

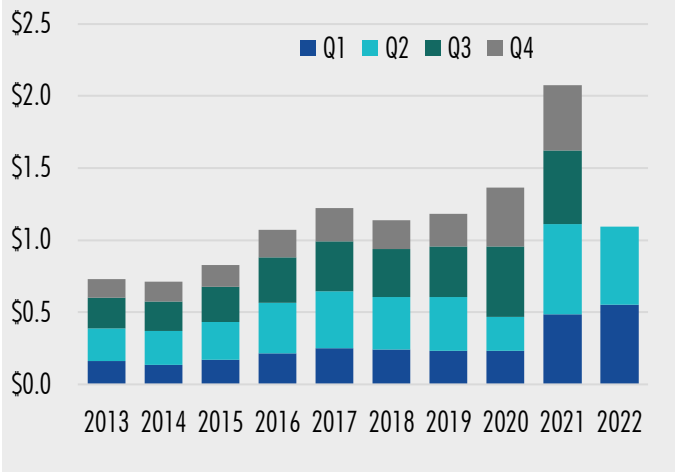


Q2 2022

KAMLOOPS & DISTRICT MARKET OVERVIEW

JULY 2022

**FIGURE 1: RESIDENTIAL SALES VOLUME
KAMLOOPS & DISTRICT- \$ Millions**

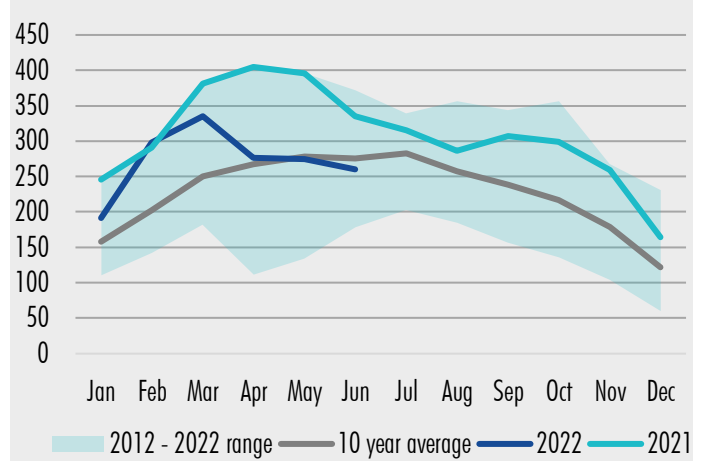


Source: ASSOCIATION OF INTERIOR REALTORS®, Q2 2022

The Kamloops and District real estate market has seen a return to the norm with sales in Q2 2022 returning to the 10-year average range. The Association of Interior REALTORS® transacted 811 residential sales, worth \$542.6 million, in the second quarter of 2022 for the region. This represents a 28.8% and 13.8% decline, respectively, compared to the same period in 2021. This should come as no surprise following the recent rise in interest rates.

The Bank of Canada increased its target overnight rate by 100 bps to 2.50% in July 13, 2022. This represents the most significant increase in interest rates since 1998, and shows the Bank is serious about taming record-high inflation. Prime rates have now risen to 4.70% at the time of publication. Potential exists for another 50-75 basis point increase in September. Inflation has been significantly impacted by high energy prices. Many economists believe that inflation will continue for the short term until global oil prices pullback. Despite this, mortgage rates are ultimately driven by the bond market, particularly the 5-year bond which has recently declined in response to the Bank of Canada's strategy to combat inflation.

