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Personal Real Estate Corporation

Dawson Creek Real Estate Specialist

Dawson Creek Market Peek Quarterly Report

Second Quarter: April 1—June 30, 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 July 2, 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

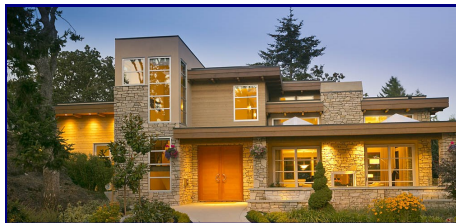
result of dealing with the real estate buying public on an ongoing basis.

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: 203 Homes



- There were 183 new listings in the quarter which is bang-on normal for Q2
- \$400k—\$450k saw the fewest number of new listings with 8 new listings, 4 of which sold
- There were 68 new listings from \$200k—\$300k 19 of which sold for a sluggish 28% sales to listings ratio



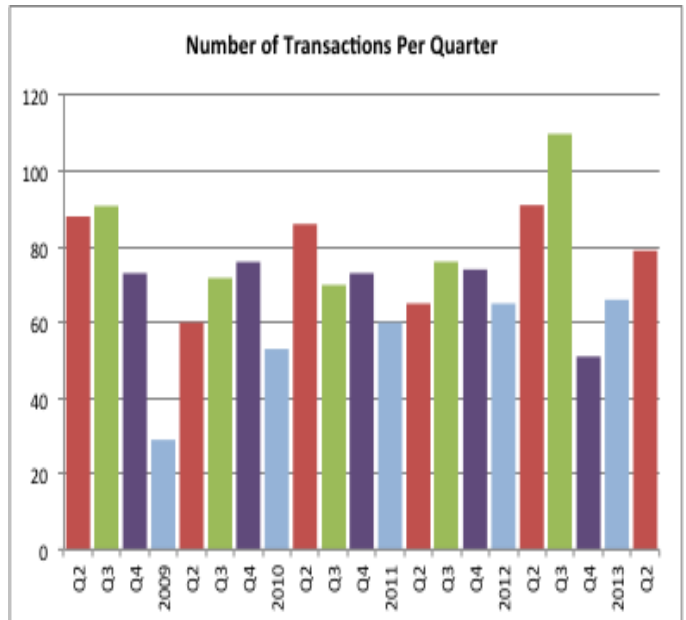
Price Range	Total Listings	Sales/Listings	
		Q1 (13)	Q2 (13)
< \$100k	13	31%	15%
\$101k—\$150k	15	47%	60%
\$151k—\$200k	21	53%	38%
\$201k—\$250k	45	22%	31%
\$251k—\$300k	51	28%	22%
\$301k—\$350k	33	37%	42%
\$351k—\$400k	35	23%	23%
\$401k—\$450K	16	33%	50%
\$451k—\$500k	15	0%	27%
>\$500k	37	36%	0%

Second Quarter Demand: 79 Homes



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

- Q2 sales were down a significant 13% relative to last year at the same time
- Activity was relatively balanced throughout the market.
- \$200k—\$350 saw the most activity but sales to listings ratios were very low in each category. Competition for buyers is fierce across ranges.
- The top of the market took a significant breather. There were 0 sales over \$500k this past quarter





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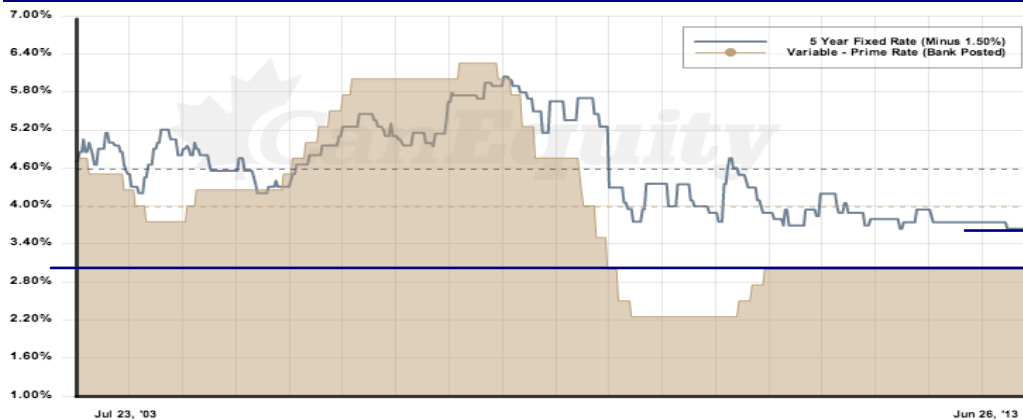
Second Quarter Median Price

	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	
Q4	\$222,500	\$215,000	\$255,000	\$248,000	

- Prices leveled off after making a significant push to start the year off.
- This is the normal course of events for our market where we tend to see a surge followed by a plateau. The plateau has been reached, we will see when the next surge hits



Interest Rates & Affordability



Saw a bit of action for the first time in ages but things seem to be back to normal.

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



- Posted rates increased fairly substantially after the bond market went on a run after Ben Bernake insinuated that government stimulus was going to be removed from the American economy later this year. In his next statement he recanted somewhat and markets cooled down. Fixed rates did rise, but seem to have stabilized for now.
- The BOC STILL hasn't changed the key lending rate since September 2010. The longest dormant stretch since the 1950's. Economic and political volatility in Europe and the US keeps the Central Bank from making any changes. It appears things will stay that way in the near term.

Consumer Confidence

Is this the calm before the storm? Is the storm already happening? Is Dawson Creek the next Fort Mac? Will things stay the same as they've always been?

Perceptions about what is happening and what is about to happen in our market are all over the map. Spend 5 minutes talking to a promoter for any of the developments being undertaken by companies from the lower mainland or Alberta and Dawson Creek is an energy driven boom town where the streets are

paved with gold and those streets are about to be upgraded to diamonds. Those promoters have very persuasive and enticing arguments. I hope they're right. If they are, I'm going to be rich!!

What we see locally is a bit of a different story. When I analyze data or look around my community I don't see a boom town as much as I see a steadily growing community that, with strong leadership, could grow steadily until we reach our full potential. I don't have an estimate of what that full potential is, but I think

it's somewhere between where the promoters see us and where we are now.

Consumer confidence remains buoyant, but not effusive. That is exactly where it should be. We are a small community and we are growing. Our pace of growth will most likely accelerate over the next few years and it will be very important that our leadership manages that growth effectively to make sure that we reach our full potential.