HOUSING MARKET INFORMATION

HOUSING NOW

Kelowna CMA

Canada Mortgage and Housing Corporation

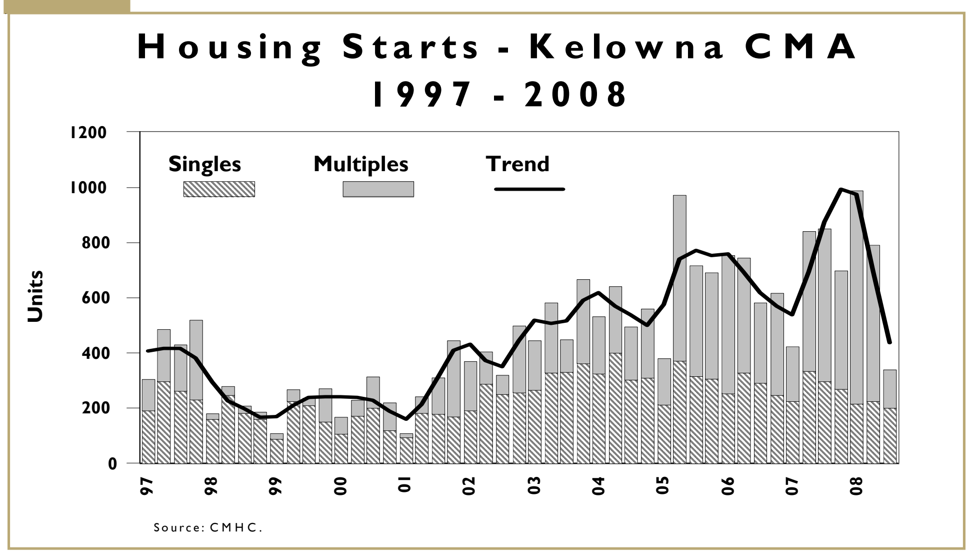
Date Released: October 2008

Housing Starts Drop in Third Quarter

The Kelowna area saw third quarter housing starts drop by more than half from the same three month period in 2007. Demand for new homes has softened in response to slower economic and employment growth, sliding consumer confidence and the high cost of home ownership.

Multi-family starts fell to the lowest third quarter level since 2003. No apartment condominium starts were recorded in either August or September. Builders have pulled back, adjusting to reduced demand, rising inventories of complete and unsold homes and stronger price competition from a well supplied existing home market.

Figure 1



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The spectacular growth in demand for resort condominiums seen since 2002 has cooled off. Alberta buyers, a key source of condominium demand, have been less active this year. Stronger competition from US resort markets and a growing number of resort developments elsewhere in BC have also contributed to fewer sales. Other factors including volatile financial markets and softening prices have led some investors to pull back and adopt a "wait and see" position.

Multi-family starts are up 18 per cent to date this year, the majority occurring in the first half of 2008. Many projects were substantially pre sold the previous year when this segment of Kelowna's housing market was experiencing stronger growth in demand. Although an estimated 65 per cent of apartment condominium units currently under construction have been pre sold, both absorption and pre sales have fallen off in recent months. The inventory of complete and unoccupied condominium units, while low, is climbing and does not include units available for resale through the assignment of contracts.

Third quarter starts of detached homes were also down from a year ago. Unlike the multi-family sector, singles starts have recorded monthly year-over-year declines to date in 2008. 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 homes has steadily increased; by September reaching the highest monthly level since the mid 1990s. 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.

