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Results Driven Real Estate Service



Dawson Creek Market Peek Quarterly Report

Third Quarter—October 1, 2009

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, 2009. 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

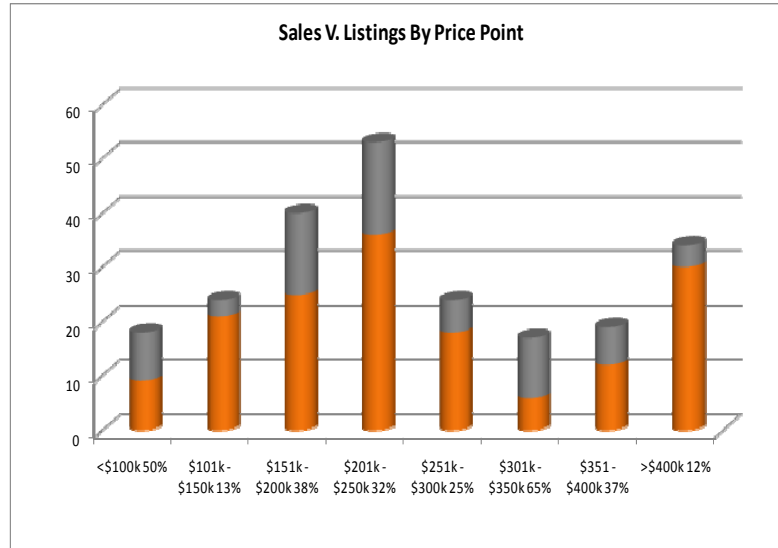
result of dealing with the real estate buying public on an ongoing basis.

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: 157 Homes



| | Listings | Sales/Listings |
|---------------|----------|----------------|
| < \$100k | 9 | 50% |
| \$101k—\$150k | 21 | 13% |
| \$151k—\$200k | 25 | 38% |
| \$201k—\$250k | 37 | 32% |
| \$251k—\$300k | 18 | 25% |
| \$301k—\$350k | 6 | 65% |
| \$350k—\$400k | 12 | 37% |
| >\$400k | 30 | 12% |



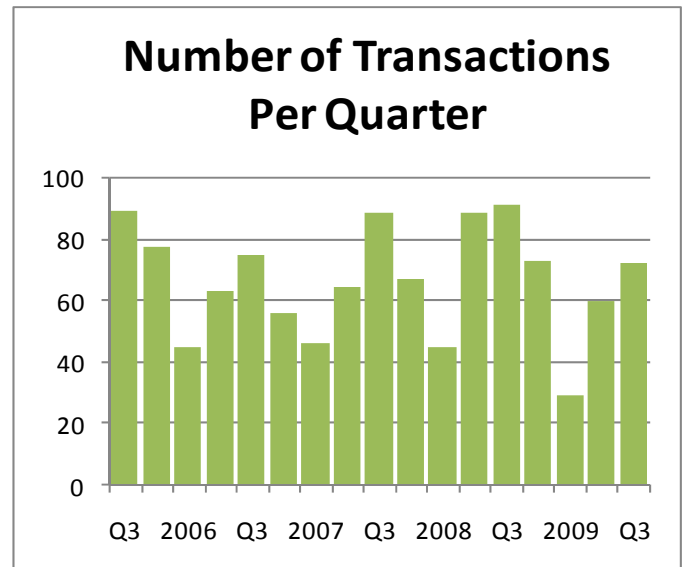
- There was a high of just over 191 listings on the market in early July.
- Less competition on the market is great for those that want / need to sell
- \$300k—\$350k continues to be the healthiest price range with a ratio of 65%
- The most competitive price range is now \$201k—\$250k with 37 homes listed
- The slowest moving price range is between \$101k and \$150k. People expect more or want to pay less for homes in that range.

