

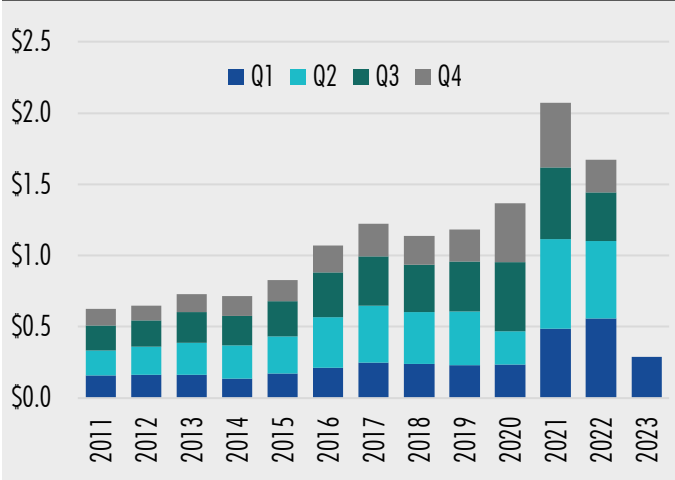


Q1 2023

KAMLOOPS & DISTRICT MARKET OVERVIEW

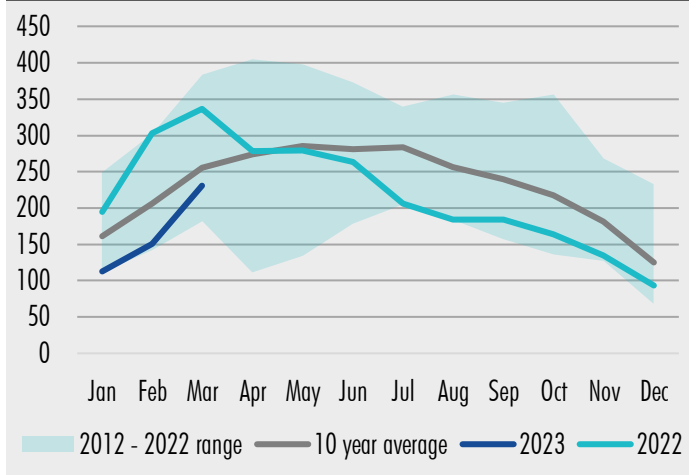
APRIL 2023

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



Source: ASSOCIATION OF INTERIOR REALTORS®, Q1 2023

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



Source: ASSOCIATION OF INTERIOR REALTORS®, Q1 2023

The Kamloops & District residential real estate market is gradually returning to a more stable state following a sluggish start to the year in 2023. In Q1 2023, 495 residential properties were sold, totalling \$288.4 million. This represents a decrease of 40.7% in the number of transactions and a 48.3% decrease in their value compared to the same period in 2022. The first quarter of 2023 experienced the second-lowest sales activity in a decade. Both January and February recorded the lowest sales activity for each month in the past 10 years. Sales picked up in March, with transactions coming close to the 10-year average for that month, which suggests that buyers are starting to regain confidence in the market.

Despite the slowdown in sales activity, limited supply has helped the local market return to balance, as demonstrated by the sales-to-new-listing ratio. The market saw an increase in inventory relative to the pandemic, yet there remains a chronic shortage of available properties.

