HOUSING MARKET INFORMATION

HOUSING NOW

Kelowna

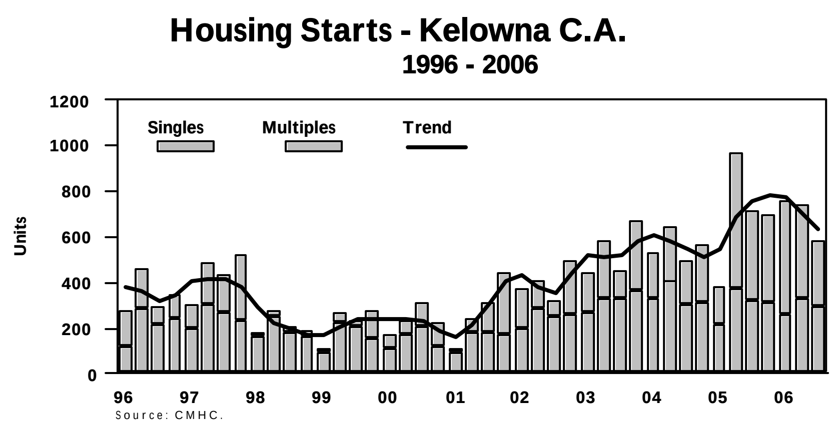
Canada Mortgage and Housing Corporation

Date Released: October 2006

New Home Market
Third Quarter Starts Down

The Kelowna area new home market saw third quarter housing starts drop back from the same period in 2005. Fewer condominium starts accounted for nearly all of the decline. Third quarter housing starts, though down from last year, have remained at high levels. Year-to-date, total housing starts have matched 2005's record high. Kelowna's multi-family sector typically sees big month to month swings in new construction activity. Capacity constraints, including shortages of skilled labour, have led to lengthy delays. Expect condo starts to rebound through year-end. Price and lifestyle remain the key drivers. With the price of both resale and new detached units up sharply, more first-time buyers are now turning to multi-family housing. Retirees remain a big source of demand. Resort and other types of lifestyle-oriented housing have become the fastest growing segment of the new condo market.

FIGURE 1



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New Homes con't.

Absorption has remained strong and inventories low, despite an increasingly competitive market. Pre-sales are holding up, almost 85% of condos under construction have already been sold. Balancing presale activity with rapidly escalating construction costs have emerged as ***the*** key challenge for developers of multi-family housing. Many builders have now introduced phased pricing schemes to offset construction delays and rising costs. Sales of new townhomes and semi-detached units have also remained strong, especially among first-time buyer oriented projects.

Singles starts have leveled out, edging down in response to skyrocketing prices. Strong demand for more upscale housing, sharply rising lot prices and other costs have continued to push up new home prices. The year-to-date median new home price has jumped 24% to $459,900 from $369,900 just one year ago. The focus of singles construction is shifting outward as municipalities extend infrastructure into new areas. Lake Country, North Glenmore, Kirschner Mountain and the Shannon Lake area have all seen new multi-phase subdivisions come on stream in the past 18-24 month period.

Though soaring new home prices have tempered growth in demand, market fundamentals remain solid. The Kelowna area economy continues to experience broad-based growth. Strong job growth has, in turn, spurred in-migration. Regional amenities also remain a big draw, fueling popuation growth and demand for housing.

Resale Market

Sales Activity Moderates

The Kelowna area resale market has slowed, sales declining from last year's third quarter levels. More homes are available for sale. Kelowna's resale market is moving towards a more balanced from a seller's market position.

The resale singles sector is facing stronger price competition from both the new singles and new and resale multi-family markets. With 50% of singles listings currently priced at more than $500,000, the new home market has attracted a bigger share of move-up buyers.

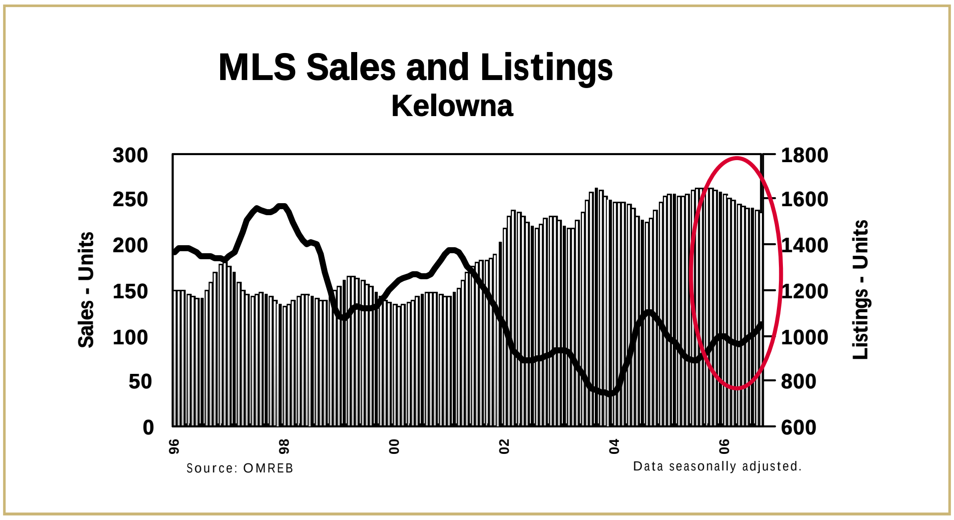
The supply of active singles listings has eased upward in response to moderating demand. Also, expectations of big price gains has drawn more sellers into the marketplace. Supply, though up from 2005 and the decade lows recorded in 2002 and 2003, remains well below levels seen in the mid and late 1990s.

