



# Kurjata & Benn

Dawson Creek Real Estate Specialists

Kevin Kurjata dipl. T. (hons)  
 Personal Real Estate Corporation | 250.719.3538 | kevink@kevink.ca  
 Jessie Benn dipl. T. | 250.467.3730 | jessie@kevink.ca  
 www.kevink.ca



## Dawson Creek Market Peek Quarterly Report

### Fourth Quarter: October 1—December 31, 2013

Information contained in this report was gathered from MLS sales and listings data which is owned and compiled by the South Okanagan Real Estate Board, on January 23, 2013. The data includes all homes in Dawson Creek, Dawson Creek Rural, Rolla and Pouce Coupe. Vacant land and commercial property is excluded.

Mortgage information is accurate on the day this was published. All mortgage information must be verified by a mortgage professional. Quoted rates are subject to change without notice.

Consumer confidence is a subjective category. Its measurement is based on recent news and the

result of dealing with the real estate buying public on an ongoing basis.

All data was collected and calculated by the author. Any questions regarding this information can be directed to Kevin Kurjata at the contact information provided below.

### Current Supply: 156 Homes



- There were 81 new listings in the quarter which is slightly high for the time of year, but not terribly so.
- The total level of active listings remained seasonally high throughout the quarter contributing to a market in favor of buyers.
- The sales to listings ratios were very low across categories other than the top of the market where extremely low volume distorts the percentages.



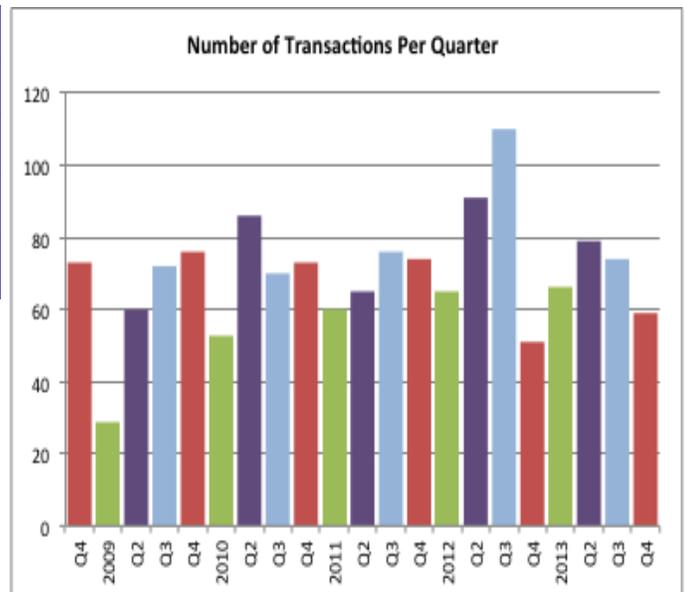
Price Range	Total Listings	Sales/Listings	
		Q3 (13)	Q4 (13)
< \$100k	12	43%	29%
\$101k—\$150k	11	32%	15%
\$151k—\$200k	18	44%	25%
\$201k—\$250k	22	29%	29%
\$251k—\$300k	20	42%	41%
\$301k—\$350k	19	44%	27%
\$351k—\$400k	19	25%	24%
\$401k—\$450K	3	33%	50%
\$451k—\$500k	4	22%	56%
\$501k—\$550k	5	NA	29%
>\$550k	23	NA	0%

### Fourth Quarter Demand: 59 Homes



	2009	2010	2011	2012	2013
Q1	29	53	60	65	66
Q2	60	86	65	91	79
Q3	72	70	76	110	74
Q4	76	73	74	51	59

- Q4 sales outpaced the previous year; however, both were very low relative to historical averages
- Coupled with an historically high level of listings for the season it was a difficult quarter for sellers as the market began to firmly favor buyers
- If you're selling, it is very important to offer the best value in your category in order to beat out competing properties. If you're buying, you have a good selection to choose from





