

NANTUCKET REAL ESTATE

Market Insights BY JEN SHALLEY



MONTHLY SALES HIGHLIGHTS



HIGHEST SALE

\$37,500,000

NANTUCKET STORAGE CENTER
PRIVATELY MARKETED



HIGHEST RESIDENTIAL SALE

\$16,500,000

9 LINCOLN AVENUE
MARKETED FOR [1,254 days]



HIGHEST SPECULATIVE SALE

\$5,770,750

7 PRIMROSE LANE
MARKETED FOR [354 days]

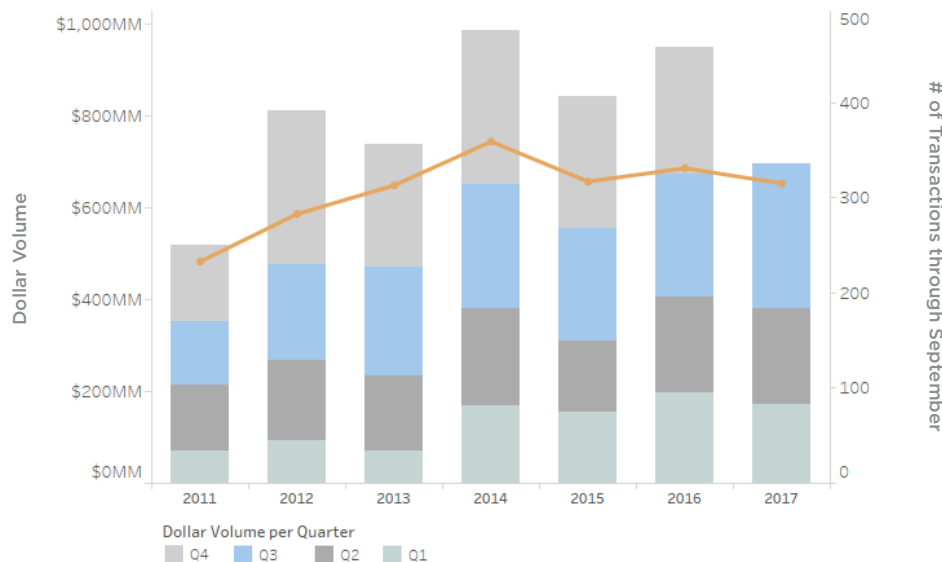
FISHER'S REVIEW

September 2017 was indeed an excellent sales month but, contrary to other reporting, it was not the second-best sales month on record for Nantucket real estate, at least for how the market has been traditionally viewed. The \$37.5 million sale price of the Nantucket Storage Center overwhelmingly places value on the business not the property, which is only assessed for \$9.9 million. Nantucket real estate figures do not include business sales so just as the previous sale of this property for \$27 million was widely excluded by most reporting authorities in our market in 2015, it is excluded from Fisher's 2017 figures. The remaining 59 transactions totaling \$145 million are no doubt impressive but are certainly not record setting considering they are just shy of the \$148 million in September 2016 and several other monthly totals over the last 15 years. Are we in the midst of a very strong market? Absolutely. And the following market statistics illustrate this, but let's compare apples to apples. Here are Fisher's September Market Insights...

KEY MARKET STATISTICS

ALL PROPERTY TYPES	2017	2016	% CHANGE YOY
Transactions	315	331	-5% ▼
Dollar Volume (\$ in '000's)	\$697,302	\$674,622	3% ▲
Avg Months on Market	6.8	7.4	-8% ▼
Sale Price to Last Ask Price	94%	94%	0% ▼
Active Listings (Sept.)	405	443	-9% ▼
Months Supply of Inventory	10.66	10.80	-1% ▼
New Contracts (Sept.)	47	62	-24% ▼

