

Copyright, Li Read, 2013

June, 2013.



Here we are in June...the half way point in this oddly (to date) haphazard sales year.

In 2012, the majority of sales were in the entry level residential category, and sales took place right from early January. That was unusual, as normally March Break begins a sales pattern. A very few upper tier priced residential options did sell in 2012, but at markedly lower prices than sellers might have hoped for, and these were mainly waterfront choices.

To date, in 2013, this pattern of entry level residential sales remains unchanged, although sales did not begin to broadly appear until closer to March...a more typical action.

The bulk of sales remain in that beginning priced residential segment and, again, a very few upper tier priced residential offerings, still mainly waterfront choices, have found buyers.

Many of these waterfront sales, in both 2012 & this year to date, had been on the market for 2 to 7 years, had seen substantial reductions over time, & then received a further reduction at the offer point. In other words, the buyer was in charge of the process.

Price reductions of a substantial nature continue to come in, on a consistent basis, from some realty companies. This may have more to do with the need of that realty company to generate income to balance the very expensive outgoing costs of being in the real estate business.

Local market manipulation is a real thing, however, and all sellers have to respond to this in an effort to remain competitive in pricings...a series of reductions from one company will then, in the end, impact listings prices from all companies.

A very few undeveloped land options have sold this year, and that is a heartening sign. I always think that sales of raw land are a true indicator of an authentic real estate recovery in our kind of secondary home/discretionary marketplace. In a downmarket, the few buyers around are attracted by rental or income producing options...thus, raw land can be overlooked.

Our Gulf Islands sales window has shrunk to May to October. People may make offers at any time...chances are, though, that they viewed during this narrow timeline of physicality.

It may take until August to understand this year's market pattern, as there are not enough sales yet to point to a trend. All we can say is that sales volume continues as in 2012, and that there are a lot of choices in residential offerings over 600,000.

Inquiries do appear to be on the increase, and that's a good sign! Physicality will follow. Some new listings, in the waterfront segment, are coming onstream at 2007 price points. That is also interesting...

The Gulf Islands form of governance is the Islands Trust. Created in 1974, with a mandate of "to preserve & protect" the environmental beauties of these islands, for the benefit of all B.C. residents, this Trust thus controls growth via severe zoning/bylaw restrictions.

So...sounds like limited inventory, over time, to me.

As we climb out of the downturn that has gripped all secondary home markets since mid-2007, we will start to encounter a lack of inventory, based on this non-growth Trust stance...just as buyers are once again seeking places to preserve their capital.

Sounds like sellers market conditions are reappearing, in other areas. Multiple offers are being reported in busy primary residence regions. Hmmm....

Important to be paying attention to the shift moment, whether as a seller or a buyer, at this mid-way point between market trends.

Yes, very essential to know the past sales, but also important to recognize the uptick. Pricing by a seller & offered price by a buyer, at such a mixed time, are both needing extra thought.

So, the Gulf Islands (including Salt Spring) have bylaws that control/restrict growth. Plus the real estate market in secondary home/discretionary regions may be entering a recovery...in year 8 of an 8 to 10 year cycle? Buyers have again decided to act. The driver to buyer action may be a safe haven seeking...a hard asset purchase to preserve capital.

Prices have not yet stabilized, but this is just the beginning of our "season" ...May to October...will prices be showing firming, by September? Hmmmm....

The supply & demand rule is the marker of change.

Important to be paying attention to the "now", and not to the flatness of the past 5 to 6 years. No rear view mirror reflections, then. We need to be looking ahead.

In change lies opportunity.

Looking to sell? Thinking of buying? Call me! Successfully connecting buyers with sellers, since 1989, your best interests are my motivation. With local knowledge of both inventory & of trends, and with unparalleled national & international presence, I welcome your calls.

How may I help you to buy or to sell your Salt Spring Island or Gulf Islands property?

Tel: 1-250-537-7647

E-Mail: liread33@gmail.com