

For Immediate Release

## High Interest Rates Continues to Chill Local Residential Real Estate Markets

**KELOWNA, B.C. – January 4<sup>th</sup>, 2024.** Residential real estate market sales activity for December cooled as high interest rates continued to impact the real estate market, reports the Association of Interior REALTORS® (the Association).

A total of 528 residential unit sales were recorded across the Association region in December coming in below November's 813 units sold and representing a 12.4% decrease in sales compared to December 2022.

New residential listings saw a healthy increase of 16.7% compared to December 2022 with 859 new listings recorded last month. The total number of active listings saw an increase of 24.3% of total inventory compared to December 2022 with 5,889 recorded across the Association region. The highest percentage increase in active listings was seen in the South Okanagan for another consecutive month with a total increase of 47.5% compared to December 2022.

"While we usually see a slowdown in market activity during the holiday season, sales activity was slower than usual in December" says the Association of Interior REALTORS® President Chelsea Mann, adding that "buyers and sellers who have been waiting on the sidelines for potential interest rate relief may likely still be optimistically holding off on pursuing their real estate endeavours to see if the new year will finally provide more favourable mortgage rates."

"Overall, 2023 was a bit of a weak year for real estate sales with three rate hikes, devastating wildfires, a lack of affordable housing and other outside factors all likely contributing to a general slowdown in transactions," says Mann.

The benchmark price for single-family homes saw an increase in the South Okanagan and Shuswap/Revelstoke regions in year-over-year comparisons, while the Central Okanagan and North Okanagan regions saw moderate decreases of 3% and 1.7% respectively. Benchmark price in the townhome housing category saw decreases in the Central Okanagan and South Okanagan yet increased in the North Okanagan and Shuswap/Revelstoke regions compared to December 2022. In the condominium housing category, all regions, with the exception of the South Okanagan, saw decreases in the benchmark price for December 2023 compared to December 2022.

The average number of days to sell a home, always a good barometer to watch, increased to 78 days compared to November 2023's 69 days. It's important to note that the average number of days on market is for the entire Okanagan region and that the indicator will vary depending on home type and sub-region.

Given the high stakes on such a significant financial transaction, home sellers and buyers can benefit from the knowledge and skills of a practiced REALTOR®. Contact your local REALTOR® to find out more about the real estate market and how they can help you achieve your real estate goals.

The Association of Interior REALTORS® is a member-based professional organization serving approximately 2,600 REALTORS® who live and work in communities across the interior of British Columbia including the Okanagan Valley, Kamloops and Kootenay regions, as well as the South Peace River region.

The Association of Interior REALTORS® was formed on January 1, 2021 through the amalgamation of the Okanagan Mainline Real Estate Board and the South Okanagan Real Estate Board. The Association has since also amalgamated with the Kamloops & District Real Estate Association and the Kootenay Association of REALTORS®

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**About HPI**

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