

Island Events article

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## A NIGHTMARE — SPOTTED BANANAS

I woke up early one morning last week in a cold sweat. I was dreaming I had several customers all clamoring for property on the Island and I couldn't find anyone willing to sell. Can you imagine a worse dream for a real estate salesman — people waiting to buy and nothing to sell? It was a nightmare!

The day before I had been looking for a particular kind of property for a couple. They wanted something to use as a second home for a few years until they retired. Then they would move down and use it as their primary residence. They knew exactly what they wanted, and so did I. I couldn't find it. It just was not available. I guess that is what initiated my nightmare.

As I lay there that night, I started thinking that this sort of thing is beginning to happen more and more. Certain properties are getting increasingly scarce. Will we run out of property to sell one day soon?

With the daylight, I realized it is doubtful there will be a time when no one will want to sell their Island property; but, my nightmare did make me realize a real truth about Hilton Head — there is just so much property here and that's it. I can easily see the time coming when selections are poor and prices are inflated.

Hilton Head is a large Island and we've had many new developments over the years. Because of these things, we haven't had serious problems finding properties for buyers. But that is changing. As I mentioned, already it is becoming more difficult to locate some types of properties. And, prices are beginning to move upward on some properties because of the limited supply. A friend used a perfect illustration of what is happening now in the Hilton Head Island real estate market. He compared real estate cycles to shopping at the grocery store for bananas. Just after a new shipment arrives, there are plenty of nice, firm, yellow bananas available. A few days later, if you want bananas, you have to compromise and settle for ones with little brown spots.

Right now selections of Island properties are pretty good. Buyers may have to pay a little more than last year but should be able to find just the right property to fit their needs — just like buying firm, yellow bananas. But every time a lot sells and a new home is built, that's one less lot. Every time a home sells, that's one less home available. The last villa sold may not have been quite as good as the one before. The next one may have a few brown spots — just like bananas.

If you have been thinking about Island property for a while but have been procrastinating, you haven't been hurt too badly *yet*. We still have a good selection of great properties. If you wait too much longer, be prepared to pay higher prices for properties and settle for some brown spots!