

NANTUCKET REAL ESTATE

Market Insights

BY JEN SHALLEY



MONTHLY SALES HIGHLIGHTS



HIGHEST SALE

\$9,200,000

81 POCOMO ROAD
PRIVATE SALE



QUICKEST SALE

\$577,000

5B PARK CIRCLE
MARKETED FOR [4 days]



NOTABLE SALE

\$1,276,000

20 QUIDNET ROAD
SOLD FOR 82% OF 2005 SALE PRICE

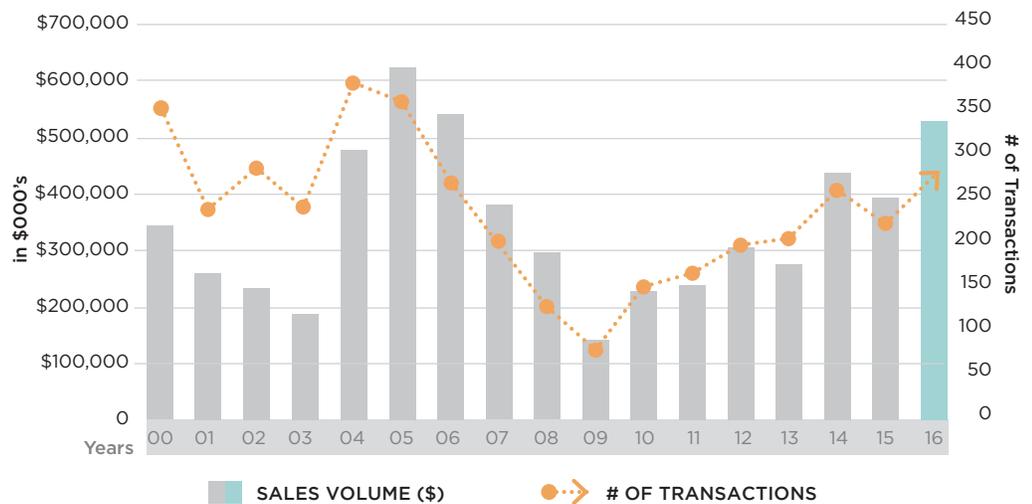
FISHER'S REVIEW

The Nantucket real estate market saw another month of a narrowing sales trend over 2015 figures during August. What was a 21 percent (#) and 29 percent (\$) lead over last year's figures at the end of June, narrowed to a 5 percent (#) and 14 percent (\$) lead by the end of August. The good news is that August sales rebounded from a particularly light July and included 35 transactions totaling \$77 million. Although this represented slightly fewer (-4) transactions than in August 2015, dollar volume increased modestly thanks to a handful of higher end property sales. In looking ahead to the fall sales market, summer contract activity suggests it will be a lighter fourth quarter from a transaction standpoint, though a few rumored high-end sales may ultimately aid total dollar volume. Here are Fisher's August Market Insights...

KEY MARKET STATISTICS

ALL PROPERTIES	YTD AUG 2016	YTD AUG 2015	% CHANGE YOY
Transactions	274	260	5% ▲
Dollar Volume (\$ in '000's)	\$526,636	\$460,714	14% ▲
Avg Months on Market	7.5	8	-6% ▼
Sales Price to Last Ask Price	96%	94%	+2 ▲
Active Listings	479	506	5% ▼
Months Supply of Inventory	11.6	12.5	-7% ▼
New Contracts (August)	63	70	-10% ▼

NANTUCKET REAL ESTATE SALES ACTIVITY THROUGH AUGUST 31ST





RESIDENTIAL SALES SUMMARY

YTD 2016 HOME SALES BY PRICE POINT

HOME SALES CONCENTRATED IN \$2MM-\$4MM PRICE POINT

SINGLE FAMILY HOMES BY PRICE POINT AS OF AUGUST 31ST



PRICE POINT	2016	2015	%CHANGE	CHANGE AS A % OF TOTAL SALES
<\$1MM	41	52	-21%	-11
\$1-\$1.99MM	66	49	35%	+5
\$2-\$2.99MM	36	24	50%	+4
\$3-\$3.99MM	18	11	64%	+3
\$4-\$4.99MM	8	7	14%	0
\$5-\$5.99MM	3	3	0%	0
\$6-\$6.99MM	4	3	33%	0
\$7-\$7.99MM	3	0	—	+2
\$8-\$8.99MM	1	3	-67%	-1
\$9-\$9.99MM	1	0	100%	+1
\$10MM+	3	5	-40%	-2

- Aside from the lone 2016 transaction in the \$9MM-\$9.99MM price point, which resulted in a 100 percent increase in this price point from one year ago, single-family homes in the \$2MM-\$2.99MM and \$3MM-\$3.99MM price points saw the largest YOY increases through August 31, 2016.
- The upper end of the market saw a notable increase in the number of \$7MM-7.99MM sales while both the \$8MM-\$8.99MM and the \$10MM+ saw declines from 2015. Given the overall limited number of sales in this upper segment of the market, the high-end could see an abrupt turnaround in YOY figures as it historically sees more activity in the fourth quarter than during any other quarter of the calendar year.

