

December, 2010.

Ah...end of year "market thoughts" time....

My "thoughts" are not meant to be a stats report or a hard market analysis.

That kind of statistical analysis can be found elsewhere, such as with mls statistics or other such "numbers reporting" venues.

My thoughts are exactly that...impressions, and based on 20 + years in the real estate business, all on Salt Spring Island and on the Southern Gulf Islands, and on Southern Vancouver Island.

My impressions/thoughts, then:

\*\* Salt Spring and the Southern Gulf Islands have evolved into secondary home/discretionary marketplaces, perhaps since 1999. No one "has to" purchase on a Gulf Island; it's always by choice. Thus, regardless of market trend in play, at any given moment, it takes time to sell an Island property. It often takes 2 and probably 3 visits, before a buyer will "act".

The internet erased time and geography. Between 2000 and 2006, a low Canadian Dollar against the U.S. Dollar and the Euro, also made us very attractive to an investor/buyer from afar.

The first visit is usually the "discovery time" of the specific island itself. The second visit, the buyer has "chosen for" that particular island, and is now looking seriously at specific properties. If they don't see what they "imagine", they will come back a third time, and might even end up buying vacant land/building.

Since the buyers are not "local", in the main, there are significant time lags between visits. It can take one to three years to sell a property, on any Gulf Island, and this kind of time pause is also a marker of all discretionary areas, and globally so.

Time lags, then, are involved in every sale, no matter the market trend. This is the marker of all discretionary marketplaces, and in such a marketplace the buyer is always in charge of the process.

\*\* The impact of the internet revolution has changed forever the way all business is conducted, and this is the case in sales oriented businesses, especially.

I think real estate was late to the table of change. The car industry and the stock market side of investing were totally changed by the internet's delivery, to consumers, of easy access to information, and their shift happened five or so years before real estate noted this. The real estate industry thought it was still business as usual, for some substantial timeframe.

Now, the shift from a company or agent-centric business model, to a consumer-centric style, has profoundly affected real estate marketing choices, too.

Approximately 98 percent of property searching apparently now begins on the internet, and a good 14 months before a buyer is ready to "act". All pertinent information can be found, on regions of interest to a buyer, via the internet, and so the role of a real estate agent has profoundly changed.

The way of introducing oneself as an agent, and of marketing listings, has made an internet presence totally necessary. Specialty print media might still have a place, marginally, but less and less so...print apparently only delivers one percent of buyers, today.

If there was a transition period in marketing between 2000 and 2009, which allowed a blend of responses, it is now over. Print media no longer delivers the buyer. To use it as one's premier means of trying to attract a buyer means that one's efforts are doomed. The buyer isn't "there".

\*\* The post-internet world is now with us. What does this mean?

Technology, created to meet the demands of the wired wireless world continues to expand...traditional emails and websites are already being transplanted by social media options.

It's important to have a website, but the template model that has been the norm since 1999 era is seen as the box in the basement or the attic...one can go rummage around in it for deeper information, but it isn't the "initial attractor" that it once was. Same with emails.

Twitter is not a fad, nor is texting. They are "immediacy" formats, in my opinion.

In our time famine world (no time/always time/only now time), we are always looking for shortcuts to essential information. That's how I see Twitter.

And Facebook? Ah...that is interesting.

The "real" 21st Century, which has created the global village foreseen by Marshall McLuhan, way back in the 1970s, is also busy deleting our 20th Century idea that there was a separation between our personal and our "corporate" worlds.

Facebook, I think, is about that erasure of separation...think about those three words: "social", "media", "marketing". They really do mean something, and the shift is profound for all those hybrid BG (before google) beings still out there. The AG (after google) beings know nothing else, and swim gracefully in the new global data sea.

What else did McLuhan forecast? Oh, yes..."the medium is the message" was his mantra. The technology created to answer the shift of the internet world has changed us as a species, I believe.

Twitter, Facebook, YouTube, and their kin are early responders to the shift moment of the post-internet world. More apps and options will be spawning daily to fill the craving for information.

The separation between the creator of information and the consumer of same is also continuing to blur and to mesh. Concepts such as "privacy", "time", "personal", "expert" are undergoing change, too. Exciting times, indeed!

Will we end up with virtual real estate offices, and a paperless transaction process, with all information totally available on mobile devices? Yes, I think so.

In change lies opportunity!

\*\* And what of our local island market? In Fall 2009, I did project that it would take until Fall 2010 to see uptick in activity, in our secondary home marketplace.

This has indeed been the case. The activity seen in Vancouver and in Victoria, primary residence/city marketplaces, in 2009 and first half of 2010, has now arrived in rural areas. Properties listed between one and four years are now selling.

The difference? The "reluctant buyer" is starting to become active! Why? Perhaps in recognition of significant price reductions coupled with historically low interest rates? Or, might also be fear of inflation and currency instability that is driving buyers back to secondary home/discretionary purchases, in order to preserve capital? Wish we could find that lost crystal ball!

Seeking information on Salt Spring Island and on Southern Gulf Islands and on Southern Vancouver Island? Call me!

How may I help you to discover your special Island dream property?

Looking forward to your call!

liread33@gmail.com