HOUSING MARKET INFORMATION

HOUSING NOW

Kelowna CMA

Canada Mortgage and Housing Corporation

Date Released: July 2008

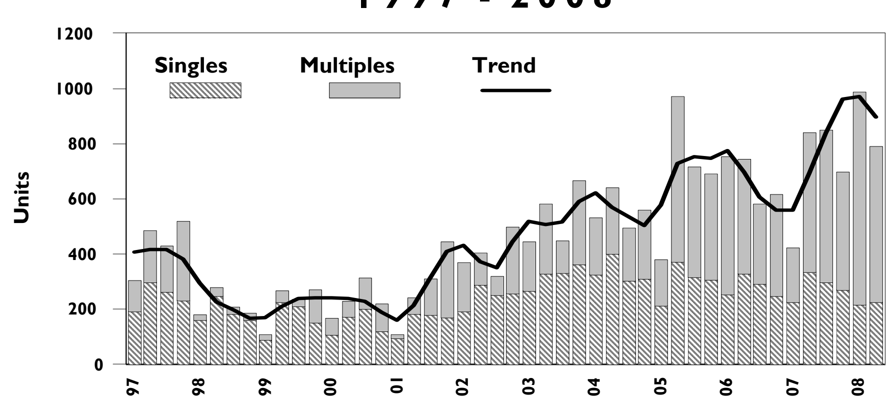
Starts of Detached Housing Declines in Second Quarter

The Kelowna area saw second quarter housing starts edge down from the same three month period in 2007. Fewer starts of detached housing more than offset an increase in multi-family construction. Despite this year's second quarter decline, housing starts, led by the multi-family sector, reached the highest January-June level ever.

This year's first quarter surge in condominium construction carried over into the second quarter. Construction began on eight projects totaling 422 units, including Kelowna's second high rise building this year. Lower price relative to the cost of detached housing and lifestyle are the key drivers. With few detached units available for less than $400,000, more first-time buyers have turned to higher density housing. Resort housing and second residences have become the fastest growing segments of Kelowna's condominium market. Retirees

Figure 1

Housing Starts - Kelowna CMA 1997 - 2008



Source: CMHC.

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remain a big source of condominium demand.

Both absorptions and pre sales have begun to moderate. Demand is weakening as consumer confidence declines in the wake of slower economic and employment growth. Rising costs together with strong competition from an increasingly well supplied resale market and growing number of resort developments elsewhere in BC, have taken a bite out of new condominium sales. With the Canadian and US dollar hovering at par, BC resorts are also facing stronger competition from US resort markets. Alberta buyers may be less active in 2008.

Although an estimated 80 per cent of condominium units currently under construction have been sold, many of the sales occurred in 2007 when this segment of Kelowna's housing market was experiencing stronger growth in demand. The inventory of complete and unoccupied condominium units, while low, has begun to edge up. Expect the pace of condominium construction to slow in the second half of 2008.

Second quarter starts of detached units dropped back sharply in response to reduced demand, rising costs and increased competition from existing homes. The singles sector typically reacts more quickly to changing market conditions than the multi-family sector. Absorption has slowed. The inventory of complete and unoccupied units is on the rise, trending up since March. Rising land and other costs and longer build times have continued to push up new home prices. Buyers with equity from previous homes account for the lion's share of new singles sales.

Second Quarter Existing Home Sales Decline

Sales of existing homes have continued to trend down in 2008, second quarter residential sales declining almost 40 per cent from last year. With demand cooling off, the time required to sell a home has edged up. Similarly, the sale price to list price ratio has moved downward, reflecting an increasingly competitive market.

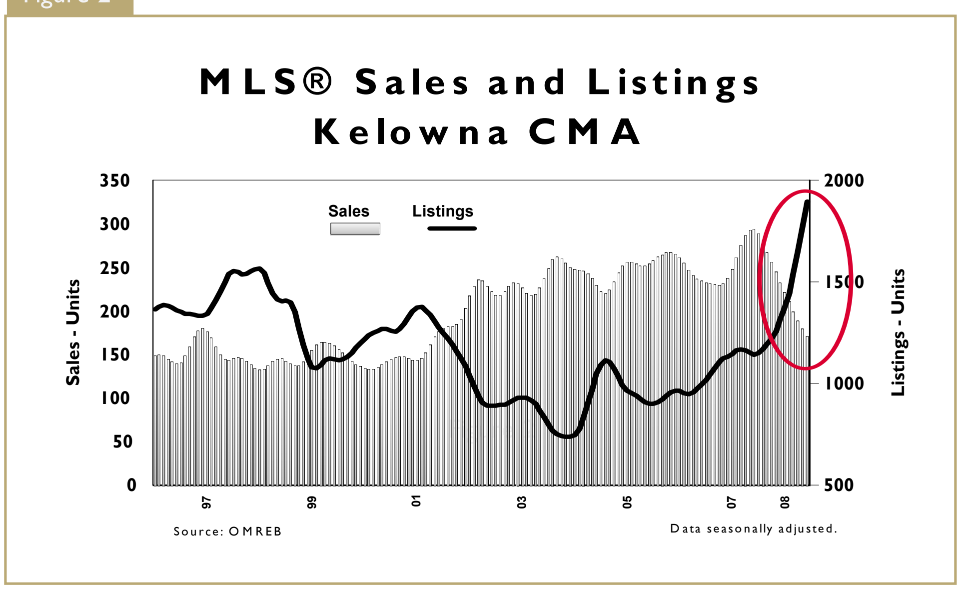
Detached housing and townhouses recorded the biggest drop in sales. Apartment condominium sales, though down, have posted a smaller decline. As in the new home sector, higher density housing has now become more widely accepted among younger Kelowna area buyers, representing a significant shift in buyer attitudes. Price relative to the cost of detached housing is the motivating factor. Retirees, move-down buyers and others seeking resort housing or second residences are key sources of condominium demand. In addition, sustained low vacancy rates, rising rents and the low cost of financing have led to more interest from investors. First-time buyer demand for detached units has dropped off in the face soaring prices.