**FIGURE 2: NUMBER OF RESIDENTIAL
SALES KAMLOOPS & DISTRICT**



Source: ASSOCIATION OF INTERIOR REALTORS®, Q2 2022

**FIGURE 3: QUARTERLY NEW HOMES
QUICK STATS**



811 Residential sales in Q2 2022
28.8% decrease vs Q2 2021



\$542.6 Million transacted in Q2 2022
13.8% decrease vs Q2 2021



1,694 New listings in Q2 2022
9.6% increase vs Q2 2021



1,668 Active residential listings as of June 2022
101.2% increase vs June 2021

Source: ASSOCIATION OF INTERIOR REALTORS®, Q2 2022

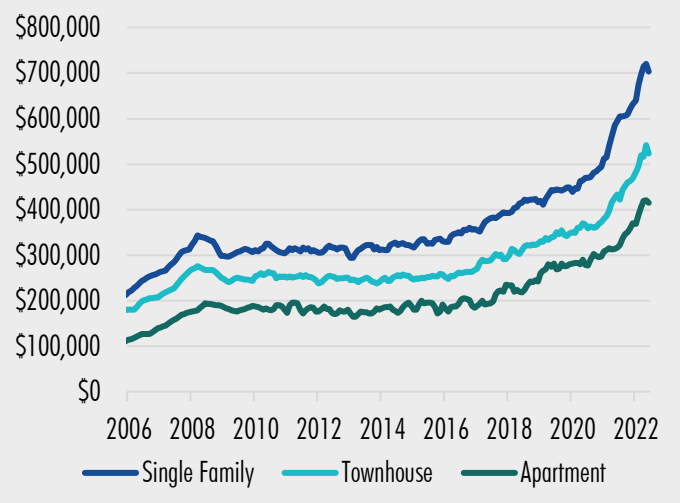


Home prices in the Kamloops and District region appear to have peaked in May 2022. The benchmark price for a single-family home reached a record high of \$720,600 before declining 2.4% month over month in June. Notwithstanding, prices continue to show strong year-over-year gains with single-family home prices rising 18.1% in June 2022 compared to the same period in 2021. Apartment and townhouses also posted 20.8% and 30.7% gains, respectively, during the same period.

The region still enjoys a good deal of prospective homebuyers. Locals and first-time owners are the main source of activity. Prospective buyers from the Lower Mainland have noticeably decreased after months of setting the market's pace. Vancouver buyers made it difficult for locals to compete and priced many out of the market. Also, households who had mortgage rate holds are now jumping into the market before those contracts expire. Additionally, many potential buyers are on the sidelines waiting for the dust to settle on rising interest rates.

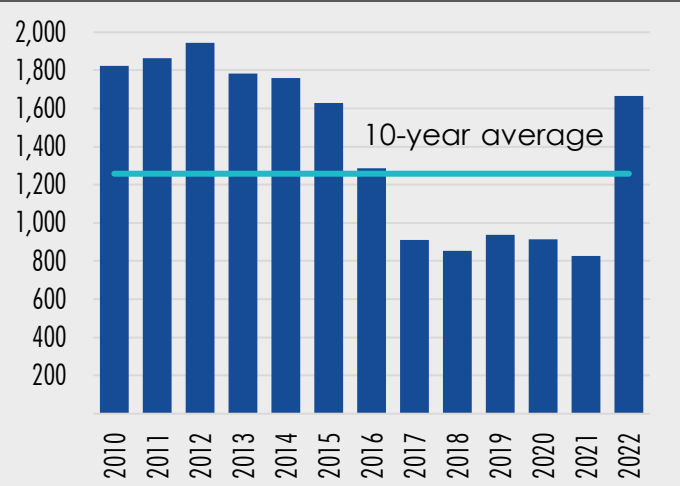
The recent decline in sales activity has allowed for an increase in inventories. In June 2022, there were 1,668 active listings. This represents a whopping 101.2% increase compared to the same period last year. 2022 has the highest number of active listings for any June since 2015. Many sellers want to catch the final wave of this strong market and are putting their homes up for sale. Unfortunately, sellers who expect to list at the same higher prices seen during the pandemic will be faced with the harsh reality of increased inventories and cannot expect top dollar for their homes. Listings with multiple offers of unconditional bids have almost disappeared from the market. The gap between vendors and purchasers may be at its widest until sellers come to terms with the new market realities.

