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Dawson Creek Market Peek Quarterly Report

Third Quarter: July 1—September 30, 2014

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 October 2, 2014. 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: 217 Homes



- There was a seasonally high level of listings on the market throughout the quarter.
- This gives buyers all kinds of options as they make their decisions.
- This was the first time since I started this publication that there were no price categories with higher than a 35% sales to listings ratio.
- Buyers—you are in the drivers seat.



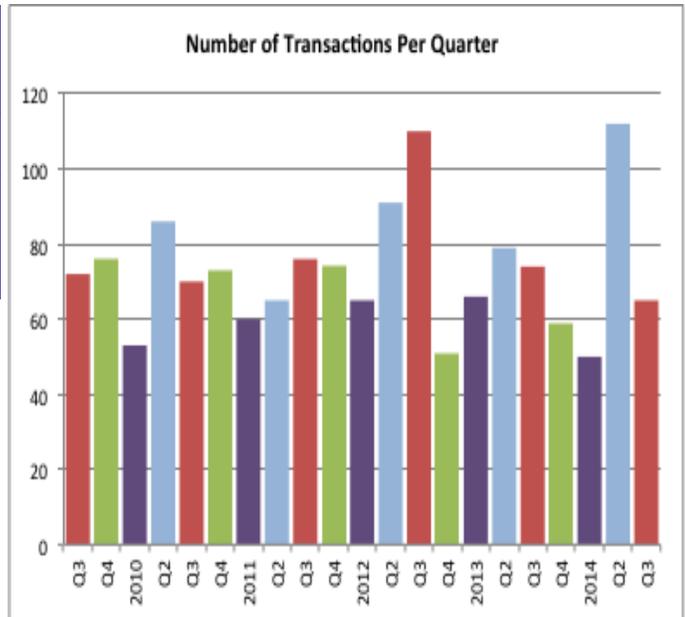
Price Range	Total Listings	Sales/ Listings
Q3 (14)		
< \$100k	14	29%
\$101k—\$150k	18	17%
\$151k—\$200k	44	25%
\$201k—\$250k	34	29%
\$251k—\$300k	50	18%
\$301k—\$350k	30	23%
\$351k—\$400k	24	33%
\$401k—\$450K	12	25%
\$451k—\$500k	13	31%
\$501k—\$550k	19	11%
>\$550k	24	17%

Third Quarter Demand: 65 Homes



	2010	2011	2012	2013	2014
Q1	53	60	65	66	50
Q2	86	65	91	79	112
Q3	70	76	110	74	65
Q4	73	74	51	59	

- After a scorching Q2, Q3 settled down considerably, more consistent with the transaction levels that we saw throughout 2013. Which is kind of a bummer.
- The strongest price categories were \$151k—\$200k with 11 transactions and \$201k—\$250k with 10. Not great numbers.
- The persistently high number of listings on the market is causing buyers to be indecisive. As the number of listings comes down heading into winter we should see sales to listings ratios start to increase.
- The local economy is very strong. It's a matter of time before it turns around again.





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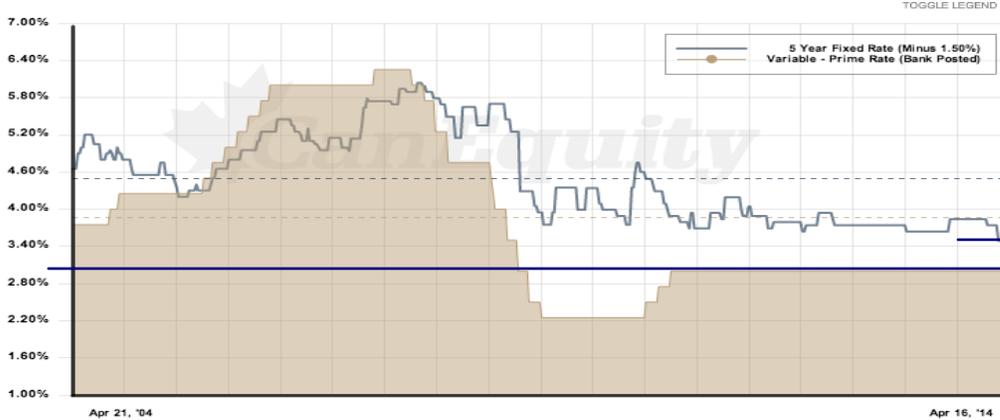
First Quarter Median Price

	2010	2011	2012	2013	2014
Q1	\$192,000	\$229,600	\$251,000	\$278,000	\$276,000
Q2	\$232,500	\$260,000	\$260,000	\$272,000	\$288,000
Q3	\$225,000	\$235,000	\$239,000	\$285,000	\$276,000
Q4	\$215,000	\$255,000	\$248,000	\$275,000	

- Prices have essentially plateaued since the first quarter of 2013. The lower levels of activity hasn't caused prices to soften.
- \$280,000 has been broken twice. That should be the next plateau to be consistently broken.



Interest Rates & Affordability



The mortgage wars are still in full swing.

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



- Every few months a rogue bank, usually BMO, slashes rates on fixed mortgages to less than 3%. The competition follows suit. The central bank and finance minister complain about it. Rates inch up for a while and then they all do the dance again. It's almost become a farce. It will be interesting to see what happens when rates actually start to move, but I concur with the experts and don't see it happening in the near future. Poloz recently announced that softening oil prices make it more difficult for the BOC to raise interest rates so it could be years before we see any real change in the prime lending rate.

Consumer Confidence

Consumer confidence in our little town is as resilient as ever. We're working, we're making money and we're enjoying life.

There have been some very major announcements that have to potential to change things dramatically around here. The Site C dam looks more and more like it's going to be a reality. How much of an effect this will have on us remains to be seen. However, I have a hard time imagining

that a project of magnitude happening within a hours drive won't have some sort positive economic impact on us.

The BC government scaled back their proposed LNG tax regime in an attempt to ensure that Petronas didn't mothball their proposed LNG plant on Lelu island. Now Petronas is in Ottawa trying to improve the federal tax regime there. (Is it just me or are those guys masterful negotia-

tors?) Whatever the tax regime, if we can see a couple of those LNG projects launch we might just see the massive population growth that has predicted for years.

Occasionally the real estate market here takes a breather with no rhyme or reason behind it. This past quarter appears to be one of those times.