

NANTUCKET REAL ESTATE

Market Insights BY JEN SHALLEY



MONTHLY SALES HIGHLIGHTS



HIGHEST SALE

\$15,000,000

141 CLIFF ROAD
MARKETED FOR [93 days]



QUICKEST SALE

\$1,725,000

21 AHAB DRIVE
MARKETED FOR [6 days]



HIGHEST COMMERCIAL SALE

\$2,000,000

1 SPARKS AVENUE
PRIVATE SALE

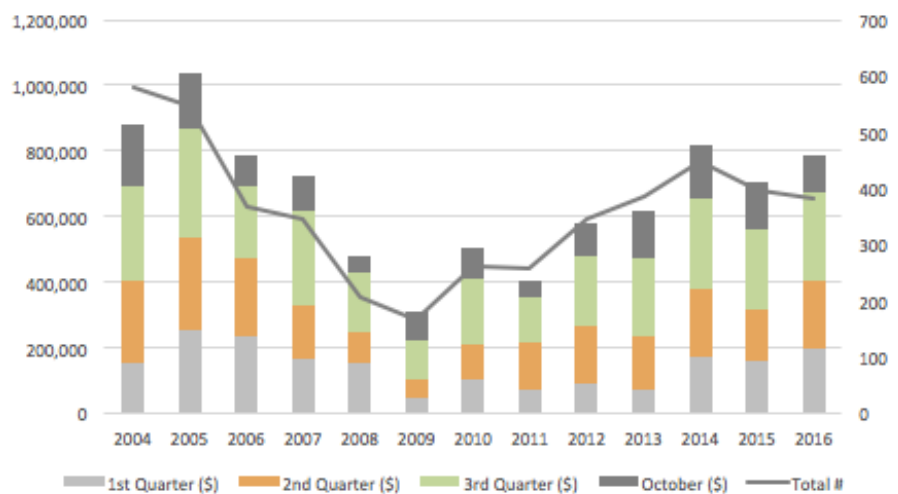
FISHER'S REVIEW

After a tremendous September performance, monthly real estate figures moderated slightly in October with 50 transactions totaling \$109 million. While this represents a 35 percent (#) and 25 percent (\$) respective decline compared to October 2015, the decline was likely just a matter of timing as the combined monthly totals for September and October during both years were largely similar. An ultra-high-end transaction (see above) and a handful of \$4 million to \$8 million sales continued to buoy year-to-date dollar volume (+11%), despite a year-to-date decline in the total number of transactions (-4%). Vacant land sales reached a three-year low on account of limited inventory and a tempered number of new purchase contracts in October suggest the 2016 market will be shy of hitting the lofty \$1 billion mark. Here are Fisher's October Market Insights...

KEY MARKET STATISTICS

ALL PROPERTY TYPES	YTD OCT 2016	YTD OCT 2015	% CHANGE YOY
Transactions	381	397	-4% ▼
Dollar Volume (\$ in '000's)	\$783,655	\$706,759	11% ▲
Avg Months on Market	7.2	8	-10% ▼
Sales Price to Last Ask Price	95%	94%	1 ▲
Active Listings	427	483	-12% ▼
Months Supply of Inventory	11.0	12.2	-10% ▼
New Contracts (Oct)	44	50	12% ▼