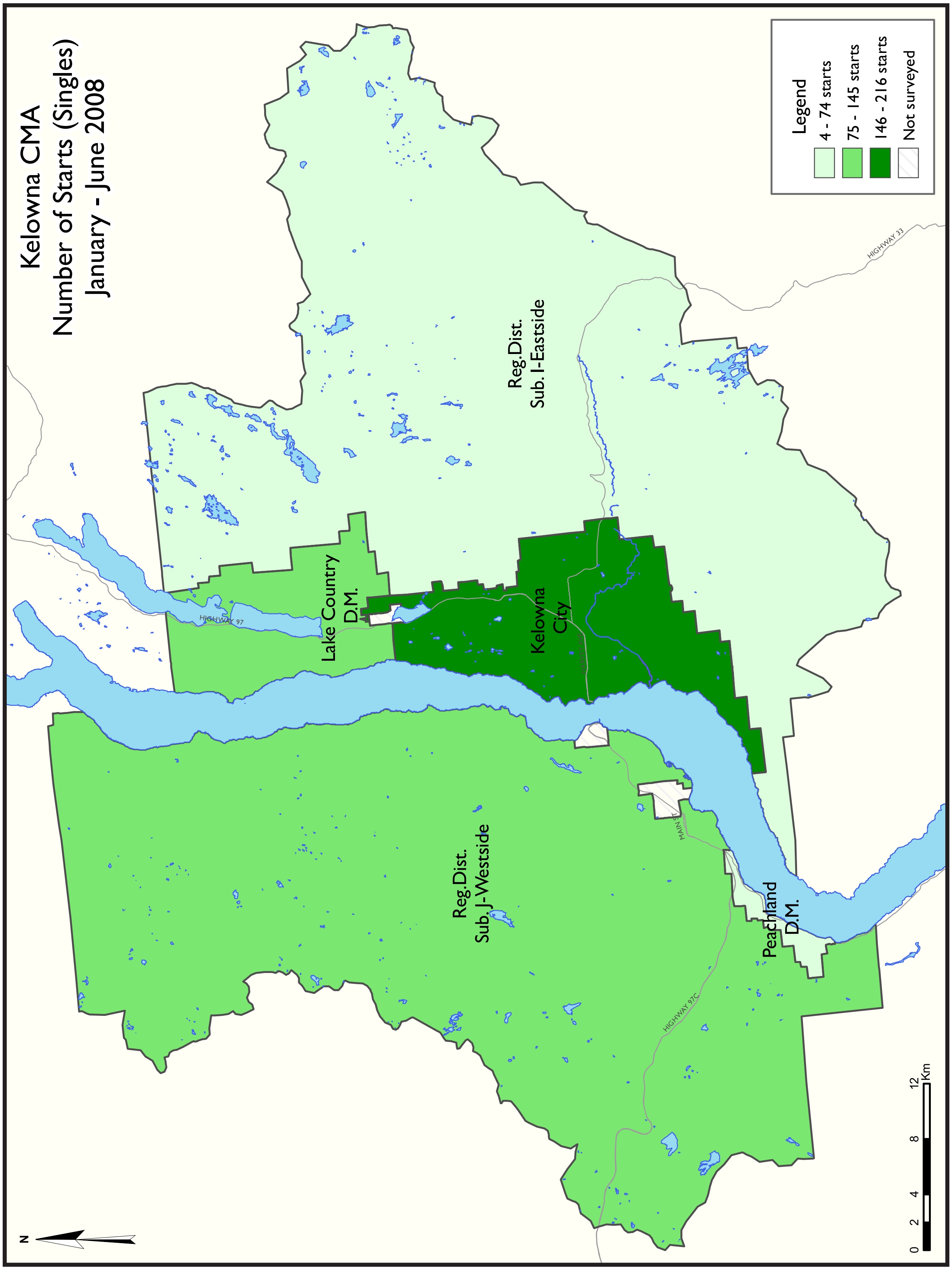
The supply of active single-detached, apartment and townhouse condominium listings has increased to the highest levels ever. Sliding consumer confidence coupled with slower price growth have motivated many prospective sellers to list their properties now, pushing up the supply of listings. Also, high levels of construction activity have contributed to increased supply.

