



ASSOCIATION OF
**INTERIOR
REALTORS®**

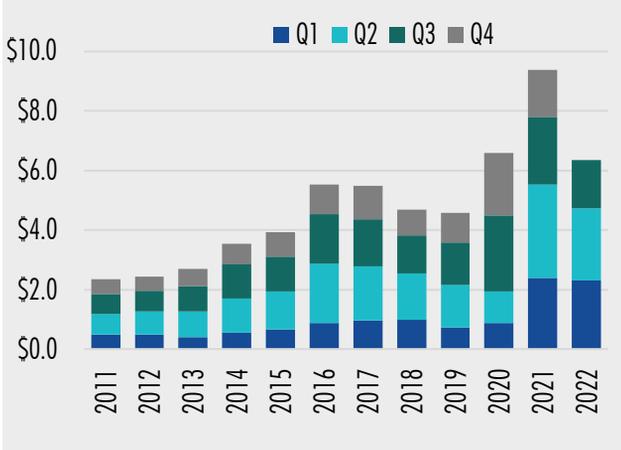
Q3 2022

OKANAGAN

MARKET OVERVIEW

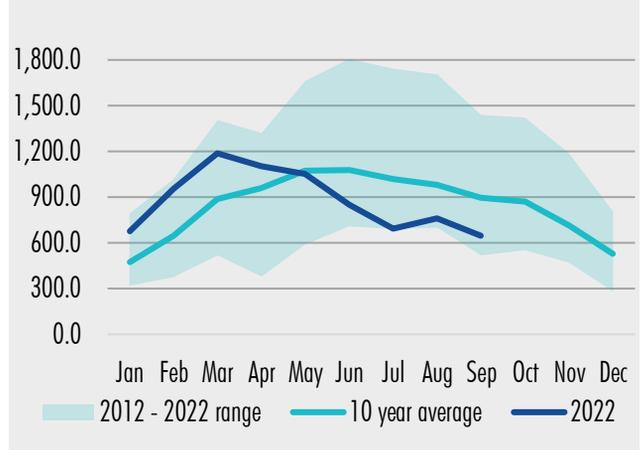
OCTOBER 2022

FIGURE 1: RESIDENTIAL SALES VOLUME OKANAGAN REGION - \$ Billions



Source: ASSOCIATION OF INTERIOR REALTORS®, Q3 2022

FIGURE 2: NUMBER OF RESIDENTIAL SALES OKANAGAN REGION



Source: ASSOCIATION OF INTERIOR REALTORS®, Q3 2022

The Okanagan residential real estate market has quickly shifted from the hottest market on record to a 10-year low in a matter of months. The Association of Interior REALTORS® transacted 3,005 residential sales, worth \$1.6 billion, in the third quarter of 2022. This represents a 32.1% decline in the number of transactions compared to the same period in 2021. Without a doubt, rising mortgage rates are in direct correlation with these sinking numbers. While the dollar volume declined 28.2% compared to Q3 2021, it is still the 4th highest third quarter on record for the Okanagan.

In early summer, expectations were that rising interest rates were at or nearing their terminal rates for the year. However, central banks have surprised markets with a much more hawkish attitude than previously anticipated. The Bank of Canada increased its target rate by 75 basis points on September 7, which lifted policy interest rates into restrictive territory. Moreover, forward guidance is clear that policymakers will push for even higher rates over a longer period, as inflation remains above the Bank of Canada's 2.0% target. Interest rates are now projected to reach 4.0%, where they are expected to remain throughout 2023.

