

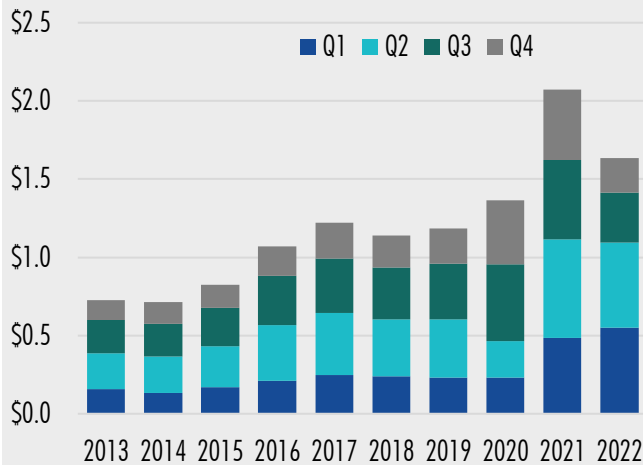


2022

KAMLOOPS & DISTRICT MARKET OVERVIEW

January 2023

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

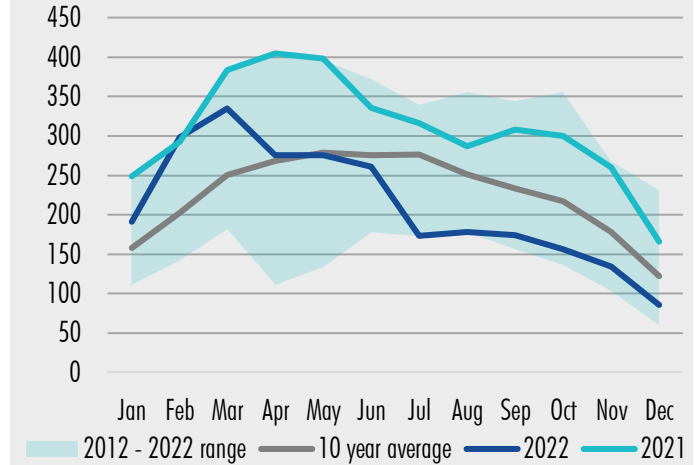


Source: ASSOCIATION OF INTERIOR REALTORS®, 2022

The Kamloops and District real estate market has undergone a dramatic shift over the past year, with sales plummeting to near a decade low in the latter half of 2022. This decline in sales is particularly striking as it follows a period of exceptional performance in the early months of the year when the market was one of the strongest on record. The region recorded 2,570 residential sales in 2022, worth a total of \$1.6 billion, reflecting a stark contrast to the previous year. This represents a 30.6% decline in the number of transactions and a 21.5% decrease in the value of sales compared to 2021, making 2022 the slowest recorded since 2015.

Rising interest rates have played a significant role in slowing down the Kamloops and overall Canadian housing markets. The Bank of Canada has recently signaled a pause on its rate hike cycle after lifting the key policy rate to 4.50% on January 25, 2023. The pause is conditional on economic developments evolving broadly in line with the Bank's outlook.

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



Source: ASSOCIATION OF INTERIOR REALTORS®, 2022

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



2,570 Residential sales in 2022
30.6% decrease vs 2021



\$1.6 Billion transacted in 2022
21.5% decrease vs 2021



4,791 New listings in 2022
8.5% increase vs 2021



1,907 Active residential listings as of December 2022
171.1% increase vs December 2021

