

▼ Housing

## Condo market good for Buyers

**By Kathy Michaels**

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Condominium projects are rising around Kelowna at a seemingly rapid rate, causing some to speculate that the city will soon reach an over-saturation point.

While not everyone agrees with that assessment of the condo market, a market analyst at the Canadian Mortgage and Housing corporation says there is potential for oversupply of condominiums and apartments this year.

"The supply of listings is going up quite dramatically, and there are also high levels of new construction this year.

"There certainly is that potential," said Paul Fabri, with the CMHC office in Kelowna.

Multi-family starts have more than doubled from levels recorded during the first quarter period last year.

Construction began on another two apartment condominium projects in April and first rental apartment building since 2004.

Fabri doesn't forecast doom and gloom from the potential oversupply. He said that it will just mean that people in the market for a condo will have a good supply to select from.

"It also means that we aren't going to see the type of price increases we've seen over the last couple of years," he said.

"As demand moderates and supply increases that has an impact on price, so I am forecasting that we are going to see the pace of growth to slow in 2008 and 2009.

"I think prices will still edge up, but we aren't going to see the double digit increases that we've seen over the last few years."

On the other side of the spectrum is Bert Chapman, a realtor and owner of Premier Canadian Properties.

Chapman, a past president of the Okanagan Mainline Real Estate Board, said rumours about too many condominiums on the market are dead wrong in his estimation.

"There is a demand from affluent baby boomers, seniors and university students," he said, noting that their population growth will carry on well into the future.

To prove what he suspected, he pulled together a research team to spend dozens of hours tasking stock of all the developers in the area with projects on the go.

Using the listings from the website Redkey.ca, Premier Canadian Properties staff then contacted all the developers and found out that of the 105 projects on that website, 38 are single family lot projects, not condos.

Eight projects were condo developments that were fully sold out. Five other condo projects weren't going to be built out until five to ten years into the future.

Chapman said that left 54 other condo projects underway, a number, he said that will be appropriate for the people who will be investing in this area in the long-term.