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Dawson Creek Real Estate Specialist

Dawson Creek Market Peek Quarterly Report

First Quarter: January 1—March 31, 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 April 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

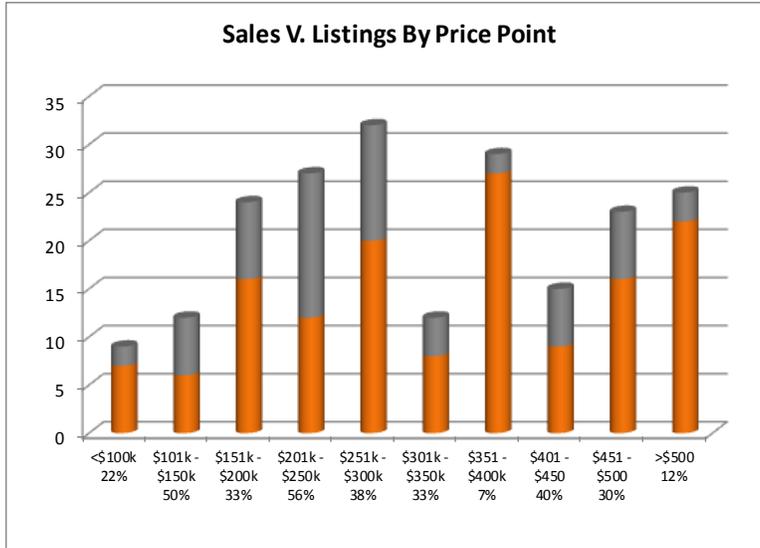
result of dealing with the real estate buying public on an ongoing basis.

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: 143 Homes



Price Range	Total Listings	Sales/Listings	
		Q4 (11)	Q1 (12)
< \$100k	9	38%	22%
\$101k—\$150k	12	46%	50%
\$151k—\$200k	24	46%	33%
\$201k—\$250k	27	56%	56%
\$251k—\$300k	32	59%	38%
\$301k—\$350k	12	57%	33%
\$351k—\$400k	29	16%	7%
\$401k—\$450k	15	7%	40%
\$451k—\$500k	23	N/A	30%
>\$500k	25	N/A	12%



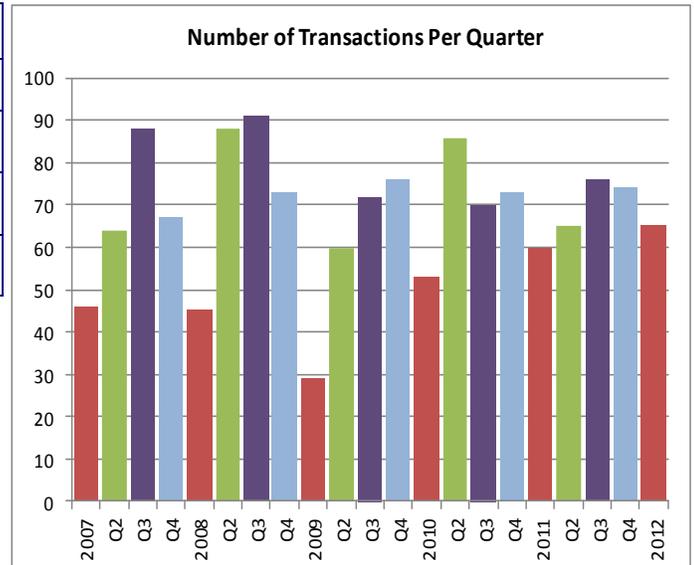
- Listing numbers are at a decent level. Slightly lower than the 147 that were on the market last year at this time
- The strongest category by movement is \$200k—\$250k.
- The median (\$251k—\$300k) weakened considerably, however, well priced properties in the category move extremely quickly.
- 40% sales to listings ratio in the \$401k—\$450k makes it the most improved category by far.

First Quarter Demand: 65 Homes



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

- We've just completed the best 4th quarter ever in Dawson Creek (as shown with the red bars in the graph)
- 8% increase over Q1 2011.
- Strong demand at the upper end of the market points to strong consumer confidence as many locals are upgrading.
- Strong movement at the high end of the market is very encouraging.