Source: ASSOCIATION OF INTERIOR REALTORS®, 2022

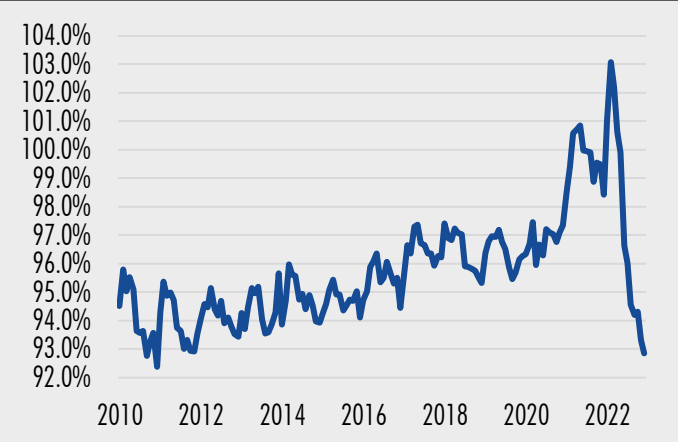


As Canada’s central bank strives to return inflation to its target, it acknowledges that tighter monetary policy will likely have an impact on the economy. Higher borrowing costs have already led to a slowdown in household consumption and business investment. A recent report by Deloitte predicts that Canada will enter a mild recession that may last longer than previously anticipated in 2023, due to rising interest rates and a slowing U.S. economy. As the economy contracts, inflation is expected to decrease, and Deloitte expects the Bank of Canada to reduce interest rates before the end of 2023 and throughout 2024 to foster a modest economic recovery.

Kamloops real estate market is now attracting a different pool of buyers. The proportion of households from outside the region looking to purchase a home, particularly those from the lower mainland, has decreased significantly after being dramatically high in previous years. This shift in market dynamics is affecting sellers as well, with some regretting not selling at the top of the market earlier in the year. As a result, some sellers may be pricing their properties too high, and ultimately not transacting. However, sellers who are realistic about their expectations and are pricing their properties appropriately are more likely to transact quickly in the current environment.

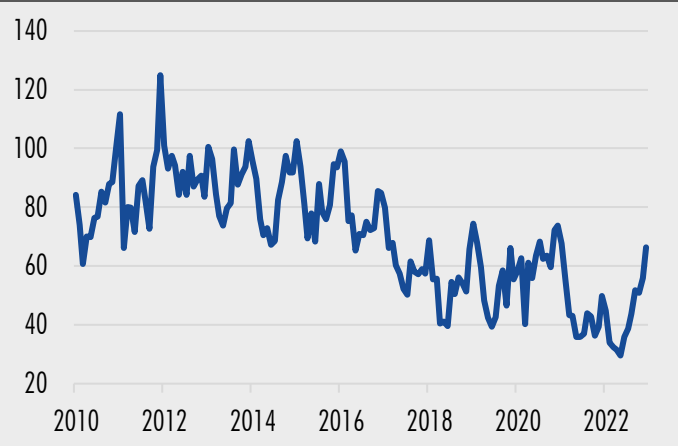
The region is shifting from a seller’s market to a balanced market, particularly for single-family homes. This change is giving buyers more bargaining power as properties are now selling at a lower price compared to their listed value, with the average sale-to-list price ratio reaching a 12-year low in December 2022 at 92.4%. The reduced deal velocity also gives buyers more time to conduct proper due diligence and transact. The average days on market for all residential properties has increased to 66 days in December 2022 from a record low of 29 days just 7 months earlier, indicating a slower and more measured market pace.

