



Dawson Creek Market Peek Quarterly Report

Second Quarter: April 1—June 30, 2017

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 13, 2017. 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.

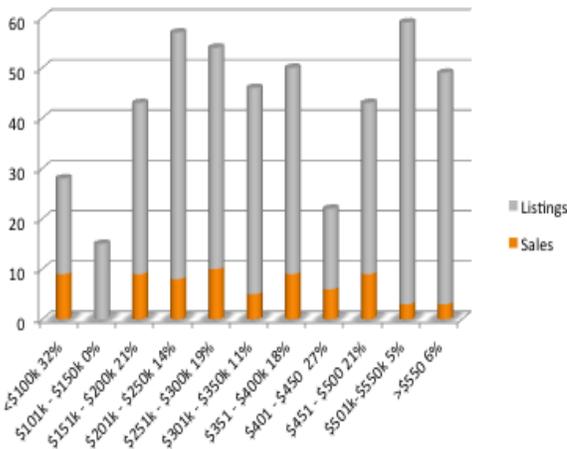
Consumer confidence is a subjective category. Its measurement is based on recent news and the

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: 350 Homes

Sales to Listings Ratio



- I wrote last quarter that listing season was quieter than expected. Turns out it was just delayed
- Every day is a new record for active listings. The current amount is 27% higher than the previous record (275 in Q2, 2016)
- Demand has improved (see below) but the supply level is unprecedented. It is just as important to offer the best value in your category as it was last year, when demand was non-existent.



Price Range	Total Listings	Sales/Listings	
		Q1	Q2
< \$100k	28	26%	32%
\$101k—\$150k	15	21%	0%
\$151k—\$200k	43	16%	21%
\$201k—\$250k	57	20%	14%
\$251k—\$300k	54	25%	19%
\$301k—\$350k	46	26%	11%
\$351k—\$400k	50	16%	18%
\$401k—\$450K	22	37%	27%
\$451k—\$500k	43	0%	21%
\$501k—\$550k	59	27%	5%
>\$550k	49	18%	6%

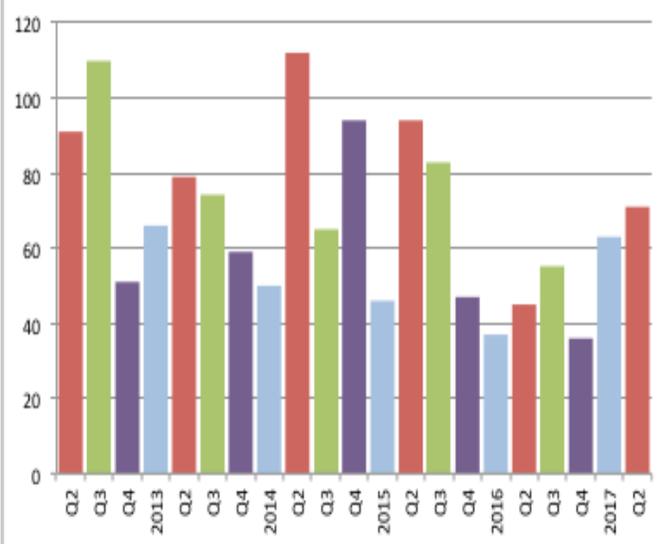
Second Quarter Demand: 71 Homes



	2013	2014	2015	2016	2017
Q1	66	50	46	37	63
Q2	79	112	94	45	71
Q3	74	65	83	55	
Q4	59	94	46	36	

- Demand continues to improve over last year, but it has tapered off some since the first quarter we beat last year by 58%, falling from our 70% improvement pace in Q1. Hopefully it picks up steam in Q3.
- 2017 saw a 70% improvement over 2016. We're not out of the woods yet, but this is a significant improvement that should have some legs going forward.
- There was still some significant activity at the top of the market, which is always encouraging. We had a top sale price of \$960,000, a new record. There were also 7 sales over \$500k.

Number of Transactions Per Quarter





Kevin Kurjata

Personal Real Estate Corporation



250.719.3538
Client Centered Real Estate Service

Second Quarter Median Sale Price

	2013	2014	2015	2016	2017
Q1	\$278,000	\$276,000	\$327,250	\$275,000	\$290,000
Q2	\$272,000	\$288,000	\$260,000	\$250,000	\$300,000
Q3	\$285,000	\$276,000	\$251,000	\$256,500	
Q4	\$275,000	\$267,500	\$217,000	\$267,000	

- In theory, by all of the metrics, we have been firmly imbedded in buyers market for at least 9 quarters. Unfathomably, the median sale price was \$300,000 in Q2 for the only the second time in history.
- That's 4 straight quarters of price appreciation. Our little market is super weird. See below for analysis.



Interest Rates & Affordability



The BOC just made the first move upwards since 2014!

The BOC just raised their benchmark lending rate by .25%. They last raised the rates in September 2010 to get back to 1%. They held at 1% until November 2014 when they fell again to the most recent rate of .5%. So now we're at .75%. For some historical context, prior to the financial crisis in 2008, the BOC benchmark lending rate was 4.5%, and we all either remember or have heard the stories about the early 80's when it was Over 20%. Money is still very, very inexpensive. I'm curious to see what the BOC does next. Inflation is still well below their 2% target. The Canadian economy has improved recently, leading all G7 nations in growth in 2017, but inflation is the BOC's primary job, and it doesn't appear to be cooperating. Just remember, that if you are locked in with a pre-approval, now is the time to make a move to take advantage of those historically low interest rates. If you're just getting out there now, don't worry, rates are still super good, just not quite as good as they were last week.

The Info you Need

A lot has gone on in the past 3 months. We have a new two-headed provincial government, interest rates were raised by the BOC for the first time in 7 years and an unprecedented flood of listings hit the market. These are fundamental shifts in the factors that affect our market

As mentioned earlier in the report, the number of new listings to hit the market is unprecedented and the demand is not keeping up. Bafflingly, the median sale price continues to rise with 4 straight quarters of price gains. So what's going on?

One element is that there are far more sales happening over \$400,000 than there were in 2016. There have been 42 so far this year. Last year at this time there were 16. A lot of those 2017 sales were listings in 2016 that steadily dropped their price until they managed to sell this year. That is not exactly price appreciation, but it increases the traffic at the top of the market which leads to an increased median sale price.

We've also seen a decrease in sales at the bottom of the market. 31% of sales were below \$200,000 last

year to date. This year that number is 25%, a significant decrease.

When I compare the sale price of homes sold this year with their sale price, if they sold between 2012-2014, homes that sold for \$400,000 to \$500,000 are selling for 1 to 2 percent more or less than what they paid for them. Homes priced below \$200,000 are behaving the same. Homes priced between \$200,000 and \$400,000 are appreciating slightly. That accounts for the increase in the median sale price in the face of a market that should firmly favor buyers.