

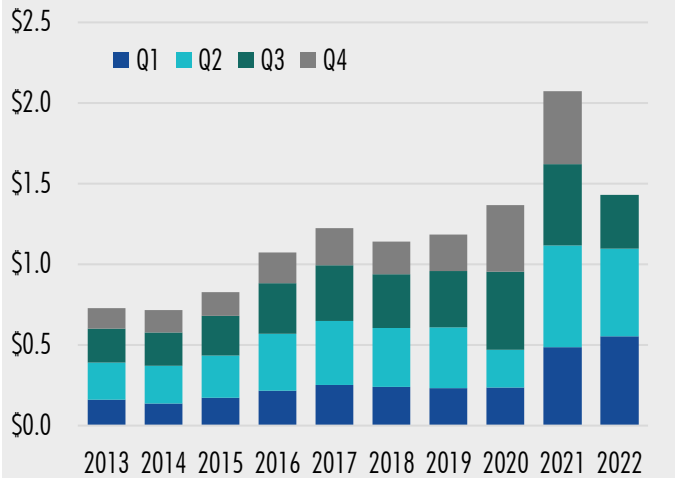


Q3 2022

KAMLOOPS & DISTRICT MARKET OVERVIEW

OCTOBER 2022

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

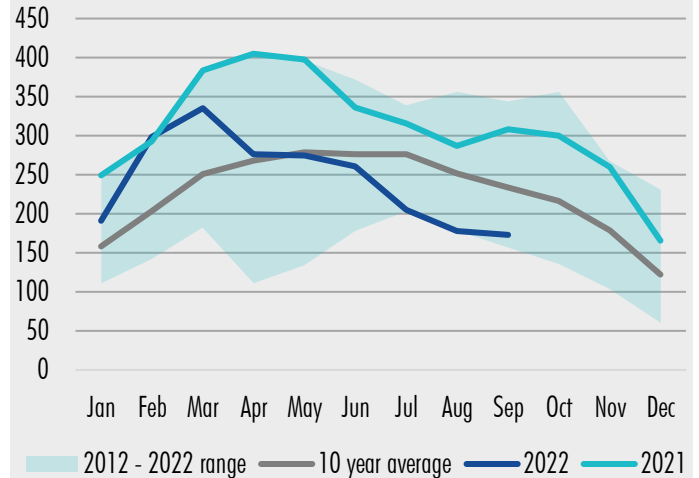


Source: ASSOCIATION OF INTERIOR REALTORS®, Q3 2022

The Kamloops and District region real estate market recorded its slowest third quarter since 2011 amid rising interest rates. Q3 saw 555 residential sales, worth \$331.2 million, representing a 39.1% decline in activity compared to the same period last year. Market sentiment took a sharp turn as recession speculation continued with high inflation lasting longer than expected. To control inflation, the Bank of Canada's forward guidance is now signaling even higher rates over a longer period.

First year interest rates for single-family homes in Kamloops reached a record high in the third quarter of 2022. The rapid increases in interest rates by the Bank of Canada has caused interest payments to rise by 70.0% when compared to the previous all-time highs of 2008. The proportion of interest on the total mortgage payment has increased from 54.1% in October 2021 to 74.1% in August of 2022.

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



Source: ASSOCIATION OF INTERIOR REALTORS®, Q3 2022

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



555 Residential sales in Q3 2022
39.1% decrease vs Q3 2021



\$331.2 Million transacted in Q3 2022
34.65% decrease vs Q3 2021



1,238 New listings in Q3 2022
9.8% increase vs Q3 2021



1,989 Active residential listings as of September 2022
125.3% increase vs September 2021

Source: ASSOCIATION OF INTERIOR REALTORS®, Q3 2022

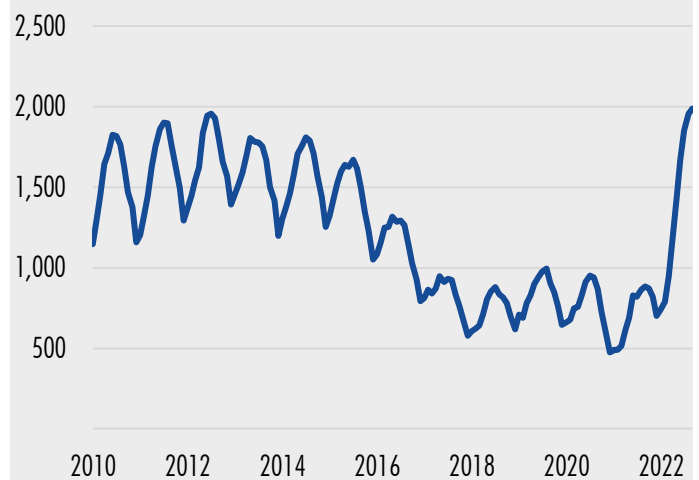


The market recently experienced a quick shift in terms of supply, going from record low availability to the highest number of properties available for sale in a matter of months. As of September 2022, there were 1,989 residential properties for sale. This represents a whopping 125.3% increase compared to the same period last year. Rising inventories will provide more choice for homebuyers after months of limited options. It is important to note that despite the increase in inventory, there is not an increase in foreclosures. The stress test implemented in 2017 is working as intended, ensuring homeowners can afford their home even during periods of rising interest rates.

