

# NANTUCKET REAL ESTATE

Market Insights BY JEN SHALLEY



## MONTHLY SALES HIGHLIGHTS



HIGHEST SALE

**\$10,500,000**

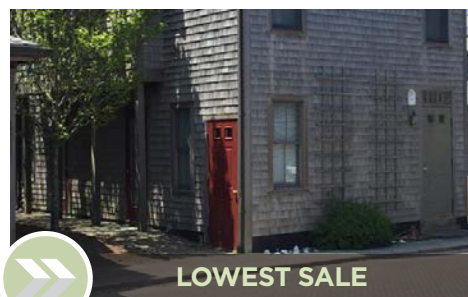
3 BREWSTER ROAD  
MARKETED FOR [410 Days]



QUICKEST SALE

**\$2,237,500**

10 STILL DOCK  
MARKETED FOR [3 days]



LOWEST SALE

**\$245,000**

41E OLD SOUTH ROAD  
551 S.F. COMMERCIAL SPACE

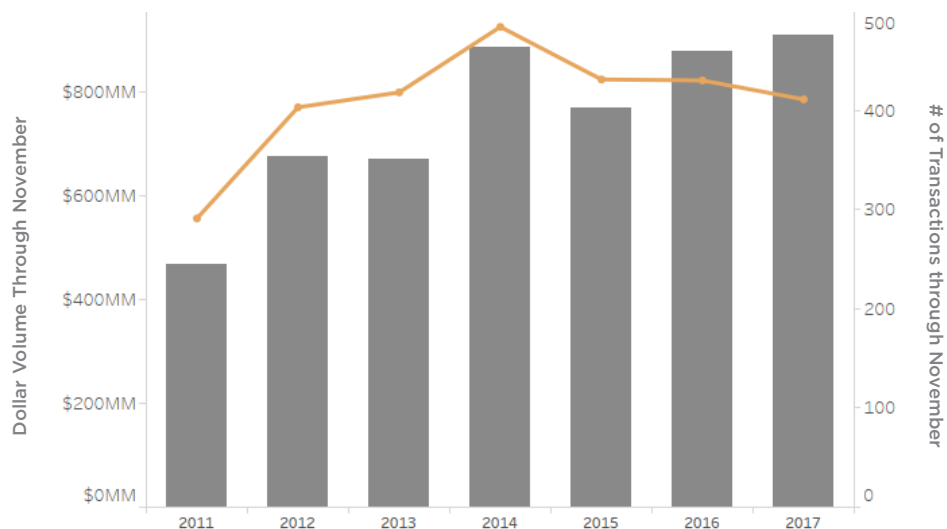
## FISHER'S REVIEW

Monthly real estate figures included 43 transactions totaling an impressive \$84 million. With this activity, year-to-date sales through November 30, 2017 tallied 411 transactions amassing \$912 million in total sales — a 4 percent year-over-year decline in the number of property sales but a 4 percent overall rise in dollar volume. Higher price point sales and strength in the upper end of the market, particularly sales above \$10 million, lifted year-to-date dollar volume and placed the 2017 Nantucket real estate market within sight of the \$1 billion mark once again. Here are Fisher's November Market Insights...

## KEY MARKET STATISTICS

ALL PROPERTY TYPES	JAN-NOV 2017	JAN-NOV 2016	% CHANGE YOY
Transactions	411	430	-4% ▼
Dollar Volume (\$ in '000's)	\$911,762	\$880,012	4% ▲
Avg Months on Market	6.8	7.4	-8% ▼
Sale Price to Last Ask Price	94%	94%	0%
Active Listings (November)	351	378	-7% ▼
Months Supply of Inventory	9.30	9.51	-2% ▼
New Contracts (November)	40	41	-2% ▼

## NANTUCKET REAL ESTATE ACTIVITY JAN-NOV 2011-17





### RESIDENTIAL SALES ACTIVITY BY PRICE POINT

#### HOME SALES: 2017 V 2016 & 5-YEAR AVERAGE

STRONG YEAR FOR HIGH-END & ULTRA-HIGH-END

##### Single Family Sales YoY Comparison

PRICE POINT	2017		2016		5-YEAR AVERAGE	
	TRANSACTIONS	% OF TOTAL	TRANSACTIONS	% OF TOTAL	AVG TRANSACTIONS	% OF TOTAL
<\$1MM	52	17%	65	22%	80	27%
\$1MM-2MM	103	34%	106	35%	99	34%
\$2MM-3MM	66	22%	53	18%	52	18%
\$3MM-4MM	29	10%	28	9%	23	8%
\$4MM-5MM	16	5%	19	6%	15	5%
\$5MM-6MM	8	3%	8	3%	6	2%
\$6MM-7MM	7	2%	5	2%	5	1%
\$7MM-8MM	4	1%	5	2%	3	1%
\$8MM-9MM	3	1%	3	1%	2	1%
\$9MM-10MM	2	1%	1	0%	2	0%
>\$10MM	9	3%	7	2%	7	2%



- Overall, there were 299 single-family home sales (excluding condos, multi-family homes, co-ops & Nantucket covenant properties) in 2017, one transaction shy of 2016. Dollar volume rose 7 percent thanks to an increase in higher price point sales. Fisher has been reporting this trend all year but now, with nearly a full 12 months of data, we see just how home sales by price point have changed, both year-to-year and from the five-year average.
- The price points with the biggest shifts were the sub-\$1 million price point, which saw the most significant decline (down 10 percentage points of total transaction activity from the 5-year average and five percentage points from 2016), and the \$2 million to \$3 million price point, which rose five percentage points from both the 2016 and five-year average.
- More subtly, the high-end of the market (\$5MM+) saw a one percentage point rise across nearly every \$1 million pricing segment from the five-year average. There were nine transactions in the ultra-high-end of the market (\$10MM+), the highest number of annual sales in Nantucket's history (previous annual record was eight transactions).