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This communication is not intended to induce a breach of already listed property



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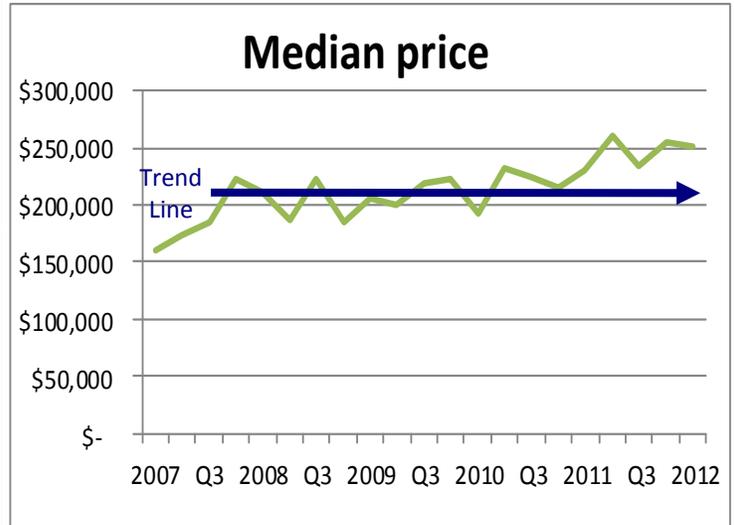
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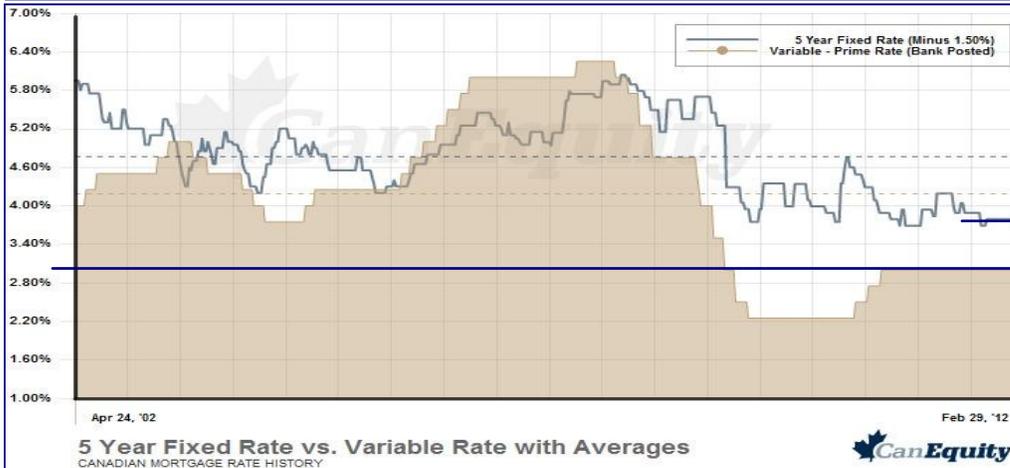
First Quarter Median Price

	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	
Q3	\$222,000	220,000	\$225,000	\$235,000	
Q4	\$185,000	\$222,500	\$215,000	\$255,000	

- Prices continue to show sustained strength.
- The median has now been higher than \$230k for well over a year
- Strong movement at the top of the market and visible price increases around the median are the main contributing factors to strong price appreciation.



Interest Rates & Affordability



Rates have risen slightly from their recent all-time lows. Still an amazing deal for fixed rates. Variables, not so much.

- The mortgage war has subsided slightly with 5 year fixed rates now hovering around 3.29%. Current offerings on 10 year fixed rates at 3.99% are an attractive product if you have stability in your life.
- Economic headwinds that have kept rates persistently low appear to be abating slightly. Mark Carney's language in his most recent rate announcement suggests that we could be in for a rate hike in the next year or so. Until then, the party goes on.

Consumer Confidence

Consumer confidence in Dawson Creek has not changed much recently. It varies from exuberant optimism to fear depending on who you talk to.

Feeding the fear is one factor—the price of natural gas. Energy is the main industry moving our local economy. The product in our region is natural gas. The price of natural gas is at an historic low trading at \$1.98 US per MMBtu at the time this was written. Common sense would suggest that this would negatively impact our region as natural gas producers will

limit production in order to limit the supply and hopefully drive the price up to more profitable levels.

Feeding the optimism is the amount of foreign investment that continues to pour into the region. Encana found a new partner in Japanese firm Mitsubishi to the tune of \$2.9 billion for 40% stake in the Cutbank region. Talisman has been working with South African Sasol for over a year now. Progress energy secured a \$1.07 billion investment from Malaysian firm Petronas. Shell sold a 20% stake of

their activity in the region to Chinese giant PetroChina. Numbers have yet to be released on that deal but it is estimated at over \$1 billion. Add to this the fact that plans are moving forward to export LNG from Kitimat and there is clear reason to be optimistic going forward.

Activity in the real estate market is a direct reflection of how people feel about their prospects going forward. It appears that confidence should remain strong so long as people keep their jobs.

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