While there has been a slight increase in the number of new listings, the increased supply is more accurately caused by a decline in sales, as buyers are processing higher interest rates as the new normal. The market has seen a significant divergence between buyer and sellers. Many sellers are still expecting top dollar for their homes regardless of changing market and economic conditions. There is an unwillingness to accept the fact that their homes are not worth what they used to be, so some sellers have opted to rent, which is an excellent option as the rental market is currently strong.

Prices have softened compared to the all-time highs recorded earlier this summer. Single-family home prices declined 8.5% in September 2022, compared to May's 2022 record high. This has created opportunities for first time homebuyers, many of which were priced out of the market a few months ago. Kamloops remains an affordable housing market in BC, where buyers can still afford single-family homes. Further benefitting the buyer side, negotiating power has shifted in their favour as homes are selling for an average 5.8% under list price. Despite this, buyers are much more cautious with a lower appetite for risk compared to last year.

FIGURE 4: HISTORICAL ACTIVE RESIDENTIAL LISTINGS



Source: ASSOCIATION OF INTERIOR REALTORS®, Q3 2022

FIGURE 5: MORTGAGE INTEREST ON YEAR 1 FOR A SINGLE-FAMILY HOME*

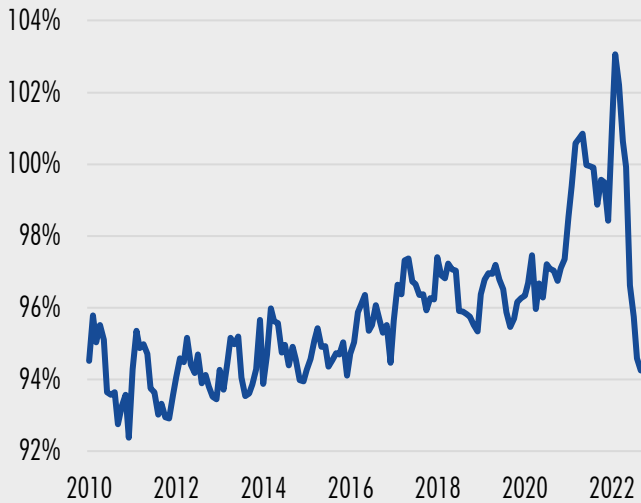


*Assumes the home is priced at the benchmark value with a 10% down payment and a 25-year mortgage.

Source: ASSOCIATION OF INTERIOR REALTORS®, Q3 2022



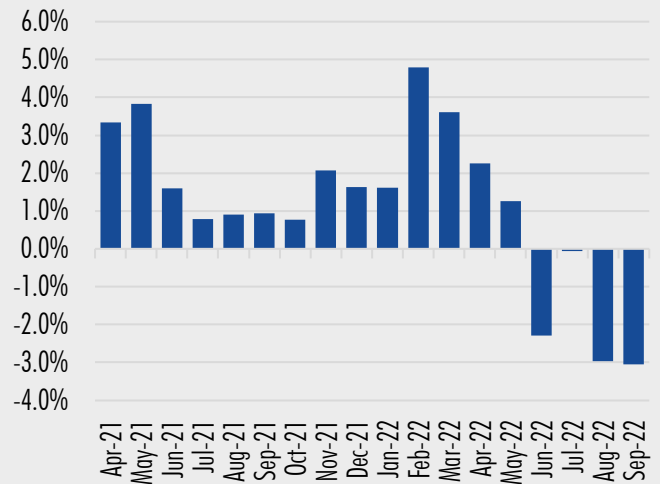
FIGURE 6: AVERAGE LIST-TO-SELL PRICE RATIO



Source: ASSOCIATION OF INTERIOR REALTORS®, Q3 2022

Moving into the last quarter of the year, economists have noted that there are risks of a stagflation environment, which is the simultaneous occurrence of slow growth, high unemployment and rising prices. Despite this, the Bank of Canada is not backing down on raising interest rates. Economists expect an additional rate hike likely coming on October 26. Regardless, Kamloops fundamentals are solid as single-family homes remain affordable and represent the highest demand. Additionally, the local economy remains stable with low