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



495 Residential sales in Q1 2023
40.7% decrease vs Q1 2022



\$288.4 Million transacted in Q1 2023
48.3% decrease vs Q1 2022



1,029 New listings in Q1 2023
10.8% decrease vs Q1 2022



846 Active residential listings as of March 2023
73.7% increase vs March 2022

Source: ASSOCIATION OF INTERIOR REALTORS®, Q1 2023

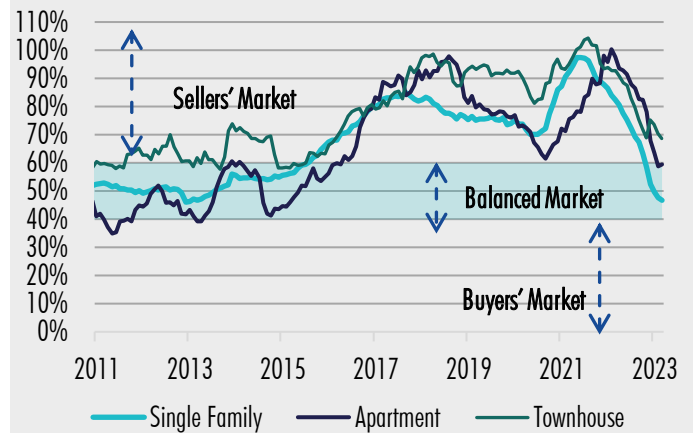


As of March 2023, there were less than five months worth of inventory across all property types in the region. This was still 11.7% lower than pre-pandemic levels in 2019 and 56.3% lower than the 2013 levels. The shortage of available listings is particularly acute for single-family homes and townhouses, which are the most sought-after property types in the area.

The recent increase in inventory levels can be attributed to a decrease in demand, rather than an increase in new listings. During Q1 2023, there was a 10.8% decrease in new listings compared to the same period in 2022. Moreover, although rising interest rates have affected some households, the market has not seen an increase in the number of distress sales. Homeowners who have owned their homes for more than two years are likely in a net equity position even after all the recent market turmoil. Despite this, some sellers' expectations remain high, although the gap between their expectations and those of buyers is beginning to narrow. While the limited supply of homes has led to a resurgence of multiple offers, this trend has been observed only in appropriately priced properties.

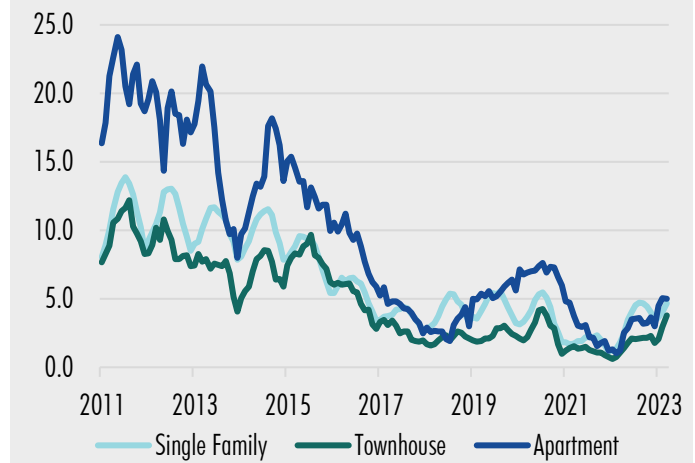
Over the past few months, mortgage rates in Canada have remained stable and have even decreased at times. Furthermore, fixed rates have been lower than variable rates, which could suggest the possibility of further mortgage rate decreases in the short term. Annual inflation has slowed down which pushed the Bank of Canada to pause interest rate increases and maintain the key rate at 4.5% for the past two months. Furthermore, CPI continues to slow down with inflation falling from 4.4% in March 2023 down from 5.2% in February. The Bank of Canada anticipates that inflation will decrease below 3% by the second half of the year. Some economists predict that the Bank will reduce interest rates towards the end of 2023 or early 2024, directly reducing the cost of borrowing.

FIGURE 4: SALES-TO-LISTINGS RATIO
12 Month Moving Average



Source: ASSOCIATION OF INTERIOR REALTORS®, Q1 2023

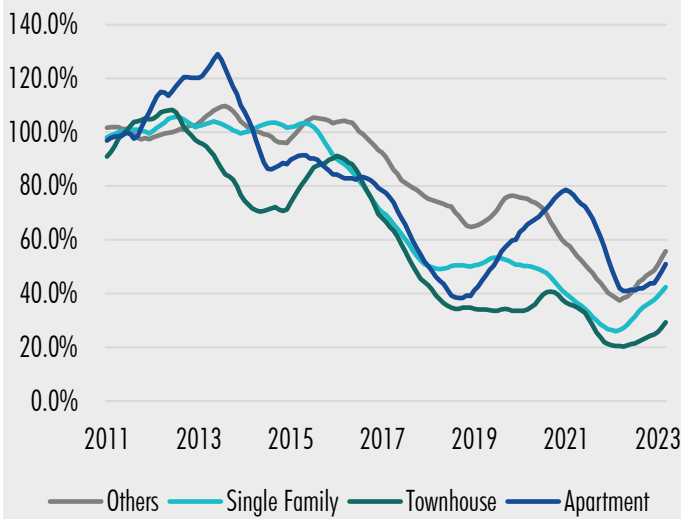
FIGURE 5: HISTORICAL MONTHS OF INVENTORY



