JUNE 16

NANTUCKET REAL ESTATE
Market Insights

BY JEN SHALLEY

FISHER REAL ESTATE

MONTHLY SALES HIGHLIGHTS

HIGHEST SALE

$10,250,000

44 MONOMOY ROAD

DIRECT SALE

QUICKEST SALE

$585,000

98D HINSDALE ROAD

MARKETED FOR [**3 days**]

NOTABLE RETRADE

$1,195,000

4 PILGRIM ROAD

RESOLD 2 WEEKS LATER FOR $1,600,000

FISHER'S REVIEW

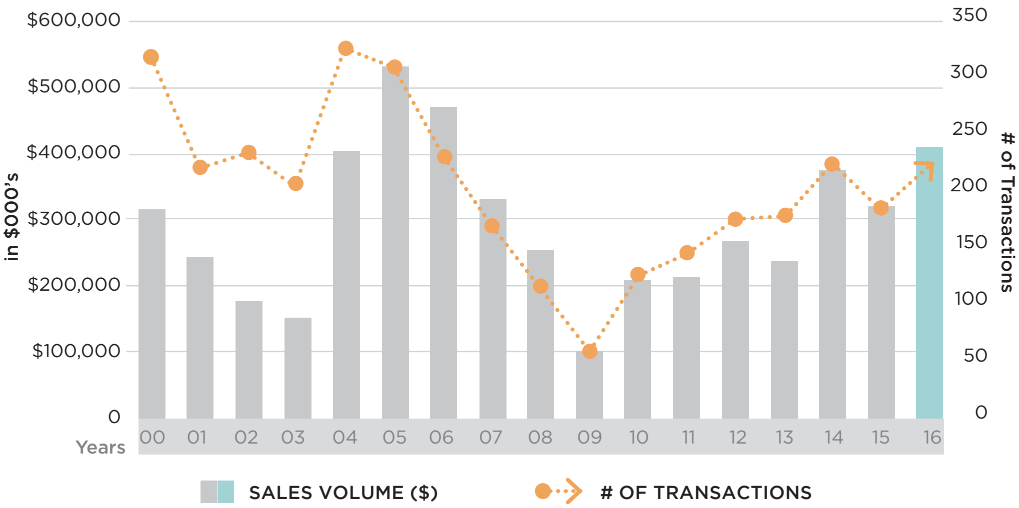
The Nantucket real estate market held a steady course for yet another month with June transaction activity surging 28 percent (#) and 21 percent ($) ahead of June 2015, bringing total real estate sales to 222 transactions totaling $410 million. The combined strength in transaction and dollar volume lofted 1H16 to the second best six-month performance since 2006. Residential home sales led the charge, rising 29 percent, while vacant lot sales declined from one year ago. June contract activity moderated compared to previous months, though second quarter contracts were, on the whole, even with the strong first quarter activity. Price reductions increased from prior years, though the average price discount declined. Here are Fisher's market insights for 1H16...

KEY MARKET STATISTICS

ALL PROPERTIES	YTD JUN 2016	YTD JUN 2015	% CHANGE YOY
Transactions	222	183	21% ▲
Dollar Volume ($ in '000's)	$406,936	$315,651	29% ▲
Avg Months on Market	7.6	9	-16% ▼
Sales Price to Last Ask Price	96%	94%	2 ▲
Active Listings	473	414	14% ▲
Months Supply of Inventory	11	10	2% ▲
Recorded Contracts	29	49	-41% ▼

NANTUCKET REAL ESTATE SALES ACTIVITY

1Q & 2Q



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1H16 SALES ANALYSIS BY TRANSACTION TYPE

RESIDENTIAL SALES ACTIVITY

HOME SALES SURGE & MARKETING TIMES DECLINE; INVENTORY RISES

VIEW LARGE CHART

SINGLE-FAMILY HOMES*	2016	2015	% CHANGE
Transactions Volume	141	109	29% ▲
Dollar Volume ($000's)	$317,911	$252,439	26% ▲
Median Sale Price ($000's)	$1,615	$1,373	18% ▲
Average Months on Market	7.9	9.6	-18% ▼
Sale Price/Original List Price	89%	90%	-1 ▼
Sale Price/Most Recent List Price	93%	94%	-1 ▼
Inventory	371	315	18% ▼