NANTUCKET REAL ESTATE SALES ACTIVITY (\$000'S) THROUGH OCTOBER 31ST



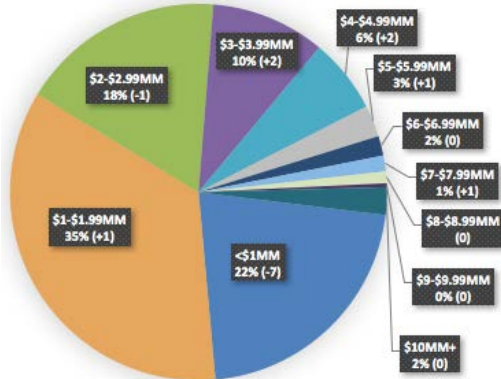


RESIDENTIAL & VACANT LAND SALES SUMMARY

RESIDENTIAL SALES BY PRICE POINT

DROP IN <\$1MM HOME SALES, OTHERWISE LARGELY STEADY

VIEW
LARGE
CHART



- Given the limited inventory for properties listed for less than \$1MM (18 listings as of this report), sales in this pricing category declined 7 points as a percentage of total transactions compared to one year ago. At the end of June 2016, sales data showed that this limited inventory was pushing buyers into the \$1MM-\$1.99MM range, resulting in a nine percentage point rise in that pricing segment at the time. Interestingly, through October, this was no longer the case as the percentage of home sales in price points above \$1MM remained fairly steady across the board, with up to just a two-point increase in certain price points (see figures in parentheses for YOY change).
- Looking ahead to pending transactions for 2016, we anticipate year-end results may show a slight year-over-year increase in the number of \$4MM-\$4.99MM transactions, as well as \$7-\$7.99MM transactions, which would continue to support the year over year increase in dollar volume.

VACANT LAND SALES SUMMARY

LOWEST NUMBER OF VACANT LAND SALES IN THREE YEARS

	2016	2015	% CHANGE
Transactions Volume	53	87	-39% ▼
Dollar Volume (\$'000's)	\$58,142	\$85,453	-32% ▼
Median Sale Price	\$832,000	\$750,000	11% ▲
Average Months on Market	7.6	6.0	1.6 ▲
Sale Price/Original List Price	91%	90%	1 ▲
Sale Price/Most Recent List Price	94%	93%	1 ▲
Month-End Inventory	58	81	-28% ▼

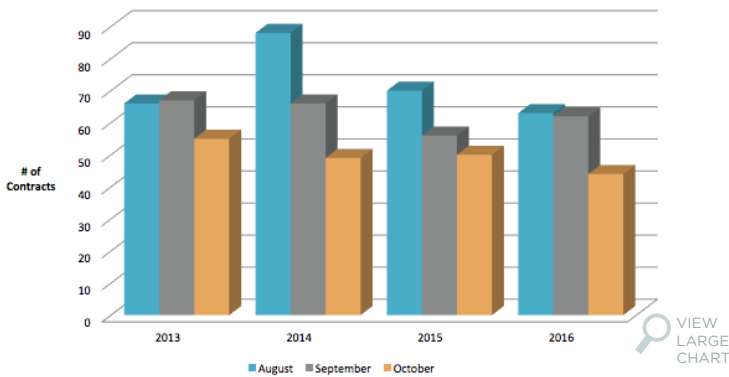
VIEW
LARGE
CHART

- As compared to the same period in 2015, the number of vacant land sales declined nearly 40 percent through October 31, 2016, largely due to limited inventory (just 58 lots for sale at month's end). After three robust transaction years where this same time period saw between 75-85 land transactions, inventory has simply dwindled resulting in the lowest number of same-period sales since 2012. The decline in dollar volume was slightly less (32 percent vs 39 percent) than the corresponding decrease in the number of transactions.
- The median lot sale price rose 11 percent which is notable considering the average size of vacant land sales in 2016 has been nearly an acre smaller than the average lot size sold in 2015. One of the major differentiating factors between 2016 and 2015 land sales is that 2015 activity included more than a dozen smaller and commercially-zoned lots which typically trade at a discount to residential parcels.