Third Quarter Existing Home Sales Down Sharply

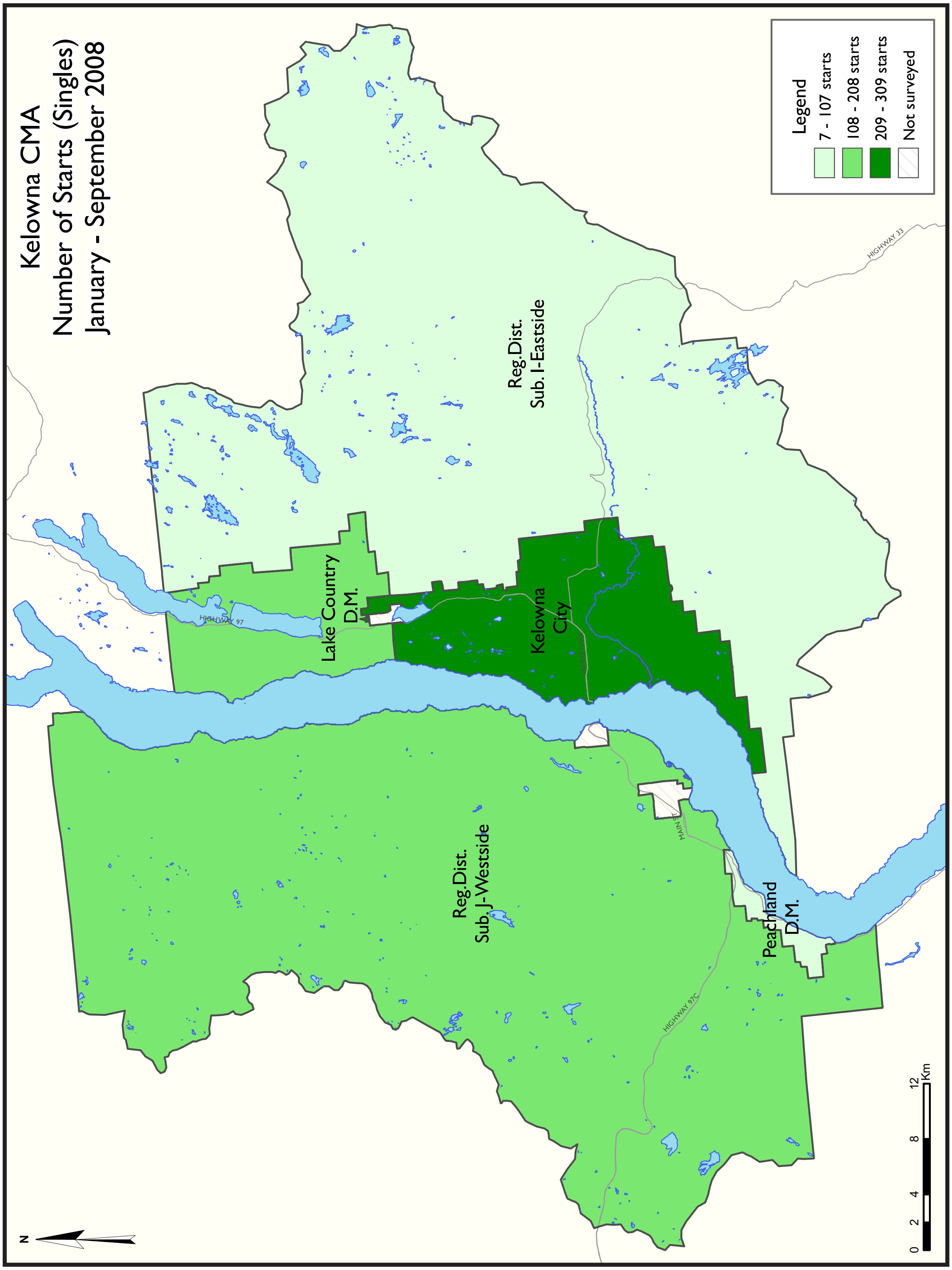
Sales of existing homes have continued to slide in 2008 with third quarter residential sales declining almost 45 per cent from last year. Detached homes recorded the biggest drop in sales. Apartment condominium sales have seen a smaller decline, due, in part, to their lower cost relative to detached housing. Also multi-family housing appeals to a broader range of buyers including retiree, move-down and first-time buyers, investors and buyers seeking resort housing and second residences.

With demand cooling off, the time required to sell a home has edged up. The sales to active listing ratio for all housing types has slipped into single digit territory. Similarly, the sale price to list price ratio has also moved downward, reflecting an increasingly competitive market.

The supply of active single-detached, apartment and townhouse condominium listings has shot up in the wake of reduced demand. Sliding consumer confidence coupled with softening prices have triggered a surge in listing activity, pushing up the supply of listings. Also, high levels of construction activity have contributed to increased supply. The supply of active townhouse and condominium listings available in September was more than double levels recorded a year ago. Condominium units currently under construction or units less than one year old account for an estimated 55 per cent of active condominium listings. The supply of singles listings is also up sharply, rising to the highest levels ever.

Prices have begun to adjust downward in response to changing demand and supply conditions. The average annual house price remains up from last year due to price growth experienced earlier in 2008.

Fewer sales, rising supply and softening prices indicate Kelowna's resale market has moved to a buyers' from a seller's market position. Home buyers are benefiting from better selection and more intense price competition.