NANTUCKET REAL ESTATE ACTIVITY 2011-17





RESIDENTIAL SALES SUMMARY

HIGH-END RESIDENTIAL SALES ANALYSIS

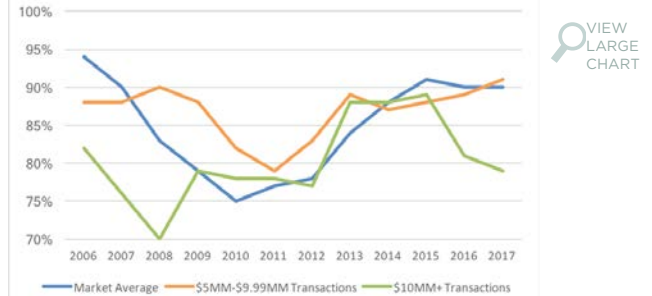
VIEW LARGE CHART
YTD FIGURES APPROACHING PREVIOUS FULL-YEAR TOTALS

	\$5MM-9.99MM		\$10MM+	
	# OF TRANSACTIONS	TOTAL DOLLAR VOLUME (MM)	# OF TRANSACTIONS	TOTAL DOLLAR VOLUME (MM)
YTD2017	20	\$137	6	\$80
2016	24	\$161	7	\$91
2015	13	\$87	6	\$82
2014	16	\$99	9	\$115
2013	8	\$59	8	\$115
2012	15	\$104	5	\$76
2011	7	\$41	2	\$29
2010	16	\$93	8	\$136
2009	6	\$40	6	\$75
2008	17	\$124	2	\$24
2007	20	\$142	2	\$21
2006	15	\$104	6	\$88
2005	23	\$150	5	\$75

- More than one-third of September's dollar volume stemmed from five transactions in the high-end (\$5MM-\$9.99MM) and the ultra-high-end (\$10MM+) of the market. In fact, through September 30, 2017, 20 transactions took place between \$5 million and \$9.99 million, a figure which surpassed the annual totals for every other year since 2006 barring 2016 (which is certain to be surpassed). Eight of these high-end transactions represented the sales of speculative properties, two more transactions than one year ago.
- The six recorded ultra-high-end sales through September 30th weren't as notable in the same comparative historic sense (yet), but with another quarter left to go and four ultra-high-end sales already on the books or marked under contract, 2017 is poised to pass all previous records for this segment of the market by year's end. With this activity it is easy to see why year-over-year dollar volume is up even while transactions declined. It also helps explain the eight percent rise in the median sale value over the last 12 months.

SALES DISCOUNT ANALYSIS: MARKET AVERAGE VS THE HIGHER END

SALES DISCOUNTS SHOW INTERESTING PATTERN FROM 2006-2017

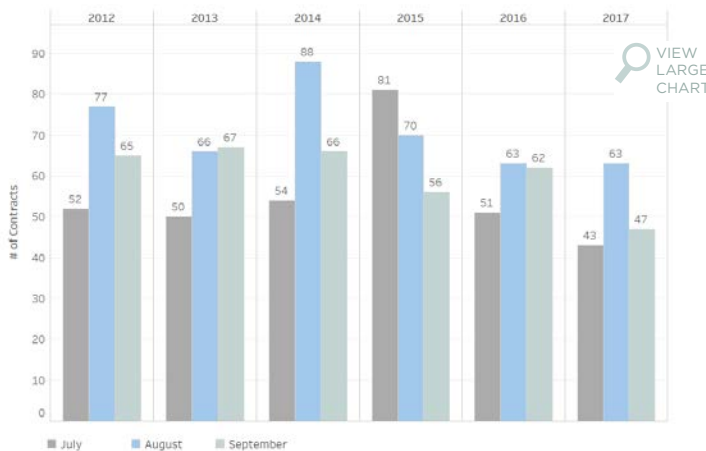


- In reviewing the sales price to original list price of high-end and ultra-high-end sales, we noted a few interesting items when comparing the transactions to the market average. During the last eleven years, the average sale price to original list price for all properties across every price point was 90 percent. The high-end averaged 87 percent and the ultra-high-end averaged 80 percent during the same period. Interestingly, if the period from 2008-2010 is excluded, the market average and the high-end average are identical at 88 percent, suggesting high-end properties fared better during the market's downturn. Otherwise the high-end trades close to the market's average.
- It's more difficult to draw conclusions from the historic patterns in the ultra-high-end as this segment is more naturally affected by outliers. For instance, there were two years during which there were only two transactions in this price point (compared to a minimum of 8 transactions for the high-end during this period). One grossly mispriced transaction can therefore greatly influence the average. This segment of the market has also been influenced by relatively limited demand and more healthy supply. For instance, during the last three years, there has been an average of 26 properties listed for sale over \$10 million with an annual average transaction rate of just seven. It seems there may be more negotiating room based on these dynamics (and perhaps also some mispricing) in this segment of the market.

