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March, 2012.

It seems, in our secondary home/discretionary area, that January & February are often a continuation of the rhythm of November & December, of the previous year.

March, then, usually begins the pattern of the current year, and the number of March Break arrivals to view property, and possibly to make offers, forecasts the summer season...busy at March-Break-into-Easter usually means brisk sales time from mid-May to mid-September (our traditional "season").

We may be in year seven of a seven to ten year cycle, which means a slow upticking in sales volume may already have begun. To date, there have been fourteen firm sales, since beginning of January. Ten have been under 620,000...most below 500,000.

This steady sales pattern mainly in the entry level residential category has been a feature of the Salt Spring sales picture for about two years...this busier first two months is perhaps a sign of consistency to the marketplace...a good feature, indeed.

Sales in undeveloped land options have not yet improved. In a downmarket, buyers are not seeking a holding property nor do they want a building project. The slow roll-back of the HST tax may help in the new home category, particularly in city or large town environments, with developments & spec housing...in discretionary/secondary home areas, where building projects are custom & personal options, the HST repeal may or may not create activity.

The upper tier priced luxury residential segment also remains quiet. In some few cases on Salt Spring & the Gulf Islands, extraordinarily motivated sellers have accepted very low prices, well below intrinsic or replacement values & also below tax assessments. Personal need is not noted by appraisers; they look at the sale price, only. These lower prices will affect stats.

In many cases, in the luxury segment, local realtors have encouraged very broad price reductions, in an effort to jump start action from a buyer. These reductions do not appear to create buyer interest. In a secondary home marketplace, a purchase is about choice...and that choosing can be deferred until the buyer sees a definite sign of a hard asset recovery. Buying is an action propelled by confidence.

Price reductions do affect all sellers, however, as it is essential to be seen to be competitive in pricing, when a buyer might be looking at equivalent properties, also for sale.

Thinning inventories may lead to price stability and then to slowly increasing prices.

Nothing ever stays down (or up)...that equilibrium moment, when the teeter-totter of a market cycle appears to be evenly balanced, is of very short duration.

Low mortgage rates are not the motivator to action that one might think. It is buyer confidence that creates a market response. Sellers and realtors do not create a market...buyers do.

In a city market, there are usually more entry level options available, overall, and correspondingly fewer luxury choices. In a secondary home/discretionary and resort-based area, the opposite is true. Such areas attract buyers lucky enough to own more than one property, or purchasers who, because of the Internet, can choose to live anywhere in the world and thus could work from a Gulf Island, or perhaps the buyer is someone who has done well elsewhere & can now choose a Gulf Island to retreat/"retire" to...it's a specialized buyer profile who is in a position to create their personal dream.

A purchase in an area like Salt Spring Island and the Gulf Islands is about choice...and choice in timing is also a part of this. The buyer sets the pace in a discretionary marketplace.

The Gulf Islands are not municipalities...they are governed by the government body known as the Islands Trust. The Trust has been in place since 1974, & development on all the Islands is firmly controlled by strict zoning/density bylaws.

Bowen Island voted to become a Gulf Islands Municipality some years ago...the Trust & its bylaws remain in place, however. Salt Spring might consider this outcome, too. More info? Call me!

There is an impression that the international market is moving out of cash right now and back into hard assets/commodities, including real estate. The continuing unraveling of the global economic picture has an impact on every region. We are in the post-Internet world, vitally interconnected, and the Global Village is with us. In difficult times, hard asset investment is understood as a way to protect capital.

An interesting sidebar to the post-Internet world is that it has not only erased time & geography, but has also made "someplace" in competition with "everyplace". It's a big world, after all! Choice, again....

Salt Spring Island and the Gulf Islands enjoy scenic beauty and environmental protection. They enjoy all of the amenities necessary to partake of life in the "real" 21st Century, and yet experience the allure of "yesteryear". They have easy access to major centres, yet offer a village lifestyle. A temperate climate creates opportunity to be self-sustaining...the 10K diet is alive & well, here. A strong arts community, a dynamic cultural life, an oceanfront pleasure...these islands are in the heart of the best protected boating waters in the world. One is gifted to be able to live in this still very undiscovered area.

For excellent information and savvy advice, please call me. It's important to me that you understand the area and also the market trends in play, at this moment in time. I work for your best interests, and will make sure that you see all listings in your preferred categories...with access to all listings, from all companies, it's essential to me that you discover "your" special property. Please call me!

How may I help you to buy your Salt Spring Island or Gulf Islands property? I look forward to your call...waiting to go to work for you! Thank you.

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