FIGURE 4: HISTORICAL BENCHMARK PRICE BY PROPERTY TYPE



Source: ASSOCIATION OF INTERIOR REALTORS®, Q2 2022

FIGURE 5: RESIDENTIAL INVENTORY FOR THE MONTH OF JUNE



Source: ASSOCIATION OF INTERIOR REALTORS®, Q2 2022



FIGURE 6: MONTHS OF SUPPLY

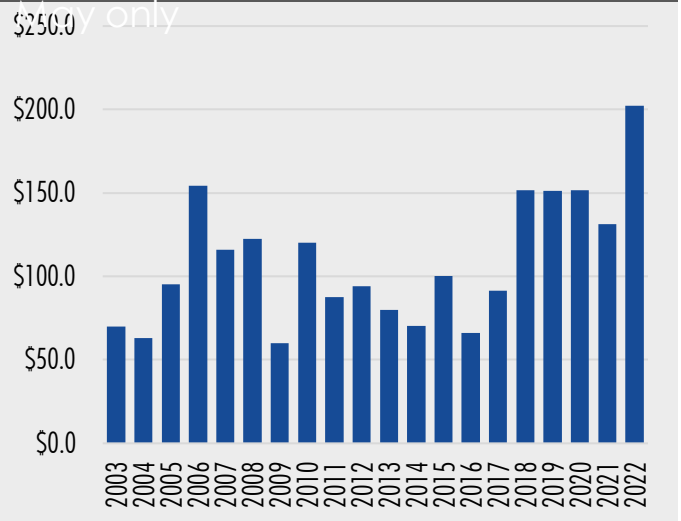


Source: ASSOCIATION OF INTERIOR REALTORS®, Q2 2022

Going forward, a slight drop in prices would come as no surprise, however prices are more likely to remain flat with limited price growth over the next few months. Rising interest rates will also make it more difficult to qualify for a mortgage under Canada’s stress test rules. Despite this, the region remains affordable. Buyers can find a starter home within the \$500,000 - \$600,000 range. While many may have to compromise on finishes and location, they are still able to get into the homeowner’s market, often in single-family homes. Fundamentally, buyers are still in the market and people need housing.

Rising mortgage rates and inflation will understandably impact new development and construction. However, strong immigration levels, along with a 400,000 annual target across the country, will likely

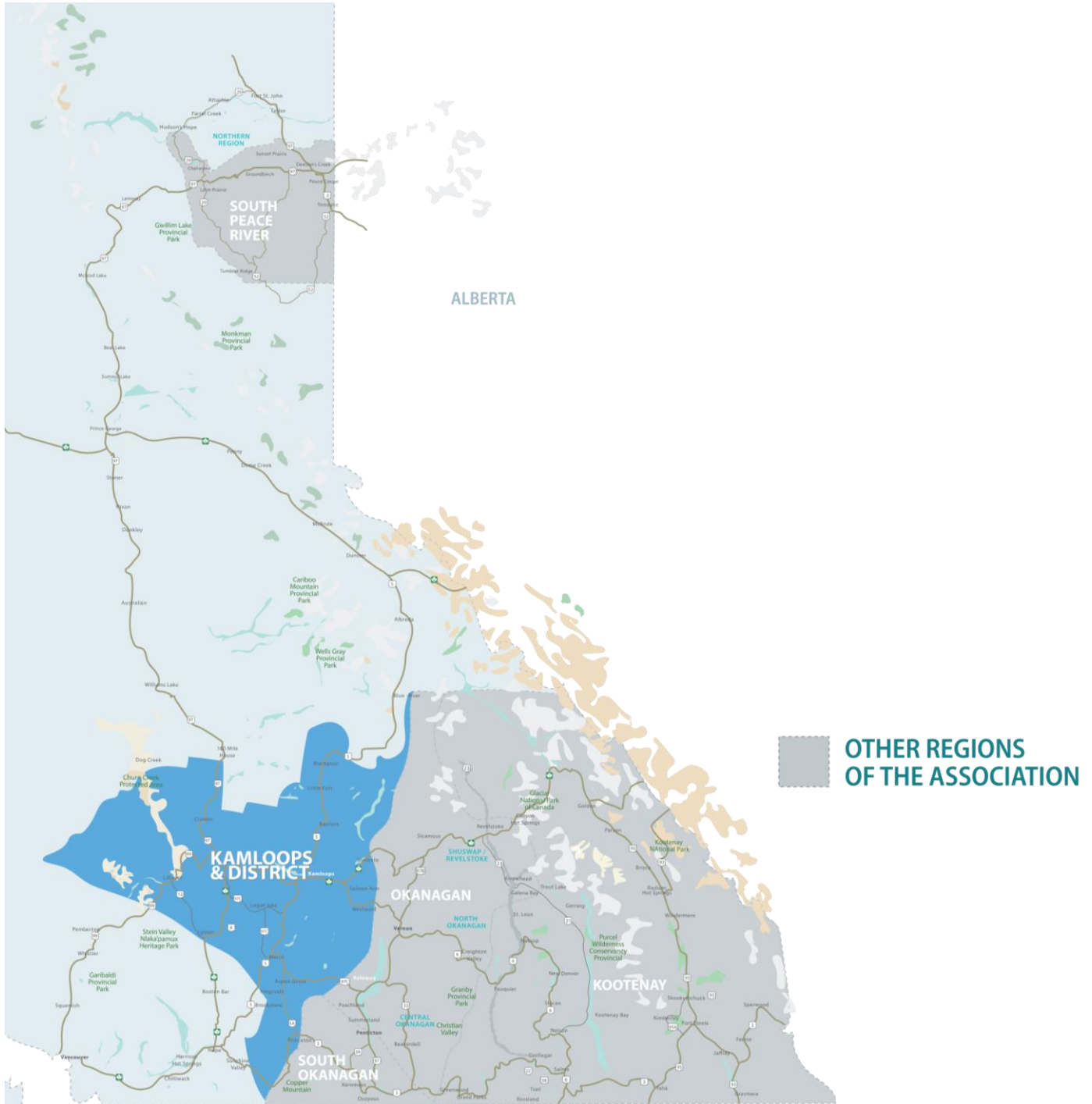
FIGURE 7: VALUE BUILDING PERMITS IN THOMPSON-NICOLA RD – January to