While Kelowna has continued to experience upward pressure on prices in 2008, the pace of price growth is slowing quickly as the market adjusts to rising supply and reduced demand. Prices, though continuing to show double-digit year-over-year increases, have begun to flatten out in recent months.

Fewer sales, rising supply and slower growth in prices indicate Kelowna's resale market has moved to a balanced from a seller's market position.

Figure 2




Kelowna CMA
Number of Starts (Singles)
January - June 2008
Legend
4 - 74 starts
75 - 145 starts
146 - 216 starts
Not surveyed
Reg.Dist.
Sub.I-Eastside
Lake Country
D.M.
Kelowna
City
Reg.Dist.
Sub.J-Westside
Peachland
D.M.
HIGHWAY 97
HIGHWAY 33
HIGHWAY 97C
N
0
2
4
8
12
Km

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SYMBOLS

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

Table 1: Housing Activity Summary of Kelowna CMA
June 2008

	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single, Semi, and Row	Apt. & Other	
STARTS									
June 2008	64	0	0	2	14	60	3	0	143
June 2007	110	0	0	3	57	72	4	0	246
% Change	-41.8	n/a	n/a	-33.3	-75.4	-16.7	-25.0	n/a	-41.9
Year-to-date 2008	406	0	0	14	235	1,049	22	48	1,774
Year-to-date 2007	519	0	0	18	184	515	25	0	1,261
% Change	-21.8	n/a	n/a	-22.2	27.7	103.7	-12.0	n/a	40.7
UNDER CONSTRUCTION									
June 2008	825	0	0	32	490	2,720	35	78	4,180
June 2007	813	0	0	31	483	2,143	39	0	3,509
% Change	1.5	n/a	n/a	3.2	1.4	26.9	-10.3	n/a	19.1
COMPLETIONS									
June 2008	45	0	0	2	50	283	3	0	383
June 2007	94	0	0	3	10	9	9	0	125
% Change	-52.1	n/a	n/a	-33.3	**	**	-66.7	n/a	**
Year-to-date 2008	411	0	0	21	182	834	19	0	1,467
Year-to-date 2007	431	0	0	11	102	231	35	25	835
% Change	-4.6	n/a	n/a	90.9	78.4	**	-45.7	-100.0	75.7
COMPLETED & NOT ABSORBED									
June 2008	80	1	0	2	30	17	0	0	130
June 2007	44	3	0	3	13	28	0	0	91
% Change	81.8	-66.7	n/a	-33.3	130.8	-39.3	n/a	n/a	42.9
ABSORBED									
June 2008	40	0	0	2	40	0	3	0	85
June 2007	105	0	0	2	10	8	9	0	134
% Change	-61.9	n/a	n/a	0.0	**	-100.0	-66.7	n/a	-36.6
Year-to-date 2008	398	2	0	21	162	543	19	0	1,145
Year-to-date 2007	452	5	0	9	101	70	35	1	673
% Change	-11.9	-60.0	n/a	133.3	60.4	**	-45.7	-100.0	70.1

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

Table 1.1: Housing Activity Summary by Submarket June 2008									
	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									
June 2008	31	0	0	1	2	60	3	0	97
June 2007	46	0	0	0	41	0	2	0	89
Lake Country D.M.									
June 2008	14	0	0	0	12	0	0	0	26
June 2007	20	0	0	0	0	72	0	0	92
Peachland D.M.									
June 2008	4	0	0	0	0	0	0	0	4
June 2007	2	0	0	0	14	0	0	0	16
Reg. Dist. Sub. J - Westside									
June 2008	15	0	0	1	0	0	0	0	16
June 2007	39	0	0	3	0	0	2	0	44
Reg. Dist. Sub. I - Eastside									
June 2008	0	0	0	0	0	0	0	0	0
June 2007	3	0	0	0	2	0	0	0	5
Kelowna CMA									
June 2008	64	0	0	2	14	60	3	0	143
June 2007	110	0	0	3	57	72	4	0	246
UNDER CONSTRUCTION									
Kelowna City									
June 2008	414	0	0	10	343	1,930	30	78	2,805
June 2007	411	0	0	12	296	1,552	29	0	2,300
Lake Country D.M.									
June 2008	119	0	0	3	39	174	0	0	335
June 2007	105	0	0	6	38	304	0	0	453
Peachland D.M.									
June 2008	24	0	0	0	26	7	0	0	57
June 2007	16	0	0	0	70	39	0	0	125
Reg. Dist. Sub. J - Westside									
June 2008	249	0	0	19	66	609	4	0	947
June 2007	272	0	0	11	57	248	9	0	597
Reg. Dist. Sub. I - Eastside									
June 2008	19	0	0	0	16	0	1	0	36
June 2007	9	0	0	2	22	0	1	0	34
Kelowna CMA									
June 2008	825	0	0	32	490	2,720	35	78	4,180
June 2007	813	0	0	31	483	2,143	39	0	3,509