The year-to-date average resale house price has jumped 24% over the same nine period in 2005, recording double-digit increases for the fourth straight year. Rising singles prices have extended across all sub-market locations. Prices have doubled in just five years. Increased supply and slightly reduced demand point to smaller price gains next year.

The resale townhouse and condo market remain strong performers despite fewer third quarter sales. Like the new home market, price and lifestyle are the key drivers. Last year's surge in third quarter condo sales and average sale price was due to the sale of a new, luxury, lake front project. The year-over-year decline in sales activity and average price seen this year, largely reflect the impact of this one project, rather than a significant shift in market conditions.

High levels of construction activity has kept the condo market well supplied with listings. Both resale condo and townhouse prices have continued to trend up sharply through 2006.

FIGURE 2



Kelowna CA
Number of Starts (Multiples)
September 2006

HOUSING NOW REPORT TABLES

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4.1	Average Price ($) of Absorbed Single-Detached Units

SYMBOLS

n/a	Not applicable
*	Totals may not add up due to co-operatives and unknown market types
**	Percent change > 200%
-	Nil or zero
--	Amount too small to be expressed
SA	Monthly figures are adjusted to remove normal seasonal variation

Table 1: Housing Activity Summary of Kelowna CA September 2006

	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single, Semi, and Row	Apt. & Other	
STARTS									
September 2006	84	0	0	5	44	0	5	0	138
September 2005	95	2	0	1	40	86	5	0	229
% Change	-11.6	-100.0	n/a	**	10.0	-100.0	0.0	n/a	-39.7
Year-to-date 2006	801	0	0	26	289	909	51	0	2,076
Year-to-date 2005	866	38	0	1	194	849	33	83	2,064
% Change	-7.5	-100.0	n/a	**	49.0	7.1	54.5	-100.0	0.6
UNDER CONSTRUCTION									
September 2006	699	0	0	24	318	1,926	36	25	3,028
September 2005	689	52	0	1	192	1,303	36	177	2,450
% Change	1.5	-100.0	n/a	**	65.6	47.8	0.0	-85.9	23.6
COMPLETIONS									
September 2006	121	2	0	4	46	0	4	0	177
September 2005	101	8	0	0	31	59	2	0	201
% Change	19.8	-75.0	n/a	n/a	48.4	-100.0	100.0	n/a	-11.9
Year-to-date 2006	756	12	0	44	242	524	53	137	1,768
Year-to-date 2005	815	78	7	0	175	425	41	8	1,549
% Change	-7.2	-84.6	-100.0	n/a	38.3	23.3	29.3	**	14.1
COMPLETED & NOT ABSORBED									
September 2006	56	8	0	1	6	32	1	4	108
September 2005	62	16	0	0	6	12	3	0	99
% Change	-9.7	-50.0	n/a	n/a	0.0	166.7	-66.7	n/a	9.1
ABSORBED									
September 2006	120	2	0	4	26	34	4	0	190
September 2005	103	10	0	0	32	151	2	0	298
% Change	16.5	-80.0	n/a	n/a	-18.8	-77.5	100.0	n/a	-36.2
Year-to-date 2006	744	13	0	45	138	318	52	55	1,365
Year-to-date 2005	839	76	0	0	174	684	41	53	1,867
% Change	-11.3	-82.9	n/a	n/a	-20.7	-53.5	26.8	3.8	-26.9

Source: CMHC (Starts and Completions Survey, Market Absorption Survey)

Table 1.1: Housing Activity Summary by Submarket
September 2006

	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single, Semi, and Row	Apt. & Other	
STARTS									
Kelowna City									
September 2006	49	0	0	2	24	0	1	0	76
September 2005	54	0	0	0	36	86	2	0	178
Lake Country D.M.									
September 2006	6	0	0	1	0	0	1	0	8
September 2005	12	0	0	0	0	0	0	0	12
Peachland D.M.									
September 2006	0	0	0	0	0	0	0	0	0
September 2005	1	0	0	0	0	0	0	0	1
Reg. Dist. Sub. J - Westside									
September 2006	26	0	0	2	18	0	2	0	48
September 2005	25	2	0	0	0	0	0	0	27
Reg. Dist. Sub. I - Eastside									
September 2006	3	0	0	0	2	0	1	0	6
September 2005	2	0	0	1	4	0	0	0	7
Kelowna CA									
September 2006	84	0	0	5	44	0	5	0	138
September 2005	95	2	0	1	40	86	5	0	229
UNDER CONSTRUCTION									
Kelowna City									
September 2006	424	0	0	12	256	1,579	27	0	2,298
September 2005	437	42	0	0	157	1,179	23	137	1,975
Lake Country D.M.									
September 2006	71	0	0	1	0	161	1	25	259
September 2005	72	0	0	0	3	0	3	0	78
Peachland D.M.									
September 2006	10	0	0	0	24	58	0	0	92
September 2005	17	2	0	0	7	82	0	0	108
Reg. Dist. Sub. J - Westside									
September 2006	176	0	0	8	24	128	7	0	343
September 2005	130	8	0	0	15	42	2	40	237
Reg. Dist. Sub. I - Eastside									
September 2006	18	0	0	3	14	0	1	0	36
September 2005	21	0	0	1	10	0	2	0	34
Kelowna CA									
September 2006	699	0	0	24	318	1,926	36	25	3,028
September 2005	689	52	0	1	192	1,303	36	177	2,450