Source: Government of British Columbia, Q2 2022

sustain demand on limited housing supply. The region also exudes an economic optimism. There are currently multiple long-term infrastructure projects underway, driven by commercial, industrial and institutional projects. The addition to the existing Royal Inland Hospital was the largest permit issued for 2022 at \$46 million. TRU saw upgrades to the science building at \$5.5 million. There were over \$202.2 million worth of building permits in the Thompson-Nicola RD region in the first 5 months of the year. This is the highest value on record. In fact, the Kamloops construction sector is on pace for its second busiest year ever. Without a doubt, money is being spent in the Kamloops region, creating jobs and a community more attractive to future homeowners.

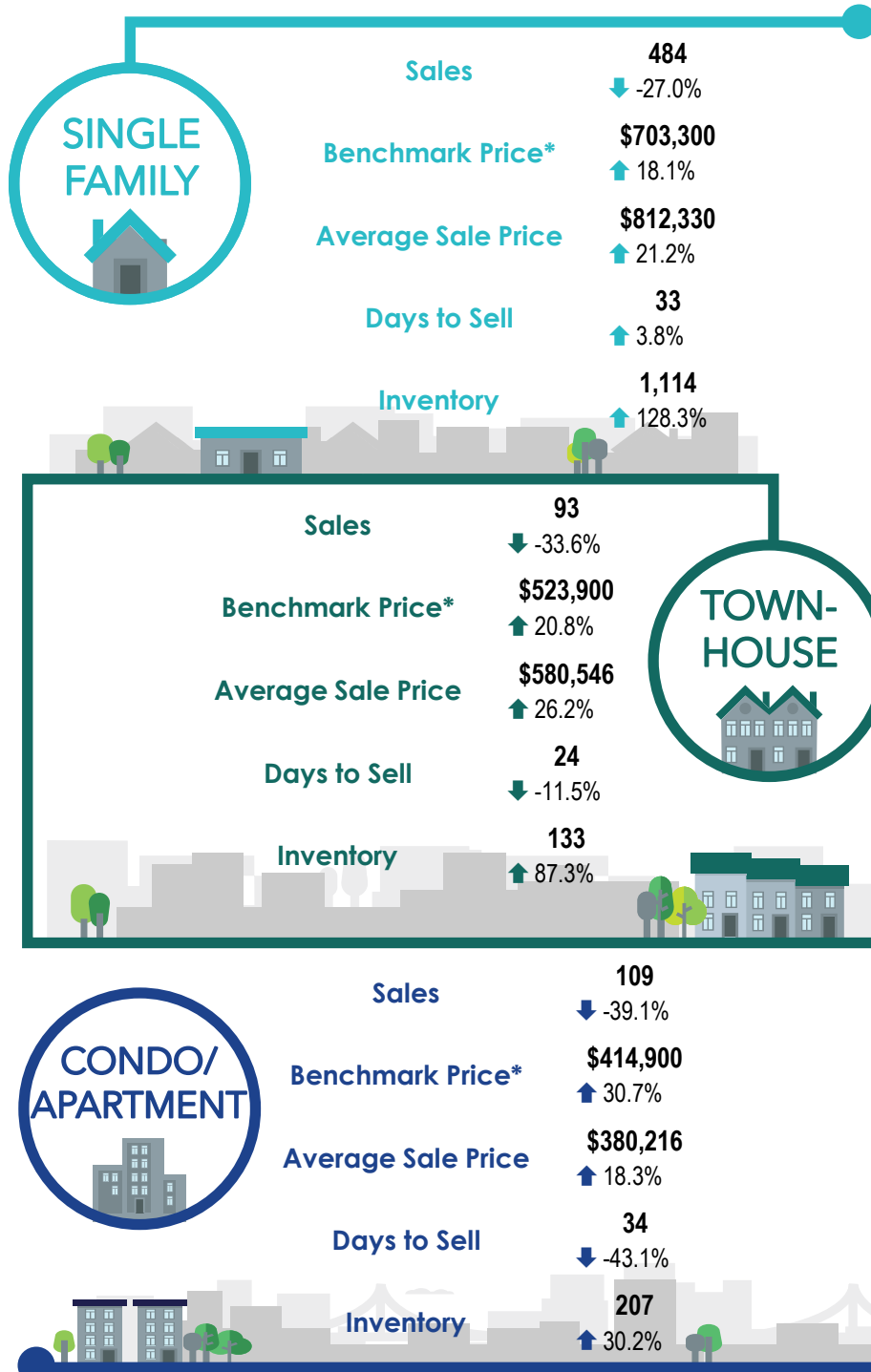




This map is for informational purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.



KAMLOOPS AND DISTRICT REGION



* Percentage represents change compared to the same period last year

** Inventory as of June 2022



Q2 2022 Statistics

Location	SINGLE FAMILY		TOWNHOUSE		APARTMENT	