Kelowna CMA
Number of Starts (Singles)
January - September 2008
Legend
7 - 107 starts
108 - 208 starts
209 - 309 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

HOUSING NOW REPORT TABLES

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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 September 2008									
	Ownership						Rental		Total*
	Freehold			Condominium					
	Single	Semi	Row, Apt. & Other	Single	Row and Semi	Apt. & Other	Single, Semi, and Row	Apt. & Other	
STARTS									
September 2008	75	0	0	6	16	0	2	11	110
September 2007	79	0	0	2	18	346	1	0	446
% Change	-5.1	n/a	n/a	200.0	-11.1	-100.0	100.0	n/a	-75.3
Year-to-date 2008	596	0	0	21	283	1,128	26	59	2,113
Year-to-date 2007	798	0	0	32	228	1,021	30	0	2,109
% Change	-25.3	n/a	n/a	-34.4	24.1	10.5	-13.3	n/a	0.2
UNDER CONSTRUCTION									
September 2008	716	0	0	28	442	2,334	22	89	3,631
September 2007	832	0	0	31	435	2,297	29	0	3,624
% Change	-13.9	n/a	n/a	-9.7	1.6	1.6	-24.1	n/a	0.2
COMPLETIONS									
September 2008	107	0	0	4	20	282	4	0	417
September 2007	95	0	0	6	44	248	10	0	403
% Change	12.6	n/a	n/a	-33.3	-54.5	13.7	-60.0	n/a	3.5
Year-to-date 2008	711	0	0	32	278	1,299	35	0	2,355
Year-to-date 2007	690	0	0	25	190	583	55	25	1,568
% Change	3.0	n/a	n/a	28.0	46.3	122.8	-36.4	-100.0	50.2
COMPLETED & NOT ABSORBED									
September 2008	121	1	0	4	33	55	0	0	214
September 2007	53	3	0	4	9	51	0	0	120
% Change	128.3	-66.7	n/a	0.0	**	7.8	n/a	n/a	78.3
ABSORBED									
September 2008	89	0	0	4	18	245	4	0	360
September 2007	85	0	0	7	43	141	10	0	286
% Change	4.7	n/a	n/a	-42.9	-58.1	73.8	-60.0	n/a	25.9
Year-to-date 2008	657	2	0	30	255	970	35	0	1,949
Year-to-date 2007	702	5	0	22	178	272	55	1	1,235
% Change	-6.4	-60.0	n/a	36.4	43.3	**	-36.4	-100.0	57.8

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

Table 1.1: Housing Activity Summary by Submarket
September 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									
September 2008	23	0	0	1	4	0	2	11	41
September 2007	41	0	0	1	15	108	0	0	165
Lake Country D.M.									
September 2008	11	0	0	0	8	0	0	0	19
September 2007	13	0	0	0	0	31	0	0	44
Peachland D.M.									
September 2008	0	0	0	1	0	0	0	0	1
September 2007	3	0	0	0	0	0	0	0	3
Reg. Dist. Sub. J - Westside									
September 2008	41	0	0	4	2	0	0	0	47
September 2007	22	0	0	1	3	207	1	0	234
Reg. Dist. Sub. I - Eastside									
September 2008	0	0	0	0	2	0	0	0	2
September 2007	0	0	0	0	0	0	0	0	0
Kelowna CMA									
September 2008	75	0	0	6	16	0	2	11	110
September 2007	79	0	0	2	18	346	1	0	446
UNDER CONSTRUCTION									
Kelowna City									
September 2008	353	0	0	7	289	1,616	20	89	2,374
September 2007	422	0	0	9	261	1,579	25	0	2,296
Lake Country D.M.									
September 2008	111	0	0	2	47	158	0	0	318
September 2007	99	0	0	4	38	256	0	0	397
Peachland D.M.									
September 2008	24	0	0	1	22	7	0	0	54
September 2007	22	0	0	0	50	7	0	0	79
Reg. Dist. Sub. J - Westside									
September 2008	221	0	0	18	64	553	1	0	857
September 2007	278	0	0	16	66	455	2	0	817
Reg. Dist. Sub. I - Eastside									
September 2008	7	0	0	0	20	0	1	0	28
September 2007	11	0	0	2	20	0	2	0	35
Kelowna CMA									
September 2008	716	0	0	28	442	2,334	22	89	3,631
September 2007	832	0	0	31	435	2,297	29	0	3,624