Source: CMHC (Starts and Completions Survey, Market Absorption Survey)

Table 1.1: Housing Activity Summary by Submarket
September 2006

	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single, Semi, and Row	Apt. & Other	
COMPLETIONS									
Kelowna City									
September 2006	79	0	0	4	32	0	2	0	117
September 2005	58	6	0	0	26	59	2	0	151
Lake Country D.M.									
September 2006	15	0	0	0	0	0	2	0	17
September 2005	7	0	0	0	0	0	0	0	7
Peachland D.M.									
September 2006	0	0	0	0	0	0	0	0	0
September 2005	0	2	0	0	2	0	0	0	4
Reg. Dist. Sub. J - Westside									
September 2006	25	2	0	0	14	0	0	0	41
September 2005	32	0	0	0	3	0	0	0	35
Reg. Dist. Sub. I - Eastside									
September 2006	2	0	0	0	0	0	0	0	2
September 2005	0	0	0	0	0	0	0	0	0
Kelowna CA									
September 2006	121	2	0	4	46	0	4	0	177
September 2005	101	8	0	0	31	59	2	0	201
COMPLETED & NOT ABSORBED									
Kelowna City									
September 2006	35	4	0	1	2	32	0	4	78
September 2005	50	9	0	0	4	12	3	0	78
Lake Country D.M.									
September 2006	8	0	0	0	0	0	0	0	8
September 2005	0	0	0	0	0	0	0	0	0
Peachland D.M.									
September 2006	0	0	0	0	2	0	0	0	2
September 2005	0	2	0	0	0	0	0	0	2
Reg. Dist. Sub. J - Westside									
September 2006	13	1	0	0	2	0	1	0	17
September 2005	7	2	0	0	2	0	0	0	11
Reg. Dist. Sub. I - Eastside									
September 2006	0	3	0	0	0	0	0	0	3
September 2005	1	3	0	0	0	0	0	0	4
Kelowna CA									
September 2006	56	8	0	1	6	32	1	4	108
September 2005	62	16	0	0	6	12	3	0	99

Source: CMHC (Starts and Completions Survey, Market Absorption Survey)

Table 2: Starts by Submarket and by Dwelling Type
September 2006

Submarket	Single		Semi		Row		Apt. & Other		Total		
	Sept 2006	Sept 2005	Sept 2006	Sept 2005	Sept 2006	Sept 2005	Sept 2006	Sept 2005	Sept 2006	Sept 2005	% Change
Black Mountain	3	2	0	0	0	0	0	0	3	2	50.0
Dilworth Mountain	1	2	0	0	0	0	0	0	1	2	-50.0
Ellison/Joe Rich	4	3	2	4	0	0	0	0	6	7	-14.3
Glenrosa	0	0	0	0	0	0	0	0	0	0	n/a
Glenmore	1	3	0	0	0	0	0	0	1	3	-66.7
Kelowna Core Area	0	12	0	0	0	16	0	36	0	64	-100.0
Lake Country	8	12	0	0	0	0	0	0	8	12	-33.3
Lakeview Heights	7	3	0	0	18	0	0	0	25	3	**
Lower Mission	0	4	4	0	4	4	0	50	8	58	-86.2
North Glenmore	13	8	2	0	0	4	0	0	15	12	25.0
Peachland	0	1	0	0	0	0	0	0	0	1	-100.0
Rutland	5	5	8	0	4	12	0	0	17	17	0.0
Southeast Kelowna	1	1	0	0	0	0	0	0	1	1	0.0
Shannon Lake	6	3	0	0	0	0	0	0	6	3	100.0
Upper Mission	27	18	2	0	0	0	0	0	29	18	61.1
Westbank	3	4	0	0	0	0	0	0	3	4	-25.0
West Kelowna	7	4	0	2	0	0	0	0	7	6	16.7
Westside	7	11	0	0	0	0	0	0	7	11	-36.4
Kelowna CA	94	101	18	6	26	36	0	86	138	229	-39.7