Source: ASSOCIATION OF INTERIOR REALTORS®, Q1 2023



FIGURE 6: INVENTORY LEVELS BY PROPERTY TYPE 2011 = 100%

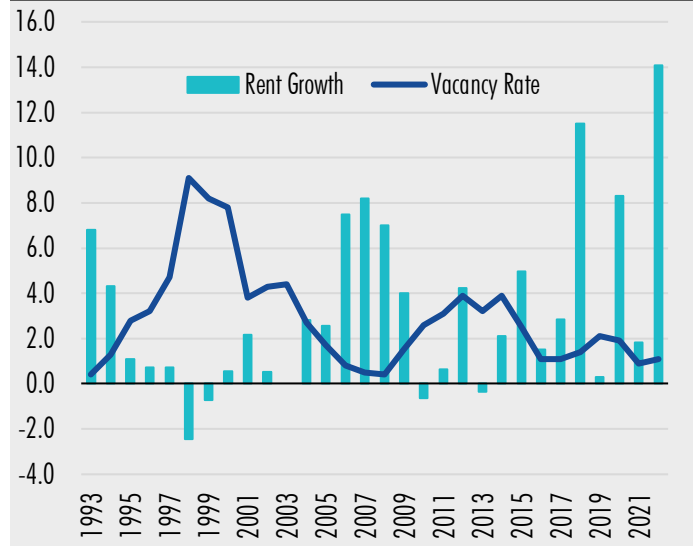


Source: ASSOCIATION OF INTERIOR REALTORS®, Q1 2023

The stabilization of mortgage rates has brought buyers back to the market with instilled confidence. The scarcity of rental housing options in the region is also driving more people towards homeownership. Historically, the region has had a low vacancy rate, and last year was no exception, with a vacancy rate of only 1.1%. As a result of the limited availability of rental homes, rental prices have skyrocketed, with a record-breaking increase of 14.1% between 2021 and 2022.

Higher interest rates earlier in the year led buyers to sit on the sidelines. The current issue is that buyers are more cautious about what they can afford. While buyers from the lower mainland are still active in the region, locals are the primary source of demand. However, the current environment has proven to be challenging, particularly for first-time buyers entering the market. Timing can be difficult, but for long-term buyers, it shouldn't be a concern as real estate is primarily a place to live. The large influx of investment buyers, particularly those from the lower mainland, has been the segment of the market that has slowed down the most.

