

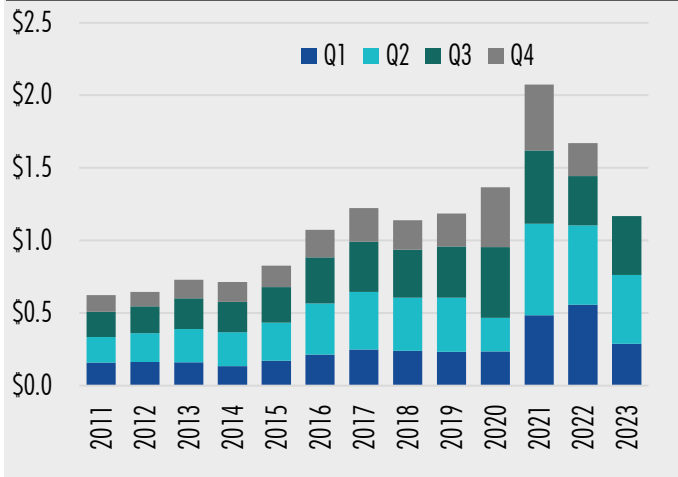


Q3 2023

KAMLOOPS & DISTRICT MARKET OVERVIEW

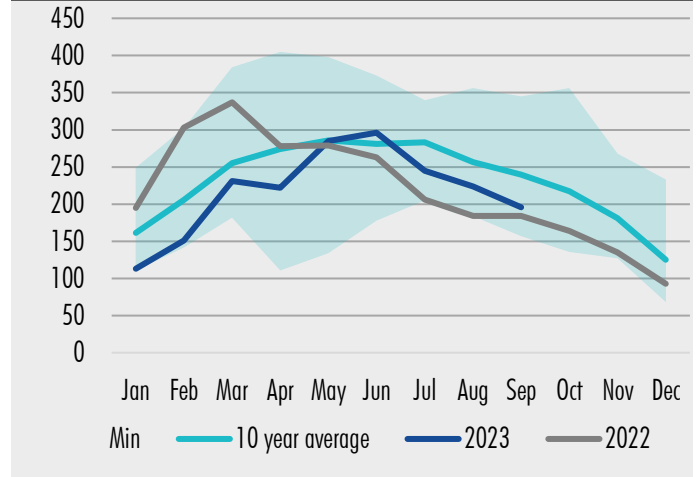
October 2023

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



Source: ASSOCIATION OF INTERIOR REALTORS®, Q3 2023

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



Source: ASSOCIATION OF INTERIOR REALTORS®, Q3 2023

Residential sales in the Kamloops and District region remained below the 10-year average throughout the third quarter of 2023, affected by high-interest rates and a severe fire season. During this quarter, the Association of Interior REALTORS® transacted 652 residential sales in the region, worth \$397.1 million. This represents a 13.6% increase in the number of sales and a 17.2% increase in dollar volume compared to the same period in 2022. However, it's important to note that this year-over-year growth can be misleading. The local market ground to a standstill in the fall of 2022, as sales plummeted to 10-year lows each month, a consequence of the sudden increase in interest rates.

First-time homebuyers in the market have almost disappeared, and those that remain are resetting their expectations. Buyers are now considering townhomes over single-family houses, realizing the value of early entry into the real estate market for building equity.

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



652 Residential sales in Q3 2023
13.6% increase vs Q3 2022



\$397.1 Million transacted in Q3 2023
17.2% increase vs Q3 2022



429 New listings in Q3 2023
19.5% increase vs Q3 2022



1,112 Active residential listings as of September 2023
14.2% increase vs September 2022