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

Table 1.1: Housing Activity Summary by Submarket
September 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									
September 2008	50	0	0	1	14	251	2	0	318
September 2007	45	0	0	1	24	169	3	0	242
Lake Country D.M.									
September 2008	14	0	0	0	4	31	0	0	49
September 2007	21	0	0	3	0	79	0	0	103
Peachland D.M.									
September 2008	0	0	0	0	0	0	0	0	0
September 2007	0	0	0	0	20	0	0	0	20
Reg. Dist. Sub. J - Westside									
September 2008	36	0	0	3	0	0	2	0	41
September 2007	29	0	0	2	0	0	7	0	38
Reg. Dist. Sub. I - Eastside									
September 2008	7	0	0	0	2	0	0	0	9
September 2007	0	0	0	0	0	0	0	0	0
Kelowna CMA									
September 2008	107	0	0	4	20	282	4	0	417
September 2007	95	0	0	6	44	248	10	0	403
COMPLETED & NOT ABSORBED									
Kelowna City									
September 2008	67	1	0	2	8	42	0	0	120
September 2007	41	1	0	3	8	51	0	0	104
Lake Country D.M.									
September 2008	14	0	0	1	13	13	0	0	41
September 2007	2	0	0	0	0	0	0	0	2
Peachland D.M.									
September 2008	1	0	0	0	5	0	0	0	6
September 2007	0	0	0	0	1	0	0	0	1
Reg. Dist. Sub. J - Westside									
September 2008	36	0	0	1	5	0	0	0	42
September 2007	10	0	0	1	0	0	0	0	11
Reg. Dist. Sub. I - Eastside									
September 2008	3	0	0	0	2	0	0	0	5
September 2007	0	2	0	0	0	0	0	0	2
Kelowna CMA									
September 2008	121	1	0	4	33	55	0	0	214
September 2007	53	3	0	4	9	51	0	0	120

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 September 2008											
Submarket	Single		Semi		Row		Apt. & Other		Total		
	Sept 2008	Sept 2007	Sept 2008	Sept 2007	Sept 2008	Sept 2007	Sept 2008	Sept 2007	Sept 2008	Sept 2007	% Change
Black Mountain	4	4	0	0	0	0	0	0	4	4	0.0
Dilworth Mountain	0	2	0	2	0	0	0	0	0	4	-100.0
Ellison/Joe Rich	0	0	2	0	0	0	0	0	2	0	n/a
Glenrosa	1	0	0	0	0	0	0	0	1	0	n/a
Glenmore	0	2	0	0	0	5	0	67	0	74	-100.0
Kelowna Core Area	3	3	0	0	0	0	11	41	14	44	-68.2
Lake Country	0	13	0	0	0	0	0	31	0	44	-100.0
Lakeview Heights	3	2	0	0	0	3	0	0	3	5	-40.0
Lower Mission	1	1	4	0	0	0	0	0	5	1	**
North Glenmore	4	2	0	0	0	8	0	0	4	10	-60.0
Peachland	1	3	0	0	0	0	0	0	1	3	-66.7
Rutland	1	3	0	0	0	0	0	0	1	3	-66.7
Southeast Kelowna	5	2	0	0	0	0	0	0	5	2	150.0
Shannon Lake	2	9	2	0	0	0	0	69	4	78	-94.9
Upper Mission	8	23	0	0	0	0	0	0	8	23	-65.2
Westbank	6	3	0	0	0	0	0	138	6	141	-95.7
West Kelowna	10	10	0	0	0	0	0	0	10	10	0.0
Westside	23	0	0	0	0	0	0	0	23	0	n/a
Kelowna CMA	83	82	8	2	8	16	11	346	110	446	-75.3