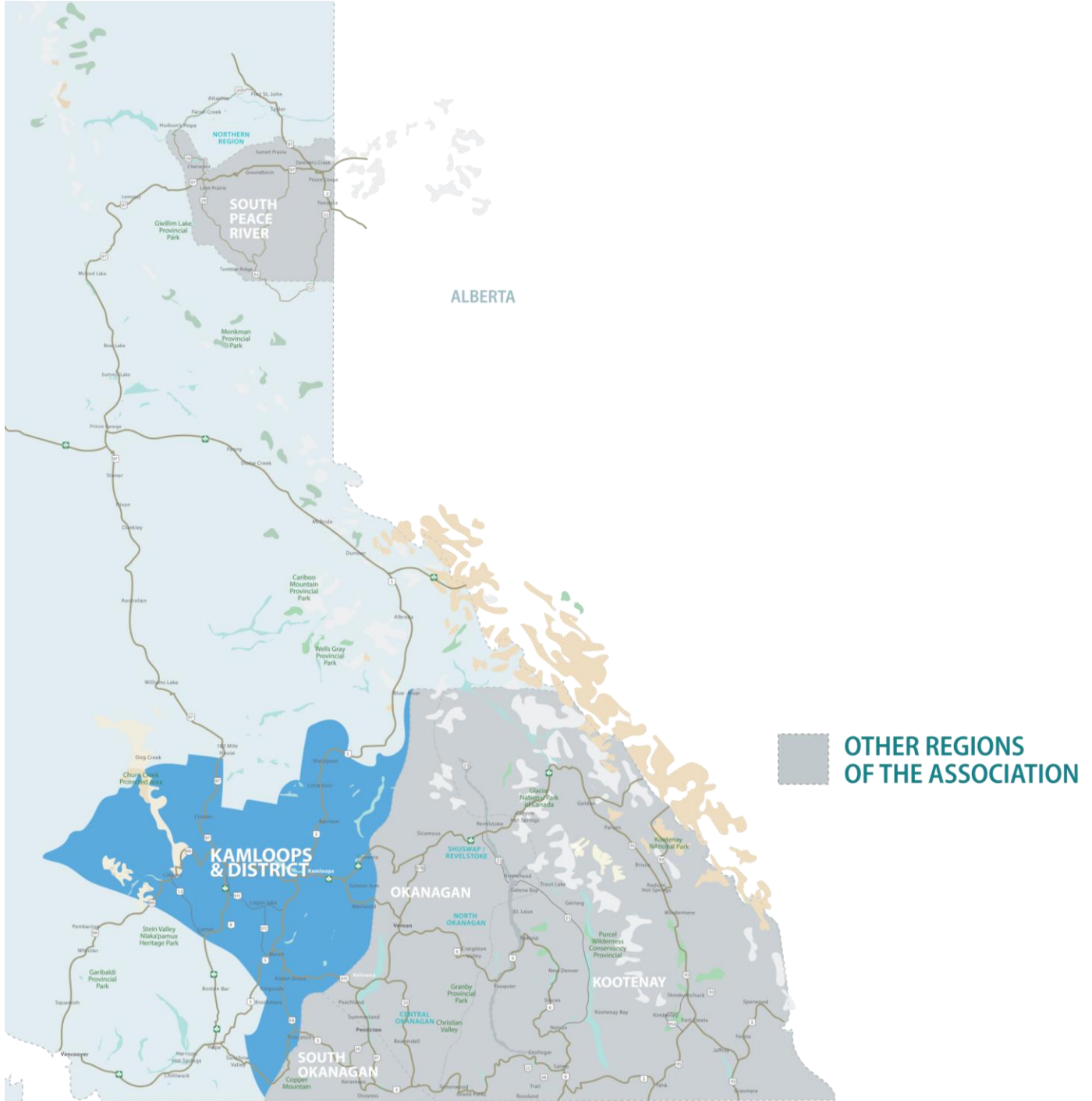
FIGURE 7: PURPOSE-BUILT RENTAL VACANCY RATE AND RENT GROWTH (%)



Source: ASSOCIATION OF INTERIOR REALTORS®, Q1 2023

Going forward, the real estate market is likely to see a return to balanced demand near long-term averages, but limited housing supply could slow down transaction activity. Despite this, the market is unlikely to see any relief on housing supply in the short term, as developers have slowed down new housing construction with only 524 housing units under construction in March 2023. This represents a 20.0% decrease compared to March 2022 and a 57.8% decline compared to March 2019 levels. Although the cost of building is high, multi-family properties are expected to continue being developed given the favourable financing for this type of housing. While prices have seen some downward pressure from higher interest rates, they could see upward pressure again if inventories remain at low levels for a prolonged period. Despite these challenges, the Kamloops & District real estate market is known for its resilience and has continued to adapt to fluctuations in supply and demand. The region's steady pace of growth has attracted buyers looking for an affordable, family-friendly community with a strong economy, ample access to amenities and beautiful natural surroundings.