FORWARD MARKET INDICATORS

HISTORICAL COMPARISON OF CONTRACT ACTIVITY

NEW PURCHASE AGREEMENTS SLOWED IN OCTOBER

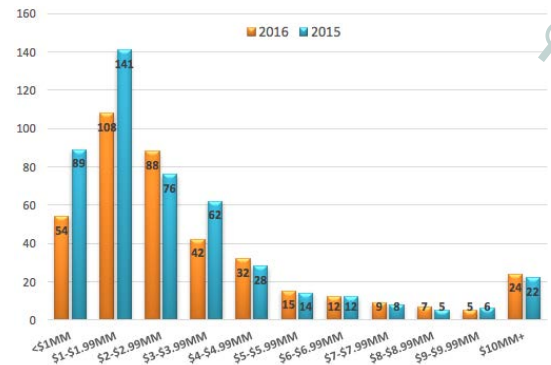


VIEW
LARGE
CHART

- Likely as a result of the pending November election, new contract activity (Offers to Purchase & Purchase and Sale Agreements) during the month of October dropped below 50 contracts for the first time since 2012. Whereas in September the market saw an eleven percent year-over-year increase in purchase activity, October saw the reverse with a twelve percent monthly decline from 2015. Preliminary contract figures for November support that this monthly decline was largely a pause as preliminary November contracts already surpass full month results for 2015.
- Based on the contract dip in October, as well as early data for November contracts and sales, it is unlikely the Nantucket real estate market will see \$1 billion for full year results. Total dollar volume is expected to surpass the \$851 million from 2015 but will likely be shy of \$950 million based on Fisher's current estimates, unless there are at least a few high-end or ultra-high-end sales that are not marked under contract and will hit the books before year's end.

INVENTORY LEVELS BY PRICE POINT

TOTAL INVENTORY DECLINES 12 PERCENT YEAR-OVER-YEAR



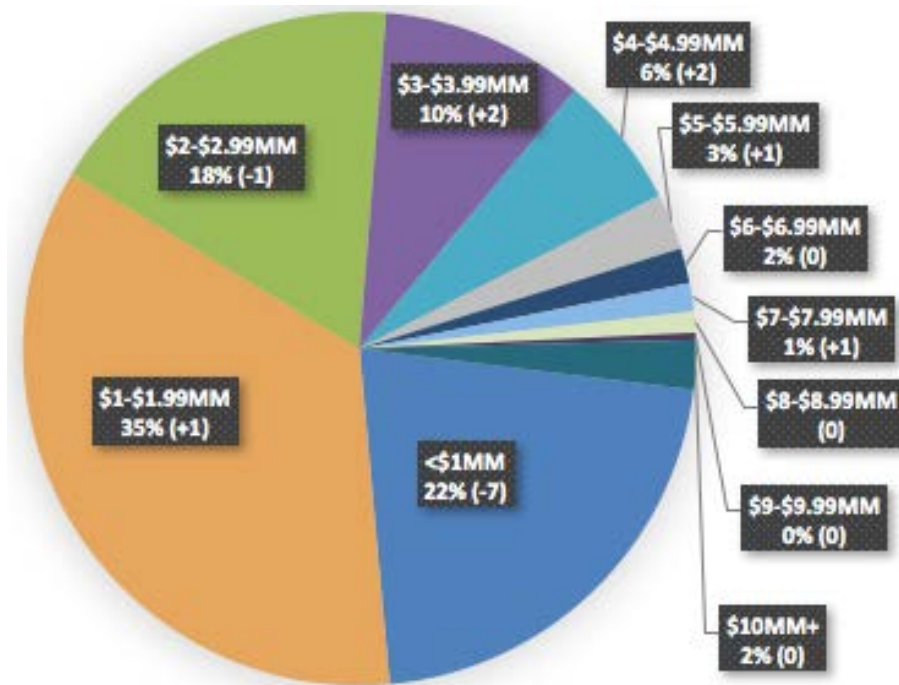
VIEW
LARGE
CHART

- Despite a four percent year-over-year decline in the total number of transactions through October 31, 2016, total inventory for all property types (residential, land and commercial properties) fell 12 percent from 2015. Some of the decline has to do with the seasonal nature of the market as home sellers take their properties off the market for the winter season. Yet, the number of listings taken off-market in October was 30 percent less than in 2015 indicating inventory levels remain naturally low.
- Earlier in the year, Fisher reported that the most significant year-over-year increase in inventory had occurred at the very upper end of the market. Specifically, properties listed between \$8MM-\$8.99MM had doubled and properties listed for more than \$10MM had increased 80 percent. While the 2016 market has carried one to two more transactions in these price points as compared to 2015, the inventory at the upper end of the market remains relatively high and is currently only obscured by the fact that many (9) of these listings have been taken off market for the season. We shall see what 2017 holds for the high-end as we know of a few new listings that will be hitting the market.