FIGURE 4: AVERAGE LIST-TO-SELL PRICE RATIO



Source: ASSOCIATION OF INTERIOR REALTORS®, 2022

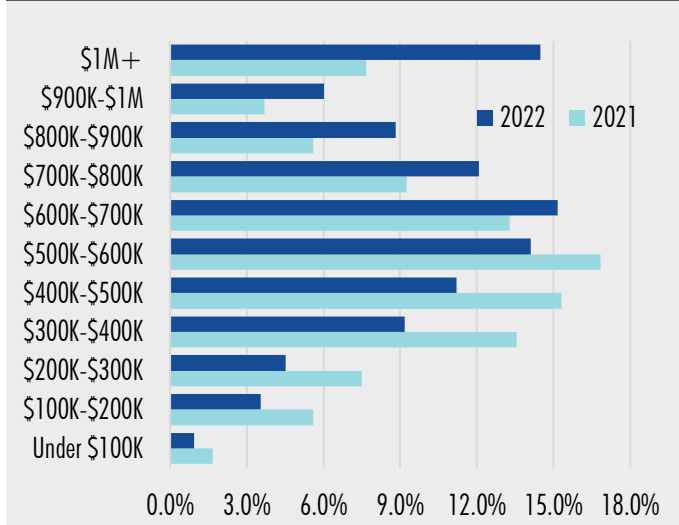
FIGURE 5: AVERAGE DAYS ON MARKET FOR ALL RESIDENTIAL UNITS



Source: ASSOCIATION OF INTERIOR REALTORS®, 2022



FIGURE 6: NEW LISTINGS BY PRICE GROUP



Source: ASSOCIATION OF INTERIOR REALTORS®, 2022

Despite a decline in the number of active listings in the last quarter of the year, there were 1,907 active listings in December 2022. This shows a significant 171.1% increase compared to December 2021 and the highest number of listings available for the month of December since 2010. The increase in inventory is driven by both a decline in sales and an increase in new listings hitting the market, with a record high of 4,791 listings in 2022. As a result, developers are slowing down construction in the region. As of December 2022, there were 674 units being built, a 35.3% decline compared to December 2021 levels, reflecting the changing market conditions.

While the number of active listings has risen, the proportion of listings for properties priced at or below \$500,000 has dropped significantly, falling from 43.6% in 2021 to just 33.0% as of January 18, 2023. Meanwhile, the share of new listings for properties priced at \$1 million or more has seen a notable increase, rising from 7.7% in 2021 to 14.5% in 2022. This trend highlights the growing challenge of finding affordable housing options in the Kamloops region, even as more listings become available.