Table 2.1: Starts by Submarket and by Dwelling Type
January - September 2006

Submarket	Single		Semi		Row		Apt. & Other		Total		
	YTD 2006	YTD 2005	YTD 2006	YTD 2005	YTD 2006	YTD 2005	YTD 2006	YTD 2005	YTD 2006	YTD 2005	% Change
Black Mountain	64	54	2	0	0	0	0	0	66	54	22.2
Dilworth Mountain	14	26	14	26	0	0	0	0	28	52	-46.2
Ellison/Joe Rich	20	22	16	12	0	0	0	0	36	34	5.9
Glenrosa	3	3	0	0	0	0	0	0	3	3	0.0
Glenmore	7	20	0	2	4	0	149	0	160	22	**
Kelowna Core Area	36	100	12	6	4	19	155	144	207	269	-23.0
Lake Country	112	102	0	0	0	3	129	0	241	105	129.5
Lakeview Heights	43	43	0	0	18	0	86	0	147	43	**
Lower Mission	18	35	4	6	51	7	72	344	145	392	-63.0
North Glenmore	105	68	20	16	20	8	231	182	376	274	37.2
Peachland	12	16	4	4	20	3	0	26	36	49	-26.5
Rutland	36	45	26	2	53	76	87	154	202	277	-27.1
Southeast Kelowna	20	27	10	0	0	0	0	0	30	27	11.1
Shannon Lake	54	49	0	4	0	0	0	42	54	95	-43.2
Upper Mission	224	186	10	0	0	12	0	0	234	198	18.2
Westbank	21	9	6	4	0	0	0	40	27	53	-49.1
West Kelowna	44	35	0	4	0	19	0	0	44	58	-24.1
Westside	37	32	0	0	0	0	0	0	37	32	15.6
Kelowna CA	873	899	124	86	170	147	909	932	2,076	2,064	0.6

Source: CMHC (Starts and Completions Survey)

Submarket	Single		Semi		Row		Apt. & Other		Total		
	Sept 2006	Sept 2005	Sept 2006	Sept 2005	Sept 2006	Sept 2005	Sept 2006	Sept 2005	Sept 2006	Sept 2005	% Change
Black Mountain	13	5	0	0	0	0	0	0	13	5	160.0
Dilworth Mountain	2	3	2	2	0	0	0	0	4	5	-20.0
Ellison/Joe Rich	2	0	0	0	0	0	0	0	2	0	n/a
Glenrosa	0	3	0	0	0	0	0	0	0	3	-100.0
Glenmore	3	1	0	0	4	0	0	0	7	1	**
Kelowna Core Area	0	10	0	0	0	8	0	59	0	77	-100.0
Lake Country	16	7	0	0	0	0	0	0	16	7	128.6
Lakeview Heights	10	5	0	0	0	0	0	0	10	5	100.0
Lower Mission	3	3	0	0	3	0	0	0	6	3	100.0
North Glenmore	24	8	0	0	0	0	0	0	24	8	200.0
Peachland	0	0	0	4	0	0	0	0	0	4	-100.0
Rutland	4	5	0	0	23	10	0	0	27	15	80.0
Southeast Kelowna	0	4	0	4	0	0	0	0	0	8	-100.0
Shannon Lake	4	6	0	0	14	0	0	0	18	6	200.0
Upper Mission	36	18	0	0	0	8	0	0	36	26	38.5
Westbank	6	1	0	0	0	0	0	0	6	1	**
West Kelowna	5	3	2	0	0	3	0	0	7	6	16.7
Westside	0	14	0	0	0	0	0	0	0	14	-100.0
Kelowna CA	129	103	4	10	44	29	0	59	177	201	-11.9

Table 3: Completions by Submarket and by Dwelling Type
September 2006

Submarket	Single		Semi		Row		Apt. & Other		Total		
	YTD 2006	YTD 2005	YTD 2006	YTD 2005	YTD 2006	YTD 2005	YTD 2006	YTD 2005	YTD 2006	YTD 2005	% Change
Black Mountain	68	61	0	2	0	0	0	0	68	63	7.9
Dilworth Mountain	23	33	26	20	0	0	0	0	49	53	-7.5
Ellison/Joe Rich	17	20	16	6	0	0	0	0	33	26	26.9
Glenrosa	2	9	0	4	0	0	0	0	2	13	-84.6
Glenmore	14	4	2	0	4	0	0	17	20	21	-4.8
Kelowna Core Area	57	103	6	2	3	36	291	158	357	299	19.4
Lake Country	110	51	0	2	3	12	0	0	113	65	73.8
Lakeview Heights	41	42	0	0	0	0	0	0	41	42	-2.4
Lower Mission	22	43	4	0	13	14	0	55	39	112	-65.2
North Glenmore	93	55	16	4	8	28	118	0	235	87	170.1
Peachland	18	12	4	8	3	0	76	0	101	20	**
Rutland	29	25	4	0	92	43	176	85	301	153	96.7
Southeast Kelowna	15	34	4	12	0	0	0	0	19	46	-58.7
Shannon Lake	51	28	0	18	14	0	0	0	65	46	41.3
Upper Mission	216	185	0	0	0	24	0	0	216	209	3.3
Westbank	15	17	2	10	0	0	0	0	17	27	-37.0
West Kelowna	32	38	8	0	21	17	0	0	61	55	10.9
Westside	21	32	0	0	0	0	0	0	21	32	-34.4
Kelowna CA	850	854	96	88	161	174	661	433	1,768	1,549	14.1

Table 3.1: Completions by Submarket and by Dwelling Type
January - September 2006

Source: CMHC (Starts and Completions Survey)