Source: ASSOCIATION OF INTERIOR REALTORS®, Q3 2023

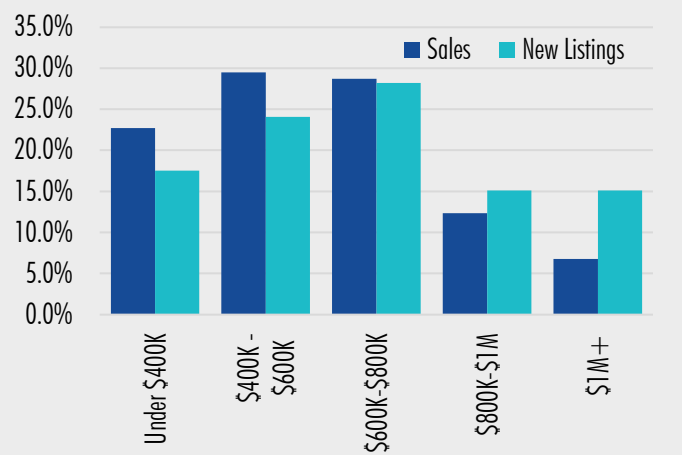


Many existing buyers have equity to utilize, and some are forward-thinking, particularly those with low mortgages who can transfer them to new properties. During the peak of the market in 2021-2022, investors, especially those from outside the region, were aggressively purchasing properties in Kamloops. However, with the current high-interest rates, investment property sales have declined. Nonetheless, local buyers still view the region as a reliable investment choice. Although they may not be actively pursuing investment properties, many buyers, when upgrading their homes, choose to retain their former primary residence and opt for renting it out instead of selling.

An increase in listings is shown by inventories rising by 14.2% compared to the same time last year, though this remains below pre-pandemic levels. Despite the months of supply returning to 2016 levels relative to demand, a mismatch persists. Affordable homes below \$600K make up 52.2% of Q3 2023 sales but only 41.6% of new listings. Conversely, homes over \$800K constitute 30.2% of new listings but only 19.1% of sales.

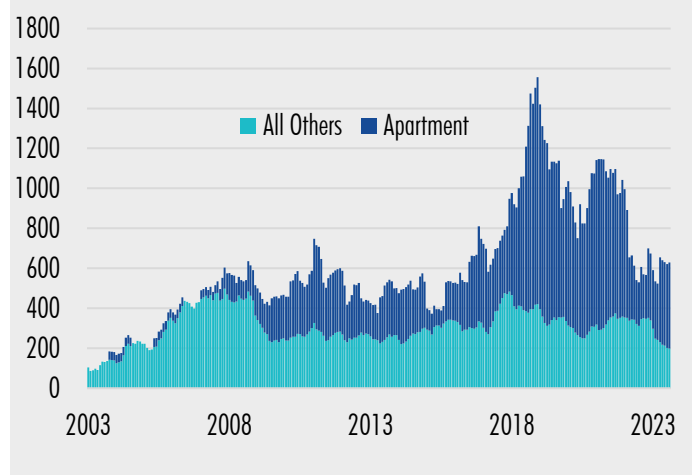
Despite the recent demand for housing, Kamloops has not experienced a surge in new housing construction. In August 2023, there were 629 housing units under construction, which is 44.1% less than the levels seen in August 2019. Moreover, even though buyers in Kamloops prefer single-family homes and more space, 68.5% of the housing units under construction are rental apartments. The area's challenging terrain and a shortage of skilled trades are restricting developers from providing more housing options to the market.

FIGURE 4: Q3 HOME SALES AND NEW LISTINGS BY PRICE GROUP



Source: ASSOCIATION OF INTERIOR REALTORS®, Q3 2023

FIGURE 5: NEW HOUSING UNDER CONSTRUCTION



Source: Canada Mortgage Housing Corporation, Q3 2023



FIGURE 6: RESIDENTIAL MONTHS OF INVENTORY



Source: ASSOCIATION OF INTERIOR REALTORS®, Q3 2023

As of September 2023, home prices in Kamloops have dropped by 6.8% compared to the all-time high in May 2022. Nevertheless, prices in the region have experienced remarkable growth, almost doubling in just five years, from a benchmark price of \$385,100 in September 2018. Most buyers built substantial equity in their properties, and only a few have observed declines in property values compared to their purchase prices. Even those who purchased their homes at the peak of the market in 2022 still maintain positive equity thanks to their mortgage repayments. This positive equity situation has limited the number of foreclosures in the market, despite rising interest rates.

The impact of higher interest rates appears to be having the desired impact on the Canadian economy. Several economic indicators reveal that although the economy remains resilient, it's losing momentum. The labour market has also exhibited strength with a notable 5.0% increase in wages recorded in September 2023. While this could be interpreted as positive news for individuals grappling with rising prices, it also introduces the possibility that workers are bracing for

