

May, 2011.

Some market "thoughts" ...

So, our first "third" is over...January to April. Now begins our real sales season: May to September.

Potential buyers now arrive physically on island, to view what may have caught their attention at an earlier moment, either from a targeted specialty print ad displayed where they live or from an Internet search, and they may decide to make an offer at a later moment, but the main time period for viewings falls between mid-May and mid-September.

Essential to be presented to the market throughout the year, though, even when the buyers aren't physically present to view...the search engine eye is never closed.

Time and geography have been erased by the Internet. The buyer is "out there", seeking, and so a seller must be visible, at all times.

No time/always time...never "off".

Sellers and realtors need patience...the buyer is in charge of the where and the when of a transaction process in a secondary home/discretionary area.

No one "has to" buy on any Gulf Island, it's all a decision about choice...there is no propeller to action.

Choice of which island and where on a specific island and when to commit to a purchase...it's all up to the buyer. In a downmarket, a decision to buy a second or a retirement home can be put "on hold".

There are whisperings of action in all discretionary areas, this year, in residential offerings, and this includes the Gulf Islands marketplace.

Undeveloped land, commercial options, recreational/retreat choices remain quiet. Step-in ready homes, not "fixer-uppers" are catching the attention of the reluctant buyer. The main action is still seen in the entry level price points. When a buyer does make an offer, there is often still a substantial spread between a list and a sale price.

Some companies/realtors continue to insist on price reductions to try to encourage more viewings/offers. In a discretionary marketplace, where the buyer is in charge of the process, this rarely works...it does mean, though, that all sellers have to follow suit, in an effort to remain competitive. Local market manipulation is a real thing.

A concern over potential currency instability, a seeking of a safe haven, a worry about hyper-inflation...these might be a reason for some renewed interest in good real estate hard asset investment.

All of the above seem to showcase a transition period...in such moments, everything is on the table, all at the same time, there's no clear pattern, and all that can be said is that there is "movement".

Perhaps we're in year six of a seven year "downturn", and thus may be starting up the slope to improvement. Statistics seem to show an upswing in volume and in some regions even slight price increases are being seen.

No pattern to be counted on, yet, but the appearance of an improving trend is heartening. Confidence from the consumer is the key, and slow signs of this are underway.

There has been a steady residential sales record from first of January to end of April, and this seems to be a return to 2007 rhythms.

Good news, I think.

The inventory is good though not huge, in any particular price range. Prices have reduced substantially since the "highs" of 2006. For the moment, interest rates remain at historic lows. If this is year six in a cycle, then it's a good time to be a buyer. These elements may not last beyond this year.

Slow and steady is the pattern, it appears, and in an improving trend. By mid-July, we will clearly see this year's trend, I believe, and the blurred edges of the "transition" moment will be erased.

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