FORWARD MARKET INDICATORS

THIRD QUARTER CONTRACT ACTIVITY

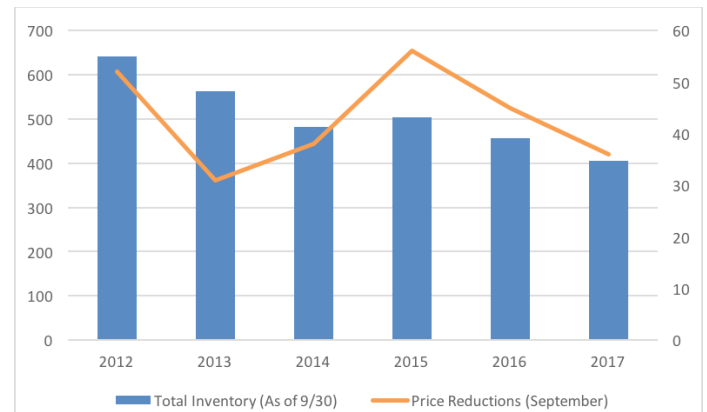
WEATHER LIKELY THE CULPRIT FOR SEPTEMBER



- New contracts during September declined precipitously in September compared to previous records measured since 2012, likely because of Hurricane Jose and various other weekends where the island was greeted with unseasonably bad weather. A total of 47 contracts (both Offers and Purchase agreements) were recorded, a notable decline from the 62 booked during September 2016 and the only September since 2012 to drop below 50 contracts.
- In total, third quarter contracts during 2017 measured 153, well below the average of 193 since 2012. As always, Fisher points out that contract data is not entirely reflective of current market conditions since they aren't always recorded in a timely fashion, if at all. That said, Fisher relies on the basic assumption that a certain percentage of omissions are likely similar year to year. A glance at preliminary October sales activity suggests we will be close to 2016 figures but well below what was printed during October during the years 2013-2015.

MONTH-END INVENTORY & PRICE REDUCTION ACTIVITY

6-YEAR INVENTORY LOW; PRICE REDUCTIONS DECLINE



- Not surprisingly, total property inventory in September represented the lowest Nantucket real estate inventory within the last six years. As of September 30, 2017, there were 405 properties on the market as compared to 443 one year ago. This included 295 single-family homes, 74 parcels of land, 14 commercial properties and 22 co-ops, multifamily properties or condominiums.
- Based on the strength of the market, the number of price reductions also declined in September. There were just 36 price reductions for the 30-day period ending September 30, 2017, compared to 45 price reductions one year ago and 56 in 2015. The average price reduction (from original list price) was 11 percent, slightly higher than one year ago when the average was 9 percent. Several of these price reductions have already spurred contract activity so we'll see what fourth quarter reductions look like for sellers looking to achieve a sale by year's end.