FIGURE 3: QUARTERLY RESIDENTIAL QUICK STATS OKANAGAN REGION



3,005 Residential sales in Q3 2022
32.1% decrease vs Q3 2021



\$1.6 Billion transacted in Q3 2022
28.2% decrease vs Q3 2021



5,056 Active residential listings as of September 2022
74.9% increase vs September 2021

Source: ASSOCIATION OF INTERIOR REALTORS®, Q3 2022

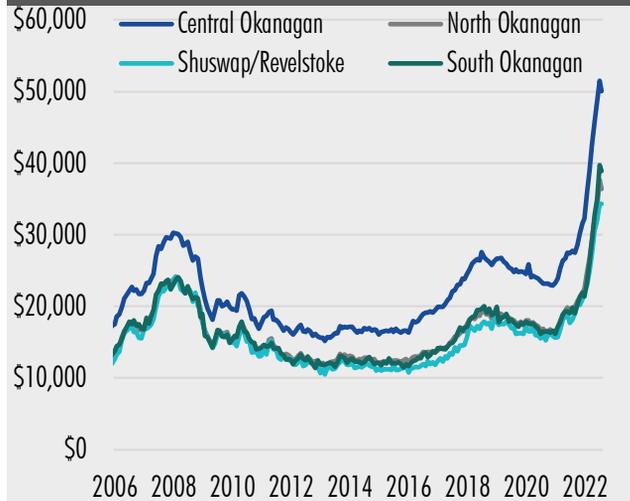


Transacting sales has become increasingly difficult as the gap between buyer and seller expectations is broadening. Buyers are looking to the future of the market, willing to remain patient as many expect prices to further drop. Families are still adjusting to the current state of the economy, as higher interest rates have impacted everything, not just real estate. A growing portion of household income is now servicing debt, which reduces overall spending. Sellers on the other hand continue to be backward looking and “recent” comparables offer little guidance when valuating a property, as market conditions have changed. Many sellers continue to expect that their property will command top dollar and are not willing to accept that their neighbour transacted for much more a few months ago. Some are slow to adapt and end up chasing the market down and not transacting. Those that quickly transact are realistic about their expectations and are pricing appropriately.

After 2 years of limited inventory, the market has seen a 74.9% increase in the total number of listings. While additional options are welcomed, supply continues to be below historical averages. This increase in listings is due to the strong decline in sales and is not related to fire sales or foreclosures. While Q3 saw a slight increase in the number of new listings, this number has remained relatively constant for almost a decade with 2022 being no exception. Despite this, properties continue to sell at a healthy pace with the average number of days to sell hovering around 52 in September 2022. While this is 26.8% higher than September 2021, it is well below historical averages.

The market has fundamentally changed and is now attracting a much different pool of buyers. The proportion of out of market buyers, particularly those from the lower mainland, has recently declined after being dramatically high the past couple years. Many moved to remote communities in the Okanagan, with the presumption that remote working was the new normal.

FIGURE 4: 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

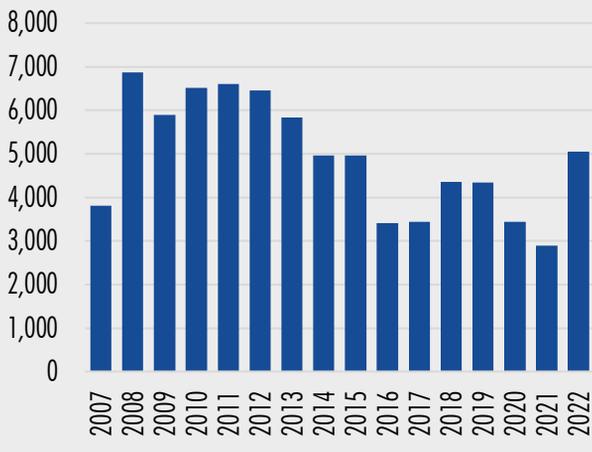
FIGURE 5: MONTHLY RESIDENTIAL NEW LISTINGS – 12 month moving average