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

Table 1.1: Housing Activity Summary by Submarket June 2008									
	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									
June 2008	26	0	0	1	10	283	3	0	323
June 2007	54	0	0	0	8	9	6	0	77
Lake Country D.M.									
June 2008	8	0	0	0	38	0	0	0	46
June 2007	4	0	0	0	0	0	1	0	5
Peachland D.M.									
June 2008	2	0	0	0	0	0	0	0	2
June 2007	0	0	0	0	0	0	0	0	0
Reg. Dist. Sub. J - Westside									
June 2008	9	0	0	1	0	0	0	0	10
June 2007	35	0	0	2	2	0	2	0	41
Reg. Dist. Sub. I - Eastside									
June 2008	0	0	0	0	2	0	0	0	2
June 2007	1	0	0	1	0	0	0	0	2
Kelowna CMA									
June 2008	45	0	0	2	50	283	3	0	383
June 2007	94	0	0	3	10	9	9	0	125
COMPLETED & NOT ABSORBED									
Kelowna City									
June 2008	49	1	0	1	9	8	0	0	68
June 2007	31	1	0	1	12	26	0	0	71
Lake Country D.M.									
June 2008	6	0	0	0	11	9	0	0	26
June 2007	3	0	0	0	0	0	0	0	3
Peachland D.M.									
June 2008	1	0	0	0	5	0	0	0	6
June 2007	0	0	0	0	1	0	0	0	1
Reg. Dist. Sub. J - Westside									
June 2008	24	0	0	1	3	0	0	0	28
June 2007	10	0	0	1	0	2	0	0	13
Reg. Dist. Sub. I - Eastside									
June 2008	0	0	0	0	2	0	0	0	2
June 2007	0	2	0	1	0	0	0	0	3
Kelowna CMA									
June 2008	80	1	0	2	30	17	0	0	130
June 2007	44	3	0	3	13	28	0	0	91

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

Table 1.2: History of Housing Starts of Kelowna CMA 1998 - 2007									
	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single, Semi, and Row	Apt. & Other	
2007	1,043	0	0	42	333	1,312	45	30	2,805
% Change	1.7	n/a	n/a	27.3	-23.1	15.9	-33.8	n/a	4.2
2006	1,026	0	0	33	433	1,132	68	0	2,692
% Change	-10.5	-100.0	n/a	**	63.4	0.7	15.3	-100.0	-2.3
2005	1,147	44	0	8	265	1,124	59	108	2,755
% Change	-10.3	-66.7	-100.0	n/a	61.6	143.8	-25.3	5.9	23.9
2004	1,279	132	7	0	164	461	79	102	2,224
% Change	1.1	40.4	0.0	n/a	**	-30.6	163.3	88.9	4.1
2003	1,265	94	7	0	23	664	30	54	2,137
% Change	32.9	9.3	**	n/a	-60.3	78.5	-50.0	-10.0	34.3
2002	952	86	2	0	58	372	60	60	1,591
% Change	54.0	65.4	-90.5	n/a	n/a	100.0	-24.1	-59.2	44.2
2001	618	52	21	0	0	186	79	147	1,103
% Change	3.3	-27.8	n/a	n/a	-100.0	**	71.7	28.9	18.9
2000	598	72	0	0	14	40	46	114	928
% Change	-11.1	80.0	-100.0	n/a	-65.0	81.8	100.0	54.1	5.5
1999	673	40	6	0	40	22	23	74	880
% Change	-10.3	-55.6	n/a	-100.0	**	n/a	**	n/a	3.4
1998	750	90	0	1	9	0	1	0	851

Source: CMHC (Starts and Completions Survey)

Table 2: Starts by Submarket and by Dwelling Type
June 2008

Submarket	Single		Semi		Row		Apt. & Other		Total		
	June 2008	June 2007	June 2008	June 2007	June 2008	June 2007	June 2008	June 2007	June 2008	June 2007	% Change
Black Mountain	8	8	0	0	0	0	0	0	8	8	0.0
Dilworth Mountain	0	1	0	0	0	0	0	0	0	1	-100.0
Ellison/Joe Rich	0	3	0	2	0	0	0	0	0	5	-100.0
Glenrosa	0	0	0	0	0	0	0	0	0	0	n/a
Glenmore	0	0	2	0	0	5	0	0	2	5	-60.0
Kelowna Core Area	2	1	0	0	0	0	0	0	2	1	100.0
Lake Country	10	20	0	0	0	0	0	72	10	92	-89.1
Lakeview Heights	2	4	0	0	0	0	0	0	2	4	-50.0
Lower Mission	4	4	0	0	0	32	60	0	64	36	77.8
North Glenmore	1	11	0	0	0	0	0	0	1	11	-90.9
Peachland	4	2	0	0	0	14	0	0	4	16	-75.0
Rutland	7	2	0	4	0	0	0	0	7	6	16.7
Southeast Kelowna	2	3	0	0	0	0	0	0	2	3	-33.3
Shannon Lake	2	17	0	0	0	0	0	0	2	17	-88.2
Upper Mission	11	17	0	0	0	0	0	0	11	17	-35.3
Westbank	1	14	0	0	0	0	0	0	1	14	-92.9
West Kelowna	6	9	0	0	0	0	0	0	6	9	-33.3
Westside	5	0	0	0	0	0	0	0	5	0	n/a
Kelowna CMA	69	117	2	6	12	51	60	72	143	246	-41.9