	Sales	Benchmark Price	Sales	Benchmark Price	Sales	Benchmark Price
Aberdeen	23 ↓ -52.1%	\$944,900 ↑ 18.8%	15 ↓ -28.6%	\$627,700 ↑ 17.2%	10 ↑ 25.0%	\$365,500 ↑ 30.7%
Ashcroft	7 ↓ -30.0%	\$391,100 ↑ 18.9%	3 ↑ 50.0%		0 ↓ -100.0%	
Barnhartvale	18 ↑ 5.9%	\$836,200 ↑ 17.6%				
Barriere	15 ↓ -34.8%	\$557,800 ↑ 16.5%				
Batchelor Heights	15 ↓ -11.8%	\$965,200 ↑ 18.9%	3 ↑ 50.0%	\$586,500 ↑ 19.2%		
Brocklehurst	37 ↓ -24.5%	\$665,100 ↑ 19.2%	15 ↑ 50.0%	\$399,200 ↑ 25.5%	11 ↓ -21.4%	\$261,500 ↑ 36.6%
Cache Creek	5 ↑ 150.0%	\$475,300 ↑ 15.5%	0 ↓ -100.0%			
Campbell Creek/Deloro	5 ↓ -44.4%	\$748,000 ↑ 14.8%				
Chase	17 ↓ -10.5%	\$573,500 ↑ 16.2%	1 ↓ -75.0%			
Cherry Creek/Savona	4 ↓ -42.9%	\$891,900 ↑ 21.7%				
Clearwater	13 ↓ -40.9%	\$514,700 ↑ 17.1%				
Clinton	2 ↓ -50.0%	\$348,800 ↑ 16.0%				
Dallas	15 ↓ -21.1%	\$766,200 ↑ 17.5%			2 ↓ -50.0%	\$395,800 ↑ 27.8%
Dufferin/Southgate	9 ↓ -10.0%	\$852,100 ↑ 15.0%	2 ↑ 15.2%	\$746,700	1 ↓ -66.7%	\$556,000 ↑ 22.2%
Heffley	4 ↓ -33.3%	\$969,900 ↑ 24.5%				
Lillooet	12 ↑ 9.1%	\$336,300 ↑ 18.3%				
Logan Lake	14 ↓ -30.0%	\$479,200 ↑ 16.5%	1 0.0%		6 ↑ 50.0%	\$174,700 ↑ 34.1%