Source: ASSOCIATION OF INTERIOR REALTORS®, Q3 2022



FIGURE 6: SEPTEMBER RESIDENTIAL INVENTORY

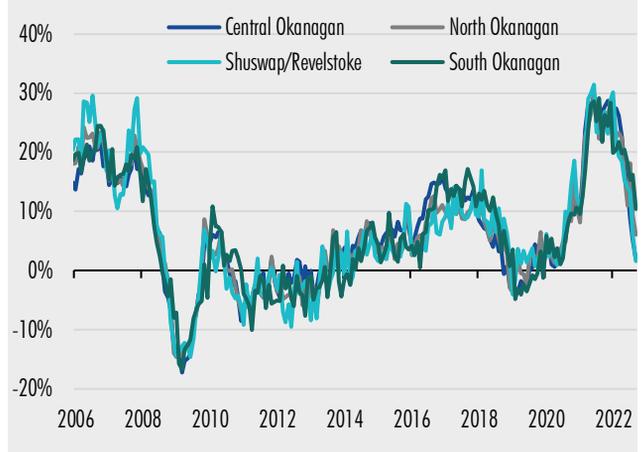


Source: ASSOCIATION OF INTERIOR REALTORS®, Q3 2022

With the pandemic in the rear view, companies are pushing for staff to return to the office. Many households made snap decisions with a “grass is always greener” mentality, only looking into affordable markets. However, real estate decisions should be based on family or lifestyle needs, not just low prices.

Higher financing costs have not only impacted homeowners but also investors. Investor activity has quickly come to a halt as expectations are resetting amid high uncertainty. Returns have quickly shifted, impacted by the double whammy of price declines and rising debt costs. However, the pause is likely to be temporary, as during times of volatility investors will return to the tried, tested and true assets they can find. Financial markets have recently undergone heavy selling and have been in bear territory for most of the year, with somewhat grim prospects over global economic concerns. Real estate on the other hand is a safe asset with lower short-term volatility compared to the stock market and the Okanagan is a location where people can see strong, fundamental long-term growth. The region is

FIGURE 7: HISTORICAL BENCHMARK PRICE GROWTH BY REGION



Source: The Canadian Real Estate Association

one of the most desirable in the country, with strong tourism and recreation industries.

Going forward, the market is expected to continue to experience some short-term turbulence given the heightened uncertainty of the times. Transaction activity is expected to normalize into the earlier part of 2023 once interest rates reach their ceiling and market participants process the changes. While the Okanagan has some solid economic fundamentals, the region is not without risk. Strong household consumption, funded by government transfers throughout the pandemic and low borrowing costs fueled Canada’s economic growth in 2021. However, many economists are now expecting a period of economic decline in the second half of 2022 and into 2023. The slowdown in global economic growth could spill over into the Okanagan. Multiple indicators are signaling Canada’s economy is headed for a recession driven by rising interest rates and high inflation.