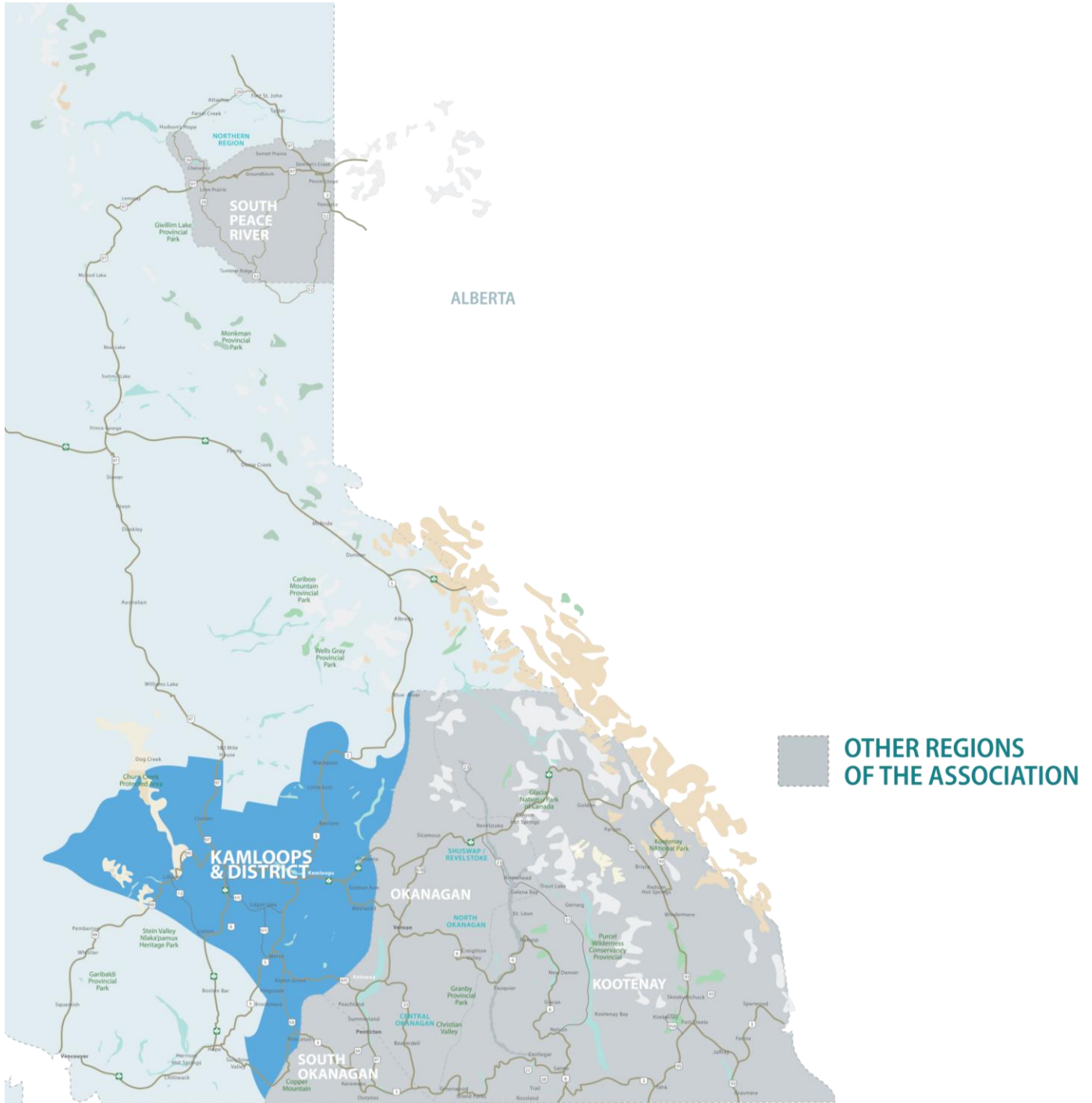
FIGURE 7: COMPOSITE BENCHMARK PRICE GROWTH Month-Over-Month



Source: ASSOCIATION OF INTERIOR REALTORS®, Q3 2022

unemployment due to its diverse structure. There are multiple construction projects underway or in the works, including the conversion of a hotel to a student dorm at TRU, 440 new lots up for residential construction, as well as the Trans Mountain pipeline expansion project, expected to be completed by the end of 2023. Additionally, Kamloops has consolidated as a transportation hub which has spurred industrial development in the area.