Table 2.1: Starts by Submarket and by Dwelling Type
January - June 2008

Submarket	Single		Semi		Row		Apt. & Other		Total		
	YTD 2008	YTD 2007	YTD 2008	YTD 2007	YTD 2008	YTD 2007	YTD 2008	YTD 2007	YTD 2008	YTD 2007	% Change
Black Mountain	39	48	4	0	24	0	0	0	67	48	39.6
Dilworth Mountain	6	13	10	2	0	0	0	0	16	15	6.7
Ellison/Joe Rich	3	7	10	4	0	0	0	0	13	11	18.2
Glenrosa	0	0	0	0	0	0	0	0	0	0	n/a
Glenmore	14	7	2	0	0	5	0	0	16	12	33.3
Kelowna Core Area	14	16	6	0	7	0	797	5	824	21	**
Lake Country	18	73	4	0	19	38	0	72	41	183	-77.6
Lakeview Heights	15	37	8	0	4	0	0	50	27	87	-69.0
Lower Mission	7	15	0	0	0	52	142	60	149	127	17.3
North Glenmore	44	41	2	6	20	4	0	125	66	176	-62.5
Peachland	13	7	0	8	20	14	0	0	33	29	13.8
Rutland	18	10	0	8	4	3	92	91	114	112	1.8
Southeast Kelowna	6	13	0	4	0	0	0	0	6	17	-64.7
Shannon Lake	43	66	0	4	9	8	66	0	118	78	51.3
Upper Mission	68	94	4	0	60	0	0	0	132	94	40.4
Westbank	15	63	0	10	4	12	0	112	19	197	-90.4
West Kelowna	38	35	0	2	0	0	0	0	38	37	2.7
Westside	15	12	0	0	0	0	0	0	15	12	25.0
Kelowna CMA	442	562	52	48	183	136	1,097	515	1,774	1,261	40.7

Source: CMHC (Starts and Completions Survey)

Table 3: Completions by Submarket and by Dwelling Type June 2008											
Submarket	Single		Semi		Row		Apt. & Other		Total		
	June 2008	June 2007	June 2008	June 2007	June 2008	June 2007	June 2008	June 2007	June 2008	June 2007	% Change
Black Mountain	6	2	0	2	0	0	0	0	6	4	50.0
Dilworth Mountain	1	3	0	0	0	0	0	0	1	3	-66.7
Ellison/Joe Rich	0	2	2	0	0	0	0	0	2	2	0.0
Glenrosa	0	1	0	0	0	0	0	0	0	1	-100.0
Glenmore	1	0	0	0	0	0	0	0	1	0	n/a
Kelowna Core Area	0	2	0	0	0	0	0	9	0	11	-100.0
Lake Country	6	5	0	0	38	0	0	0	44	5	**
Lakeview Heights	1	4	0	0	0	0	0	0	1	4	-75.0
Lower Mission	1	3	0	0	10	0	283	0	294	3	**
North Glenmore	1	24	0	0	0	0	0	0	1	24	-95.8
Peachland	2	0	0	0	0	0	0	0	2	0	n/a
Rutland	2	6	0	0	0	4	0	0	2	10	-80.0
Southeast Kelowna	0	5	0	0	0	0	0	0	0	5	-100.0
Shannon Lake	5	18	0	0	0	0	0	0	5	18	-72.2
Upper Mission	18	15	0	2	0	0	0	0	18	17	5.9
Westbank	3	9	0	0	0	0	0	0	3	9	-66.7
West Kelowna	1	7	0	2	0	0	0	0	1	9	-88.9
Westside	0	0	0	0	0	0	0	0	0	0	n/a
Kelowna CMA	50	106	2	6	48	4	283	9	383	125	**