RESIDENTIAL SALES BY PRICE POINT

DROP IN <\$1MM HOME SALES, OTHERWISE LARGELY STEADY



- Given the limited inventory for properties listed for less than \$1MM (18 listings as of this report), sales in this pricing category declined 7 points as a percentage of total transactions compared to one year ago. At the end of June 2016, sales data showed that this limited inventory was pushing buyers into the \$1MM-\$1.99MM range, resulting in a nine percentage point rise in that pricing segment at the time. Interestingly, through October, this was no longer the case as the percentage of home sales in price points above \$1MM remained fairly steady across the board, with up to just a two-point increase in certain price points (see figures in parentheses for YOY change).
- Looking ahead to pending transactions for 2016, we anticipate year-end results may show a slight year-over-year increase in the number of \$4MM-\$4.99MM transactions, as well as \$7-\$7.99MM transactions, which would continue to support the year over year increase in dollar volume.



CLOSE

VACANT LAND SALES SUMMARY

LOWEST NUMBER OF VACANT LAND SALES IN THREE YEARS

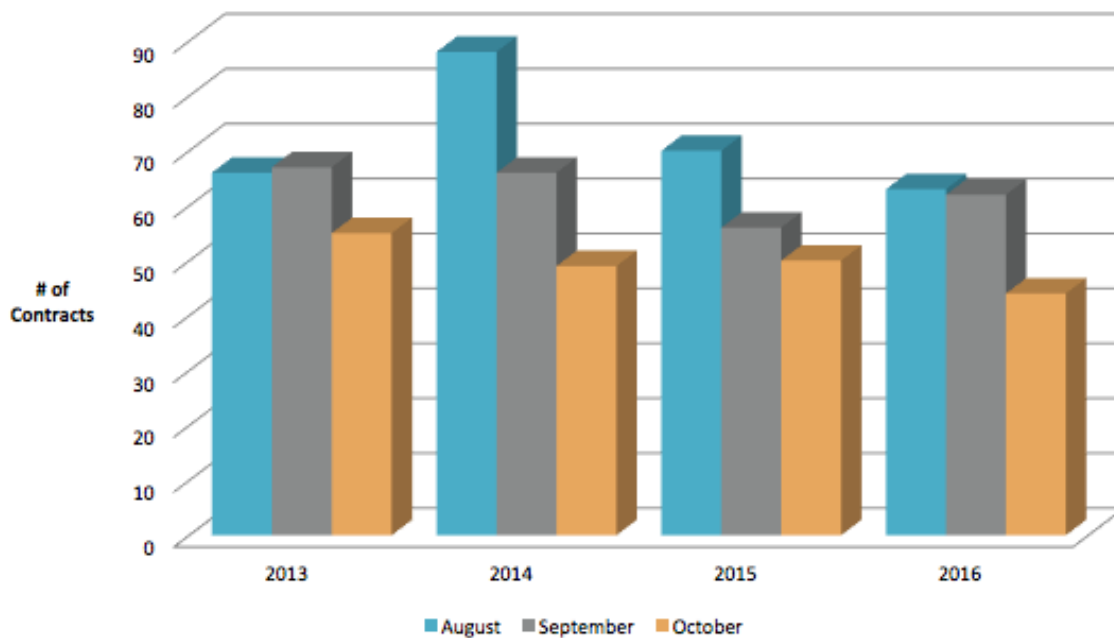
	2016	2015	% CHANGE
Transactions Volume	53	87	-39% ▼
Dollar Volume (\$000's)	\$58,142	\$85,453	-32% ▼
Median Sale Price	\$832,000	\$750,000	11% ▲
Average Months on Market	7.6	6.0	1.6 ▲
Sale Price/Original List Price	91%	90%	1 ▲
Sale Price/Most Recent List Price	94%	93%	1 ▲
Month-End Inventory	58	81	-28% ▼

- As compared to the same period in 2015, the number of vacant land sales declined nearly 40 percent through October 31, 2016, largely due to limited inventory (just 58 lots for sale at month's end). After three robust transaction years where this same time period saw between 75-85 land transactions, inventory has simply dwindled resulting in the lowest number of same-period sales since 2012. The decline in dollar volume was slightly less (32 percent vs 39 percent) than the corresponding decrease in the number of transactions.
- The median lot sale price rose 11 percent which is notable considering the average size of vacant land sales in 2016 has been nearly an acre smaller than the average lot size sold in 2015. One of the major differentiating factors between 2016 and 2015 land sales is that 2015 activity included more than a dozen smaller and commercially-zoned lots which typically trade at a discount to residential parcels.