Table 4: Absorbed Single-Detached Units by Price Range September 2006													
Submarket	Price Ranges										Total	Median Price ($)	Average Price ($)
	< $300,000		$300,000 - $349,999		$350,000 - $399,999		$400,000 - $499,999		$500,000 +				
	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)			
Black Mountain													
September 2006	0	0.0	0	0.0	6	37.5	6	37.5	4	25.0	16	464,450	460,472
September 2005	2	40.0	2	40.0	0	0.0	1	20.0	0	0.0	5	--	--
Year-to-date 2006	2	3.2	13	20.6	20	31.7	18	28.6	10	15.9	63	399,900	427,528
Year-to-date 2005	19	30.2	21	33.3	19	30.2	4	6.3	0	0.0	63	339,000	339,677
Dilworth Mountain													
September 2006	0	0.0	0	0.0	0	0.0	0	0.0	3	100.0	3	--	--
September 2005	0	0.0	0	0.0	0	0.0	1	25.0	3	75.0	4	--	--
Year-to-date 2006	1	4.3	0	0.0	0	0.0	8	34.8	14	60.9	23	549,900	570,900
Year-to-date 2005	1	3.0	7	21.2	10	30.3	3	9.1	12	36.4	33	374,900	460,100
Ellison/Joe Rich													
September 2006	0	0.0	0	0.0	0	0.0	1	50.0	1	50.0	2	--	--
September 2005	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
Year-to-date 2006	2	11.8	0	0.0	3	17.6	8	47.1	4	23.5	17	454,800	468,020
Year-to-date 2005	6	28.6	8	38.1	3	14.3	2	9.5	2	9.5	21	349,900	361,305
Glenrosa													
September 2006	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
September 2005	0	0.0	0	0.0	0	0.0	0	0.0	2	100.0	2	--	--
Year-to-date 2006	0	0.0	0	0.0	1	50.0	0	0.0	1	50.0	2	--	--
Year-to-date 2005	3	33.3	2	22.2	1	11.1	1	11.1	2	22.2	9	--	--
Glenmore													
September 2006	0	0.0	0	0.0	0	0.0	2	100.0	0	0.0	2	--	--
September 2005	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	1	--	--
Year-to-date 2006	1	7.7	0	0.0	3	23.1	5	38.5	4	30.8	13	485,000	603,233
Year-to-date 2005	1	14.3	0	0.0	0	0.0	5	71.4	1	14.3	7	--	--
Kelowna Core Area													
September 2006	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
September 2005	2	20.0	4	40.0	2	20.0	2	20.0	0	0.0	10	349,900	356,467
Year-to-date 2006	21	35.6	13	22.0	12	20.3	9	15.3	4	6.8	59	369,900	482,369
Year-to-date 2005	47	47.0	41	41.0	5	5.0	4	4.0	3	3.0	100	329,900	355,010
Lake Country													
September 2006	3	20.0	3	20.0	1	6.7	6	40.0	2	13.3	15	459,900	650,546
September 2005	4	57.1	0	0.0	0	0.0	3	42.9	0	0.0	7	--	--
Year-to-date 2006	17	16.5	25	24.3	9	8.7	27	26.2	25	24.3	103	439,450	530,198
Year-to-date 2005	18	35.3	13	25.5	3	5.9	13	25.5	4	7.8	51	316,500	365,346
Lakeview Heights													
September 2006	0	0.0	0	0.0	0	0.0	1	11.1	8	88.9	9	--	--
September 2005	1	16.7	0	0.0	0	0.0	2	33.3	3	50.0	6	--	--
Year-to-date 2006	0	0.0	0	0.0	0	0.0	7	18.4	31	81.6	38	739,000	848,325
Year-to-date 2005	4	7.5	3	5.7	9	17.0	19	35.8	18	34.0	53	444,700	552,712
Lower Mission													
September 2006	1	33.3	0	0.0	0	0.0	0	0.0	2	66.7	3	--	--
September 2005	1	33.3	0	0.0	0	0.0	0	0.0	2	66.7	3	--	--
Year-to-date 2006	2	8.7	0	0.0	2	8.7	7	30.4	12	52.2	23	617,450	1,080,627
Year-to-date 2005	4	9.3	5	11.6	9	20.9	5	11.6	20	46.5	43	484,900	627,085

Source: CMHC (Market Absorption Survey)