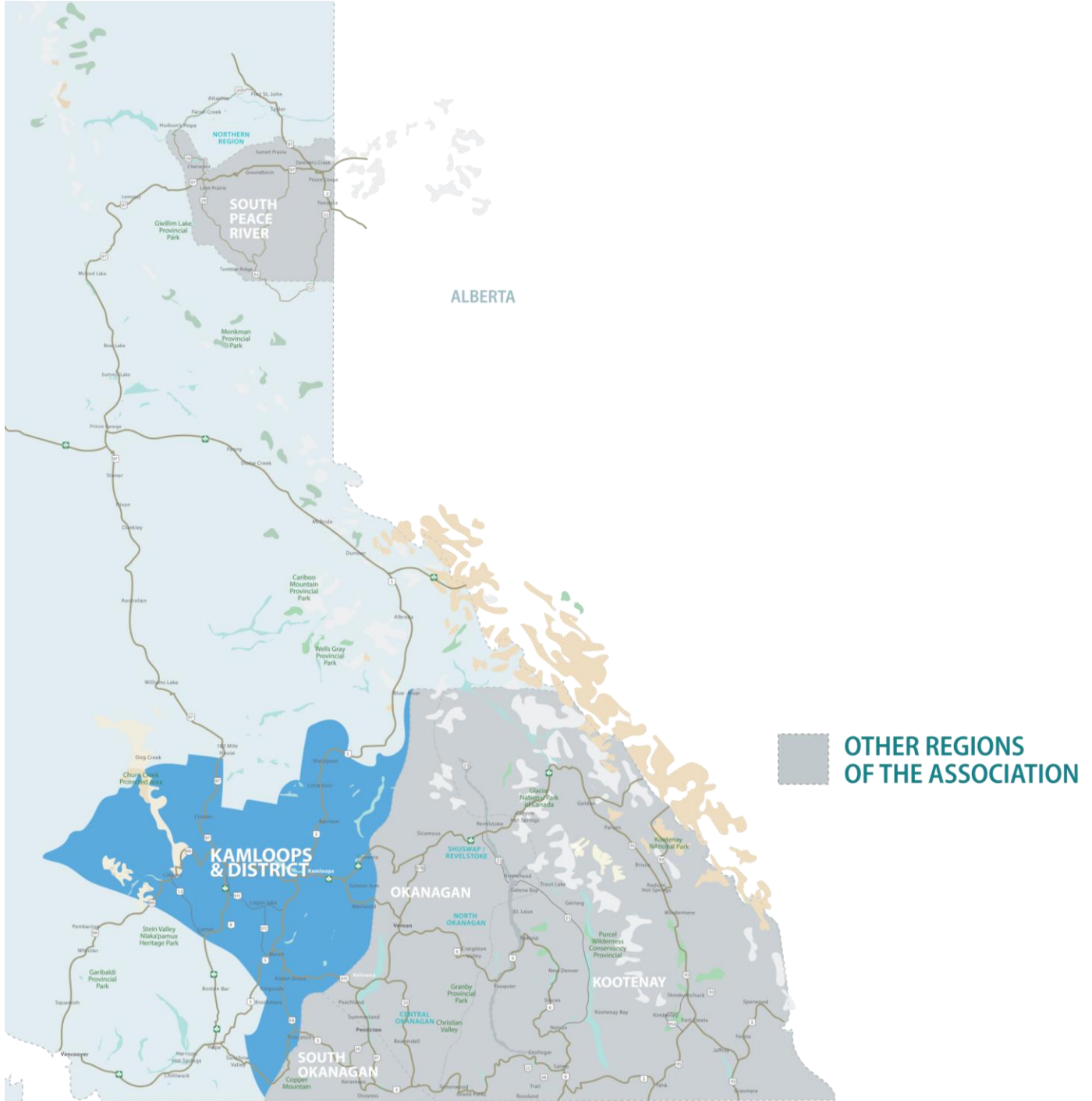
FIGURE 7: NEW HOUSING INVENTORY UNDER CONSTRUCTION



Source: ASSOCIATION OF INTERIOR REALTORS®, 2022

Going forward, the Kamloops real estate market is expected to have a slow start in 2023. Interest rate uncertainty and the early arrival of winter are likely to deter buyers from entering the market in the first couple of months of the year. However, despite the short-term market turbulence, sales are expected to stabilize and return to long-term market fundamentals. There will always be people who need to transact, whether for family or lifestyle reasons, which may result in a slight uptick in activity over the second half of the year. Additionally, population growth in the region is likely to continue, driven by a solid and stable economy. In 2022 the value of building permits in the City of Kamloops soared to a record \$415.4 million, more than double compared to 2021. Activity is likely to continue strong into 2023. The 525-unit City Gardens project is an example of a buoyant residential construction, with the developer, The Kelson Group, announcing additional interest in starting 5 other structures. Moreover, Thompson Rivers University is adding more student housing, with a 4-storey building set for completion by summer 2023. Furthermore, the city is home to several light manufacturing and technology companies, as well as a growing number of service-based businesses.