Table 3.1: Completions by Submarket and by Dwelling Type January - June 2008											
Submarket	Single		Semi		Row		Apt. & Other		Total		
	YTD 2008	YTD 2007	YTD 2008	YTD 2007	YTD 2008	YTD 2007	YTD 2008	YTD 2007	YTD 2008	YTD 2007	% Change
Black Mountain	38	20	0	2	0	0	0	0	38	22	72.7
Dilworth Mountain	11	9	0	8	0	0	0	0	11	17	-35.3
Ellison/Joe Rich	7	17	6	4	0	0	0	0	13	21	-38.1
Glenrosa	1	2	0	0	0	0	0	0	1	2	-50.0
Glenmore	13	3	0	0	6	0	68	0	87	3	**
Kelowna Core Area	9	20	0	2	0	4	5	9	14	35	-60.0
Lake Country	58	40	0	0	38	0	82	25	178	65	173.8
Lakeview Heights	21	26	0	0	0	0	62	0	83	26	**
Lower Mission	10	13	0	0	10	9	355	50	375	72	**
North Glenmore	29	75	12	12	32	12	199	30	272	129	110.9
Peachland	13	4	10	0	34	0	0	0	57	4	**
Rutland	10	14	10	4	0	39	63	100	83	157	-47.1
Southeast Kelowna	3	13	2	0	0	0	0	0	5	13	-61.5
Shannon Lake	25	40	0	0	0	0	0	42	25	82	-69.5
Upper Mission	90	105	8	2	0	0	0	0	98	107	-8.4
Westbank	37	17	6	4	8	0	0	0	51	21	142.9
West Kelowna	39	25	0	2	0	0	0	0	39	27	44.4
Westside	34	30	0	0	0	0	0	0	34	30	13.3
Kelowna CMA	451	475	54	40	128	64	834	256	1,467	835	75.7

Source: CMHC (Starts and Completions Survey)

Table 4: Absorbed Single-Detached Units by Price Range June 2008													
Submarket	Price Ranges										Total	Median Price ($)	Average Price ($)
	< $400,000		$400,000 - $499,999		$500,000 - $599,999		$600,000 - $749,999		$750,000 +				
	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)			
Black Mountain													
June 2008	0	0.0	0	0.0	4	80.0	1	20.0	0	0.0	5	--	--
June 2007	0	0.0	2	50.0	2	50.0	0	0.0	0	0.0	4	--	--
Year-to-date 2008	0	0.0	8	19.0	23	54.8	11	26.2	0	0.0	42	569,900	568,471
Year-to-date 2007	0	0.0	12	50.0	11	45.8	1	4.2	0	0.0	24	507,000	507,861
Dilworth Mountain													
June 2008	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	1	--	--
June 2007	0	0.0	0	0.0	2	50.0	2	50.0	0	0.0	4	--	--
Year-to-date 2008	1	9.1	0	0.0	2	18.2	7	63.6	1	9.1	11	666,800	662,480
Year-to-date 2007	0	0.0	0	0.0	4	40.0	6	60.0	0	0.0	10	694,000	648,960
Ellison/Joe Rich													
June 2008	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
June 2007	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	1	--	--
Year-to-date 2008	1	14.3	2	28.6	1	14.3	2	28.6	1	14.3	7	--	--
Year-to-date 2007	1	6.3	10	62.5	0	0.0	2	12.5	3	18.8	16	494,900	610,931
Glenrosa													
June 2008	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
June 2007	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	1	--	--
Year-to-date 2008	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	1	--	--
Year-to-date 2007	0	0.0	1	50.0	1	50.0	0	0.0	0	0.0	2	--	--
Glenmore													
June 2008	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	1	--	--
June 2007	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
Year-to-date 2008	1	7.7	0	0.0	1	7.7	5	38.5	6	46.2	13	744,450	782,375
Year-to-date 2007	1	33.3	0	0.0	2	66.7	0	0.0	0	0.0	3	--	--
Kelowna Core Area													
June 2008	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
June 2007	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	2	--	--
Year-to-date 2008	8	80.0	1	10.0	0	0.0	1	10.0	0	0.0	10	549,900	549,900
Year-to-date 2007	11	55.0	2	10.0	7	35.0	0	0.0	0	0.0	20	541,950	520,260
Lake Country													
June 2008	0	0.0	0	0.0	4	57.1	2	28.6	1	14.3	7	--	--
June 2007	3	50.0	1	16.7	2	33.3	0	0.0	0	0.0	6	--	--
Year-to-date 2008	10	18.2	12	21.8	20	36.4	7	12.7	6	10.9	55	539,000	560,459
Year-to-date 2007	13	30.2	13	30.2	12	27.9	2	4.7	3	7.0	43	484,900	498,185
Lakeview Heights													
June 2008	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	1	--	--
June 2007	0	0.0	0	0.0	1	16.7	0	0.0	5	83.3	6	--	--
Year-to-date 2008	0	0.0	1	4.8	2	9.5	4	19.0	14	66.7	21	874,000	1,348,195
Year-to-date 2007	2	7.1	0	0.0	6	21.4	5	17.9	15	53.6	28	849,450	1,020,900
Lower Mission													
June 2008	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
June 2007	0	0.0	1	33.3	1	33.3	0	0.0	1	33.3	3	--	--
Year-to-date 2008	0	0.0	0	0.0	3	33.3	5	55.6	1	11.1	9	--	--
Year-to-date 2007	1	7.1	4	28.6	2	14.3	0	0.0	7	50.0	14	819,000	1,406,646

Source: CMHC (Market Absorption Survey)

