

KELOWNA'S HOT "OKANAGAN URBAN" HOUSING MARKET

*"There has been an air of optimism in this city that hasn't been felt in a long time - maybe if ever." - Colin Basran, 39, Kelowna's youngest-ever Mayor (quoted in The Globe and Mail, September 2016)*

**Kelowna's economy, population and lifestyle are transforming the city, and new housing is being built to accommodate it.**

- A turnaround is underway in Kelowna - and it's due to a number of trends all converging at the same time, which have collectively, and suddenly, ignited the city's potential.
- The high price of housing in cities like Vancouver and Calgary is prompting people to sell their homes at a profit to relocate to the Okanagan.
- Many young professionals, retirees and families are leaving the hefty price tags and long commutes of the bigger cities behind in favour of sophisticated, urban living in BC's interior. (It's estimated 40 per cent of the people moving out of Vancouver are moving to the Okanagan.)
- Millennials are bringing their talents and young families to create a whole new generation of residents where housing is more affordable. They are settling down in Kelowna and becoming fixtures that will drive the economy into the future.
- Foreign students are opting to attend university in Kelowna universities, Okanagan College and UBC Okanagan (UBCO), instead of the Lower Mainland, with increasing numbers of them choosing to stay in the area after graduation and put down roots in the Okanagan. (The number of international students at UBCO grew from 12.8 per cent of the student population last year to a projected 14.1 per cent this year. According to UBCO, 60 per cent of all graduates stay in the area.)
- Many new residents are coming to be a part of Kelowna's growing tech and animation industry, in addition to its well-established tourism, agriculture and wine sectors. (7,600 people work in the Kelowna region's tech sector. More than half are 35 or younger.)
- In 2016, the Kelowna region's population grew by 8.6 per cent to 127,380. Kelowna is the sixth fastest-growing city in Canada (Canada 2016 Census).

### KELOWNA'S GROWING ECONOMY

- In November 2016, the [Canadian Federation of Independent Business](#) named Kelowna Canada's top place to start and grow businesses.
- The Kelowna region is home to 633 technology companies, and the tech sector in the Okanagan contributed \$1.3 billion to the local economy in 2015, up almost one-third compared to two years ago. - Central Okanagan Economic Development Commission
- From June 2016 to June 2017, Kelowna's unemployment was cut in half to just 3.5 per cent. - Central Okanagan Economic Development Commission

### KELOWNA'S HOT HOUSING MARKET

- The overall average price of a single detached home in Kelowna surged 14.4 per cent year over year to \$581,770 (Royal LePage House Price Survey, April 2017).
- In the first quarter of 2017, residential home prices increased 13 per cent to \$504,643. Condominium prices increased 18 per cent. (RE/MAX 2017 spring market trends report)
- The reason for Kelowna's fast-rising housing prices are: a steadily growing population, rising demand from everyone from first-time buyers to retirees, and an extreme lack of inventory across all housing types.
- There were 2,196 housing starts in Kelowna in 2016, up 72 per cent over 2015 (CMHC January 2017).
- Kelowna's vacancy rates are among the lowest in the country, bottoming out at 0.6 per cent in fall 2016 (CMHC). A slight improvement is expected in 2017 and 2018, but the vacancy rate is expected to still remain below two per cent.

Apartment website PadMapper says Kelowna is among the top 10 most expensive rental markets in Canada. The average monthly rent for a one-bedroom unit is \$1,050, up 14.1 per cent over the past year. The average monthly rent for a two-bedroom unit is \$1,620, up 15.7 per cent over the past year (July 2017 Rent Report).