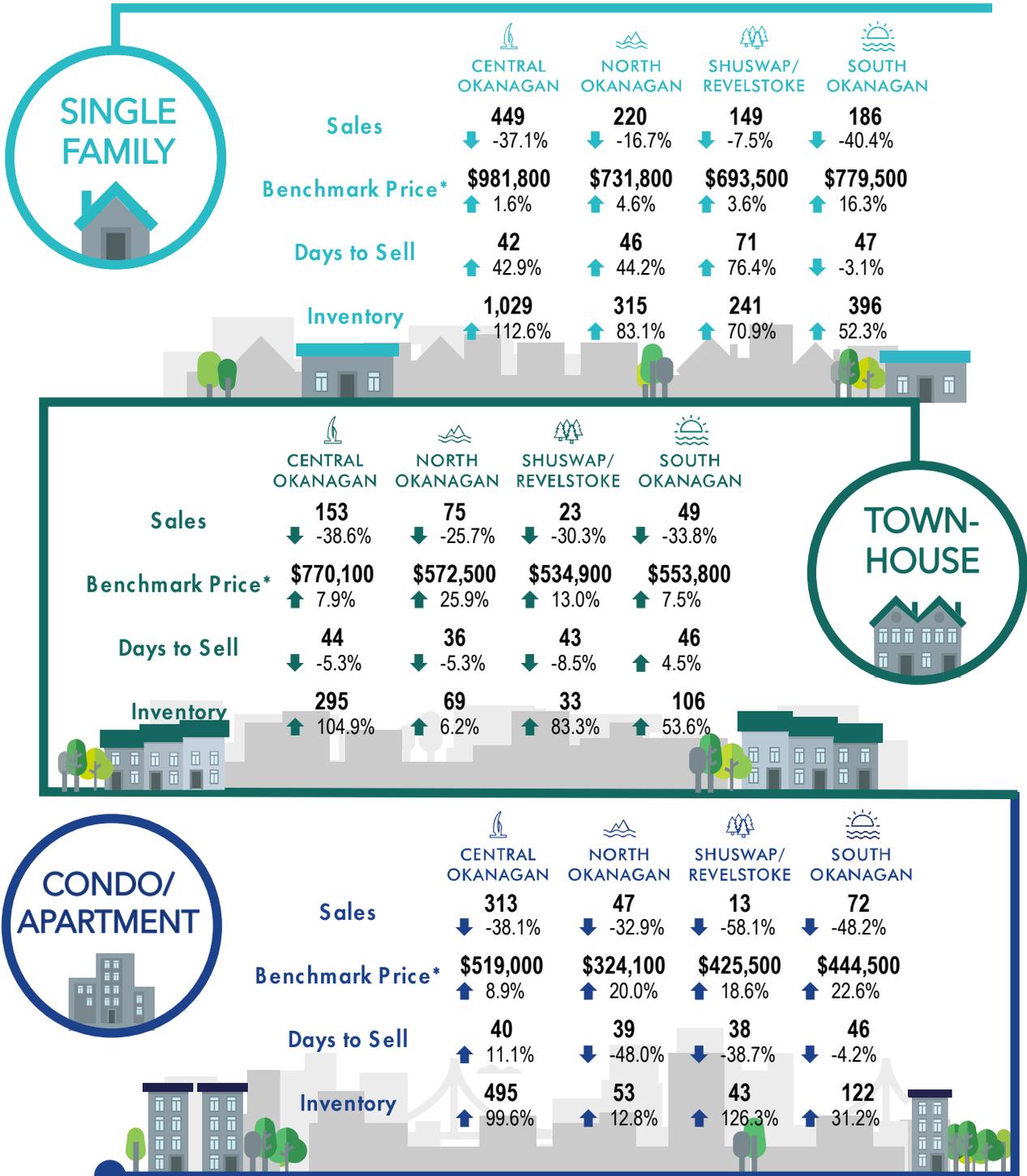




This map is for informational purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.



Q3 2022 Statistics



*Benchmark Price: Estimated sales price of a benchmark property. Benchmarks represent a typical property within each market.

**Percentage indicates change from the same period last year



CENTRAL OKANAGAN Q3 2022 Statistics

Location	SINGLE-FAMILY		TOWNHOUSE		APARTMENT	
	Sales	Benchmark Price	Sales	Benchmark Price	Sales	Benchmark Price
Big White	1 0.0%		7 ↓ -30.0%	\$690,700 ↑ 1.4%	15 ↓ -57.1%	\$497,000 ↑ 10.0%
Black Mountain	17 ↓ -52.8%	\$1,058,000 ↓ -0.5%	0 ↓ -100.0%	\$851,400 0.0%	0	
Crawford Estates	5 ↑ 25.0%	\$1,250,300 ↓ -1.7%	0		0	
Dilworth Mountain	13 ↓ -7.1%	\$1,082,000 ↓ -0.3%	6 ↑ 50.0%	\$925,400 ↓ -0.1%	3 ↑ 50.0%	\$497,500 ↑ 9.9%
Ellison	4 ↓ -42.9%	\$911,200 ↑ 4.7%	1 0.0%	\$764,200 ↓ -1.0%	0	
Fintry	7 ↓ -12.5%	\$890,500 ↑ 3.1%	0	\$706,500 ↑ 19.0%	0 ↓ -100.0%	\$257,200 ↑ 10.2%
Glenmore	25 ↓ -40.5%	\$900,600 ↓ -1.1%	15 ↓ -6.3%	\$758,000 ↑ 0.0%	4 ↓ -78.9%	\$603,100 ↑ 8.8%
Glenrosa	19 ↓ -45.7%	\$760,900 ↑ 2.9%	0	\$813,900 ↑ 17.5%	0	
Joe Rich	3 ↓ -25.0%	\$1,098,700 ↑ 0.1%	0		0	
Kelowna North	8 ↓ -57.9%	\$917,400 ↑ 2.8%	6 ↓ -53.8%	\$820,000 ↓ -0.3%	61 ↓ -41.3%	\$612,800 ↑ 9.0%
Kelowna South	20 ↓ -53.5%	\$889,000 ↑ 1.7%	14 ↓ -36.4%	\$714,900 ↓ -0.1%	29 ↓ -32.6%	\$539,400 ↑ 8.9%
Kettle Valley	7 ↓ -53.3%	\$1,247,800 ↓ -0.8%	0	\$752,800 ↓ -0.1%	0	
Lake Country East / Oyama	14 ↓ -22.2%	\$1,009,100 ↓ -0.5%	4 ↑ 33.3%	\$758,000 ↑ 2.8%	1 ↓ -85.7%	\$476,500 ↑ 8.7%
Lake Country North West	11 ↓ -15.4%	\$1,353,100 ↑ 1.1%	5 ↓ -28.6%	\$842,400 ↓ -0.8%	5 ↓ -44.4%	
Lake Country South West	17 ↓ -22.7%	\$999,900 ↑ 0.8%	3 ↓ -25.0%	\$947,900 ↑ 0.2%	0	
Lakeview Heights	31 ↓ -39.2%	\$1,139,700 ↑ 2.6%	6 ↓ -45.5%	\$1,049,100 ↑ 23.1%	7 ↓ -12.5%	\$642,200 ↑ 9.5%
Lower Mission	36 ↑ 44.0%	\$1,192,600 ↓ -1.0%	13 ↓ -56.7%	\$800,700 ↓ -0.2%	39 ↓ -41.8%	\$504,100 ↑ 8.9%