Table 2.1: Starts by Submarket and by Dwelling Type January - September 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	53	69	8	0	28	0	0	0	89	69	29.0
Dilworth Mountain	7	19	16	6	0	0	0	0	23	25	-8.0
Ellison/Joe Rich	6	11	18	6	0	0	0	0	24	17	41.2
Glenrosa	5	1	0	0	0	0	0	0	5	1	**
Glenmore	20	23	2	0	0	15	0	67	22	105	-79.0
Kelowna Core Area	19	23	10	2	7	0	808	136	844	161	**
Lake Country	19	110	4	0	19	38	0	103	42	251	-83.3
Lakeview Heights	21	53	8	2	4	3	0	50	33	108	-69.4
Lower Mission	10	16	4	0	0	52	206	60	220	128	71.9
North Glenmore	55	65	2	6	20	18	0	195	77	284	-72.9
Peachland	19	16	0	8	20	14	0	0	39	38	2.6
Rutland	26	18	2	8	4	6	92	91	124	123	0.8
Southeast Kelowna	14	22	0	4	0	0	0	0	14	26	-46.2
Shannon Lake	54	89	2	8	9	8	66	69	131	174	-24.7
Upper Mission	104	157	4	0	60	0	0	0	168	157	7.0
Westbank	22	79	0	10	4	12	0	250	26	351	-92.6
West Kelowna	54	63	0	2	0	0	0	0	54	65	-16.9
Westside	38	21	0	0	0	0	0	0	38	21	81.0
Kelowna CMA	643	860	88	62	195	166	1,187	1,021	2,113	2,109	0.2

Source: CMHC (Starts and Completions Survey)

Submarket	Single		Semi		Row		Apt. & Other		Total		
	Sept 2008	Sept 2007	Sept 2008	Sept 2007	Sept 2008	Sept 2007	Sept 2008	Sept 2007	Sept 2008	Sept 2007	% Change
Black Mountain	9	6	0	0	10	0	0	0	19	6	**
Dilworth Mountain	0	5	0	2	0	0	0	0	0	7	-100.0
Ellison/Joe Rich	7	0	2	0	0	0	0	0	9	0	n/a
Glenrosa	0	0	0	0	0	0	0	0	0	0	n/a
Glenmore	10	1	0	0	0	0	149	0	159	1	**
Kelowna Core Area	3	3	0	0	0	0	102	169	105	172	-39.0
Lake Country	5	24	4	0	0	0	31	79	40	103	-61.2
Lakeview Heights	0	4	0	0	0	0	0	0	0	4	-100.0
Lower Mission	2	3	4	0	0	0	0	0	6	3	100.0
North Glenmore	9	10	0	0	0	8	0	0	9	18	-50.0
Peachland	0	0	0	0	0	20	0	0	0	20	-100.0
Rutland	0	2	0	0	0	10	0	0	0	12	-100.0
Southeast Kelowna	2	3	0	4	0	0	0	0	2	7	-71.4
Shannon Lake	9	13	0	0	0	0	0	0	9	13	-30.8
Upper Mission	17	16	0	0	0	0	0	0	17	16	6.3
Westbank	4	11	0	0	0	0	0	0	4	11	-63.6
West Kelowna	11	5	0	0	0	0	0	0	11	5	120.0
Westside	17	0	0	0	0	0	0	0	17	0	n/a
Kelowna CMA	115	111	10	6	10	38	282	248	417	403	3.5

Table 3: Completions by Submarket and by Dwelling Type
September 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	56	45	0	2	10	0	0	0	66	47	40.4
Dilworth Mountain	19	15	2	12	0	0	0	0	21	27	-22.2
Ellison/Joe Rich	22	18	10	8	0	0	0	0	32	26	23.1
Glenrosa	3	2	0	0	0	0	0	0	3	2	50.0
Glenmore	25	5	0	0	6	0	217	0	248	5	**
Kelowna Core Area	22	26	0	6	0	20	107	178	129	230	-43.9
Lake Country	81	85	6	0	38	0	113	104	238	189	25.9
Lakeview Heights	37	38	2	0	0	0	62	0	101	38	165.8
Lower Mission	17	17	4	0	58	16	355	50	434	83	**
North Glenmore	55	105	14	12	40	20	264	60	373	197	89.3
Peachland	18	7	14	0	34	20	0	32	66	59	11.9
Rutland	19	18	14	8	0	58	125	142	158	226	-30.1
Southeast Kelowna	15	19	2	6	0	0	0	0	17	25	-32.0
Shannon Lake	46	72	0	0	0	0	0	42	46	114	-59.6
Upper Mission	151	173	8	2	0	0	0	0	159	175	-9.1
Westbank	51	42	8	4	8	0	56	0	123	46	167.4
West Kelowna	68	40	0	2	0	0	0	0	68	42	61.9
Westside	51	30	0	0	0	0	0	0	51	30	70.0
Kelowna CMA	778	764	84	62	194	134	1,299	608	2,355	1,568	50.2

Table 3.1: Completions by Submarket and by Dwelling Type
January - September 2008