Table 4: Absorbed Single-Detached Units by Price Range
September 2006

Submarket	Price Ranges										Total	Median Price ($)	Average Price ($)
	< $300,000		$300,000 - $349,999		$350,000 - $399,999		$400,000 - $499,999		$500,000 +				
	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)			
North Glenmore													
September 2006	6	24.0	0	0.0	1	4.0	6	24.0	12	48.0	25	512,400	506,183
September 2005	2	25.0	0	0.0	0	0.0	4	50.0	2	25.0	8	--	--
Year-to-date 2006	25	26.9	1	1.1	2	2.2	26	28.0	39	41.9	93	499,900	478,537
Year-to-date 2005	18	32.7	4	7.3	1	1.8	21	38.2	11	20.0	55	455,000	476,693
Peachland													
September 2006	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
September 2005	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
Year-to-date 2006	2	11.1	1	5.6	2	11.1	9	50.0	4	22.2	18	459,450	501,000
Year-to-date 2005	1	8.3	1	8.3	7	58.3	3	25.0	0	0.0	12	377,000	379,942
Rutland													
September 2006	1	25.0	0	0.0	0	0.0	2	50.0	1	25.0	4	--	--
September 2005	1	16.7	5	83.3	0	0.0	0	0.0	0	0.0	6	--	--
Year-to-date 2006	4	14.3	13	46.4	4	14.3	4	14.3	3	10.7	28	349,900	373,134
Year-to-date 2005	13	50.0	11	42.3	2	7.7	0	0.0	0	0.0	26	305,450	310,317
Southeast Kelowna													
September 2006	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
September 2005	0	0.0	0	0.0	1	25.0	1	25.0	2	50.0	4	--	--
Year-to-date 2006	0	0.0	0	0.0	0	0.0	0	0.0	16	100.0	16	599,950	647,300
Year-to-date 2005	0	0.0	0	0.0	3	8.6	15	42.9	17	48.6	35	499,900	518,370
Shannon Lake													
September 2006	0	0.0	0	0.0	1	25.0	2	50.0	1	25.0	4	--	--
September 2005	1	12.5	2	25.0	1	12.5	3	37.5	1	12.5	8	--	--
Year-to-date 2006	11	22.0	4	8.0	18	36.0	14	28.0	3	6.0	50	379,900	396,953
Year-to-date 2005	9	30.0	7	23.3	8	26.7	5	16.7	1	3.3	30	344,950	334,343
Upper Mission													
September 2006	0	0.0	0	0.0	3	9.4	14	43.8	15	46.9	32	489,900	525,636
September 2005	1	5.6	4	22.2	5	27.8	4	22.2	4	22.2	18	384,150	418,728
Year-to-date 2006	0	0.0	10	4.6	27	12.3	80	36.5	102	46.6	219	489,900	540,150
Year-to-date 2005	3	1.6	45	24.5	42	22.8	41	22.3	53	28.8	184	419,900	445,796
Westbank													
September 2006	2	33.3	0	0.0	0	0.0	2	33.3	2	33.3	6	--	--
September 2005	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
Year-to-date 2006	3	20.0	3	20.0	3	20.0	4	26.7	2	13.3	15	389,900	431,733
Year-to-date 2005	4	25.0	10	62.5	0	0.0	1	6.3	1	6.3	16	334,900	392,919
West Kelowna													
September 2006	0	0.0	0	0.0	0	0.0	5	83.3	1	16.7	6	--	--
September 2005	0	0.0	0	0.0	1	33.3	2	66.7	0	0.0	3	--	--
Year-to-date 2006	1	3.3	0	0.0	5	16.7	17	56.7	7	23.3	30	463,200	460,637
Year-to-date 2005	9	20.0	4	8.9	15	33.3	12	26.7	5	11.1	45	369,900	405,384
Westside													
September 2006	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
September 2005	10	76.9	0	0.0	1	7.7	1	7.7	1	7.7	13	259,900	305,146
Year-to-date 2006	6	30.0	4	20.0	6	30.0	1	5.0	3	15.0	20	354,900	371,850
Year-to-date 2005	25	80.6	2	6.5	1	3.2	2	6.5	1	3.2	31	259,900	277,997
Kelowna CA													
September 2006	13	10.2	3	2.3	12	9.4	47	36.7	53	41.4	128	489,000	574,978
September 2005	26	24.8	18	17.1	12	11.4	28	26.7	21	20.0	105	378,400	432,758
Year-to-date 2006	98	11.7	88	10.5	117	14.0	247	29.5	288	34.4	838	459,900	535,533
Year-to-date 2005	197	22.4	200	22.8	141	16.1	182	20.7	158	18.0	878	369,900	422,650

Source: CMHC (Market Absorption Survey)

Table 4.1: Average Price ($) of Absorbed Single-detached Units September 2006						
Submarket	Sept 2006	Sept 2005	% Change	YTD 2006	YTD 2005	% Change
Black Mountain	460,472	--	n/a	427,528	339,677	25.9
Dilworth Mountain	--	--	n/a	570,900	460,100	24.1
Ellison/Joe Rich	--	--	n/a	468,020	361,305	29.5
Glenrosa	--	--	n/a	--	--	n/a
Glenmore	--	--	n/a	603,233	--	n/a
Kelowna Core Area	--	--	n/a	482,369	355,010	35.9
Lake Country	650,546	--	n/a	530,198	365,346	45.1
Lakeview Heights	--	--	n/a	848,325	552,712	53.5
Lower Mission	--	--	n/a	1,080,627	627,085	72.3
North Glenmore	506,183	--	n/a	478,537	476,693	0.4
Peachland	--	--	n/a	501,000	379,942	31.9
Rutland	--	--	n/a	373,134	310,317	20.2
Southeast Kelowna	--	--	n/a	647,300	518,370	24.9
Shannon Lake	--	--	n/a	396,953	334,343	18.7
Upper Mission	525,636	418,728	25.5	540,150	445,796	21.2
Westbank	--	--	n/a	431,733	392,919	9.9
West Kelowna	--	--	n/a	460,637	405,384	13.6
Westside	--	305,146	n/a	371,850	277,997	33.8
Kelowna CA	574,978	432,758	32.9	535,533	422,650	26.7

Source: CMHC (Market Absorption Survey)