- Single-family home* sales (excluding condos, co-ops & covenant properties) during 1H16 rose a solid 29 percent from one year ago, posting nearly the same number of transactions as 2014 and just shy of the record set in 2006. The number of home sales in the $1MM-$1.99MM price point increased the most as a percentage of all transactions (+6 percentage points), helping to drive the median home sale price up 18 percent from 1H15. Ultra-high end sales rose to three transactions for the period thanks to the June sale of 44 Monomoy for $10.25MM.
- The strong demand for single-family homes led to a nearly two-month decline in the average marketing time from 2016. Interestingly, average sales discounts declined modestly (see second page which notes our opinion on aggressive 2016 pricing) while inventory levels increased 18 percent from this time last year. Note: Fisher Real Estate has excluded the 13 covenant home sales from all 2016 transaction data as these are not true market rate transactions.

VACANT LAND SALES ACTIVITY

LOT SALES DECLINE AMIDST RESIDENTIAL SALES INCREASE; INVENTORY STEADY

VIEW LARGE CHART

ALL PROPERTIES	2016	2015	% CHANGE
Transactions Volume	32	40	-20% ▼
Dollar Volume ($000's)	$38,158	$33,124	15% ▲
Median Sale Price ($000's)	$766,000	$612,500	25% ▲
Average Months on Market	5	6.7	-1.3 ▼
Sale Price/Original List Price	90%	89%	1 ▲
Sale Price/Most Recent List Price	95%	92%	3 ▲
Inventory	66	67	-1% ▼

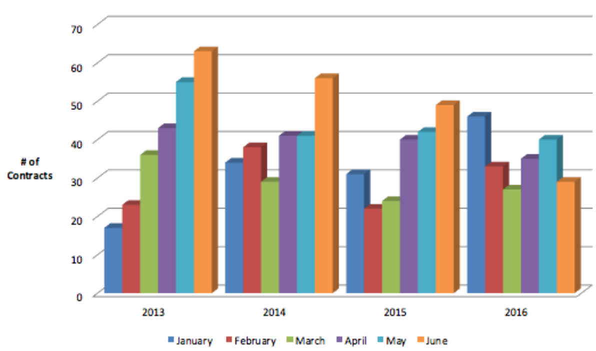
- As compared to the first half of 2015, vacant land sales declined 20 percent and were more in line with the transaction activity witnessed in 2013. Despite the decline in the number of sales, dollar volume rose nearly 15 percent, due largely to the sale of a boat slip along Nantucket's Old North Wharf for $4.75 million in January. Excluding this transaction, dollar volume was essentially flat.
- The median lot sale price rose 25 percent which is notable considering the average size of vacant land sales remained nearly even to the average size of lots sold during 1H15. The differentiating factor between 2016 and 2015 land sales is that 2015 activity included several more commercially-zoned lots. These typically trade at a discount to residential parcels.