Table 4: Absorbed Single-Detached Units by Price Range
June 2008

Submarket	Price Ranges										Total	Median Price ($)	Average Price ($)
	< $400,000		$400,000 - $499,999		$500,000 - $599,999		$600,000 - $749,999		$750,000 +				
	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)	Units	Share (%)			
North Glenmore													
June 2008	0	0.0	0	0.0	1	50.0	0	0.0	1	50.0	2	--	--
June 2007	9	37.5	1	4.2	6	25.0	7	29.2	1	4.2	24	579,900	520,529
Year-to-date 2008	0	0.0	0	0.0	6	21.4	15	53.6	7	25.0	28	649,900	701,275
Year-to-date 2007	19	25.3	7	9.3	29	38.7	15	20.0	5	6.7	75	579,900	559,143
Peachland													
June 2008	0	0.0	1	50.0	1	50.0	0	0.0	0	0.0	2	--	--
June 2007	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
Year-to-date 2008	1	8.3	3	25.0	6	50.0	2	16.7	0	0.0	12	529,900	540,655
Year-to-date 2007	1	25.0	2	50.0	1	25.0	0	0.0	0	0.0	4	--	--
Rutland													
June 2008	1	50.0	1	50.0	0	0.0	0	0.0	0	0.0	2	--	--
June 2007	3	60.0	2	40.0	0	0.0	0	0.0	0	0.0	5	--	--
Year-to-date 2008	4	36.4	7	63.6	0	0.0	0	0.0	0	0.0	11	436,200	444,188
Year-to-date 2007	8	57.1	6	42.9	0	0.0	0	0.0	0	0.0	14	385,000	408,308
Southeast Kelowna													
June 2008	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
June 2007	3	42.9	1	14.3	1	14.3	2	28.6	0	0.0	7	--	--
Year-to-date 2008	1	33.3	0	0.0	0	0.0	2	66.7	0	0.0	3	--	--
Year-to-date 2007	3	20.0	1	6.7	2	13.3	7	46.7	2	13.3	15	669,000	623,829
Shannon Lake													
June 2008	0	0.0	1	20.0	1	20.0	3	60.0	0	0.0	5	--	--
June 2007	4	22.2	14	77.8	0	0.0	0	0.0	0	0.0	18	441,950	441,575
Year-to-date 2008	3	12.5	5	20.8	7	29.2	7	29.2	2	8.3	24	584,900	622,598
Year-to-date 2007	6	14.6	35	85.4	0	0.0	0	0.0	0	0.0	41	434,900	436,885
Upper Mission													
June 2008	0	0.0	0	0.0	3	23.1	4	30.8	6	46.2	13	728,000	836,249
June 2007	1	5.6	1	5.6	5	27.8	5	27.8	6	33.3	18	695,000	695,553
Year-to-date 2008	1	1.2	3	3.7	22	26.8	28	34.1	28	34.1	82	679,900	838,985
Year-to-date 2007	6	5.6	16	15.0	36	33.6	26	24.3	23	21.5	107	599,000	648,426
Westbank													
June 2008	0	0.0	2	100.0	0	0.0	0	0.0	0	0.0	2	--	--
June 2007	1	11.1	8	88.9	0	0.0	0	0.0	0	0.0	9	--	--
Year-to-date 2008	0	0.0	24	68.6	9	25.7	1	2.9	1	2.9	35	485,000	583,086
Year-to-date 2007	4	25.0	11	68.8	0	0.0	0	0.0	1	6.3	16	435,000	531,160
West Kelowna													
June 2008	0	0.0	1	50.0	1	50.0	0	0.0	0	0.0	2	--	--
June 2007	0	0.0	5	62.5	3	37.5	0	0.0	0	0.0	8	--	--
Year-to-date 2008	0	0.0	19	52.8	15	41.7	2	5.6	0	0.0	36	495,500	505,056
Year-to-date 2007	1	3.6	21	75.0	5	17.9	1	3.6	0	0.0	28	450,450	470,893
Westside													
June 2008	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
June 2007	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
Year-to-date 2008	21	60.0	10	28.6	0	0.0	0	0.0	4	11.4	35	399,900	476,734
Year-to-date 2007	18	58.1	9	29.0	3	9.7	1	3.2	0	0.0	31	399,900	404,260
Kelowna CMA													
June 2008	3	6.7	6	13.3	15	33.3	13	28.9	8	17.8	45	604,398	672,063
June 2007	27	23.3	37	31.9	23	19.8	16	13.8	13	11.2	116	499,900	574,442
Year-to-date 2008	52	11.9	95	21.7	119	27.2	101	23.1	71	16.2	438	579,000	674,461
Year-to-date 2007	96	19.4	151	30.6	121	24.5	67	13.6	59	11.9	494	524,900	593,746

Source: CMHC (Market Absorption Survey)