Source: CMHC (Starts and Completions Survey)

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

Submarket	< $400,000 Units	< $400,000 Share (%)	$400,000 - $499,999 Units	$400,000 - $499,999 Share (%)	$500,000 - $599,999 Units	$500,000 - $599,999 Share (%)	$600,000 - $749,999 Units	$600,000 - $749,999 Share (%)	$750,000 + Units	$750,000 + Share (%)	Total	Median Price ($)	Average Price ($)
Black Mountain													
September 2008	0	0.0	0	0.0	1	14.3	5	71.4	1	14.3	7	--	--
September 2007	0	0.0	5	62.5	2	25.0	1	12.5	0	0.0	8	--	--
Year-to-date 2008	0	0.0	8	13.8	29	50.0	19	32.8	2	3.4	58	578,198	593,757
Year-to-date 2007	0	0.0	23	50.0	20	43.5	3	6.5	0	0.0	46	502,450	508,064
Dilworth Mountain													
September 2008	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
September 2007	0	0.0	0	0.0	1	33.3	1	33.3	1	33.3	3	--	--
Year-to-date 2008	1	5.9	0	0.0	4	23.5	9	52.9	3	17.6	17	666,800	669,125
Year-to-date 2007	0	0.0	0	0.0	5	35.7	8	57.1	1	7.1	14	694,000	657,636
Ellison/Joe Rich													
September 2008	0	0.0	0	0.0	2	40.0	2	40.0	1	20.0	5	--	--
September 2007	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
Year-to-date 2008	1	5.3	6	31.6	4	21.1	6	31.6	2	10.5	19	592,950	596,238
Year-to-date 2007	1	5.6	10	55.6	0	0.0	4	22.2	3	16.7	18	499,900	612,717
Glenrosa													
September 2008	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
September 2007	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
Year-to-date 2008	0	0.0	2	66.7	1	33.3	0	0.0	0	0.0	3	--	--
Year-to-date 2007	0	0.0	1	50.0	1	50.0	0	0.0	0	0.0	2	--	--
Glenmore													
September 2008	1	33.3	0	0.0	0	0.0	2	66.7	0	0.0	3	--	--
September 2007	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	1	--	--
Year-to-date 2008	2	11.8	0	0.0	1	5.9	7	41.2	7	41.2	17	729,000	801,523
Year-to-date 2007	1	20.0	0	0.0	3	60.0	1	20.0	0	0.0	5	--	--
Kelowna Core Area													
September 2008	1	33.3	0	0.0	0	0.0	0	0.0	2	66.7	3	--	--
September 2007	1	33.3	0	0.0	0	0.0	0	0.0	2	66.7	3	--	--
Year-to-date 2008	16	72.7	1	4.5	2	9.1	1	4.5	2	9.1	22	597,400	679,083
Year-to-date 2007	14	53.8	3	11.5	7	26.9	0	0.0	2	7.7	26	550,000	643,269
Lake Country													
September 2008	0	0.0	0	0.0	3	100.0	0	0.0	0	0.0	3	--	--
September 2007	11	45.8	6	25.0	5	20.8	2	8.3	0	0.0	24	479,900	459,758
Year-to-date 2008	10	13.5	14	18.9	32	43.2	9	12.2	9	12.2	74	549,900	585,651
Year-to-date 2007	29	32.6	23	25.8	23	25.8	7	7.9	7	7.9	89	489,450	544,107
Lakeview Heights													
September 2008	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
September 2007	0	0.0	0	0.0	0	0.0	0	0.0	4	100.0	4	--	--
Year-to-date 2008	0	0.0	1	2.8	2	5.6	6	16.7	27	75.0	36	1,099,000	1,344,965
Year-to-date 2007	2	4.8	0	0.0	8	19.0	5	11.9	27	64.3	42	924,450	1,066,098
Lower Mission													
September 2008	0	0.0	0	0.0	0	0.0	2	66.7	1	33.3	3	--	--
September 2007	0	0.0	0	0.0	2	66.7	1	33.3	0	0.0	3	--	--
Year-to-date 2008	0	0.0	0	0.0	3	17.6	10	58.8	4	23.5	17	659,900	951,159
Year-to-date 2007	1	5.9	4	23.5	4	23.5	1	5.9	7	41.2	17	674,450	1,259,075

Source: CMHC (Market Absorption Survey)