SPECULATIVE HOME SALES SUMMARY

INCREASE IN TOTAL DOLLAR VOLUME,
LONGER MARKETING TIME IN 2016



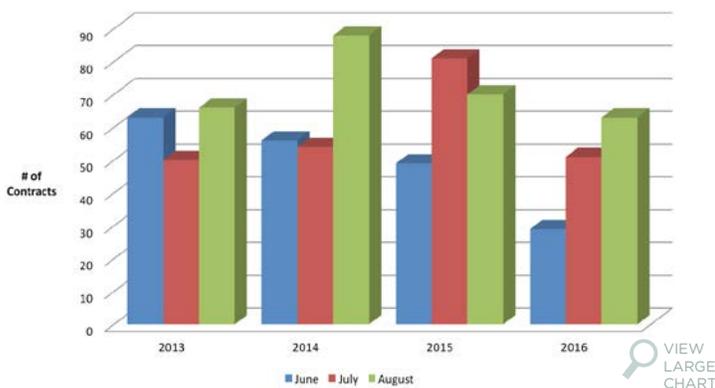
SPECULATIVE HOME SALES SUMMARY	2016	2015
Transactions	16	15
Total Dollar Volume	\$60.3MM	\$47.5MM
Average Sale Price	\$3.77MM	\$3.17MM
Sale Price to Original Ask	90%	93%
Days on Market	244	122%

- The number of speculative home projects sold through August 31, 2016 rose by one property from the same period in 2015 yet total dollar volume rose by 27 percent. The dollar volume increase is attributed to two additional higher end sales between \$4MM and \$6.5MM, a sales trend we anticipate will continue into the fourth quarter based on current contract activity.
- While the longer average days on market and greater sales discounts can largely be linked to a few select properties that were aggressively priced in 2015 but which ultimately traded for greater than 20 percent discounts in 2016, several new-to-market properties in 2016 saw a longer average marketing time than what was witnessed in 2015.

FORWARD MARKET INDICATORS

HISTORIC SUMMER CONTRACT ACTIVITY

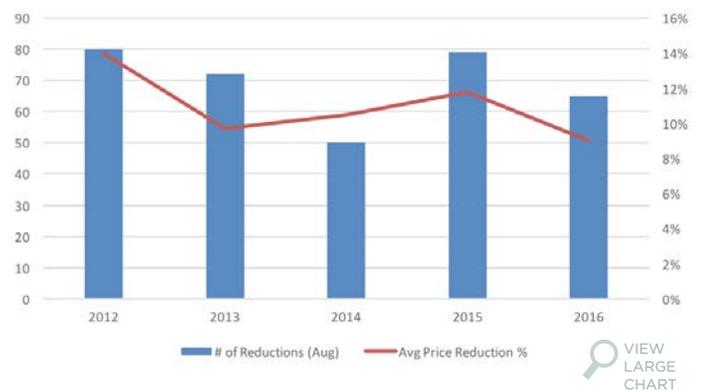
INITIAL SIGNS POINT TO A MORE MODERATE FOURTH QUARTER



- New contract activity during August surged ahead of what was a considerably light activity calendar in both June and July. A total of 63 contracts (both Offers and Purchase agreements) were recorded in August, a slight decline from the 70 booked in 2015 and a more notable decline from the 88 booked in August 2014.
- While the number of new sales contracts for Nantucket properties steadily increased throughout the 2016 summer season, total recorded figures for the three-month period fell short of each of the past three years by as much as 30 percent. Although not all contracts are formally recorded in the MLS system, these preliminary figures suggest Nantucket real estate fourth quarter sales may be shy of previous years.

PRICE REDUCTIONS

NUMBER OF PRICE REDUCTIONS & AVERAGE DISCOUNT DECLINE



- Despite what might turn out to be a lighter fall sales market, the number of price reductions in August declined from one year ago, suggesting that sellers remain optimistic in their pricing. Through the 30-day period ending August 31, 2016, there were 65 price adjustments within current property inventory. This represents a 21 percent decline from one year ago and is also lower than in both 2012 and 2013.
- Not only did the number of August price reductions decrease from one year ago, but the average price concession also declined. The average listing price discount during August was 9 percent, compared to 11-14 percent over the past three years. It remains to be seen if these price reductions will be enough to entice buyers during the fall market.