* Percentage represents change compared to the same period last year

** Benchmark price as of September 2022



**CENTRAL OKANAGAN
Q3 2022 Statistics**

Location	SINGLE-FAMILY		TOWNHOUSE		APARTMENT	
	Sales	Benchmark Price	Sales	Benchmark Price	Sales	Benchmark Price
McKinley Landing	3 ↓ -62.5%	\$1,034,200 ↓ -0.4%	0 ↓ -100.0%		4 ↑ 33.3%	
North Glenmore	18 ↓ -14.3%	\$927,700 ↓ -0.2%	18 ↑ 38.5%	\$710,300 ↑ 1.4%	12 ↓ -47.8%	\$498,400 ↑ 9.7%
Peachland	23 ↓ -32.4%	\$940,900 ↑ 2.7%	2 ↓ -84.6%	\$856,800 ↑ 16.3%	16 ↑ 9.0%	\$575,600 ↑ 9.0%
Rutland North	16 ↓ -62.8%	\$749,900 ↓ -0.1%	11 ↓ -35.3%	\$587,700 ↑ 1.2%	23 ↓ -45.2%	\$400,400 ↑ 9.9%
Rutland South	21 ↓ -41.7%	\$751,600 ↓ -1.0%	7 ↓ -41.7%	\$529,900 ↑ 1.7%	16 ↑ 14.3%	\$421,900 ↑ 6.1%
Shannon Lake	16 ↓ -42.9%	\$983,900 ↑ 1.4%	8 ↑ 60.0%	\$907,700 ↑ 17.0%	9 ↓ -43.8%	\$623,800 ↑ 9.8%
Smith Creek	5 ↓ -70.6%	\$916,900 ↓ -0.3%	0 ↑ 13.7%	\$832,400 ↑ 13.7%	0	
South East Kelowna	15 ↓ -21.1%	\$1,239,000 ↑ 0.8%	0 ↓ -100.0%	\$1,051,000 ↓ -1.3%	0	
Springfield/Spall	13 ↓ -43.5%	\$835,900 ↑ 0.0%	11 ↓ -47.6%	\$638,700 ↑ 2.0%	25 ↓ -30.6%	\$523,400 ↑ 8.6%
University District	3 ↓ -81.3%	\$977,000 ↓ -4.5%	4 ↓ -20.0%	\$819,300 ↓ -0.7%	19 ↓ -45.7%	\$482,100 ↑ 9.4%
Upper Mission	22 ↓ -42.1%	\$1,213,400 ↓ -0.1%	0 ↓ -100.0%	\$1,097,400 ↑ 1.2%	0	
West Kelowna Estates	23 ↑ 21.1%	\$997,200 ↑ 1.0%	3 ↓ -66.7%	\$959,900 ↑ 16.5%	0 ↓ -100.0%	
Westbank Centre	20 ↓ -50.0%	\$690,900 ↑ 1.4%	7 ↓ -65.0%	\$691,700 ↑ 14.9%	24 ↓ -40.0%	\$472,500 ↑ 8.9%
Wilden	12 ↑ 9.1%	\$1,197,500 ↑ 1.1%	1 ↓ -50.0%	\$967,300 ↑ 0.9%	0 ↑ 9.2%	\$411,500 ↑ 9.2%