Table 4: Absorbed Single-Detached Units by Price Range
September 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													
September 2008	0	0.0	0	0.0	0	0.0	2	25.0	6	75.0	8	--	--
September 2007	3	30.0	1	10.0	2	20.0	3	30.0	1	10.0	10	599,900	573,133
Year-to-date 2008	1	1.8	0	0.0	6	10.7	27	48.2	22	39.3	56	734,850	776,107
Year-to-date 2007	24	22.6	8	7.5	39	36.8	25	23.6	10	9.4	106	584,450	595,760
Peachland													
September 2008	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
September 2007	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
Year-to-date 2008	1	5.9	3	17.6	10	58.8	3	17.6	0	0.0	17	529,900	546,404
Year-to-date 2007	1	14.3	2	28.6	4	57.1	0	0.0	0	0.0	7	--	--
Rutland													
September 2008	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
September 2007	0	0.0	2	100.0	0	0.0	0	0.0	0	0.0	2	--	--
Year-to-date 2008	5	26.3	7	36.8	3	15.8	2	10.5	2	10.5	19	479,900	562,440
Year-to-date 2007	9	52.9	8	47.1	0	0.0	0	0.0	0	0.0	17	429,000	415,793
Southeast Kelowna													
September 2008	0	0.0	0	0.0	0	0.0	1	50.0	1	50.0	2	--	--
September 2007	1	50.0	0	0.0	0	0.0	1	50.0	0	0.0	2	--	--
Year-to-date 2008	4	26.7	0	0.0	0	0.0	3	20.0	8	53.3	15	849,900	945,552
Year-to-date 2007	5	25.0	1	5.0	2	10.0	10	50.0	2	10.0	20	679,000	634,612
Shannon Lake													
September 2008	2	40.0	0	0.0	1	20.0	2	40.0	0	0.0	5	--	--
September 2007	2	15.4	10	76.9	0	0.0	1	7.7	0	0.0	13	449,900	468,282
Year-to-date 2008	6	15.8	5	13.2	13	34.2	11	28.9	3	7.9	38	578,625	609,851
Year-to-date 2007	13	17.8	54	74.0	4	5.5	2	2.7	0	0.0	73	449,000	442,539
Upper Mission													
September 2008	0	0.0	0	0.0	4	20.0	10	50.0	6	30.0	20	665,198	751,982
September 2007	0	0.0	0	0.0	2	22.2	4	44.4	3	33.3	9	--	--
Year-to-date 2008	1	0.7	3	2.2	31	23.0	49	36.3	51	37.8	135	685,000	841,157
Year-to-date 2007	6	3.5	18	10.6	58	34.1	47	27.6	41	24.1	170	619,450	694,085
Westbank													
September 2008	0	0.0	5	62.5	3	37.5	0	0.0	0	0.0	8	--	--
September 2007	2	20.0	7	70.0	0	0.0	0	0.0	1	10.0	10	476,950	626,980
Year-to-date 2008	0	0.0	32	64.0	15	30.0	2	4.0	1	2.0	50	491,488	563,492
Year-to-date 2007	11	28.2	26	66.7	0	0.0	0	0.0	2	5.1	39	439,900	524,640
West Kelowna													
September 2008	0	0.0	1	16.7	4	66.7	1	16.7	0	0.0	6	--	--
September 2007	0	0.0	2	40.0	3	60.0	0	0.0	0	0.0	5	--	--
Year-to-date 2008	0	0.0	25	41.7	29	48.3	6	10.0	0	0.0	60	515,428	518,431
Year-to-date 2007	1	2.3	30	69.8	11	25.6	1	2.3	0	0.0	43	459,900	476,526
Westside													
September 2008	11	64.7	5	29.4	0	0.0	0	0.0	1	5.9	17	369,900	451,276
September 2007	0	n/a	0	n/a	0	n/a	0	n/a	0	n/a	0	--	--
Year-to-date 2008	32	61.5	15	28.8	0	0.0	0	0.0	5	9.6	52	379,900	468,412
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													
September 2008	15	15.5	11	11.3	21	21.6	30	30.9	20	20.6	97	619,900	652,340
September 2007	25	24.5	33	32.4	17	16.7	15	14.7	12	11.8	102	499,350	623,066
Year-to-date 2008	80	11.1	123	17.0	192	26.6	178	24.7	149	20.6	722	599,000	698,012
Year-to-date 2007	142	18.4	221	28.6	192	24.8	116	15.0	102	13.2	773	529,900	611,957