FORWARD MARKET INDICATORS

CONTRACT ACTIVITY

JUNE CONTRACT ACTIVITY DECLINES SIGNIFICANTLY

VIEW LARGE CHART

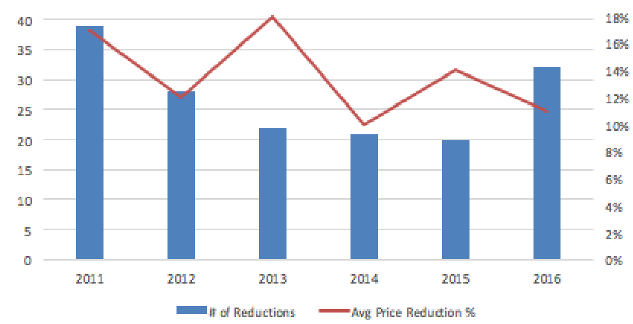


- While recorded transaction volume continued to post healthy gains through the end of the first half of 2016, early summer contract activity indicated a momentum shift in transaction activity may be pending in the second half. Recorded contracts (Offers to Purchase and Purchase & Sale Contracts) declined to a total of 29 during the 30 days ending June 30th.
- Recorded contract figures represent a 41 percent decline from one year ago and the lowest number of contracts recorded during June since prior to 2012. It is worth mentioning that the data is HIGHLY sensitive to whether or not contracts are registered in the MLS system—a significant number of properties are known to be under agreement but are not yet recorded in the MLS which may indicate that the June figures are overly conservative. Third quarter sales activity will be the true test as to whether June contract numbers were accurate.

PRICE REDUCTIONS

NUMBER OF PRICE REDUCTIONS INCREASE; AVERAGE PRICE REDUCTION DECLINES

VIEW LARGE CHART



- Given the relatively short selling season for Nantucket real estate, the market often sees an increase in the number of price reductions in June. This year was no exception with 32 price reductions noted through the 30 days ending June 30, 2016, a 60 percent increase from the same period last year. We attribute this increase to the fact that sellers were generally aggressive with list prices in 2016 and that inventory rose 18 percent from one year ago. June price reductions reflect that sellers began to recognize they need to be competitive to capture 2016 buyer activity.
- While the number of price reductions increased from one year ago, the average price concession declined. The average listing price discount during June was 11 percent, compared to 14 percent one year ago. We'll see if these price reductions are enough to boost contract activity during the high-season months of July and August. Aside from the 12 price reductions that took place in the $1MM-$3MM price point, the $6MM-$7MM price point saw the most price reduction activity.

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CLOSE

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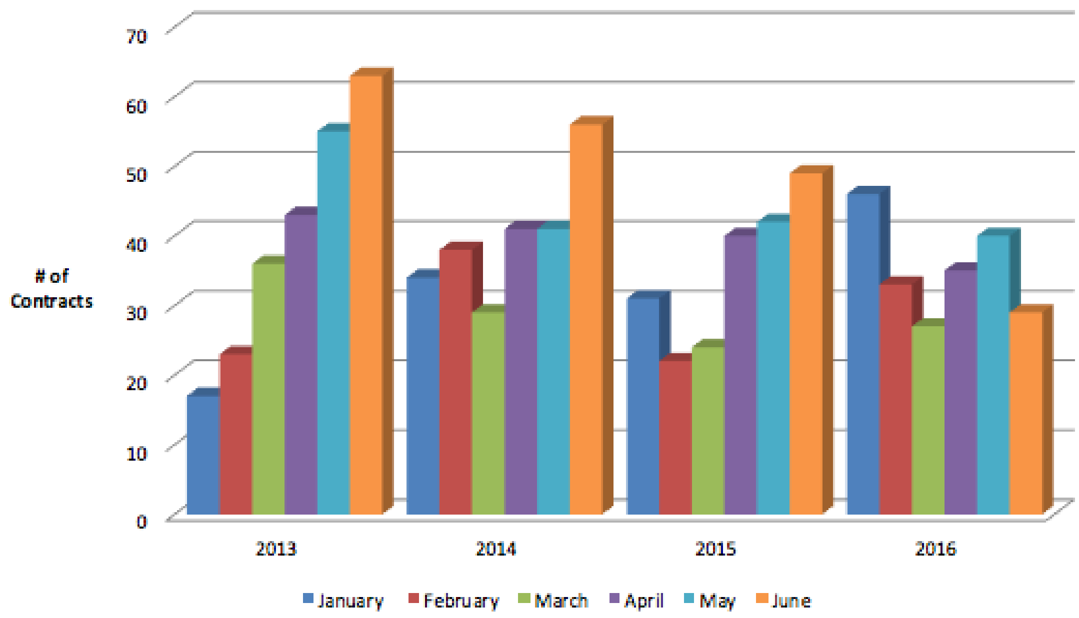

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