* Percentage represents change compared to the same period last year

** Benchmark price as of September 2022



**NORTH OKANAGAN
Q3 2022 Statistics**

Location	SINGLE-FAMILY		TOWNHOUSE		APARTMENT	
	Sales	Benchmark Price	Sales	Benchmark Price	Sales	Benchmark Price
Adventure Bay	5 ↑ 66.7%	\$1,103,800 ↑ 2.3%	0	\$978,800 ↑ 17.0%	0	
Alexis Park	0 ↓ -100.0%	\$593,300 ↑ 2.7%	2 ↓ -66.7%	\$258,600 ↑ 12.1%	10 ↑ 66.7%	\$304,800 ↑ 9.1%
Armstrong	36 ↑ 33.3%	\$686,700 ↑ 2.4%	5 ↑ 25.0%	\$564,600 ↑ 15.4%	1 ↓ -50.0%	\$251,600 ↑ 9.9%
Bella Vista	12 ↓ -14.3%	\$827,900 ↑ 0.8%	8 ↑ 33.3%	\$607,500 ↑ 15.1%	0	
Cherryville	0 ↓ -100.0%	\$506,300 ↑ 4.3%	0	\$433,200 ↑ 11.4%	0	
City of Vernon	8 ↓ -20.0%	\$516,400 ↑ 4.3%	13 ↓ -45.8%	\$453,600 ↑ 14.8%	16 ↓ -46.7%	\$266,900 ↑ 10.5%
Coldstream	21 0.0%	\$917,400 ↑ 2.3%	4	\$783,800 ↑ 13.2%	1 ↓ -50.0%	
East Hill	33 ↓ -2.9%	\$672,200 ↑ 2.8%	4 ↓ -50.0%	\$559,000 ↑ 13.8%	0	
Enderby / Grindrod	14 ↓ -33.3%	\$571,600 ↑ 3.4%	4 ↑ 33.3%	\$453,600 ↑ 16.2%	1 0.0%	\$348,400 ↑ 9.9%
Foothills	5 ↓ -16.7%	\$929,500 ↓ -2.9%	0	\$956,600 ↑ 14.2%	0	
Harwood	4 ↓ -63.6%	\$528,200 ↑ 2.2%	10 ↓ -16.7%	\$425,900 ↑ 15.8%	1 0.0%	
Lavington	1 ↓ -83.3%	\$920,900 ↑ 1.6%	0		0	
Lumby Valley	11 0.0%	\$536,300 ↓ -1.4%	1 ↓ -66.7%	\$445,800 ↑ 10.0%	0	
Middleton Mtn Coldstream	8 0.0%	\$1,031,600 ↓ -1.2%	0 ↓ -100.0%	\$812,300 ↑ 14.3%	0	
Middleton Mtn Vernon	4 ↓ -55.6%	\$854,200 ↓ -0.7%	4 ↓ -42.9%	\$615,800 ↑ 14.5%	0 ↓ -100.0%	
Mission Hill	7 ↓ -22.2%	\$579,200 ↑ 2.6%	3 0.0%	\$525,300 ↑ 15.7%	6 0.0%	\$298,800 ↑ 12.7%
North BX	8 ↓ -27.3%	\$1,019,200 ↑ 3.2%	0	\$543,500 ↑ 15.5%	0	