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CLOSE

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YTD FIGURES APPROACHING PREVIOUS FULL-YEAR TOTALS

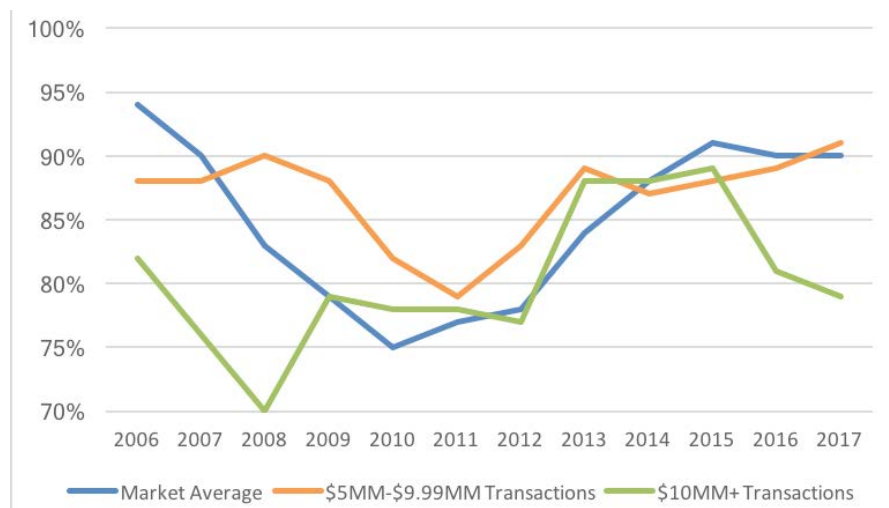
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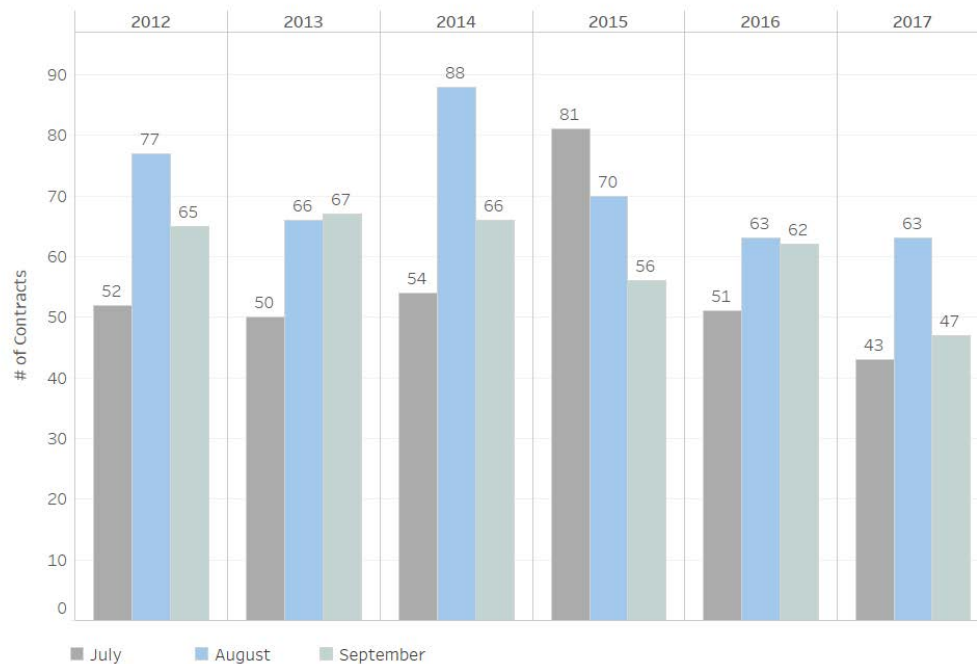


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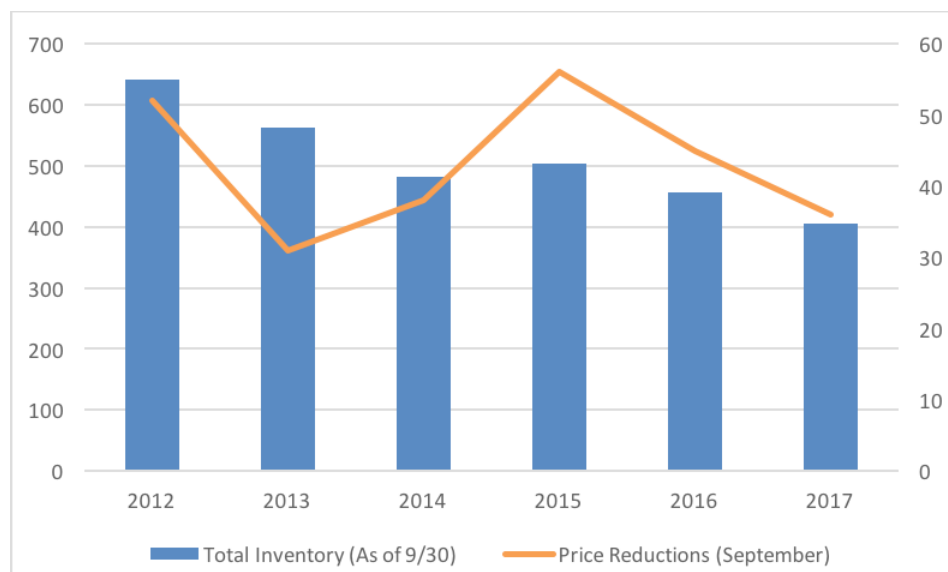
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