Source: CMHC (Market Absorption Survey)

Table 4.1: Average Price ($) of Absorbed Single-detached Units September 2008						
Submarket	Sept 2008	Sept 2007	% Change	YTD 2008	YTD 2007	% Change
Black Mountain	--	--	n/a	593,757	508,064	16.9
Dilworth Mountain	--	--	n/a	669,125	657,636	1.7
Ellison/Joe Rich	--	--	n/a	596,238	612,717	-2.7
Glenrosa	--	--	n/a	--	--	n/a
Glenmore	--	--	n/a	801,523	--	n/a
Kelowna Core Area	--	--	n/a	--	643,269	n/a
Lake Country	--	459,758	n/a	585,651	544,107	7.6
Lakeview Heights	--	--	n/a	1,344,965	1,066,098	26.2
Lower Mission	--	--	n/a	951,159	1,259,075	-24.5
North Glenmore	--	--	n/a	776,107	595,760	30.3
Peachland	--	--	n/a	546,404	--	n/a
Rutland	--	--	n/a	562,440	415,793	35.3
Southeast Kelowna	--	--	n/a	945,552	634,612	49.0
Shannon Lake	--	468,282	n/a	609,851	442,539	37.8
Upper Mission	751,982	--	n/a	841,157	694,085	21.2
Westbank	--	626,980	n/a	563,492	524,640	7.4
West Kelowna	--	--	n/a	518,431	476,526	8.8
Westside	451,276	--	n/a	468,412	404,260	15.9
Kelowna CMA	652,340	623,066	4.7	698,012	611,957	14.1

Source: CMHC (Market Absorption Survey)

Table 5: MLS® Residential Activity for Kelowna September 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	274	1,240	22	525,035	43	118	36	333,294	107	429	25	282,487
	August	322	1,254	26	552,334	49	128	38	345,778	122	470	26	296,629
	September	248	1,287	19	570,769	39	121	32	326,759	78	496	16	276,047
	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	156	2,357	7	552,857	26	332	8	354,619	72	1,120	6	315,374
	August	141	2,379	6	552,227	26	390	7	408,772	60	1,123	5	284,353
	September	144	2,358	6	520,741	19	392	5	381,068	56	1,116	5	281,955
	October												
	November												
	December												
	YTD 2007	2,680	1,168	25	507,260	407	123	37	317,917	960	427	25	268,898
	YTD 2008	1,711	1,923	11	553,114	257	285	11	360,155	681	963	8	293,729
	% Change	-36	65	-56	9	-37	132	-70	13	-29	126	-68	9

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 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	90.5	5.2	65.2	741
	February	679	6.50	6.65	116.3	109.1	91.2	4.7	65.1	742
	March	669	6.40	6.49	117.5	109.5	90.9	4.3	64.3	743
	April	678	6.60	6.64	118.2	109.9	89.8	2.7	63.1	745
	May	709	6.85	7.14	120.9	110.5	88.6	3.7	62.1	744
	June	715	7.05	7.24	121.8	110.3	87.3	4.9	61.9	743
	July	715	7.05	7.24	122.0	110.5	85.9	6.3	61.2	742
	August	715	7.05	7.24	122.1	110.4	84.0	4.8	59.9	747
	September	712	7.05	7.19	122.1	110.5	84.9	3.7	58.5	752
	October	728	7.25	7.44	122.8	110.0	86.6	3.9	60.2	753
	November	725	7.20	7.39	123.1	110.1	89.1	5.0	62.6	752
	December	734	7.35	7.54	123.1	110.1	90.6	5.9	63.8	753
2008	January	725	7.35	7.39	123.3	109.9	92.1	5.2	64.5	760
	February	718	7.25	7.29	123.4	110.3	93.1	4.6	64.7	765
	March	712	7.15	7.19	124.2	110.8	94.8	4.4	65.6	766
	April	700	6.95	6.99	124.2	111.8	95.7	4.2	66.9	767
	May	679	6.15	6.65	123.8	112.8	95.3	4.7	65.8	770
	June	710	6.95	7.15	123.7	113.6	95.5	4.4	65.7	778
	July	710	6.95	7.15	123.8	114.2	96.2	4.4	65.1	783
	August	691	6.65	6.85	123.7	114.0	97.1	3.9	66.7	783
	September	691	6.65	6.85		114.1	98.6	4.3	66.7	785
	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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