* Percentage represents change compared to the same period last year

** Benchmark price as of September 2022



**NORTH OKANAGAN
Q3 2022 Statistics**

Location	SINGLE-FAMILY		TOWNHOUSE		APARTMENT	
	Sales	Benchmark Price	Sales	Benchmark Price	Sales	Benchmark Price
Okanagan Landing	9 ↑ 12.5%	\$893,400 ↑ 6.4%	9 ↓ -30.8%	\$756,100 ↑ 11.7%	3 ↓ -50.0%	\$560,600 ↑ 9.9%
Okanagan North	10 ↑ 11.1%	\$509,900 ↑ 0.4%	0		0	
Predator Ridge	7 ↑ 40.0%	\$1,107,600 0.0%	5 ↓ -16.7%	\$885,700 ↑ 12.5%	0 ↓ -100.0%	
Salmon Valley	3 ↓ -25.0%	\$652,000 ↑ 7.3%	0		0	
Silver Star	0 ↓ -100.0%	\$1,014,000 ↑ 1.1%	1 0.0%	\$533,200 ↑ 14.1%	6 ↓ -33.3%	\$349,800 ↑ 12.3%
South Vernon	5 ↓ -16.7%	\$519,800 ↑ 0.9%	0		1	
Swan Lake West	4 ↓ -69.2%	\$1,134,000 ↑ 2.3%	0		0	
Westmount	2 ↓ -33.3%	\$603,000 ↑ 2.4%	2 ↓ -50.0%	\$448,100 ↑ 16.5%	0	

* Percentage represents change compared to the same period last year

** Benchmark price as of September 2022



SHUSWAP/REVELSTOKE Q3 2022 Statistics

Location	SINGLE-FAMILY		TOWNHOUSE		APARTMENT	
	Sales	Benchmark Price	Sales	Benchmark Price	Sales	Benchmark Price
Blind Bay	23 ↓ -36.1%	\$790,500 ↑ 3.4%	0 ↓ -100.0%	\$713,300 ↑ 14.8%	0	
Eagle Bay	4 ↑ 300.0%	\$793,700 ↑ 4.4%	0		0	
NE Salmon Arm	29 ↑ 11.5%	\$667,000 ↑ 2.8%	6 ↓ -45.5%	\$494,900 ↑ 13.4%	1 ↓ -50.0%	\$359,400 ↑ 10.3%
North Shuswap	15 ↓ -6.3%	\$667,000 ↑ 4.2%	2 ↓ -50.0%	\$640,100 ↑ 17.6%	0 ↓ -100.0%	
NW Salmon Arm	1 0.0%	\$785,200 ↑ 2.4%	3 ↑ 50.0%	\$520,700 ↑ 13.3%	0	\$318,600 ↑ 10.1%
Revelstoke	21 ↓ -25.0%	\$707,400 ↑ 4.5%	2	\$523,100 ↑ 15.6%	1 ↓ -80.0%	\$511,800 ↑ 9.5%
SE Salmon Arm	31 ↑ 3.3%	\$729,600 ↑ 2.4%	4 ↑ 33.3%	\$514,700 ↑ 14.6%	3 ↓ -25.0%	
Sicamous	14 ↓ -22.2%	\$550,300 ↑ 2.3%	4 ↓ -50.0%	\$473,300 ↑ 13.9%	5 ↓ -61.5%	\$462,200 ↑ 11.0%
Sorrento	2 ↑ 100.0%	\$618,900 ↑ 3.8%	1	\$605,700 ↑ 15.7%	0	
SW Salmon Arm	6 ↑ 50.0%	\$746,400 ↑ 3.3%	1 ↓ -66.7%	\$518,300 ↑ 13.1%	3 ↓ -50.0%	
Tappen	2	\$750,300	0		0	

