

Fall 2014

Li's Real Estate News



LI READ AT SEA TO SKY PREMIER PROPERTIES (SALT SPRING)

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## Fall Market...whispers of uptick?

It's generally accepted that the economic downturn lasted in B.C.'s secondary home market areas about 7 years. *A secondary home marketplace is characterized by the word "choice".* One chooses to buy a retirement or a recreational or an investment property in a discretionary region. No one "has to" move to Salt Spring or to Gabriola or to Parksville/Qualicum or to Sechelt...one chooses these areas, and they are all in competition with each other, too, for that still reluctant non-local buyer profile. *Markets are a wave pattern, and they do have beginnings/middles/ends, just like all good stories.* It may be, then, that the prequel to the beginning was in 2006, in the global secondary home marketplaces. By end of

2008, though, the real beginning had arrived. By late 2012/early 2013, an investor buyer began to appear. *On Salt Spring, the interest was in entry level residential offerings, 3 bed/2 bath family style homes, easy to rent out.* This trend continued throughout 2013 and most of 2014. As inventory began to clear out, prices began to stabilize & if most sales were under 450,000 in 2012, and under 550,000 in 2013, they are now mainly under 700,000. Definitely a slow but improving trend, in the entry level residential category. Recently (since late summer), we have seen some higher priced op-

tions start to sell...yes, they have reduced in price hugely, over the past 5 or so years of being listed, & yes, there was a large price reduction at the point of the offer, but they have now cleared out of the inventory file. *It may be that it's the higher end residential segment that will now start to find its buyer, perhaps an end-user at last, even though the prices being achieved are much less than a seller would like.* More info? Call me!



Islands in the stream...awaiting you!

## When did we become a Summer/Fall market?

It's so important in this never off world we now inhabit, that we are consistently marketing our listings. One never knows, in our kind of discretionary & non-local buyer region, where or when the potential buyer will notice a particular property & then

make plans to visit & to view. That said, *for several years now we have become a summer/fall market on the Gulf Islands.* People turn up from beginning of July and come right through to end of October. There are other encounters,

of course, throughout the year, but the main segment of activity now falls into that summer/fall window. Is it tied to the boating season? Hmm...any number of reasons. Patience is a part of every sale. That, & "being there".

### Fall Pleasures:

Fall Fair	
Slip & Savour	
Apple Fest	
Canadian Thanksgiving	
Small Business Week	
November 11th Cenotaph Service	
Christmas on Salt Spring	

### Did you know?

- Salt Spring will be voting in the two Trustees & the CRD position in mid-November. It's the B.C. Civic Elections again. This time around, the 3 year term will be expanded to 4.
- Make sure you attend the public meetings & ask questions of those running for office. In this non-municipal form of governance, it's essential to be informed.

## Thoughts on Tourism Recovery & why it's important....

*Salt Spring Island & the Gulf Islands rely on tourism as the engine of the economy.* People visit, fall in love, call a realtor, & then everyone

gets busy: lawyers, designers, inspectors, contractors, excavators, septic installers, well drillers, soft furnishings providers, painters, artists, galleries, restaurants, marinas, accommodations, floatplanes, ferries, retail merchants, car & scooter rentals, farmers, wineries, cheese-makers, etc etc etc. There is no industry on the Gulf Islands. The Islands Trust form of governance basically capped growth & emphasized the preservation of the park for the benefit of all B.C. residents (more info? Call me!). If no visitor comes, then businesses will close, the artists studios will have to present their



"A poor life this, If full of care, We have no time to stand and stare." (W.H. Davies)

endeavours elsewhere, restaurants will close, retail options will close, and the Island may end up being a neighbourhood of a nearby Vancouver Island community, with all services/amenities being delivered from off-island. For those who think tourism is just an incidental thing, not benefitting everyone, they need to

think it through. Without jobs that allow one to live here, then there will be no shop local option. So, what can we do to make sure that we are creating a destination opportunity for a visitor? Perhaps it's to reemphasize the arts community. Perhaps it's to showcase the agricultural community. Perhaps it's about the alternative wellness sector. And what about that ecological/environmental discovery style of tourism? We are a beautifully situated island, in the heart of the Salish Sea, the best protected boating waters in the world. The Islands Trust, in place since 1974, did "preserve & protect the environmental beauties of the Islands, for the benefit of all B.C. residents". So, how do we get back to our earlier allure?