Third Quarter Demand: 72 Homes



| | 2005 | 2006 | 2007 | 2008 | 2009 |
|----|------|------|------|------|------|
| Q1 | 39 | 45 | 46 | 45 | 29 |
| Q2 | 76 | 63 | 64 | 88 | 60 |
| Q3 | 89 | 75 | 88 | 91 | 72 |
| Q4 | 77 | 56 | 67 | 73 | |

- Activity increased by 20% between Q2 and Q3 2009
- That is right on pace with the 4 year average of 19%
- Transactions were down 20% v. 2008, gaining ground on 2008 after being 32% off in Q2
- While real estate transactions boomed throughout BC in Q3 of 2009 due to continually increasing consumer confidence and cheap capital, activity in Dawson Creek continued to move at a healthy, moderate pace





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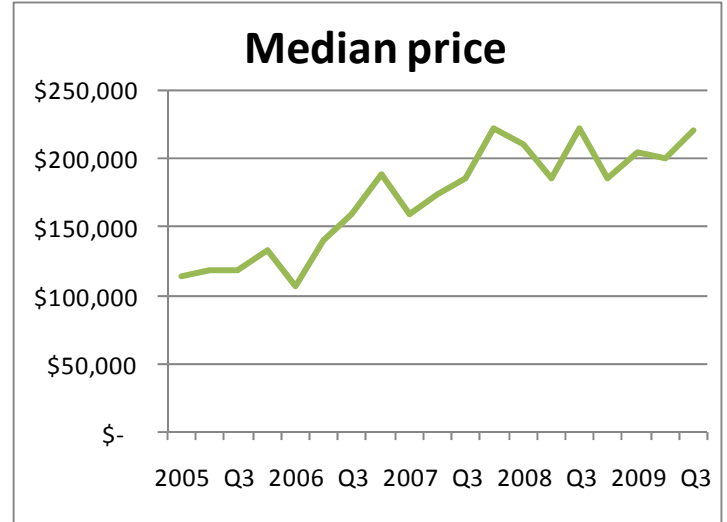
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Median Price

| | 2005 | 2006 | 2007 | 2008 | 2009 |
|----|-----------|-----------|-----------|-----------|-----------|
| Q1 | \$114,000 | \$107,000 | \$160,000 | \$211,000 | \$205,250 |
| Q2 | \$118,000 | \$140,000 | \$174,000 | \$186,000 | \$200,000 |
| Q3 | \$118,000 | \$159,800 | \$185,000 | \$222,000 | 220,000 |
| Q4 | \$133,000 | \$188,000 | \$222,000 | \$185,000 | |

- Prices are virtually equal to Q3 2008
- Prices in Dawson Creek remain stubbornly firm despite slightly lagging transaction levels
- Vendors in Dawson Creek are willing to hold on to get their price
- Local buyers can afford the product that is on the market



Interest Rates & Affordability



| Cost to Borrow \$100,000 at Prime | | | |
|-----------------------------------|-------|---------|--------------|
| Date | Prime | Monthly | 5 year total |
| 1-Oct | 2.5% | \$394 | \$23,640 |
| 1-Oct-08 | 4.75% | \$519 | \$31,131 |
| 1-Oct-07 | 6.25% | \$607 | \$36,445 |
| 1-Oct-06 | 6.0% | \$595 | \$35,700 |
| 1-Oct-05 | 4.5% | \$502 | \$30,140 |

October 1, 2009: Holding at the Lowest Rates in a Generation. Thank you Mark Carney.

- There has been no change in interest rates in the past quarter
- Savvy buyers continue to take advantage of the lowest interest rates since WWII
- Increased affordability caused by low rates is making the market more and more favorable for first time buyers or those moving up in the market

Consumer Confidence

The third quarter of 2009 was a generally pleasant quarter for real estate in Dawson Creek. Activity levels and median prices picked up from the second quarter at a predictable rate. Consumer confidence in the region seemed to get a shot in the arm—albeit tempered by an underlying sense of caution.

Natural gas prices are currently top of mind when discussing the local economy. Dawson Creek has a

more diverse economy than most resource towns; however, economic excitement in the area is generated almost exclusively by the natural gas sector.

Gas prices hit a low near \$2.50 per mbtu in early September but have since rallied to over \$4.50 per mbtu, where they seem to be holding. Should this trend continue the effects will be felt in real estate.

There were 11 sales over \$350k and 4 over \$400k. This past quarter. This is proportionately the strong-

est that these two price ranges have ever performed. Despite some resistance from the general public, prices will continue to push higher until affordability becomes an issue. This market is not there yet.

People are hunkering down as winter approaches but the wheels of commerce will continue to spin. They will spin faster as people head back to work.

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