



- We are established and have our feet very much on the ground.
- Our ability to create genuine relationships with clients is only a result of their trust in us.
- Referrals are by far our biggest source of business.



I referred to the three points highlighted above in the previous issue (inside cover article); it was written with no pre-determined conclusion to it and was simply a very real and honest (dare I say it) view of how BMI sees itself. I was aware of course that these thoughts were indeed echoed by numerous clients of ours and I guess that because of this it felt appropriate to put it on paper.

You're probably wondering why on earth I'm babbling on about this and the answer lies with the overwhelming response that I have had from clients and colleagues on this very issue. . . . all good that is; and it seems that we have indeed hit the right note with many of you. I can safely say that we feel privileged to have been involved in assisting all our clients over the past 10 years. It is reassuring that in these uncertain times, we have not only maintained our close relationships with our existing clients but also received interest from new clientele, most of whom have learned of our services by way of referral.

The Market

Not much has changed since I last put pen to paper. . . . boring I know, but the reality is that interest has remained constant throughout the past few months and to be perfectly frank, thank god for normality. It has to be said that what the world economy has witnessed and to a point is still witnessing what looks almost like a hard core roller coaster ride – the great thing for those of us in Rock Solid Gib (oh my is this tempting fate now) is that we are the lucky characters watching poor souls being flung high and low, whilst their stomachs churn the unimaginable. . . . nasty I know.

For some time now I have touched on the subject of the speculative market and the expectations that this market carries with it as it was a growing concern for a time, in particular, as a result of the volume of property that was earmarked for completion in close succession. It was clear that there were a great many speculative buyers yet what remained unknown was the ability of these buyers to actually complete their purchase should the need ever arise – that need was becoming a very real and very worrying prospect.



It seems that unlike other markets around the world driven by speculative trading, Gibraltar has held it's own relatively well; which is not to say that we have been immune from any fall out, but it is true to say that the fall out has been limited and although prices in certain developments, (mostly those over- pitching at launch) have fallen shy of their contract values, the reality is that these properties are indeed being turned around at lower than expected prices yes, but nonetheless sold they are. Interestingly, the market is also beginning to find its feet again, and although top end prices for properties that are qualified as top end have not fallen, those properties that may have been pushed a little too hard are falling in price and finding their place in the market. The same can be said for properties that are undervalued, in that they too are seeing increased demand, and with it margins of growth.

The Bigger Picture

Quite clearly what transpires out of this relatively upbeat synopsis is that we continue to find ourselves in a confident and prosperous economic state. There is no question that the ability of our own market to overcome what other property markets around the world have been unable to do is driven primarily by our own economy and the very fact that we have consistently been able to post increases in our GDP year in year out; without this we would be in a very different scenario.

Some may ask why we find ourselves in such a privileged position and it is my view that Gibraltar offers a unique centre in which business can be made under a well-structured and well-regulated environment and, of course, in a jurisdiction that allows for sensible low taxes across the board. I guess the proof is in the pudding and I for one can say that our sweet tooth has been well looked after. We have seen this across the board; by which I mean that there are transactions within all sectors of the market, from low end (first time buyer purchases) to mid end (moving up the ladder so to speak) to the top end luxury market. The flow from low to high end is crucial in order to sustain the market and this in my opinion has been achieved for three reasons, a) the sound economy and the fact that low unemployment continues to underpin the market, b) continuous Govt support in the form of affordable housing schemes for nearly 20 years now (something that the U.K only began to do 2 years ago) and c) local Banks who in my mind have acted incredibly responsibly when it comes to lending and therefore reducing risk on mortgage defaults.

I trust the above will at the very least present an interesting and informed perspective on Gibraltar's property market.

As always, I would be delighted to hear your thoughts and look forward to any comments or questions that you may have.

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