HISTORICAL COMPARISON OF CONTRACT ACTIVITY

NEW PURCHASE AGREEMENTS SLOWED IN OCTOBER

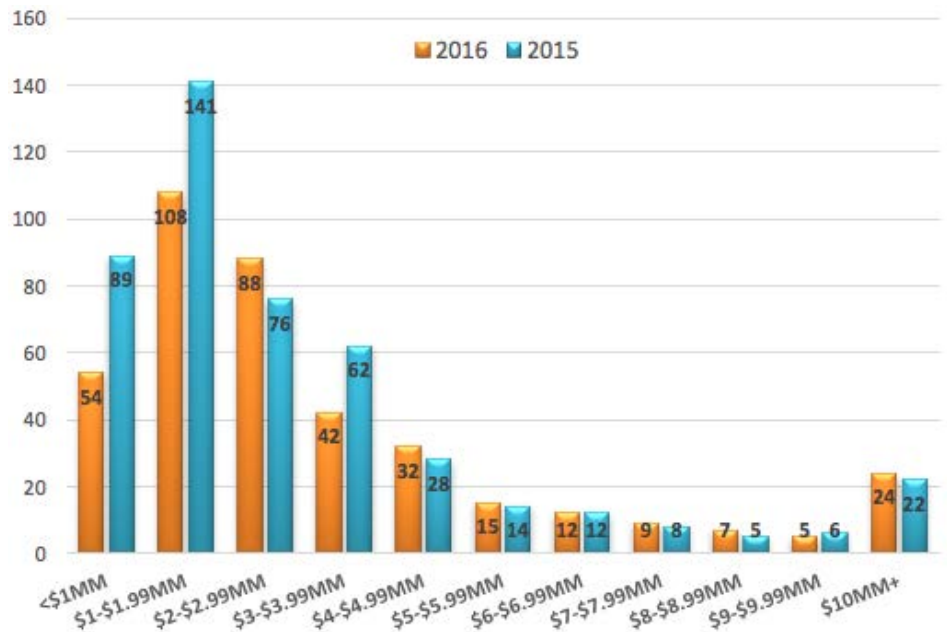


- Likely as a result of the pending November election, new contract activity (Offers to Purchase & Purchase and Sale Agreements) during the month of October dropped below 50 contracts for the first time since 2012. Whereas in September the market saw an eleven percent year-over-year increase in purchase activity, October saw the reverse with a twelve percent monthly decline from 2015. Preliminary contract figures for November support that this monthly decline was largely a pause as preliminary November contracts already surpass full month results for 2015.
- Based on the contract dip in October, as well as early data for November contracts and sales, it is unlikely the Nantucket real estate market will see \$1 billion for full year results. Total dollar volume is expected to surpass the \$851 million from 2015 but will likely be shy of \$950 million based on Fisher's current estimates, unless there are at least a few high-end or ultra-high-end sales that are not marked under contract and will hit the books before year's end.



INVENTORY LEVELS BY PRICE POINT

TOTAL INVENTORY DECLINES 12 PERCENT YEAR-OVER-YEAR



- Despite a four percent year-over-year decline in the total number of transactions through October 31, 2016, total inventory for all property types (residential, land and commercial properties) fell 12 percent from 2015. Some of the decline has to do with the seasonal nature of the market as home sellers take their properties off the market for the winter season. Yet, the number of listings taken off-market in October was 30 percent less than in 2015 indicating inventory levels remain naturally low.
- Earlier in the year, Fisher reported that the most significant year-over-year increase in inventory had occurred at the very upper end of the market. Specifically, properties listed between \$8MM-\$8.99MM had doubled and properties listed for more than \$10MM had increased 80 percent. While the 2016 market has carried one to two more transactions in these price points as compared to 2015, the inventory at the upper end of the market remains relatively high and is currently only obscured by the fact that many (9) of these listings have been taken off market for the season. We shall see what 2017 holds for the high-end as we know of a few new listings that will be hitting the market.