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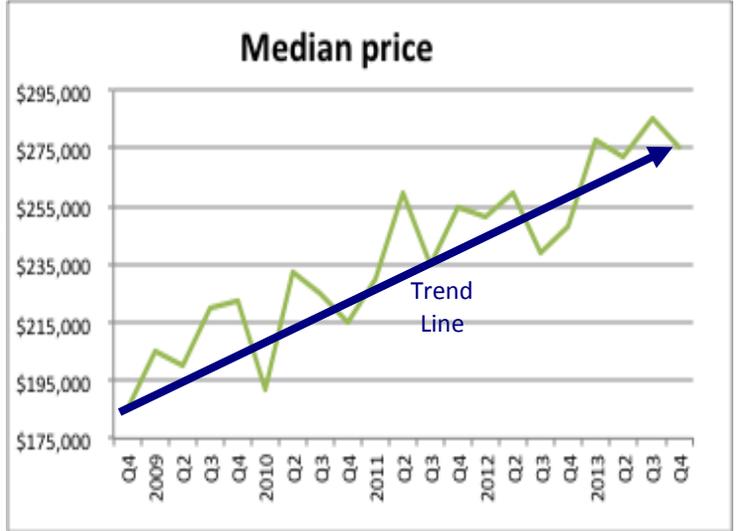
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## Fourth Quarter Median Price

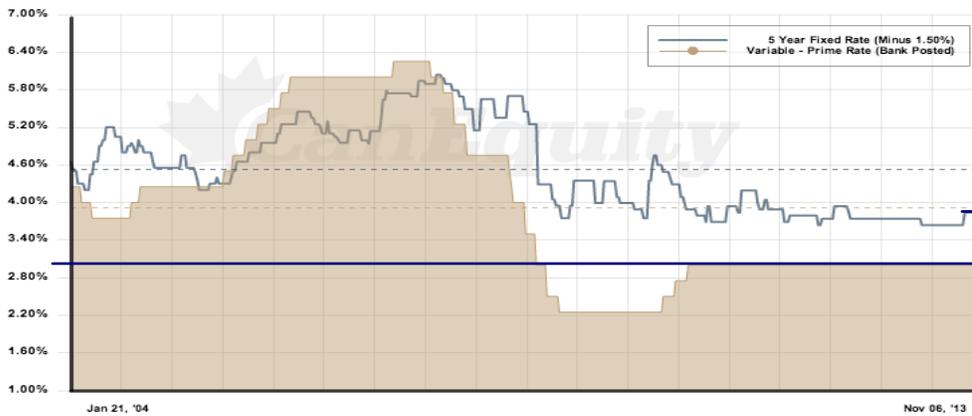
	2009	2010	2011	2012	2013
Q1	\$205,250	\$192,000	\$229,600	\$251,000	\$278,000
Q2	\$200,000	\$232,500	\$260,000	\$260,000	\$272,000
Q3	220,000	\$225,000	\$235,000	\$239,000	\$285,000
Q4	\$222,500	\$215,000	\$255,000	\$248,000	\$275,000



- After a surge to start the year prices plateaued for the remainder of 2013
- Supply increased while demand decreased pulling back the reigns on price appreciation for the time being.
- Regardless, year over year price gains were a robust 12.5%



## Interest Rates & Affordability



5 Year Fixed Rate vs. Variable Rate with Averages  
 CANADIAN MORTGAGE RATE HISTORY



RBC and BMO both announced rate reductions lately, driving Flaherty crazy.

- Rates remain little changed since the last report. There have been some mild fluctuations upwards and some downwards. Most recently 5 year fixed rates have been cut by RBC and BMO. Also of note is that the spread between fixed and variable rates has increased enough to make variable rates attractive again.
- The fear for Poloz at the BOC is now disinflation which means that a rate reduction, though unlikely, is actually a more probable action than a rate hike for the foreseeable future. Though he's thrilled with the pace that the CAD is declining.

## Consumer Confidence

2013 was a strange year for Dawson Creek real estate. The buzz around LNG exports from BC became deafening while the real estate market sputtered. This being the case, the LNG buzz still seems to be overpowering the market facts. As I've been telling clients for a while now: If you think LNG exports are going to happen, buy everything you can afford and keep everything you currently have. If you think it's not, sell sell sell.  
 It is a critical point for the Dawson Creek economy.

As super-major and national energy firms ramp up activity surrounding LNG export terminals in Kitimat and Prince Rupert we anxiously await the surge in activity in our neighborhood. This could be happening very quickly. We are located where "upstream" activity happens. They firms hoping to export gas to Asia need to increase their drilling activity to ensure they have adequate reserves when the orders start coming in. I've started to anecdotally see evidence that this is already happening. This increased activity should have a profoundly positive effect on real

estate in our region.  
 The one threat to our market could be oversupply. There are large firms building lots of product that has been pre-sold to investors. If demand for rentals fails to increase at the same pace that these projects are completing we could see a rush for the door. Albeit, to me this is a question of timing, not prospects.  
 Life keeps on trucking in the right direction for our little city....