



# Kevin Kurjata

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## Dawson Creek Market Peek Quarterly Report Third Quarter: July 1—September 30, 2012

Information contained in this report was gathered from MLS sales and listings data which is owned and compiled by the Northern Lights Real Estate Board, on October 1, 2012. 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: 175 Homes



Price Range	Total Listings	Sales/Listings	
		Q2 (12)	Q3 (12)
< \$100k	15	43%	47%
\$101k—\$150k	26	32%	35%
\$151k—\$200k	30	44%	57%
\$201k—\$250k	56	29%	48%
\$251k—\$300k	36	42%	42%
\$301k—\$350k	20	44%	35%
\$351k—\$400k	30	25%	33%
\$401k—\$450k	19	33%	37%
\$451k—\$500k	21	22%	38%
>\$500k	32	9%	9%



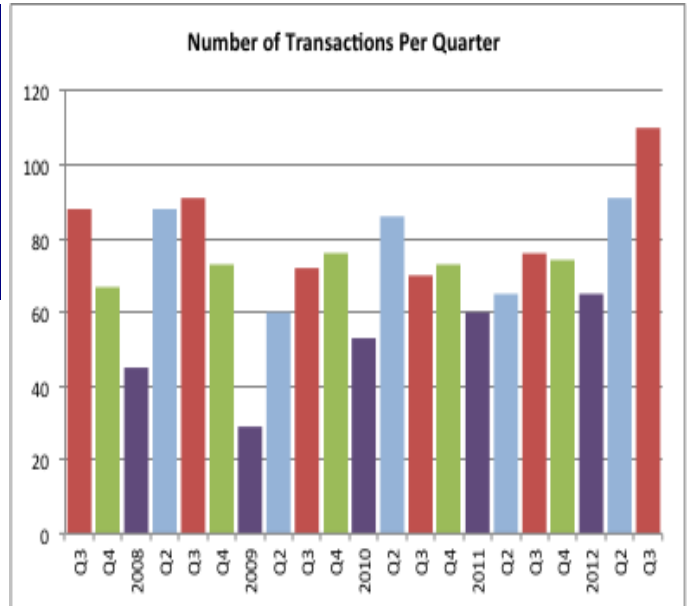
- Reasonable amount of supply for the region at this time of year
- There was improvement in every price category except \$301k—\$350k
- The most saturated and active market is right around the median—between \$200k—\$300k.s
- \$201k—\$250k saw massive improvements after a quiet second quarter.

### Second Quarter Demand: 110 Homes



	2008	2009	2010	2011	2012
Q1	45	29	53	60	65
Q2	88	60	86	65	91
Q3	91	72	70	76	110
Q4	73	76	73	74	

- Transaction levels were the strongest ever, beating the previous record by 21%.
- There was strong activity in all price categories, but particularly in the bottom half of the market. 60 of those 110 sales were for properties priced below \$250,000.
- This quarter continued to show the strength of the previous 2 quarters
- YTD we have already surpassed last years numbers for total volume (233 total residential sales in 2011 v. 268 YTD)
- Strong activity in the investment market is giving young people the option to cash out on their first home and move into something more suitable for their growing families.





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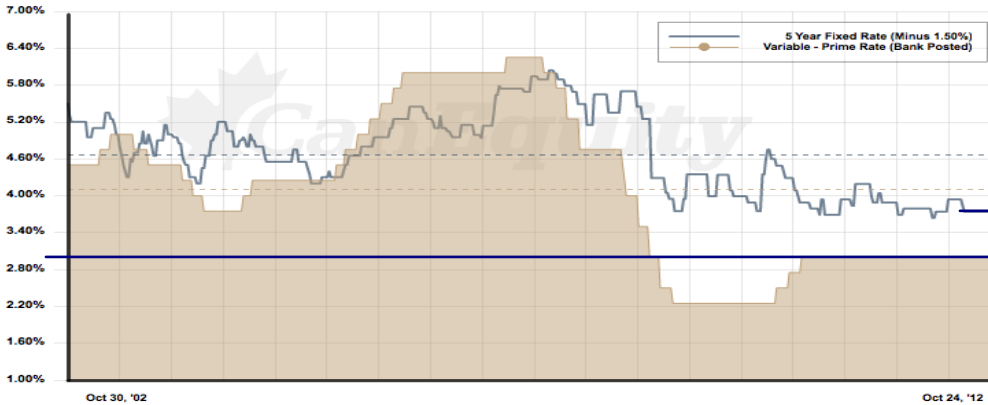
## Third Quarter Median Price

	2008	2009	2010	2011	2012
Q1	\$211,000	\$205,250	\$192,000	\$229,600	\$251,000
Q2	\$186,000	\$200,000	\$232,500	\$260,000	\$260,000
Q3	\$222,000	220,000	\$225,000	\$235,000	\$239,000
Q4	\$185,000	\$222,500	\$215,000	\$255,000	

- Despite the high levels of activity, the median price came off of its highs to its lowest point since the third quarter of 2011. Very strong activity levels in the bottom half of the market are pulling median prices lower.
- The top of the market is still cool, as it has been for most of the year. This range is cyclical, we should see improvement soon.



## Interest Rates & Affordability



Rates are still super low. How long can this party go on?

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



- 5 year fixed rates are available as low as 2.99% again. They remain insanely low and will most likely remain at that level for the foreseeable future.
- In his most recent announcement Mark Carney hinted that rates will be going up in the near future, though he never says when exactly that will happen. Europe is still a mess and emerging nations like China have seen their growth slow from the torrid pace that was fueling the world economy with their hunger for natural resources. Oddly enough, this is good for Canadian real estate because it keeps rates low.

## Consumer Confidence

Consumer confidence in Dawson Creek continues to be robust. Anecdotally, the majority of home buyers in the region are first and second time home buyers. The first time buyers purchase inexpensive smaller homes for the most part. The second time buyers sell their homes to the first time buyers and move into something that suits their rising incomes, increased equity and growing families.

As always, this reflects people's continued confidence in their job prospects. There is currently no

sign of the jobs market slowing down significantly in our region. Though low gas prices continue to keep things from growing at a rapid pace, there is enough activity for people already living here to take advantage of the opportunities our region presents.

It is, however, getting difficult to ignore the pessimism being communicated in our national media regarding the potential for a housing crisis similar to the US. The news continuously harps on the debt Canadians are carrying relative to their disposable income. Apparently

we have exceeded the levels that our American neighbors were at before their dire housing crisis.

I think that this is a moot point in our area. The government has repeatedly said that they are most concerned with the Toronto and Vancouver condo markets. Those markets are frantic and expensive, no doubt. Our local market continues to serve people making sound decisions based on what they earn and what their prospects are going forward. Homes are also still very affordable.