* Percentage represents change compared to the same period last year

** Benchmark price as of September 2022



**SOUTH OKANAGAN
Q3 2022 Statistics**

Location	SINGLE-FAMILY		TOWNHOUSE		APARTMENT	
	Sales	Benchmark Price	Sales	Benchmark Price	Sales	Benchmark Price
Keremeos	8 ↓ -33.3%	\$526,900 ↑ 15.0%	0 ↓ -100.0%	\$441,500 ↑ 11.1%	0	
Eastside / Lkshr Hi / Skaha Est	2 0.0%	\$1,222,000 ↑ 11.2%	0		0	
Kaleden	2 ↓ -33.3%	\$1,063,400 ↑ 8.9%	0		0	
Kaleden / Okanagan Falls Rural	2 ↓ -50.0%	\$1,162,600 ↑ 5.4%	0		0	
Okanagan Falls	9 ↓ -18.2%	\$626,300 ↑ 13.1%	1 0.0%	\$630,800 ↑ 7.4%	1 ↓ -66.7%	\$372,800 ↑ 21.3%
Naramata Rural	2 ↓ -81.8%	\$1,134,800 ↑ 11.4%	0		0	
Oliver	23 ↓ -14.8%	\$638,100 ↑ 12.4%	3 0.0%	\$423,500 ↑ 8.1%	2 ↓ -77.8%	\$309,700 ↑ 22.5%
Oliver Rural	6 ↓ -25.0%	\$699,300 ↑ 19.6%	0		2	
Osoyoos	15 ↓ -21.1%	\$767,200 ↑ 13.4%	2 ↓ -83.3%	\$624,900 ↑ 11.1%	7 ↓ -61.1%	\$435,800 ↑ 23.5%
Osoyoos Rural	1 ↑ 10.7%	\$1,403,100	0		0	
Rock Crk. & Area	1		0		0	
Columbia / Duncan	15 ↓ -34.8%	\$893,200 ↑ 12.6%	4 ↓ -20.0%	\$649,000 ↑ 9.6%	1 ↓ -50.0%	\$265,800 ↑ 22.3%
Husula / West Bench / Sage Mesa	7 ↓ -36.4%	\$859,900 ↑ 9.2%	0		0	
Main North	23 ↓ -59.6%	\$626,300 ↑ 11.5%	14 ↓ -26.3%	\$609,300 ↑ 10.4%	18 ↓ -56.1%	\$479,800 ↑ 19.0%
Main South	10 ↓ -54.5%	\$755,300 ↑ 10.3%	17 ↑ 21.4%	\$465,600 ↑ 8.8%	29 ↓ -34.1%	\$482,900 ↑ 19.2%

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** Benchmark price as of September 2022



SOUTH OKANAGAN Q3 2022 Statistics

Location	SINGLE-FAMILY		TOWNHOUSE		APARTMENT	
	Sales	Benchmark Price	Sales	Benchmark Price	Sales	Benchmark Price
Penticton Apex	0	\$833,600 ↑ 10.1%	0 ↓ -100.0%		2 ↑ 0.0%	\$313,200 ↑ 21.9%
Penticton Rural	0 ↓ -100.0%		0		0	
Uplands / Redlands	2 ↓ -75.0%	\$1,060,700 ↑ 10.8%	0		0	
Wiltse / Valleyview	13 ↑ 18.2%	\$970,400 ↑ 11.7%	2 ↓ -33.3%	\$743,700 ↑ 6.0%	0	
Princeton	10 ↓ -65.5%	\$386,500 ↑ 18.0%	2 ↑ 100.0%		0 ↓ -100.0%	
Princeton Rural	1 ↓ -88.9%	\$793,300 ↑ 13.8%	0		0	
Lower Town	2 ↓ -33.3%	\$959,800 ↑ 9.6%	0 ↓ -100.0%		0 ↓ -100.0%	\$401,300 ↑ 19.5%
Main Town	16 ↓ -36.0%	\$743,000 ↑ 14.1%	3 ↓ -40.0%	\$502,000 ↑ 8.0%	8 ↑ 14.3%	\$381,700 ↑ 20.8%
Summerland Rural	3 ↑ 50.0%	\$1,012,400 ↑ 10.7%	0 ↓ -100.0%		0	
Trout Creek	5	\$1,160,400 ↑ 9.5%	0	\$606,100 ↑ 10.6%	0	

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** Benchmark price as of September 2022





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ANALYTICS

