



## Dawson Creek Market Peek Quarterly Report

### Third Quarter: July 1—September 30, 2016

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 17, 2016. 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.

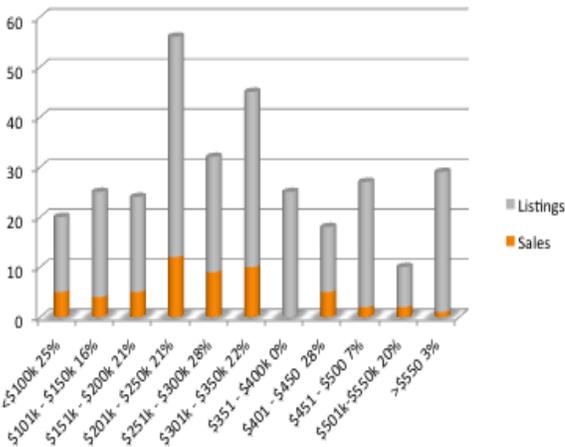
Consumer confidence is a subjective category. Its measurement is based on recent news and the

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: 256 Homes

Sales to Listings Ratio



- There are lots of listings around the median of the market, as usual. Of particular note is that we had a total of 56 listings priced from \$201k—\$250k. That's a lot.
- We continue to carry a really high number of listings. By this time of year it would be nice to see between 220—230, not 256.
- The most improved price ranges are at the top end of the market, which is very encouraging.



Price Range	Total Listings	Sales/Listings	
		Q2	Q3
< \$100k	20	25%	25%
\$101k—\$150k	25	28%	16%
\$151k—\$200k	24	23%	21%
\$201k—\$250k	56	14%	21%
\$251k—\$300k	32	18%	28%
\$301k—\$350k	45	8%	22%
\$351k—\$400k	25	15%	0%
\$401k—\$450K	18	28%	28%
\$451k—\$500k	17	0%	7%
\$501k—\$550k	10	0%	20%
>\$550k	29	4%	3%

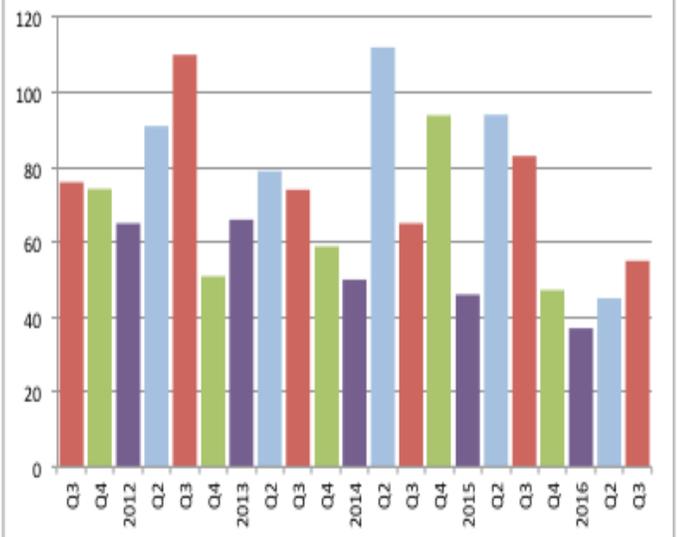
### Third Quarter Demand: 55 Homes



	2012	2013	2014	2015	2016
Q1	65	66	50	46	37
Q2	91	79	112	94	45
Q3	110	74	65	83	55
Q4	51	59	94	46	

- Demand recovered from being down over 50% compared with the 5 year average for much of the year, to being down close to 30% in Q3. That's a significant recovery.
- Importantly, Sales of homes priced between \$451k and \$500k improved from 0% to 7% and sales of homes priced between \$501k—\$550k improved from 0% to 20%. There is still a glut of listings in both of those ranges and it would be really nice to see more sales at the high end of the market. It's a sign of confidence.
- Interestingly, there were no sales between \$351k and \$400k. That's strange I don't anticipate it carrying on. That's a sign of pent up demand. Once one domino falls there should be several more to follow.