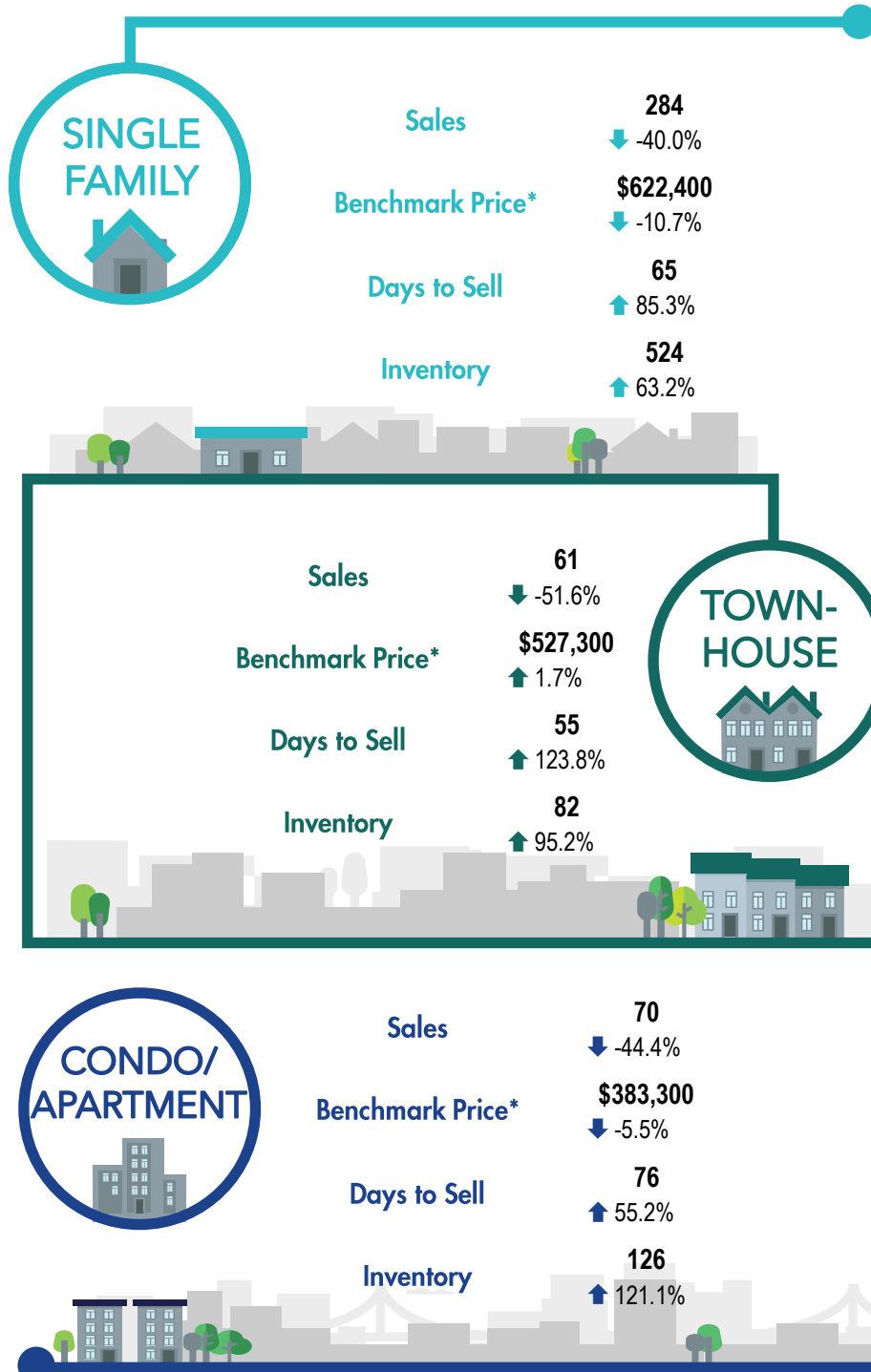




This map is for informational purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.



