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It's been an interesting year in local real estate & also in the larger world's political & economic environments.

The 21st Century is about connectedness, & that means that nothing is too small an event, anywhere in the world...it has an impact on all other regions. The "butterfly effect" is now our global reality. It used to be said that economic trends were global, but real estate was regional. I'm not sure that this is the case any longer. Marshall McLuhan's forecast back in the 1970s, of a global village, has come true.

Salt Spring Island, the Gulf Islands, Vancouver Island (outside of core Victoria), & the Sunshine Coast are all secondary home marketplaces...retirement, recreational...discretionary choices, thus. They mainly rely on a non-local buyer profile...someone wanting to move there from somewhere else. No one "has to" buy a property on Salt Spring, on Mayne, on Galiano, on Thetis, or on any other Gulf Island. No one has to buy in Tofino/Uclulet, in Parksville/Qualicum, in Yellowpoint, Maple Bay, Cowichan Station...or in Sooke or in Courtenay/Comox...or in Sechelt, Robert's Creek, Gibson's. These are all regions that have to be chosen by that mainly non-local buyer...thus, the buyer is always in charge of the "where" & the "when" of purchases.

Local market manipulation of pricing is not a way to jumpstart action in such discretionary areas...if a buyer is not in a mood to act, then nothing happens. A seller is impacted by consistent reductions that do not result in an increase in viewings or in sales. In such a case, a seller is competing against himself.

Prices have been substantially reduced over the past "downturn" years, not necessarily based on results of buyer activity, but perhaps reflecting the search by realty companies/realtors for the "bottom" ...imagining that this will create buyer activity in a secondary home environment.

Buyer confidence, though, is what's behind any uptick in any secondary home market. Sales, then, began to slowly occur in some property segments in 2012 because the buyers decided it was time to act.

Until a buyer sees an improvement in the overall economy, they will not purchase that recreational property, or choose that retirement option...it's a waiting game in the secondary home markets. The buyer calls the tune...not the seller or the realtor. A city/primary residence market has a completely different pattern.

That search engine eye in the sky never sleeps...if one is a seller, even in a downmarket scenario, it's important to be visible to a consumer search. The buyer is from "anywhere", now.

It's become seasonless for secondary home markets, as far as the initial search goes. Statistics show that a search can begin a good two years before a buyer is ready to act. That initial search eventually results in a physical arrival...the arrival is what takes place in a narrow timeline.

Unless a property is discovered on a search, however, there won't be that subsequent physical

arrival. The time spans involved mean it can take anywhere from a few months to a few years to sell any property in any secondary home market. The choice to buy won't be price driven...although the buyer will have thoughts about a realistic offer price when they finally make the decision to act. The downside of this global purchaser profile is that they have enormous choice about where they will look/what they'll decide for. One has to sell an area first then, before one can sell a specific property in that area.

Time lags are a part of all transactions, always, in a secondary home market. The Internet, which has broadened choice for a buyer, may actually have lengthened those time periods leading to a sale.

What can a seller do? Create the best possible impression for a property.

What can a realtor do? Showcase the listing in all possible venues...yes, Internet opportunities but also targeted print with shelf-life.

And everyone needs to practice patience. When a property/area is in competition with other global choices, time becomes a serious factor.

There are cycles in all markets. It may be that the downturn in the secondary home marketplaces began in 2006. Prices certainly began to slide & inventory increase by late 2008.

It may be that the "bottom-bottom" was experienced between late 2011 & early 2012, depending on location.

Locally, the entry-level residential segment saw significant sales volume from early 2012...though prices remained flat. Undeveloped land, upper tier priced residential, commercial/business options all still remain quite inactive.

The price point of that entry level residential has stabilized as we arrive at the close of 2013. The purchasers may have been investor-buyers in 2012 & now are mainly end-user buyers. If most such sales were below \$500,000 in 2012, we are now seeing several sales up to \$900,000. A branch office of a major franchise closed in 2012 & then reopened in 2013. Some few residential sales have taken place between 1.1 & 1.8, this year.

In other words, an improving trend...pointing, perhaps, to better days in real estate sales in the secondary home Gulf Islands/Salt Spring Island marketplace...& perhaps it will be obviously so by early Spring, 2014.

We cannot overlook the impact of world events & insecurities. Fear prohibits action (2008 to 2012?), but also can propel activity (2013 & on?).

Safe haven seeking may be the new driver to action in the coastal secondary home markets. A desire to be self-sufficient and slightly "apart" do seem to be factors in some recent Salt Spring & Gulf Islands sales.

The thing about a market, including in real estate, is that it can change quickly...it's always buyer driven. So important, then, to be looking down the highway & not in the rear-view mirror. Yes, it's been a flat market for 5 years...& yes, it does appear to now be on a very slow upward trajectory.

More information about the current trends in the Salt Spring Island & Gulf Islands markets? Call me!

For full & complete information on the entire sales picture to date...& where we might be headed...call me. I look forward to speaking with you!

As a top producer, full-time & full-service real estate agent, since 1989, I look forward to bringing my knowledge (of inventory & of trends) & my expertise (including strong negotiating skills) to your benefit...whether buying or selling. Your best interests are my motivation!

How may I help you to enjoy a successful real estate experience on Salt Spring Island, the Gulf Islands, & Vancouver Island? Look forward to your call!

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