Table 5: MLS® Residential Activity for Kelowna September 2006													
		Single Detached				Townhouse				Apartment Condo			
		Number of Sales	Number of Active Listings	Sales-to-Active Listings Ratio	Average Price ($)	Number of Sales	Number of Active Listings	Sales-to-Active Listings Ratio	Average Price ($)	Number of Sales	Number of Active Listings	Sales-to-Active Listings Ratio	Average Price ($)
2005	January	174	850	20	314,023	20	115	17	220,635	45	300	15	214,626
	February	246	900	27	311,545	32	130	25	233,766	78	305	26	190,510
	March	300	940	32	321,536	35	150	23	203,469	80	310	26	199,994
	April	307	981	31	346,663	44	120	37	236,775	84	318	26	199,060
	May	295	961	31	365,932	51	114	45	226,686	83	300	28	188,373
	June	314	973	32	365,353	48	102	47	258,677	97	309	31	210,584
	July	295	1,030	29	355,173	31	103	30	262,459	82	287	29	203,676
	August	319	992	32	363,328	54	99	55	250,284	103	263	39	220,441
	September	266	907	29	370,235	33	82	40	214,815	198	227	87	454,368
	October												
	November												
	December												
2006	January	181	879	21	385,999	33	71	46	234,614	63	297	21	208,204
	February	248	903	27	397,826	35	78	45	266,919	72	301	24	218,775
	March	300	943	32	416,577	30	113	27	277,057	104	326	32	233,160
	April	269	980	27	425,053	41	104	39	241,460	80	324	25	237,063
	May	287	1,052	27	429,380	41	110	37	290,076	95	326	29	229,184
	June	285	1,097	26	452,552	37	120	31	264,677	85	334	25	239,556
	July	286	1,091	26	431,303	36	119	30	293,267	94	309	30	242,583
	August	265	1,110	24	472,579	32	124	26	286,744	104	315	33	250,496
	September	228	1,149	20	462,252	27	138	20	341,911	67	323	21	267,496
	October												
	November												
	December												
	YTD 2005	2,516	948	29	348,171	348	113	35	236,065	850	291	34	261,967
	YTD 2006	2,349	1,023	26	431,685	312	109	33	275,472	764	317	27	236,903
	% Change	-7	8	-10	24	-10	-4	-6	17	-10	9	-21	-10

MLS® is a registered trademark of the Canadian Real Estate Association (CREA).
Note: Based on boundaries of the OMREB. Townhouse and apartment data does not include Big White.

Source: Okanagan Mainline Real Estate Board (OMREB)

Source: Victoria Real Estate Board (VREB)

Table 6: Economic Indicators
September 2006

		Interest Rates			NHPI Total % chg Kelowna CMA 1997=100	CPI	Kelowna Labour Market			Average Weekly Earnings ($)
		P & I Per $100,000	Mortage Rates (%)				Employment SA (,000)	Unemployment Rate (%) SA	Participation Rate (%) SA	
			1 Yr. Term	5 Yr. Term						
2005	January	643	4.8	6.1	1.0	1.2	2,102	6.5	65.8	702
	February	643	4.8	6.1	1.0	1.2	2,103	7.0	66.1	703
	March	655	5.1	6.3	1.0	1.2	2,105	6.5	65.6	704
	April	643	4.9	6.1	1.1	1.2	2,117	6.1	65.7	701
	May	637	4.9	6.0	1.1	1.3	2,131	5.9	65.8	699
	June	622	4.8	5.7	1.1	1.3	2,124	5.8	65.5	700
	July	628	4.9	5.8	1.1	1.3	2,129	6.1	65.7	700
	August	628	5.0	5.8	1.1	1.3	2,137	5.7	65.6	701
	September	628	5.0	5.8	1.1	1.3	2,132	5.6	65.3	704
	October	640	5.3	6.0	1.1	1.3	2,149	5.1	65.3	706
	November	649	5.6	6.2	1.1	1.3	2,169	4.9	65.7	711
	December	658	5.8	6.3	1.1	1.3	2,167	5.1	65.6	710
2006	January	658	5.8	6.3	1.1	1.3	2,167	5.1	65.6	715
	February	667	5.9	6.5	1.1	1.3	2,176	4.8	65.5	715
	March	667	6.1	6.5	1.1	1.3	2,189	4.4	65.6	718
	April	685	6.3	6.8	1.1	1.3	2,193	4.5	65.6	719
	May	685	6.3	6.8	1.1	1.3	2,194	4.7	65.7	720
	June	697	6.6	7.0	1.1	1.3	2,192	4.3	65.2	722
	July	697	6.6	7.0	1.1	1.3	2,196	4.7	65.6	722
	August	691	6.4	6.9	1.2	1.3	2,193	4.8	65.5	724
	September	682	6.4	6.7		1.3	2,201	4.8	65.6	726
	October	688	6.4	6.8						
	November									
	December									

"P & I" means Principal and Interest (assumes $100,000 mortgage amortized over 25 years using current 5 year interest rate)
"NHPI" means New Housing Price Index
"CPI" means Consumer Price Index
"SA" means Seasonally Adjusted

Source: CMHC, adapted from Statistics Canada (CANSIM), CREA (MLS®), Statistics Canada (CANSIM)

METHODOLOGY

Starts & Completions Survey Methodology

The Starts and Completions Survey is conducted by way of site visits which are used to confirm that new units have reached set stages in the construction process. Since most municipalities in the country issue building permits, these are used as an indication of where construction is likely to take place. In areas where there are no permits, reliance has to be placed either on local sources or searching procedures.