Table 4.1: Average Price ($) of Absorbed Single-detached Units June 2008						
Submarket	June 2008	June 2007	% Change	YTD 2008	YTD 2007	% Change
Black Mountain	--	--	n/a	568,471	507,861	11.9
Dilworth Mountain	--	--	n/a	662,480	648,960	2.1
Ellison/Joe Rich	--	--	n/a	--	610,931	n/a
Glenrosa	--	--	n/a	--	--	n/a
Glenmore	--	--	n/a	782,375	--	n/a
Kelowna Core Area	--	--	n/a	--	520,260	n/a
Lake Country	--	--	n/a	560,459	498,185	12.5
Lakeview Heights	--	--	n/a	1,348,195	1,020,900	32.1
Lower Mission	--	--	n/a	--	1,406,646	n/a
North Glenmore	--	520,529	n/a	701,275	559,143	25.4
Peachland	--	--	n/a	540,655	--	n/a
Rutland	--	--	n/a	--	408,308	n/a
Southeast Kelowna	--	--	n/a	--	623,829	n/a
Shannon Lake	--	441,575	n/a	622,598	436,885	42.5
Upper Mission	836,249	695,553	20.2	838,985	648,426	29.4
Westbank	--	--	n/a	583,086	531,160	9.8
West Kelowna	--	--	n/a	505,056	470,893	7.3
Westside	--	--	n/a	476,734	404,260	17.9
Kelowna CMA	672,063	574,442	17.0	674,461	593,746	13.6

Source: CMHC (Market Absorption Survey)

Table 5: MLS® Residential Activity for Kelowna
June 2008

		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 ($)
2007	January	185	1,000	19	436,216	28	119	24	314,779	68	409	17	232,675
	February	228	1,004	23	508,553	31	122	25	282,289	94	417	23	232,083
	March	333	1,152	29	457,089	55	118	47	295,280	126	441	29	257,341
	April	337	1,208	28	489,723	51	139	37	314,716	145	405	36	262,368
	May	380	1,175	32	488,054	65	118	55	317,203	111	390	28	275,105
	June	372	1,188	31	526,044	46	126	37	323,914	109	386	28	289,475
	July												
	August												
	September												
	October												
	November												
	December												
2008	January	162	1,250	13	491,330	24	182	13	315,602	61	651	9	299,067
	February	191	1,370	14	501,822	42	176	24	331,607	83	714	12	279,527
	March	237	1,476	16	564,237	28	192	15	355,929	115	855	13	277,978
	April	271	1,877	14	596,218	28	281	10	380,818	93	958	10	286,624
	May	225	2,055	11	574,632	27	303	9	352,759	72	1,045	7	297,594
	June	187	2,186	9	593,075	36	317	11	361,919	68	1,082	6	332,832
	July												
	August												
	September												
	October												
	November												
	December												
	YTD 2007	1,836	1,121	27	488,124	276	124	37	309,326	653	408	27	260,636
	YTD 2008	1,270	1,702	13	557,102	185	242	14	351,954	491	884	10	292,906
	% Change	-31	52	-52	14	-33	95	-62	14	-25	117	-63	12

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 June 2008											
		Interest Rates			NHPI, Total, 1997=100 (B.C.)	CPI, 2002 =100 (B.C.)	Kelowna Labour Market				
		P & I Per $100,000	Mortage Rates (%)				Employment SA (,000)	Unemployment Rate (%) SA	Participation Rate (%) SA	Average Weekly Earnings ($)
			1 Yr. Term	5 Yr. Term						
2007	January	679	6.50	6.65	116.3	109.0	90.8	5.2	65.4	741
	February	679	6.50	6.65	116.3	109.1	91.6	4.7	65.4	742
	March	669	6.40	6.49	117.5	109.5	91.3	4.3	64.5	743
	April	678	6.60	6.64	118.2	109.9	90.0	2.7	63.2	745
	May	709	6.85	7.14	120.9	110.5	88.6	3.8	62.1	744
	June	715	7.05	7.24	121.8	110.3	87.2	4.9	61.9	743
	July	715	7.05	7.24	122.0	110.5	85.6	6.1	60.7	742
	August	715	7.05	7.24	122.1	110.4	82.9	4.7	59.8	747
	September	712	7.05	7.19	122.1	110.5	85.0	3.8	58.4	752
	October	728	7.25	7.44	122.8	110.0	86.5	3.9	60.2	753
	November	725	7.20	7.39	123.1	110.1	89.0	5.1	62.5	752
	December	734	7.35	7.54	123.1	110.1	90.7	5.9	63.9	753
2008	January	725	7.35	7.39	123.3	109.9	92.4	5.2	64.7	760
	February	718	7.25	7.29	123.4	110.3	93.6	4.6	64.9	765
	March	712	7.15	7.19	124.2	110.8	95.2	4.4	65.8	766
	April	700	6.95	6.99	124.2	111.8	95.9	4.2	67.0	767
	May	679	6.15	6.65	123.8	112.8	95.4	4.8	65.8	770
	June	710	6.95	7.15			95.5	4.4	65.7	778
	July									
	August									
	September									
	October									
	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), 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 2006 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 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 2006 Census area definitions, except the Economic Indicators data (Table 6) which is based on Statistics Canada's 2001 Census area definitions.

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