	0	4	0	0	0	15	82	12	95	392	13	0	594
Y.T.D. 2006	65	12	43	179	7	0	306	67	6	23	83	0	0	179							
Salmon Arm	19	0	0	0	0	0	19	10	0	0	0	0	0	10	79	14	0	16	0	18	127
Y.T.D. 2006	96	10	0	0	0	0	106	71	8	3	0	0	0	82							
Summerland	5	0	0	0	0	0	5	3	0	0	0	0	0	3	34	6	10	0	0	0	50
Y.T.D. 2006	25	6	10	0	0	0	41	17	2	0	0	0	0	19							
Vernon City	35	0	16	0	0	0	51	16	0	0	0	0	0	16	192	24	39	0	0	15	270
Coldstream	2	0	0	0	0	0	2	5	0	0	0	0	0	5	54	4	0	0	0	0	58
NORD Sub. B*	1	0	0	0	0	0	1	1	0	0	0	0	0	1	6	0	0	0	0	0	6
NORD Sub. C*	3	0	0	0	0	0	3	4	0	0	0	0	0	4	19	4	0	0	0	0	23
Vernon CA	41	0	16	0	0	0	57	26	0	0	0	0	0	26	271	32	39	0	0	15	357
Y.T.D. 2006	218	10	27	0	0	0	255	159	12	17	0	3	0	191							

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

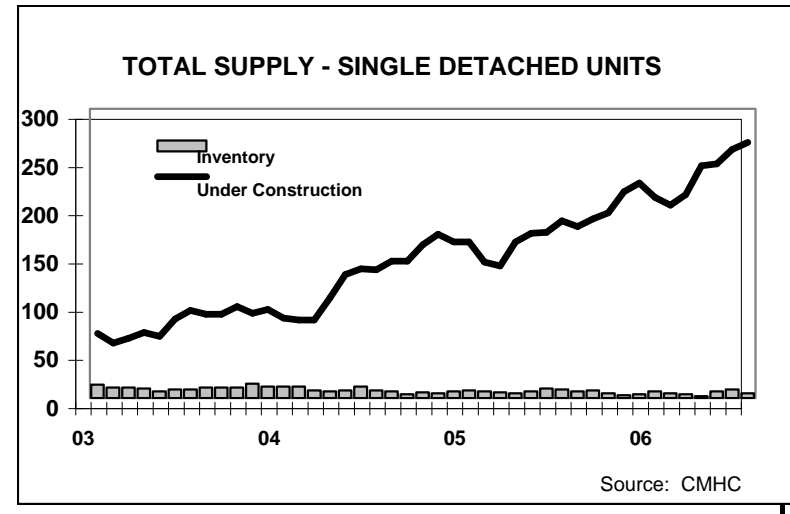
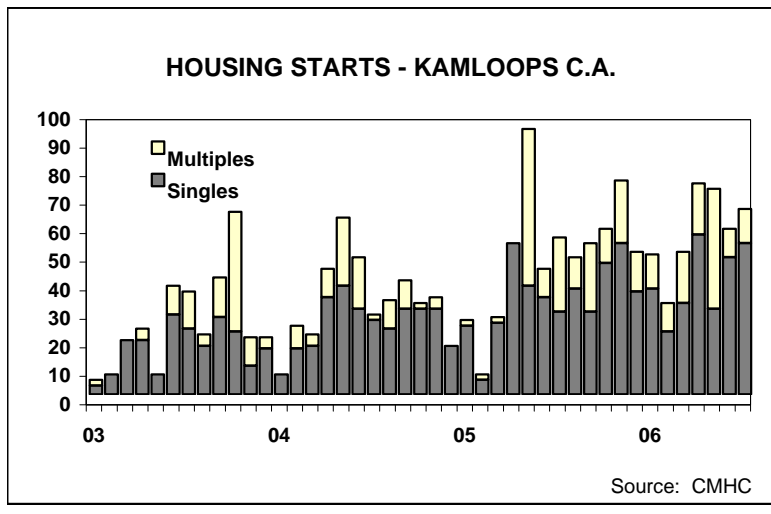
Inventory and Absorption by Municipality

