

## 1.01 Housing

The demand outlook for both new and resale housing is positive. Market fundamentals remain solid. BC continues record robust employment growth. Consumers are upbeat; the BC Index of Consumer Confidence soared to an 18 year high early in 2005. Closer to home, the Kelowna area economy is firing on all cylinders. Strong employment growth has spurred in-migration, fuelling the demand for new and resale housing. Retirees, and more recently, an influx of others seeking lifestyle oriented housing have also contributed to sharply increased demand. Population growth and low interest rates will remain the key drivers in 2005.

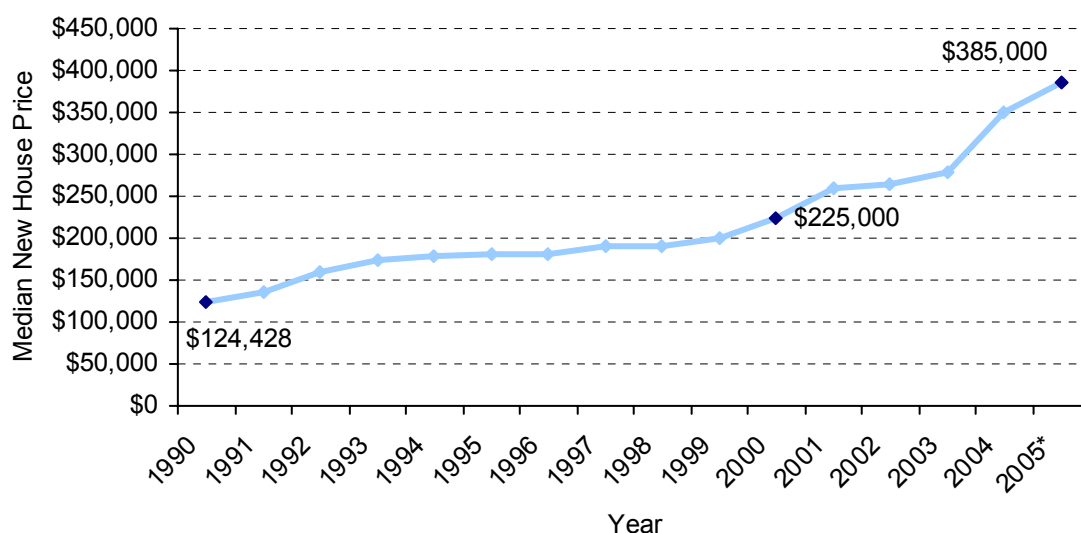
**Table 3.13 New Home Market – Starts**

<b>Year</b>	<b>Single Family</b>	<b>Multi-Family</b>	<b>Total</b>	<b>Median New House Price</b>
1990	1,257	811	2,068	\$124,428
1991	1,294	923	2,217	\$135,030
1992	1,484	1135	2,619	\$159,009
1993	1,149	822	1,971	\$174,901
1994	918	576	1,494	\$177,632
1995	776	429	1,205	\$179,955
1996	859	523	1,382	\$180,000
1997	988	748	1,736	\$190,000
1998	751	88	839	\$190,000
1999	675	204	879	\$200,000
2000	602	327	929	\$225,000
2001	625	486	1,111	\$260,000
2002	987	603	1,590	\$265,400
2003	1,290	848	2,138	\$279,250
2004	1,341	887	2,228	\$349,900
2005*	1,100	1325	2,425	\$385,000

\* Forecast

Source: *Housing Market Outlook, Canada Mortgage and Housing Corporation, Spring 2005*

**Figure 3.4 – Growth in Median New House Price 1990 - 2004**



Source: *Housing Market Outlook, Canada Mortgage and Housing Corporation, Spring 2005*

**Table 3.14 Resale Market – Kelowna Area MLS Sales**

Year	Total	Single- Family	Multi-Family	Single-Family Median Price
2002	3,586	2,750	836	\$189,000
2003	3,863	2,902	961	\$221,500
2004	3,978	2,887	1,091	\$267,000
2005 *	4,025	2,800	1,225	\$290,000

\*Forecast

Source: *Housing Market Outlook, Canada Mortgage and Housing Corporation, Spring 2005*