FIGURE 7: HISTORICAL BENCHMARK PRICE

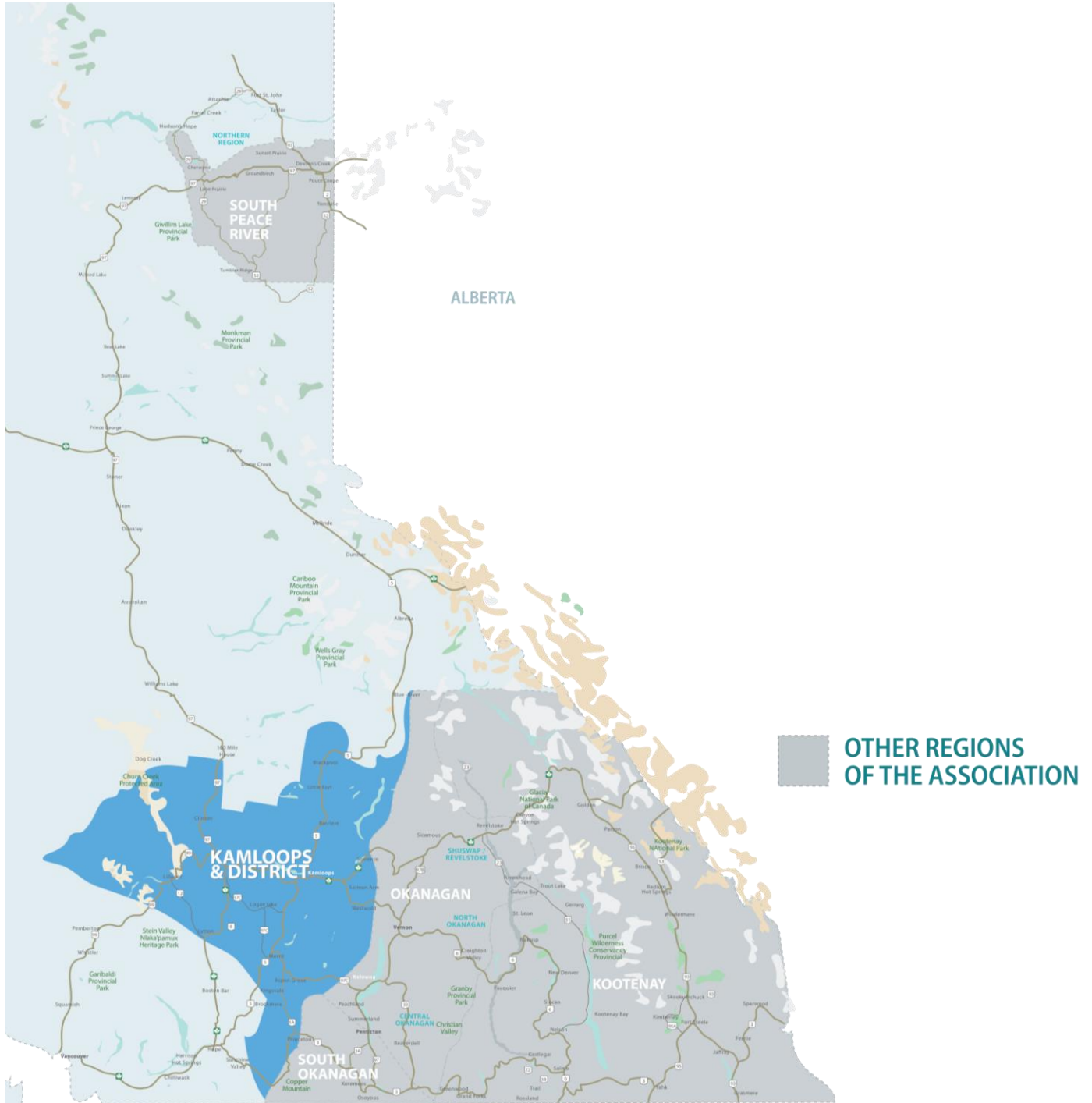


Source: ASSOCIATION OF INTERIOR REALTORS®, Q3 2023

further inflation. The Bank of Canada has stressed the importance of addressing inflation promptly, cautioning that delayed actions may render control more challenging, given heightened public expectations of sustained price increases. Analysts remain divided on the Bank of Canada's decision regarding interest rates on October 25, 2023. However, the consensus is that the Bank will be cautious about lowering interest rates again and rate cuts are not anticipated any earlier than the second half of 2024.

Entering winter, the housing market is expected to slow, driven mainly by local buyers. Rising interest rates affect homeowners, impacting cash flow more than causing negative equity. Those with variable or renewing mortgages must allocate more income to payments. Despite this, Kamloops maintains an affordable housing market, with lower home values offsetting rising interest rates. The market slowdown offers reduced competition and more choices for buyers compared to peak pandemic activity.