## Everyone in business needs to belong to the Chamber...why?

On Salt Spring Island, in this non-municipal & government mandated region called the Islands Trust, there is effectively no specific voice for the residents. *If one defines being in business as offering an item or a service for sale, then it could be said that everyone on this entrepreneurial Island is in business.* So important, then, to find out what the Chamber can offer to facilitate success. Started by the farming community, approximately 65 years ago, the Chamber has seen many iterations. Post-Trust

(came into being in 1974), it is the voice of business concerns & opportunities on Salt Spring Island. The CRD (Capital Regional District) has encouraged an Economic Development Committee, & this is good...to create opportunities on the Island for the residents is a goal for all to work towards. The EDC is not a replacement for the Chamber, &

comes at the issues of job creation & sustainability from a different perspective. Make sure you belong to the Chamber. *Whether you are selling a crop at the Farmers Market, or showcasing art in a gallery or on a studio tour, or encouraging a green/wellness community, the Chamber is there for you.*

*In change, lies opportunity!*

## Municipal elections held in November...four year term now.

The Gulf Islands are not municipalities. They are part of the provincial government mandated body known as the Islands Trust. Two trustees per island are elected in the civic elections, previously held every 3 years...now expanding to a 4 year term. For Salt Spring, the CRD (Capital Regional District, out of Victoria) director is also being elected. The trustees are there for land use/bylaws issues. The Trust has been in place since

1974. The CRD director is responsible for water, sewer, building permits office, etc. There is no mayor/town council. This means there is really no one in charge to deal with items on a day to day basis. A void loves to be filled! There may be a referendum about creating a Gulf Islands style of municipi-



"Season of mists & mellow fruitfulness" ... (John Keats)

pal structure for Salt Spring...the Trust and the bylaws would remain in place. The CRD would morph into a local mayor/council. Is this a good idea? A bad choice? Make sure your voice is heard during these important meetings. Understand all of the implications; do not just assume.

## Real Estate is both local & global...thanks to the Internet.

That internet...it certainly is a strong eraser of whatever it is we thought described our lives. What did Heraclitus say, all those years ago in Ancient Greece? Ah, yes...you never step in the same river twice. Change is the only constant. Hmm... Well, real estate is now a global entity. Buyers can arrive from anywhere at all. It's always local, though, in the sense that market trends, although there may be big picture global projections, remain essentially local. London & New York can be raging away, & Miami, & Regina, & Salt Spring Island might not be experiencing the same upticks. For Salt Spring, it's the old secondary home/discretionary area issue. Perhaps we have more in common with Spain, & all those get-away homes. No one "has to" choose a Gulf Island

as a purchase decision. It's always a choice to come to Salt Spring, to another Gulf Island, to Vancouver Island, to the Sunshine Coast...the entire Pacific Northwest Coast is a beautiful area, & once a non-local buyer chooses to look into the



*A calm & peaceful aura in the Fall...harvest allure.*

area, that means they will view it all. Why here? Why not there? Local market tends, local knowledge to showcase a region...yes, all important. However, how to catch that potential buyer client in the first place? So essential to be viewed via the search engines. It's known that a buyer will do a general search of many regions, when looking to buy a second or recreational home. They start that search a good two years before acting. It's about four weeks, though, before a decision to actually physically view an area is made. So, four weeks before an arrival, we have a semi-interested being. Then they look "everywhere" in that general region. Might take 2 visits "to be sure". Time is a component. More info? Call me!

## Are we going to see more "Boomer" retirement waves coming to the Coast? Will they choose Salt Spring or a Gulf Island?

The boomer buyer is only about 50% of the buyer profile, now, for our Gulf Islands region. The other 50%? Millennials. Between 1998 and 2007, the boomers made up the largest proportion of buyers in the Gulf Islands, & the Islands were known as environmentally aware destinations for that second home experience. The same years saw that international buyer profile pop in. Discretionary income was plentiful. Post economic collapse timeline, we also are noting that Millennials are seeking

different lifestyle components. A cityscape fits them, many of them are in the tech side of life, friends are as important as family, & they do not vacation in the same way. Experiences are important to them. Thus, the family retreat property, the same summer location experience year after year is not on their radar.