KAMLOOPS AND DISTRICT REGION



* Percentage represents change compared to the same period last year

** Benchmark Prices and Inventory as of March 2023



Q1 2023 Statistics

Location	SINGLE FAMILY		TOWNHOUSE		APARTMENT	
	Sales	Benchmark Price	Sales	Benchmark Price	Sales	Benchmark Price
Aberdeen	19 ↓ -48.6%	\$779,500 ↓ -15.5%	7 ↓ -50.0%	\$570,200 ↓ -9.6%	4 0.0%	\$339,900 ↓ -4.2%
Ashcroft	3 ↓ -50.0%	\$361,600 ↓ -8.3%	1		0 ↓ -100.0%	
Barnhartvale	5 ↓ -66.7%	\$713,900 ↓ -15.4%	0		0	
Barriere	8 ↓ -33.3%	\$491,100 ↓ -12.8%	0		0	
Batchelor Heights	8 ↓ -63.6%	\$816,400 ↓ -13.7%	1 ↓ -80.0%	\$542,000 ↓ -7.1%	0	
Brocklehurst	30 ↓ -30.2%	\$574,200 ↓ -13.0%	5 0.0%	\$371,900 ↓ -3.7%	2 ↓ -77.8%	\$251,800 ↓ -0.9%
Cache Creek	4 ↓ -33.3%	\$426,400 ↓ -10.8%	0		0	
Campbell Creek/Deloro	5 ↑ 25.0%	\$641,000 ↓ -14.3%	1 ↓ -87.5%		0	
Chase	9 ↓ -10.0%	\$495,300 ↓ -13.9%	0 ↓ -100.0%		0 ↓ -100.0%	
Cherry Creek/Savona	5 ↓ -16.7%	\$770,100 ↓ -13.0%	0		0	
Clearwater	8 ↑ 33.3%	\$457,400 ↓ -9.3%	0		1	
Clinton	1 ↓ -85.7%	\$321,000 ↓ -8.7%	0		0	
Dallas	7 ↓ -41.7%	\$665,500 ↓ -13.2%	0 ↓ -100.0%		1 ↓ -50.0%	\$372,400 ↓ -4.8%
Dufferin/Southgate	8 ↓ -20.0%	\$729,700 ↓ -13.7%	0 ↓ -100.0%	\$682,600 ↓ -9.0%	0 ↓ -100.0%	\$516,500 ↓ -3.8%
Heffley	2 ↓ -50.0%	\$860,800 ↓ -11.9%	0		0	
Lillooet	6 ↓ -33.3%	\$303,600 ↓ -7.4%	0		0	
Logan Lake	7 ↓ -46.2%	\$427,200 ↓ -9.9%	2 ↑ 100.0%		2 ↓ -50.0%	\$168,500 ↓ -2.4%

* Percentage represents change compared to the same period last year

** Benchmark Prices as of March 2023



Q1 2023 Statistics

Location	SINGLE FAMILY		TOWNHOUSE		APARTMENT	
	Sales	Benchmark Price	Sales	Benchmark Price	Sales	Benchmark Price
Merritt	15 ↓ -50.0%	\$478,100 ↓ -11.4%	3 0.0%	\$390,400 ↓ -3.1%	0 ↓ -100.0%	
North Kamloops	21 ↓ -36.4%	\$515,900 ↓ -10.4%	1 0.0%		4 ↓ -55.6%	\$295,200 ↓ -5.1%
Pinantan	2 0.0%	\$431,800 ↓ -5.2%	0		0	
Pineview Valley	7 ↓ -22.2%	\$719,800 ↓ -15.3%	8 ↑ 33.3%	\$478,700 ↓ -4.0%	0 ↓ -100.0%	\$362,900 ↓ -4.0%
Pritchard	2 ↓ -60.0%	\$352,900 ↓ -7.8%	0		0	
Rayleigh	1 ↓ -85.7%	\$642,600 ↓ -16.2%	0		0	
Sahali	12 ↓ -40.0%	\$735,900 ↓ -16.6%	10 ↓ -54.5%	\$401,200 ↓ -5.0%	14 ↓ -39.1%	\$445,600 ↓ -5.0%
South Kamloops	17 0.0%	\$625,500 ↓ -13.9%	2 ↓ -80.0%	\$578,900 ↓ -7.4%	18 ↓ -35.7%	\$356,400 ↓ -5.2%
South Thompson Valley	6 ↓ -62.5%	\$740,000 ↓ -11.2%	0		0	
Sun Peaks	2 ↓ -71.4%	\$701,200 ↓ -20.8%	4 ↓ -77.8%	\$906,800 ↓ -4.9%	15 ↓ -54.5%	\$488,000 ↓ -2.8%
Sun Rivers	6 ↓ -57.1%	\$846,900 ↓ -12.9%	3 ↓ -62.5%	\$662,800 ↓ -6.6%	7 ↑ 133.3%	\$361,400 ↓ -1.0%
Valleyview	7 ↓ -63.2%	\$728,600 ↓ -13.2%	3 ↓ -50.0%	\$572,100 ↓ -8.2%	0	
Westsyde	20 ↓ -13.0%	\$699,900 ↓ -12.6%	4 ↓ -42.9%	\$374,800 ↓ -3.3%	2 ↓ -33.3%	
Juniper Ridge	8 ↓ -68.0%	\$874,100 ↓ -15.3%	5 ↑ 25.0%	\$571,800 ↓ -5.1%	0	

* Percentage represents change compared to the same period last year

** Benchmark Prices as of March 2023



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

