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It's Spring in more ways than one...the slow uptick in the real estate market continues. Is this the renewed market everyone has been seeking?

Beginning days of improvement are underway, after the severe three year "Fall & Winter" flat/inaction in the hard asset investment choices...now there is a re-emergence of sales volume...are we in year 7 of a 7 to 10 year cycle? Perhaps.

If so, it's a natural progression towards stability & growth. All markets follow cycles, and the feedback from all regions is that sales volume has jumped up in the entry level priced residential property category. Prices are still volatile.

This entry level pricings segment always improves first...in our local region, we have seen a sales volume uptick of around 30%, although the majority of sales to date are below 700,000...& most sales still fall below 500,000.

Prices are not stable and there are still serious price reductions at the point of an offer, in spite of earlier reductions en route to the offer.

Action in the upper tier priced residential category remains very spotty/flat...undeveloped land options & the commercial segment remain without interest.

Nevertheless, an increase in sales volume of around 30% in the first quarter is a sign of an emerging market. And in our specific area, this renewed activity is fully there at the beginning of our traditional "season": May to early October. Good news, then, to have seen the first quarter busy when it should be & in the price level it should be. Timing is key to all markets.

Throughout North America, strong sales & thinning inventory are the outcomes of this first quarter activity, & this is now the case in secondary home/discretionary regions, too. Something new! Yes, the strong sales action is mainly in entry level priced residential properties, but this activity is seen across the board.

By July, all media options (they are always behind a market trend, as have to rely on statistics from past months) will be reporting this shift into renewed buyer action.

Why now? Perhaps the fear that cash is eroding as a means to preserve capital is making buyers reappear? Currencies are suddenly perceived as insecure, & there's a growing desire for a safe haven, a seeking to be self-sufficient, a fear of the stock market's volatility?...these all might be some reasons for the return to hard asset investment choices, & a resurgence in interest in discretionary properties. Suddenly, a purchase of a unique property in an area like the Gulf Islands is perceived as a good holding.

With huge uptick in entry level sales, which brings strengthening of prices & thinning inventory, and at the time of year this traditionally happens (first quarter), we are positioned to now welcome upper tier priced property buyers, & investors in land. May, July, August, early September are the key months, traditionally, for that investor buyer to appear.

The property market in secondary home/discretionary regions slowed in 2006. Sales volume decreased & a pause was very evident by 2007. The economic collapses of 2008 afflicted all regions, globally.

Primary residence/city markets saw a soft uptick in entry level sales by 2010...the secondary home/resort based marketplaces remained sluggish. Low interest rates never seem to jumpstart action. Buyers set markets, not sellers or realtors. When a buyer is "on hold" (& no one "has to" buy a second home or retire in any particular timeframe), then nothing will happen in a discretionary marketplace.

Price reductions don't drive action. Those sellers who had the option to do so, and did remove themselves from the market, were wise. Pressure from companies to reduce prices (without an outcome) was perhaps understandable, from the company's point of view, but it was not reflecting the buyer voice. When a buyer says: "I don't know...I'll think about it"...they mean it!

Now, the buyer is back, for the first time in the past three year period. The secondary home marketplace is busying up. By late Fall, we may see action having occurred in upper tier priced residential, in undeveloped land opportunities, & in commercial/investment options. We may be approaching year 8 of a 7 to 10 year cycle, and so should see thinning inventory/price stability/some multiple offer situations for unique & irreplaceable property options. Those owners who waited it out were wise; not always possible to do that, though.

The real estate industry itself continues to shift dramatically, in our post-Internet world. Change is the wallpaper of our global village. Thales was right that we never step into the same river twice. Now, as we enter May & the beginning of our "real" (& very short!) season, the buyers are back in our kind of market-by-choice, & the uptick is here. More info? Call me!

Don't be looking in the rear view mirror...time for that down the highway vista!

Sales volume + thinning inventory + stability of pricing = movement to a sellers market.

And your thoughts are? Always welcome!

How may I help you to buy your special Salt Spring Island or Gulf Islands or Vancouver Island property? Call me!

liread33@gmail.com