Number of Transactions Per Quarter





# Kevin Kurjata

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Client Centered Real Estate Service

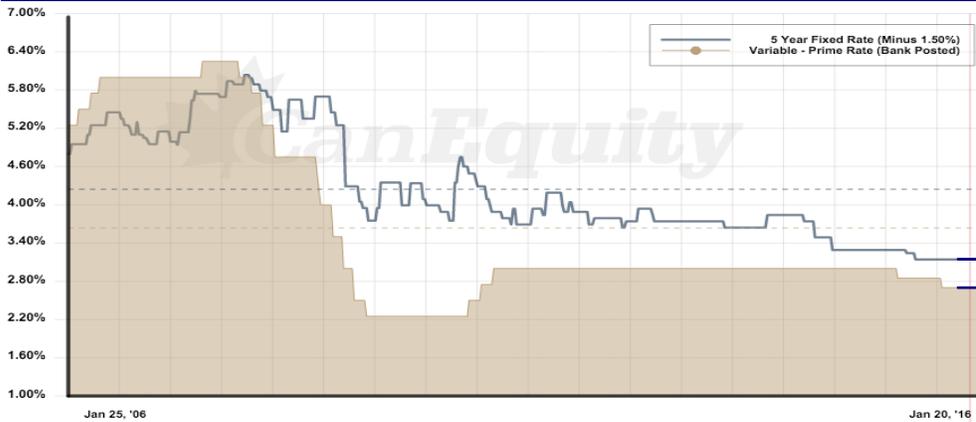
## Third Quarter Median Price

	2012	2013	2014	2015	2016
Q1	\$251,000	\$278,000	\$276,000	\$327,250	\$275,000
Q2	\$260,000	\$272,000	\$288,000	\$260,000	\$250,000
Q3	\$239,000	\$285,000	\$276,000	\$251,000	\$256,500
Q4	\$248,000	\$275,000	\$267,500	\$217,000	

- The median sale price in the region has stabilized in 2016.
- The high end market loosened up a bit with 5 sales over \$450k. 3 acreages and 2 single family homes.
- More activity at the top of the market will lead to an increase in the median. It's incredible that it's as stable as it is with the lack of activity up there.



## Interest Rates & Affordability



Big changes in the mortgage market will impact affordability nation wide. Will it impact us too?

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



There is some news in the mortgage world! Too bad its bad news, sort of. CMHC (the only tool the government has to influence the housing market other than monetary policy) has decreed that all borrowers must qualify at the banks posted rate for whatever mortgage their getting. This will potentially have a profound effect on first time home buyers and investors. It decreases the buying power of those buyers. For instance, someone who qualified for a \$250,000 mortgage on October 16 will qualify for significantly less on October 17. That could put downward pressure on prices nationwide, with all of the burden being borne by first time buyers. Rule changes in the past have not had a negative impact on our market, we'll see how these ones affect us.

## The Info you Need

I can finally report with confidence that the bleeding has stopped and the healing has commenced. I have seen activity accelerate enough, and for a long enough period of time, to see that the trough has come and gone.

For the first half of 2016, activity levels hovered around 50% of the average of the previous 5 years. Since July 1, that number has improved to close to 70%. That's a 40% improvement in activity levels over the past quarter.

People in Dawson Creek seem to be more optimistic in general. The rental market has recovered nicely. Vacancies for both hotels and furnished rentals are way down as pipeline and drilling crews come back in to the region. Restaurants and grocery stores are busier, there are a bunch of dudes hanging out at the local gyms again. These are all good signs.

Macro factors will continue to weigh on us until the price of oil sufficiently recovers. However,

the recent spate of acquisitions (Spectra to Enbridge, Encana to AltaGas, Shell to Tourmaline) is the best sign that the major producers in our region believe the worst is behind them as well. That's when they do deals.

All that said, I'm cautiously optimistic that life is about to get easier for us. We've survived the worst downturn in the history of Canadian energy. Let's get back to business.