*Labels, labels...the seeker for Salt Spring & a Gulf Island is someone looking to be self-sufficient, self-sustaining.*

Hmm... Along with that, we have retirees re-thinking a secondary home lifestyle. Proximity to public transport, to health professionals, to opportunities for further education (college towns are big!), etc., are more important than an Island lifestyle. Hmm...change is the only constant, remember! More info? Call me!

## What about a purely recreational purchaser? Still around?

Travel experiences may take away some of the allure of a fixed "summer place". This applies to Gulf Islands, to Vancouver Island, to the Sunshine Coast, & possibly also to the B.C. Interior communities. If children grow up & end up living in England or France or South Africa or somewhere else in the world, then the use for a fixed summer destination erases. An aging population may no longer have an interest in boating & ferrying to a des-

tinuation...perhaps a city condo or town-home & RVing to sunbelt U.S. states is more friendly to them, as a recreational choice? And what about that tourism experience? Traditionally, a visitor would fall in love with a recreational area, & purchase a retreat home there. If experiential travel is the engine of a Gulf Islands discovery, then did the Islands keep up to date on what was being offered to that visitor? In 2002, Salt

Spring was 3rd as a destination for a visitor to B.C., after Whistler & Tofino. In 2012, SSI was 18th. Hmm...tourism does drive all business outcomes in a recreational region.



*Safe Haven Seeking? Call me about special Salt Spring Island!*

**LI READ AT SEA TO SKY PREMIER  
PROPERTIES (SALT SPRING)**

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

*Successfully connecting buyers with sellers, in the Gulf Islands, since 1989, my motivation is your best interests. Benefit from my expertise (managing broker licence), my knowledge (of both inventory and of trends), & my commitment to your successful search.*

*Whether you're seeking recreational, or residential, or waterfront, or commercial/business options, or building opportunities (acreage or lots), I look forward to connecting you with the right property choice for you. I will show you all properties in your preferred category of price and type, and make certain that you "see it all"...so that you can make that all important "informed decision". Call me, and discover the difference!*

*With a blog since 2005, a website since 1995, & a social media presence since 2008, I look forward to sharing my knowledge with you. Thank you!*

## Looking towards 2015...better days for the secondary home/ discretionary markets?

Change is the only constant. One never steps into the same river twice. Etc. Thank you, Heraclitus! A very savvy Ancient Greek. So, in that moment of change, where all secondary home regions were hard hit, globally so, after the economic meltdowns of late 2008, I can see whispers of uptick. I think it is being propelled by safe haven seeking. The world is viewed as unstable. A desire to live in a place slightly "apart", yet not isolated, and with a good climate, so can grow one's own food, if necessary, plus with a pleasing lifestyle (cultural pursuits readily available), is suddenly fast forwarding to the top of the buyer list. Interesting!

Short term, no market lasts forever. It's generally accepted that real estate markets tend to go in 8 to 10 year cycles. Locally, on the Gulf Islands,

things began to soften by late 2006, although it took till the collapses in late 2008 for everyone to accept this shift. That makes 2014 the transition year, & it does appear to be so: it always lifts first in entry-level residential options, rentable family homes, with investor-buyers leading the recovery. As inventory cleans out, prices stabilize. It's also the beginning of interest in raw land & building, to come in at budget, as residential prices do start to stabilize. As the transition continues, we see higher priced

options finding their buyers, & the early sales of same are always "lower" than list. Meantime, inventory thins, & buyers start to wake up that the fence-sitting time might be over. Time to act, before select & rare secondary home regions climb back up in price. This does appear to be a description of this Fall, 2014 market. Oddly busy, for the time of year. Safe haven seekers around. Thinning inventory & raw land sales (finally!). Hmmm.... All good. By Spring, 2015, the shift should be in play.



*The 21st Century is not about a clear linear pathway...it's about discovery.*