**Table 3.15 Occupied Private Dwellings by Structural Type<sup>1</sup>**

Tenure	BC 2001	% of Total	RDCO 2001	% of Total	RDCO <sup>2</sup> 2005
Single-detached House	926,863	54.78%	37,795	63.12%	42,805
Semi-detached House	50,857	3.01%	3,065	5.12%	3,412
Row House	107,951	6.38%	3,190	5.33%	3,547
Apartment, detached duplex	107,880	6.38%	2,275	3.80%	2,549
Apartment, building that has five or more storeys	112,729	6.66%	485	0.81%	543
Apartment, building that has fewer than five storeys	333,931	19.74%	10,305	17.21%	11,444
Other single attached house	3,927	0.23%	85	0.14%	93
Movable Dwelling	47,718	2.82%	2,675	4.47%	2,961
Occupied Private Dwellings	1,691,856	100.00%	59,875	100.00%	67,354

Source: *BC Stats: 2001 Census Profiles,*

Source: *FP Markets – Canadian Demographics 2005*

**Table 3.16 Central Okanagan Dwellings 2001**

	RDCO	BC
Occupied private dwellings	59,875	1,534,335
Average # of rooms	6.7	6.2
Average # bedrooms	2.8	2.6
Persons in Private Households	145,585	3,858,735
Average # persons/household	2.4	2.5
Owned	43,980 (73.5%)	1,017,485 (66.3%)
Average owner's major payment	\$819	\$904
Rented	15,880 (26.5%)	5 12,360 (33.4%)
Average gross rent	\$732	\$751

Source: BC Stats: 2001 Census Profiles

Source: FP Markets – Canadian Demographics 2005

According to the CMHC Rental Market report for October 2004, the Kelowna rental market has remained tight. The vacancy rate fell to only 1.1% by October 2004 from 1.6% the prior year. Strong employment growth has spurred in-migration, boosting demand for rental housing. Also, more “empty-nesters” and retirees are now seeking quality rental accommodation, an increasingly popular lifestyle choice. Fewer renters are making the jump to home ownership, keeping vacancy rates low. Rental housing starts have lagged behind growth in demand, contributing to lower vacancy rates.

Rents have continued to trend upwards in response to sustained low vacancy rates. Average apartment rents rose for the fifth straight year.

**Table 3.17 - Average Rents - All Private Apartments**

Survey Date	Bachelor Suites			One Bedroom			Two Bedroom			Three Bedroom		
	# of Units	Avg. Rent	% Chg	# of Units	Avg. Rent	% Chg	# of Units	Avg. Rent	% Chg	# of Units	Avg. Rent	% Chg
Fall 2004	120	467	-3.3	1708	589	2.4	2021	723	3.7	130	**	**
Fall 2003	120	483	1.0	1710	575	2.9	2002	697	2.5	128	741	0.7
Fall 2002	116	478	3.0	1618	559	3.3	1955	680	2.6	123	736	1.9
Fall 2001	114	464	6.7	1737	541	3.4	1941	663	2.8	121	722	0.6
Fall 2000	103	435	2.4	1646	523	1.0	1861	645	0.5	132	718	1.0
Fall 1999	102	425	0.5	1651	518	1.6	1880	642	0.6	133	711	0.7
Fall 1998	94	423	1.2	1628	510	-2.1	1857	638	-0.3	135	706	0.0
Fall 1997	101	418	-1.2	1584	521	-0.4	1846	640	-0.6	132	706	-0.1
Fall 1996	101	423	0.7	1563	523	0.2	1822	644	1.6	130	707	0.7
Fall 1995	103	420	4.7	1578	522	2.4	1784	634	0.2	123	702	2.9

Source: Rental Market Report, Canada Mortgage and Housing Corporation, October 2004

**Table 3.18 - Average Rents - All Private Townhomes**

Survey Date	One Bedroom			Two Bedroom			Three Bedroom		
	# of Units	Avg. Rent	% Change	# of Units	Avg. Rent	% Change	# of Units	Avg. Rent	% Change
Fall 2004	33	**	**	397	680	2.6	110	**	**
Fall 2003	32	488	-0.2	392	633	5.1	116	744	-0.4
Fall 2002	33	489	15.0	394	6314	3.1	114	747	1.5
Fall 2001	19	425	-0.9	356	612	0.3	109	736	0.7
Fall 2000	19	429	-11.4	396	610	-1.3	107	731	-7.8
Fall 1999	18	484	17.5	371	618	0.5	103	793	8.3
Fall 1998	18	412	-0.2	375	615	-1.3	105	732	4.4
Fall 1997	18	413	-1.4	372	623	-0.6	99	701	-0.3
Fall 1996	18	419	2.4	377	627	1.0	95	703	0.7
Fall 1995	16	409	2.8	374	621	1.3	95	698	2.3

Source: Rental Market Report, Canada Mortgage and Housing Corporation, October 2004