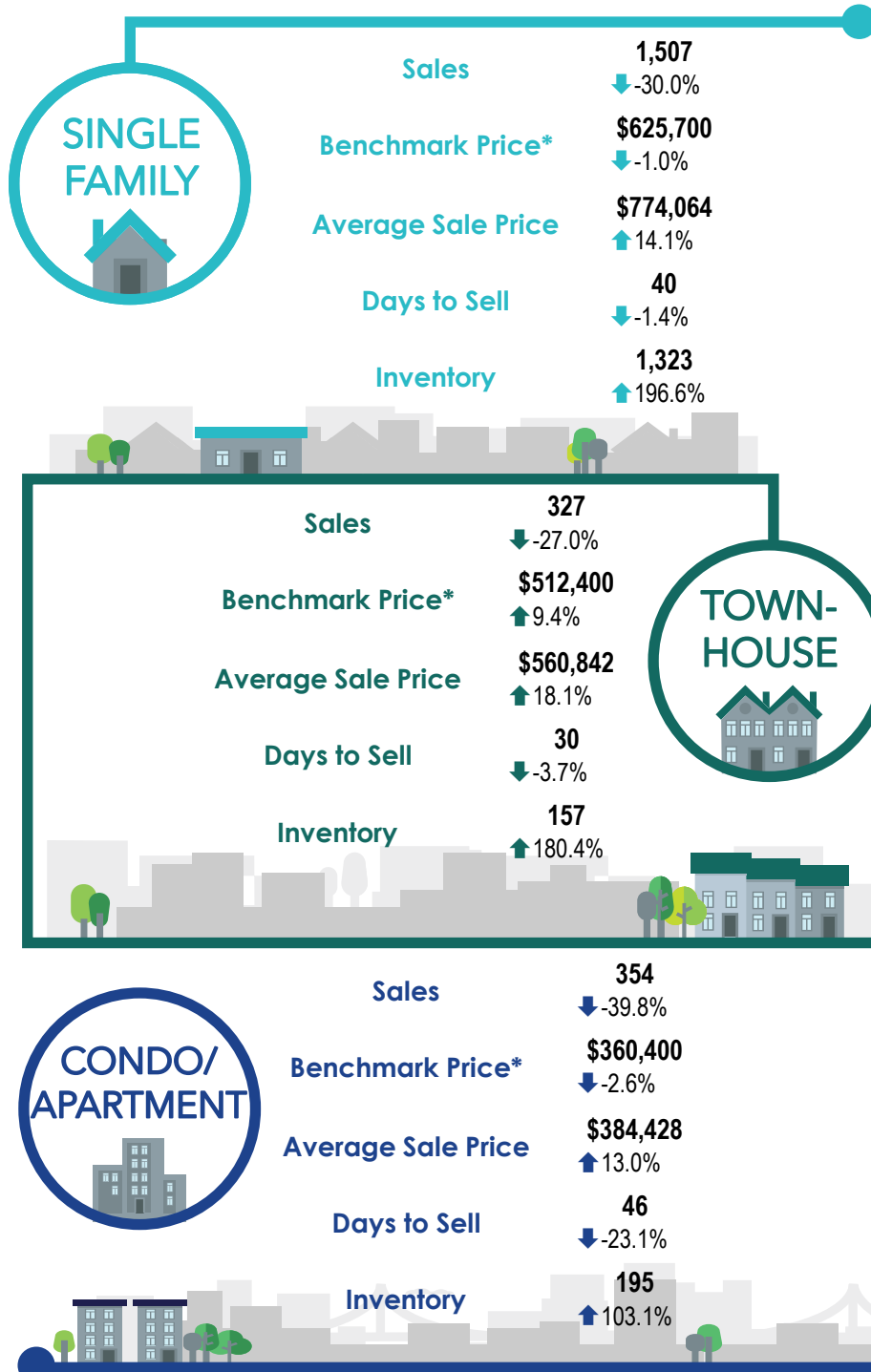




This map is for informational purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.



KAMLOOPS AND DISTRICT REGION



* Percentage represents change compared to the same period last year

** Benchmark Prices and Inventory as of December 2022



2022 Statistics

Location	SINGLE FAMILY		TOWNHOUSE		APARTMENT	
	Sales	Benchmark Price	Sales	Benchmark Price	Sales	Benchmark Price
Aberdeen	100 ↓ -35.9%	\$799,800 ↓ -3.7%	46 ↓ -27.0%	\$555,800 ↓ -1.0%	19 ↓ -24.0%	\$330,800 ↓ -1.4%
Ashcroft	22 ↓ -24.1%	\$342,500 ↓ -6.5%	4 ↓ -33.3%		2 ↓ -71.4%	
Barnhartvale	57 ↑ 5.6%	\$730,200 ↓ -1.4%				
Barriere	37 ↓ -36.2%	\$475,800 ↓ -6.1%				
Batchelor Heights	51 ↓ -17.7%	\$821,900 ↓ -3.0%	9 ↓ -18.2%	\$527,400 ↓ -1.7%		
Brocklehurst	128 ↓ -28.5%	\$582,300 ↓ -1.7%	28 ↓ -17.6%	\$360,000 ↑ 3.0%	30 ↓ -30.2%	\$237,900 ↓ -3.1%
Cache Creek	15 ↑ 25.0%	\$405,300 ↓ -9.8%	0 ↓ -100.0%			
Campbell Creek/Deloro	10 ↓ -70.6%	\$657,000 ↓ -3.1%	8			
Chase	43 ↓ -29.5%	\$477,100 ↓ -8.9%	4 ↓ -63.6%		1 ↓ -50.0%	
Cherry Creek/Savona	12 ↓ -62.5%	\$791,500 ↓ -0.3%				
Clearwater	35 ↓ -55.1%	\$442,900 ↓ -3.8%			1 ↓ -50.0%	
Clinton	14 ↓ -26.3%	\$306,400 ↓ -6.2%				
Dallas	37 ↓ -26.0%	\$675,800 ↑ 0.1%	2		6 ↓ -50.0%	\$353,900 ↓ -3.7%
Dufferin/Southgate	28 ↑ 27.3%	\$739,200 ↓ -3.2%	8 ↑ 33.3%	\$659,500 ↓ -3.8%	2 ↓ -75.0%	\$493,000 ↓ -3.9%
Heffley	20 ↓ -4.8%	\$894,400 ↑ 1.5%				
Lillooet	36 ↓ -10.0%	\$291,200 ↓ -5.9%				
Logan Lake	40 ↓ -33.3%	\$410,600 ↓ -7.8%	3 ↑ 50.0%		16 0.0%	\$159,300 ↑ 7.3%