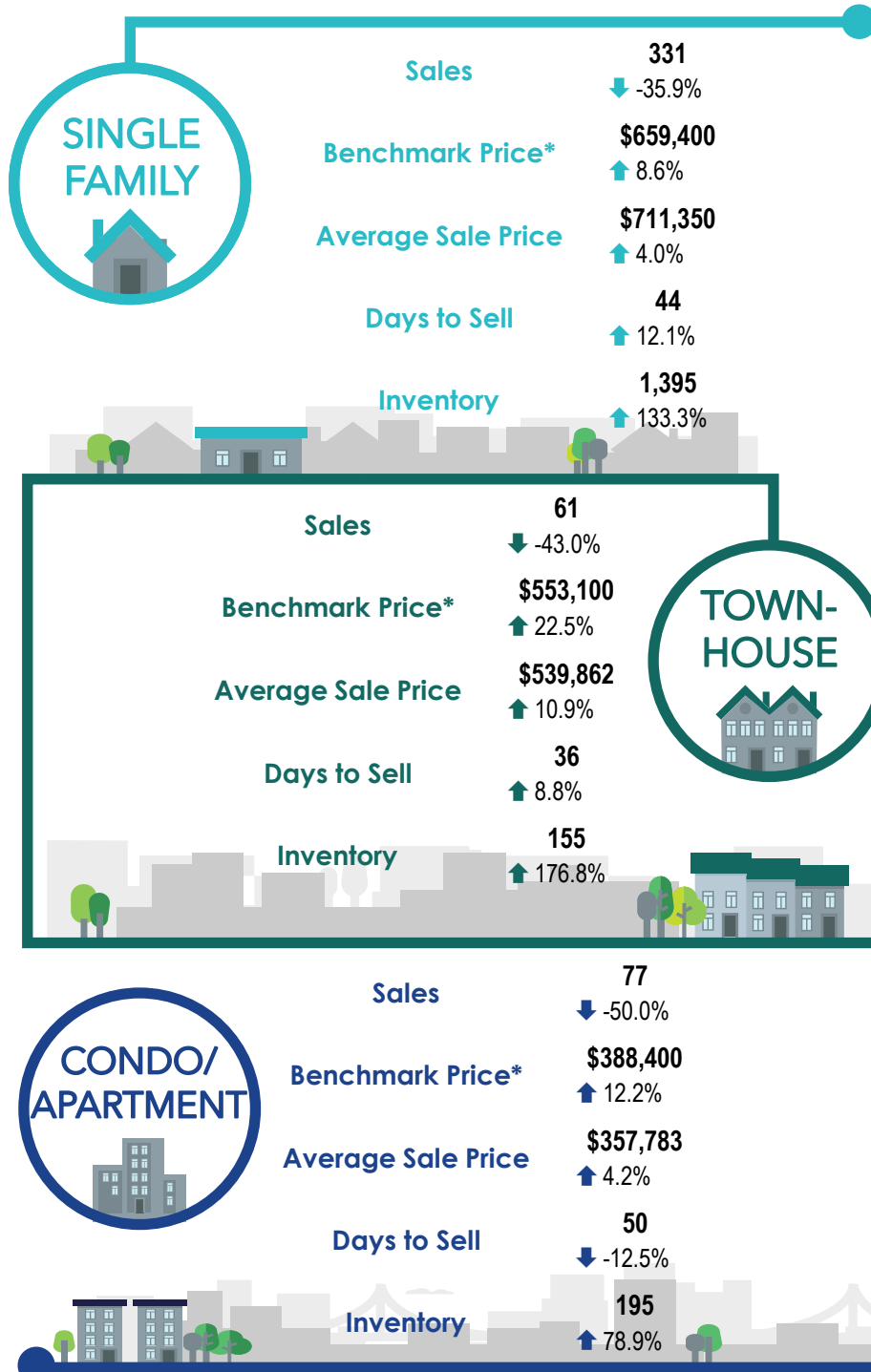




This map is for informational purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.