* Percentage represents change compared to the same period last year



Q2 2022 Statistics

Location	SINGLE FAMILY		TOWNHOUSE		APARTMENT	
	Sales	Benchmark Price	Sales	Benchmark Price	Sales	Benchmark Price
Merritt	32 ↓ -36.0%	\$552,500 ↑ 20.7%	1 ↓ -66.7%	\$416,400 ↑ 25.9%	7 ↑ 133.3%	
North Kamloops	28 ↓ -39.1%	\$571,700 ↑ 17.2%	1 ↓ -50.0%		2 ↓ -77.8%	\$313,000 ↑ 29.1%
Pinantan	1 ↓ -87.5%	\$474,900 ↑ 20.1%				
Pineview Valley	8 ↓ -38.5%	\$863,800 ↑ 16.0%	2 ↓ -60.0%	\$506,400 ↑ 22.3%	2 0.0%	\$382,900 ↑ 28.9%
Pritchard	5 ↑ 25.0%	\$384,300 ↑ 17.1%				
Rayleigh	7 ↓ -12.5%	\$770,400 ↑ 16.5%				
Sahali	30 ↓ -14.3%	\$891,600 ↑ 18.5%	16 ↓ -61.9%	\$422,300 ↑ 20.9%	23 ↓ -57.4%	\$476,900 ↑ 26.5%
South Kamloops	22 ↓ -37.1%	\$731,900 ↑ 19.0%	8 ↓ -38.5%	\$623,400 ↑ 17.2%	19 ↓ -42.4%	\$385,200 ↑ 29.2%
South Thompson Valley	10 0.0%	\$860,500 ↑ 18.8%				
Sun Peaks	2 ↓ -71.4%	\$879,100 ↑ 14.8%	8 ↓ -20.0%	\$967,100 ↑ 21.4%	12 ↓ -57.1%	\$517,700 ↑ 39.5%
Sun Rivers	9 ↓ -10.0%	\$989,700 ↑ 17.0%	1 ↓ -85.7%	\$717,600 ↑ 19.1%	6 ↓ -45.5%	\$385,900 ↑ 27.4%
Valleyview	14 0.0%	\$848,800 ↑ 16.3%	6 ↑ 100.0%	\$629,200 ↑ 20.1%	1 0.0%	
Westsyde	41 ↓ -25.5%	\$812,400 ↑ 20.2%	3 0.0%	\$401,000 ↑ 26.0%	5 ↑ 150.0%	
Juniper Ridge	17 ↓ -34.6%	\$1,042,900 ↑ 16.7%	1 ↓ -75.0%	\$613,200 ↑ 21.8%		

* Percentage represents change compared to the same period last year



CONTACT

George Greenwood

ASSOCIATION OF INTERIOR REALTORS®
#112 - 140 Commercial Drive
Kelowna, BC, Canada, V1X 7X6
[250-878-0212](tel:250-878-0212)
ceo@interiorrealtors.com
www.interiorrealtors.com



PREPARED BY