* Percentage represents change compared to the same period last year

** Benchmark Prices as of December 2022



2022 Statistics

Location	SINGLE FAMILY		TOWNHOUSE		APARTMENT	
	Sales	Benchmark Price	Sales	Benchmark Price	Sales	Benchmark Price
Merritt	99 ↓ -39.6%	\$464,600 ↓ -6.8%	7 ↓ -53.3%	\$382,000 ↓ -8.4%	13 ↓ -7.1%	
North Kamloops	89 ↓ -34.1%	\$489,700 ↓ -8.4%	2 ↓ -50.0%		15 ↓ -51.6%	\$280,800 ↓ -3.2%
Pinantan	9 ↓ -55.0%	\$414,900 ↓ -1.9%				
Pineview Valley	28 ↓ -17.6%	\$740,800 ↓ -3.2%	9 ↓ -60.9%	\$461,700 ↓ -1.9%	6 ↓ -40.0%	\$345,400 ↓ -1.9%
Pritchard	18 ↑ 5.9%	\$336,800 ↓ -5.6%				
Rayleigh	24 ↓ -17.2%	\$671,500 ↓ -1.9%				
Sahali	93 ↓ -25.6%	\$756,600 ↓ -3.9%	71 ↓ -37.7%	\$386,600 ↓ -4.1%	79 ↓ -38.8%	\$421,200 ↓ -1.1%
South Kamloops	67 ↓ -36.8%	\$634,800 ↓ -2.1%	23 ↓ -25.8%	\$562,100 ↓ -1.4%	71 ↓ -42.7%	\$340,200 ↓ -6.3%
South Thompson Valley	31 ↓ -34.0%	\$748,600 ↓ -3.3%				
Sun Peaks	11 ↓ -31.3%	\$717,500 ↓ -6.3%	36 ↓ -2.7%	\$873,900 ↑ 3.2%	60 ↓ -43.4%	\$449,600 ↓ -0.5%
Sun Rivers	30 ↓ -30.2%	\$863,700 ↓ -2.0%	12 ↓ -45.5%	\$642,600 ↓ -0.1%	19 ↓ -50.0%	\$340,200 ↓ -1.3%
Valleyview	53 ↑ 6.0%	\$743,400 ↓ -2.2%	16 ↑ 6.7%	\$555,300 ↓ -1.1%	2 ↓ -66.7%	
Westsyde	101 ↓ -34.0%	\$709,400 ↓ -1.1%	17 ↑ 30.8%	\$361,600 ↑ 0.0%	8 ↓ -27.3%	
Juniper Ridge	62 ↓ -21.5%	\$894,100 ↓ -3.9%	12 ↓ -42.9%	\$551,600 ↓ -5.9%		

* Percentage represents change compared to the same period last year

** Benchmark Prices as of December 2022



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