The Starts and Completions Survey is carried out monthly in urban areas with population in excess of 50,000, as defined by the 2001 Census. In urban areas with populations of 10,000 to 49,999, all Starts are enumerated in the last month of the quarter (i.e. four times a year, in March, June, September and December). In these centres with quarterly enumeration, Completion activity is modelled based on historical patterns. Monthly Starts and Completions activity in these quarterly locations are statistically estimated at a provincial level for single and multi categories. Centres with populations below 10,000 are enumerated on a sample basis, also in the last month of each quarter (i.e. four times a year, in March, June, September and December).

The Starts and Completions Survey enumerates dwelling units in new structures only, designed for non-transient and year-round occupancy.

Mobile homes are included in the surveys. A mobile home is a type of manufactured house that is completely assembled in a factory and then moved to a foundation before it is occupied.

Trailers or any other movable dwelling (the larger often referred to as a mobile home) with no permanent foundation are excluded from the survey.

Conversions and/or alterations within an existing structure are excluded from the surveys as are seasonal dwellings, such as: summer cottages, hunting and ski cabins, trailers and boat houses; and hostel accommodations, such as: hospitals, nursing homes, penal institutions, convents, monasteries, military and industrial camps, and collective types of accommodation such as: hotels, clubs, and lodging homes.

Market Absorption Survey Methodology

The Market Absorption Survey is carried out in conjunction with the Starts and Completions Survey in urban areas with populations in excess of 50,000. When a structure is recorded as completed, an update is also made as units are sold or rented. The dwellings are then enumerated each month until such time as full absorption occurs.

STARTS AND COMPLETIONS SURVEY AND MARKET ABSORPTION SURVEY DEFINITIONS

A "**dwelling unit**", for purposes of the Starts and Completions Survey, is defined as a structurally separate set of self-contained living premises with a private entrance from outside the building or from a common hall, lobby, or stairway inside the building. Such an entrance must be one that can be used without passing through another separate dwelling unit.

A "**start**", for purposes of the Starts and Completions Survey, is defined as the beginning of construction work on a building, usually when the concrete has been poured for the whole of the footing around the structure, or an equivalent stage where a basement will not be part of the structure.

The number of units "**under construction**" as at the end of the period shown, takes into account certain adjustments which are necessary for various reasons. For example, after a start on a dwelling has commenced construction may cease, or a structure, when completed, may contain more or fewer dwelling units than were reported at start.

A "**completion**", for purposes of the Starts and Completions Survey, is defined as the stage at which all the proposed construction work on a dwelling unit has been performed, although under some circumstances a dwelling may be counted as completed where up to 10 per cent of the proposed work remains to be done.

The term "**absorbed**" means that a housing unit is no longer on the market (i.e. has been sold or rented). This usually happens when a binding contract is secured by a non-refundable deposit and has been signed by a qualified purchaser. The purpose of the Market Absorption Survey is to measure the rate at which units are sold or rented after they are completed, as well as collect sale prices.

DWELLING TYPES:

A "**Single-Detached**" dwelling (also referred to as "**Single**") is a building containing only one dwelling unit, which is completely separated on all sides from any other dwelling or structure. Includes link homes, where two units may share a common basement wall but are separated above grade. Also includes cluster-single developments.

A "**Semi-Detached (Double)**" dwelling (also referred to as "**Semi**") is one of two dwellings located side-by-side in a building, adjoining no other structure and separated by a common or party wall extending from ground to roof.

A "**Row (Townhouse)**" dwelling is a one family dwelling unit in a row of three or more attached dwellings separated by a common or party wall extending from ground to roof.

The term "**Apartment and other**" includes all dwellings other than those described above, including structures commonly known as stacked townhouses, duplexes, triplexes, double duplexes and row duplexes.

INTENDED MARKET:

The "**intended market**" is the tenure in which the unit is being marketed. This includes the following categories:

Freehold: A residence where the owner owns the dwelling and lot outright.

Condominium (including Strata-Titled): An individual dwelling which is privately owned, but where the building and/or the land are collectively owned by all dwelling unit owners. A condominium is a form of ownership rather than a type of house.

Rental: Dwelling constructed for rental purposes regardless of who finances the structure.

GEOGRAPHICAL TERMS:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree on integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

A "**Rural**" area, for the purposes of this publication, is a centre with a population less than 10,000.

All data presented in this publication is based on Statistics Canada's 2001 Census area definitions.

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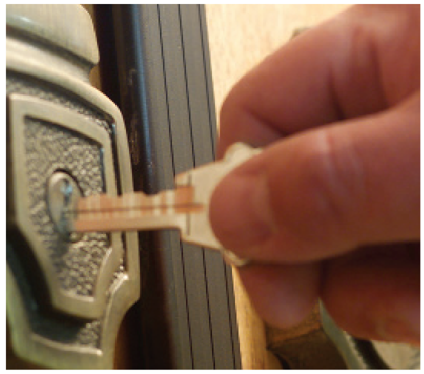


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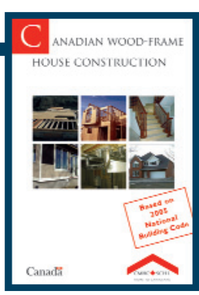

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