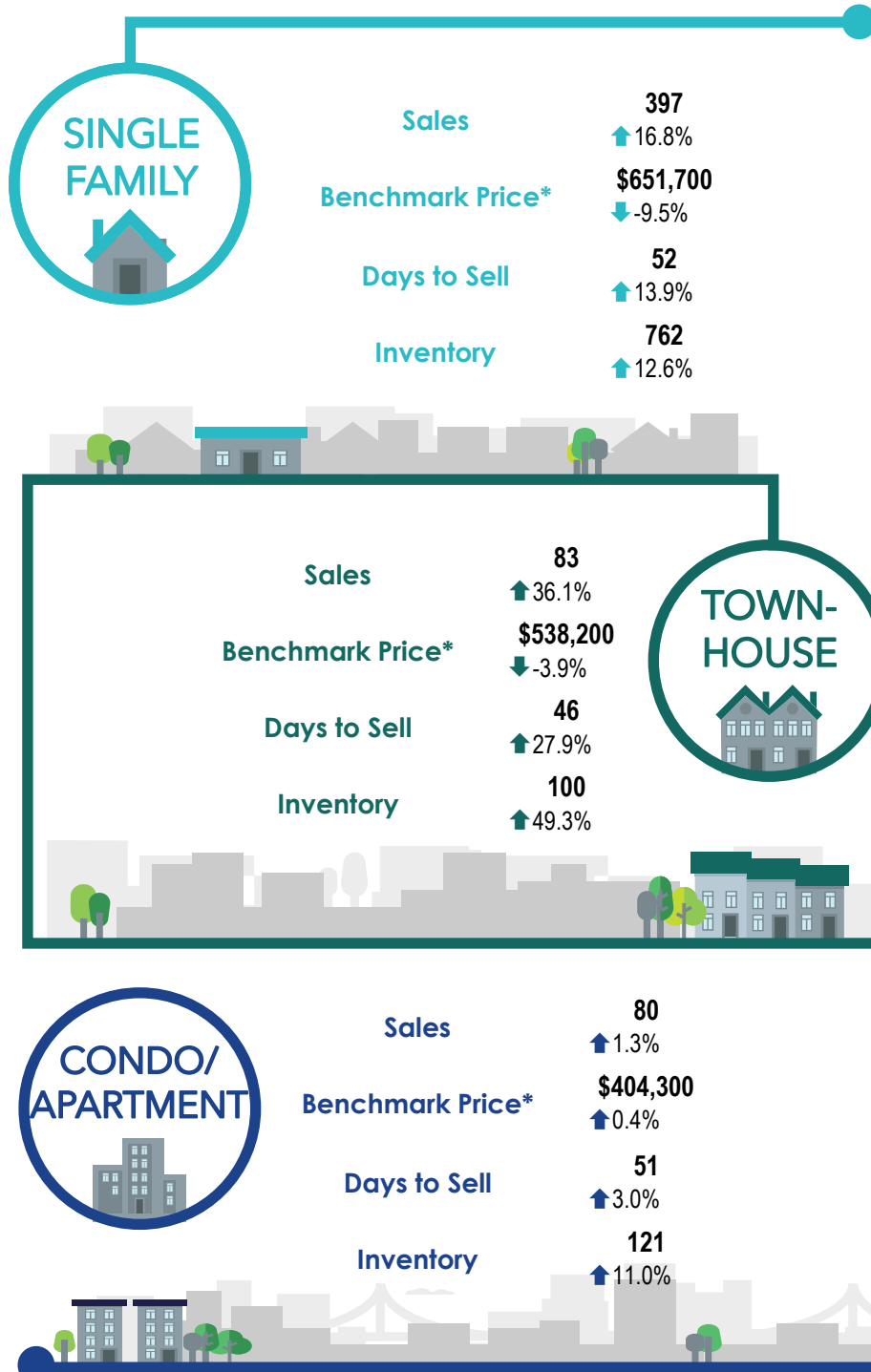




This map is for informational purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.