CLOSE

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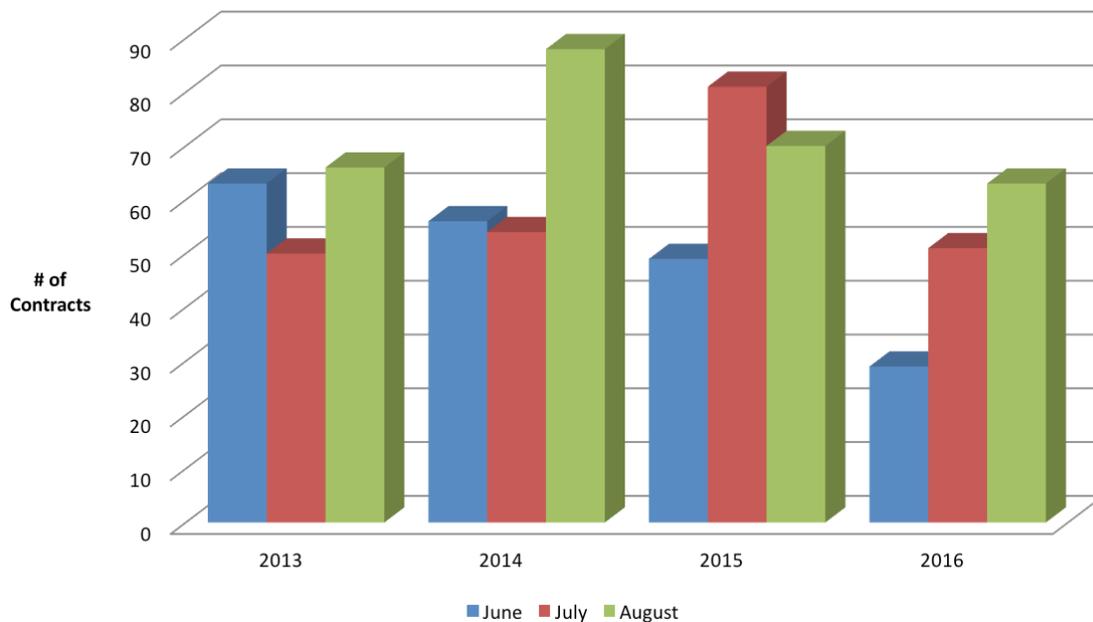
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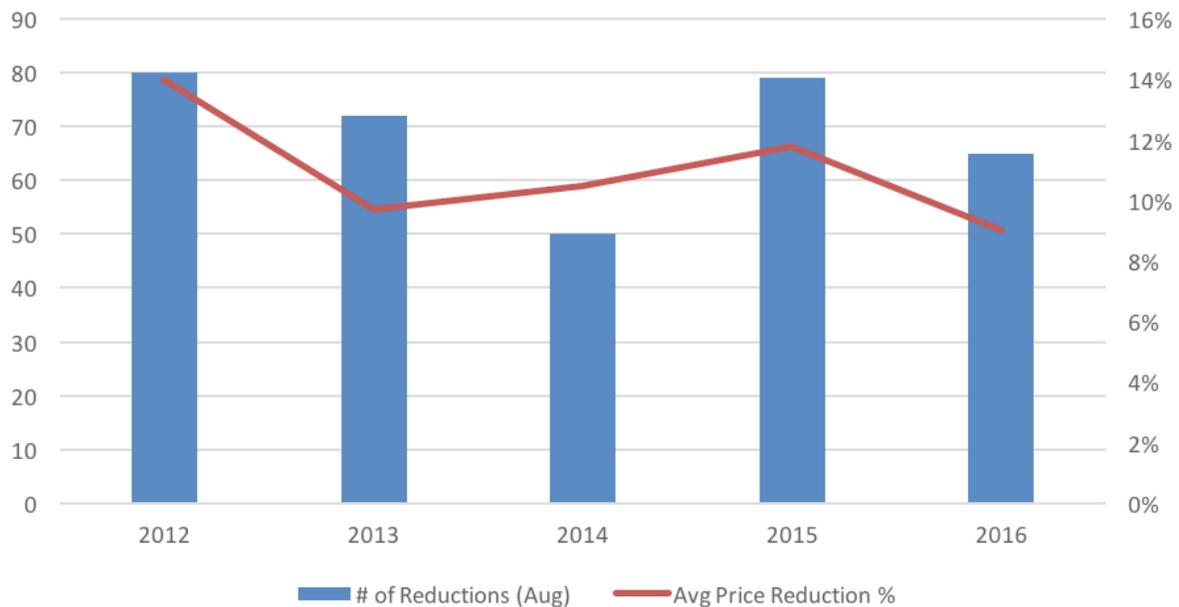
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