KAMLOOPS AND DISTRICT REGION



* Percentage represents change compared to the same period last year

** Inventory as of SEPTEMBER 2022



Q3 2022 Statistics

Location	SINGLE FAMILY		TOWNHOUSE		APARTMENT	
	Sales	Benchmark Price	Sales	Benchmark Price	Sales	Benchmark Price
Aberdeen	25 ↓ -39.0%	\$840,600 ↑ 4.4%	10 ↓ -28.6%	\$606,300 ↑ 14.5%	4 ↓ -33.3%	\$352,300 ↑ 5.2%
Ashcroft	7 ↑ 75.0%	\$368,100 ↑ 3.1%	1 ↓ -50.0%		0 ↓ -100.0%	
Barnhartvale	13 ↓ -18.8%	\$745,500 ↑ 5.2%				
Barriere	5 ↓ -66.7%	\$524,900 ↑ 7.6%				
Batchelor Heights	10 ↓ -28.6%	\$854,300 ↑ 4.6%	1 ↓ -66.7%	\$566,600 ↑ 4.8%		
Brocklehurst	27 ↓ -40.0%	\$594,700 ↑ 4.8%	6 ↓ -14.3%	\$388,800 ↑ 20.8%	7 ↓ -46.2%	\$256,200 ↑ 3.5%
Cache Creek	1 0.0%	\$456,100 ↑ 5.2%	0 ↓ -100.0%			
Campbell Creek/Deloro	0 ↓ -100.0%	\$673,500 ↑ 3.5%				
Chase	12 ↓ -25.0%	\$537,900 ↑ 6.2%	2 ↓ -60.0%		0 ↓ -100.0%	
Cherry Creek/Savona	2 ↓ -60.0%	\$802,400 ↑ 5.9%				
Clearwater	9 ↓ -40.0%	\$480,300 ↑ 8.5%			1 0.0%	
Clinton	4 0.0%	\$348,600 ↑ 9.8%				
Dallas	7 ↓ -50.0%	\$698,600 ↑ 5.3%			1 ↓ -50.0%	\$381,600 ↑ 7.5%
Dufferin/Southgate	4 ↓ -20.0%	\$774,900 ↑ 5.5%	1 ↓ -66.7%	\$717,800 ↑ 6.7%	0 ↓ -100.0%	\$532,900 ↑ 3.9%
Heffley	7 ↑ 40.0%	\$867,400 ↑ 3.7%				
Lillooet	10 ↑ 42.9%	\$327,600 ↑ 9.3%				
Logan Lake	8 ↓ -33.3%	\$457,800 ↑ 6.6%			6 ↑ 50.0%	\$165,200 ↑ 16.0%

* Percentage represents change compared to the same period last year



Q3 2022 Statistics

Location	SINGLE FAMILY		TOWNHOUSE		APARTMENT	
	Sales	Benchmark Price	Sales	Benchmark Price	Sales	Benchmark Price
Merritt	25 ↓ -45.7%	\$510,800 ↑ 8.8%	2 ↓ -50.0%	\$406,600 ↑ 5.6%	1 ↓ -75.0%	
North Kamloops	18 ↓ -51.4%	\$543,900 ↑ 5.6%	0 ↓ -100.0%		2 ↓ -60.0%	\$297,000 ↑ 4.4%
Pinantan	3 ↓ -50.0%	\$460,700 ↑ 12.9%				
Pineview Valley	9 0.0%	\$768,100 ↑ 4.4%	0 ↓ -100.0%	\$492,400 ↑ 14.6%	3 ↑ 200.0%	\$370,300 ↑ 3.1%
Pritchard	3 ↓ -25.0%	\$382,900 ↑ 10.8%				
Rayleigh	6 0.0%	\$689,200 ↑ 3.1%				
Sahali	21 ↓ -38.2%	\$795,000 ↑ 5.5%	18 ↓ -35.7%	\$415,100 ↑ 14.3%	21 ↓ -36.4%	\$463,300 ↑ 11.5%
South Kamloops	18 ↓ -14.3%	\$653,800 ↑ 5.2%	2 ↓ -60.0%	\$607,400 ↑ 14.2%	13 ↓ -65.8%	\$366,000 ↑ 4.7%
South Thompson Valley	5 ↓ -50.0%	\$752,900 ↑ 2.4%				
Sun Peaks	1 0.0%	\$780,600 ↑ 4.7%	7 ↓ -12.5%	\$953,400 ↑ 16.3%	9 ↓ -65.4%	\$483,700 ↑ 10.7%
Sun Rivers	4 ↓ -55.6%	\$885,100 ↑ 4.5%	1 ↓ -66.7%	\$690,000 ↑ 10.3%	8 ↓ -50.0%	\$368,100 ↑ 12.4%
Valleyview	9 0.0%	\$753,400 ↑ 3.4%	2 ↓ -33.3%	\$606,400 ↑ 6.7%	1 ↑ 0.0%	
Westsyde	21 ↓ -43.2%	\$733,900 ↑ 6.7%	5 0.0%	\$389,500 ↑ 0.0%		
Juniper Ridge	15 ↓ -31.8%	\$929,700 ↑ 3.9%	3 ↓ -40.0%	\$591,200 ↑ 9.3%		

* Percentage represents change compared to the same period last year



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