JULY 2006 AND YEAR-TO-DATE 2005 & 2006

	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	5	0	0	0	4	5	14	Kamloops City	0	0	0	0	22	50	72
TNRD Sub. J	0	0	0	0	0	0	0	TNRD Sub. J	0	0	0	0	0	0	0
TNRD Sub. P	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	Logan Lake DM	0	0	0	0	0	0	0
MONTH TOTAL	5	0	0	0	4	5	14	MONTH TOTAL	0	0	0	0	22	50	72
Y.T.D. Average 2006*	6	0	0	0	2	6	14	Y.T.D. TOTAL 2006	10	0	8	0	64	216	298
Y.T.D. Average 2005*	8	0	1	0	5	7	21	Y.T.D. TOTAL 2005	22	0	12	0	42	184	260

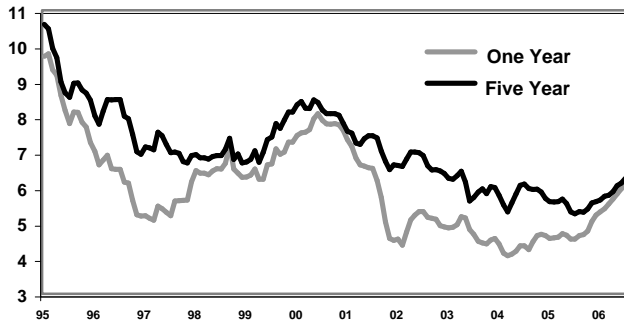
TNRD - Regional District of Thompson/Nicola. Absorption does not include assisted rental units. * Rounded.

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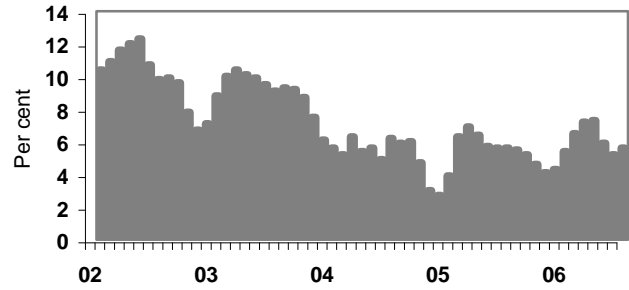


KEY ECONOMIC INDICATORS

MORTGAGE RATES

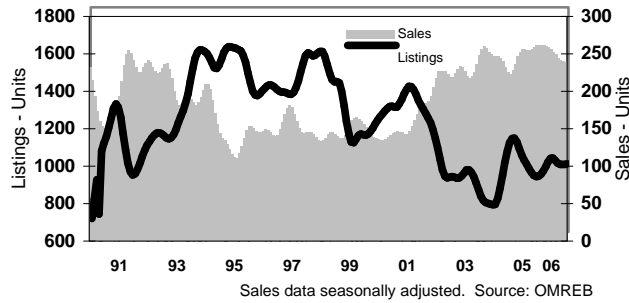


UNEMPLOYMENT RATE - KELOWNA

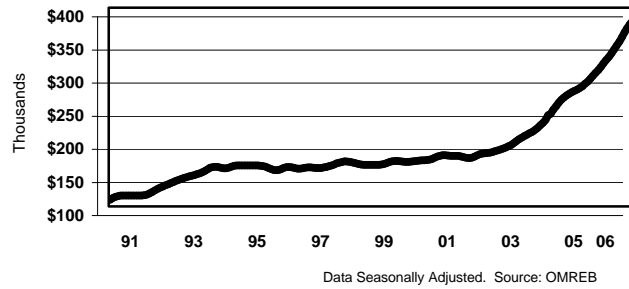


Source: Statistics Canada Labour Force Survey. * Jan.-Oct.

MLS SINGLES SALES AND LISTINGS KELOWNA



MEDIAN RESALE HOUSE PRICE (MLS) KELOWNA



SOUTHERN INTERIOR RESALE MARKETS

MLS SALES	JULY				YEAR-TO-DATE			
	Sales July 2006	Percent Change July 05	Median Price July 06	Percent Change July 05	Sales YTD 2006	Percent Change YTD 05	Median Price YTD 2006	Percent Change YTD 05
Single Detached								
Kelowna	284	-4%	\$387,500	24%	1,856	-4%	\$368,500	23%
Kamloops	94	-35%	\$285,000	20%	847	-3%	\$265,000	31%
Vernon Area	134	-10%	\$302,500	24%	976	-1%	\$289,950	24%
Penticton	36	24%	\$329,900	14%	282	13%	\$305,000	20%
Salmon Arm	23	-43%	\$279,500	15%	147	-28%	\$289,500	32%
Cranbrook	22	-4%	\$206,700	13%	211	-3%	\$195,000	31%

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Current month MLS data is preliminary.

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