KAMLOOPS AND DISTRICT REGION



* Percentage represents change compared to the same period last year

** Benchmark Prices and Inventory as of September 2023



Q3 2023 Statistics

Location	SINGLE FAMILY		TOWNHOUSE		APARTMENT	
	Sales	Benchmark Price	Sales	Benchmark Price	Sales	Benchmark Price
Aberdeen	22 ↓ -15.4%	\$881,300 ↑ 3.8%	7 ↓ -30.0%	\$593,400 ↓ -1.7%	5 ↑ 25.0%	\$358,200 ↑ 4.9%
Ashcroft	7 0.0%	\$396,900 ↑ 8.4%	1 0.0%		2	
Barnhartvale	14 ↑ 7.7%	\$752,500 ↑ 3.5%	0		0	
Barriere	9 ↑ 12.5%	\$545,600 ↑ 4.3%	0		0	
Batchelor Heights	12 ↑ 20.0%	\$905,300 ↑ 7.0%	1 0.0%	\$573,700 ↑ 1.4%	0	
Brocklehurst	26 ↓ -3.7%	\$631,200 ↑ 6.6%	13 ↑ 116.7%	\$397,100 ↑ 4.0%	8 0.0%	\$270,600 ↑ 6.9%
Cache Creek	2 ↑ 100.0%	\$501,900 ↑ 4.2%	1		0	
Campbell Creek/Deloro	4	\$733,200 ↑ 4.9%	1		0	
Chase	9 ↓ -25.0%	\$538,500 ↑ 1.6%	0 ↓ -100.0%	\$502,900 ↑ 3.9%	0	
Cherry Creek/Savona	5 ↑ 150.0%	\$854,400 ↑ 7.9%	0		0	
Clearwater	12 ↑ 20.0%	\$493,900 ↑ 6.8%	1		0 ↓ -100.0%	
Clinton	1 ↓ -75.0%	\$339,100 ↓ -0.7%	0		0	
Dallas	10 ↑ 42.9%	\$726,000 ↑ 6.2%	0		1 0.0%	\$379,300 ↑ 4.5%
Dufferin/Southgate	6 ↑ 50.0%	\$826,100 ↑ 2.0%	0 ↓ -100.0%	\$715,300 ↓ -0.8%	2 ↑ 3.8%	\$548,900
Heffley	3 ↓ -57.1%	\$866,000 ↑ 8.3%	0		0	
Lillooet	11 ↑ 10.0%	\$387,700 ↓ -0.8%	0		0	
Logan Lake	10 ↑ 25.0%	\$465,800 ↑ 4.2%	0		3 ↓ -57.1%	\$182,100 ↑ 11.8%

* Percentage represents change compared to the same period last year

** Benchmark Prices as of September 2023



Q3 2023 Statistics

Location	SINGLE FAMILY		TOWNHOUSE		APARTMENT	
	Sales	Benchmark Price	Sales	Benchmark Price	Sales	Benchmark Price
Merritt	29 ↑ 11.5%	\$492,800 ↑ 1.9%	2 0.0%	\$391,800 ↓ -0.6%	2 ↑ 100.0%	\$306,200 ↑ 9.3%
North Kamloops	32 ↑ 77.8%	\$569,900 ↑ 5.6%	1		3 ↑ 50.0%	\$319,600 ↑ 7.7%
Pinantan	5 ↑ 25.0%	\$459,900 ↑ 1.9%	0		0	
Pineview Valley	8 ↓ -11.1%	\$795,400 ↑ 4.2%	10	\$522,100 ↑ 5.7%	3 0.0%	\$393,700 ↑ 6.3%
Pritchard	5 ↑ 66.7%	\$451,800 ↑ 1.3%	0		0	
Rayleigh	1 ↓ -83.3%	\$731,000 ↑ 3.5%	0		0	
Sahali	32 ↑ 52.4%	\$808,400 ↑ 2.8%	21 ↑ 16.7%	\$415,700 ↑ 3.2%	16 ↓ -20.0%	\$482,600 ↑ 3.1%
South Kamloops	19 ↓ -5.0%	\$687,900 ↑ 5.3%	8 ↑ 300.0%	\$598,300 ↓ -0.6%	20 ↑ 42.9%	\$372,300 ↑ 4.4%
South Thompson Valley	7 ↑ 40.0%	\$798,200 ↑ 6.1%	0		0	
Sun Peaks	0 ↓ -100.0%	\$890,300 ↑ 3.4%	4 ↓ -42.9%	\$949,800 ↑ 1.0%	6 ↓ -33.3%	\$534,400 ↑ 9.7%
Sun Rivers	7 ↑ 75.0%	\$900,400 ↑ 3.8%	0 ↓ -100.0%	\$707,600 ↑ 1.4%	8 0.0%	\$379,400 ↑ 2.7%
Valleyview	11 ↑ 22.2%	\$804,100 ↑ 5.0%	1 ↓ -50.0%	\$598,100 ↓ -0.9%	0 ↓ -100.0%	
Westsyde	29 ↑ 38.1%	\$726,500 ↑ 4.9%	5 0.0%	\$405,600 ↑ 4.4%	1 ↑ 6.9%	\$422,400
Juniper Ridge	23 ↑ 53.3%	\$966,700 ↑ 4.1%	3 0.0%	\$614,300 ↑ 3.3%	0	

* Percentage represents change compared to the same period last year

** Benchmark Prices as of September 2023



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