#### HOME SALES: 5-YEAR SALES DISCOUNT & TIMING TRENDS

SURPRISING METRICS IN \$6MM-\$7MM HOME SALES

##### Single Family Stats by Price Point 5-Year Avg., Jan-Nov

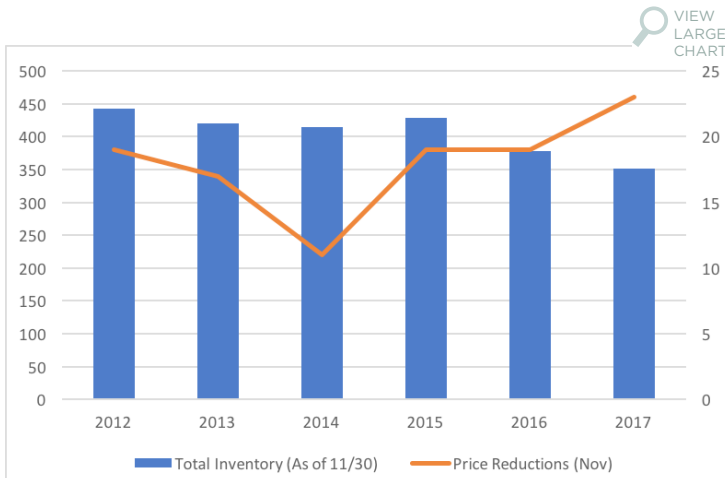


- This chart measures the average selling price (to the last asking price) and average days on market by price point over a five-year period. Not surprisingly, homes that sold for less than \$2 million enjoyed among the lowest marketing times and smallest discounts for the group.
- What's interesting is the relatively significant rise in the average marketing time for home sales between \$5 million and \$6 million. This ties with the data released in our October report which showed that inventory in this price point doubled in 2017 compared to available inventory the previous two years. However, the lengthier average days on market in this price point has been consistently longer than other price points over the 5-year period suggesting demand is simply lower no matter the supply of available inventory (ie 16 \$4MM-\$5MM sales in 2017 but just eight \$5MM-\$6MM home sales).
- Perhaps most surprisingly is that the lowest average discount and shortest marketing time by price point was for homes sold between \$6 million and \$7 million. This is largely attributed to 2017 sales activity as there were seven properties that sold with an average marketing time of 23 days (five of these were speculative homes) which significantly lowered the five-year average. [In any given year, there are between 0-2 transactions in the \$9MM-\$10MM price point so the metrics vary dramatically compared to other price points].

### FORWARD MARKET INDICATORS

#### MONTH-END INVENTORY & PRICE REDUCTION ACTIVITY

DESPITE A 6-YEAR INVENTORY LOW, PRICE REDUCTIONS RISE

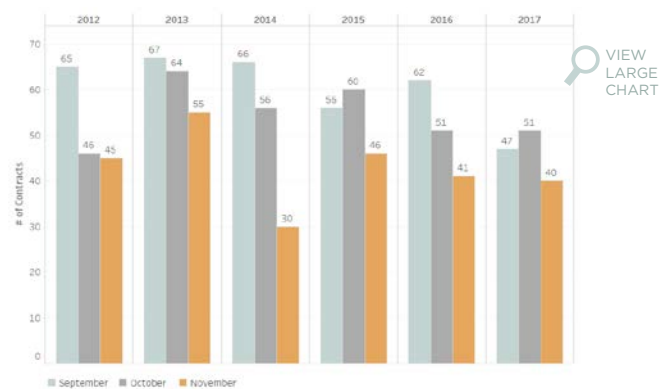


- As of November 30, 2017, there were 350 actively listed properties on the island, the lowest number of properties within the last six years. This inventory included 285 residential properties, 53 parcels of land and 12 commercial properties.
- Despite this historically-low inventory, and one of the strongest markets on record, the number of price reductions rose modestly in November compared to previous years. For the 30-day period ending November 30, 2017, there were 23 price reductions, slightly higher than the previous high of 19 reductions during the 2012-2017 period. The price adjustments were as small as three percent of the listing price and as big as 22 percent (which has since resulted in a contract), with an average of a 10 percent reduction. The reductions took place across all price points, from a property listed for \$225,000 to a property now listed for \$6,395,000 (which has also since gone to contract).

#### HISTORICAL COMPARISON OF CONTRACT ACTIVITY

NEW PURCHASE AGREEMENTS ON PAR WITH 2016, \$1 BILLION IN SIGHT

##### Contract Activity Sept-Nov, 2015-2017



- Just as with year's past, new contract activity in November declined from both September and October levels. There were 40 Offers and Purchase & Sale agreements recorded (duplicates excluded) during November, a decline of one contract from a year ago but a more significant drop off from what is typically posted in September and October. Most of the contracts (26) were for properties last priced under \$2 million but there were also six new contracts for properties last listed between \$3 to \$4 million, and one new, ultra-high-end (\$10MM) contract.
- Overall, year-to-date contracts were the lowest recorded for the 2012-2017 period, which may come as a surprise considering the strength of this year's market. This is because there have only been 411 transactions through November, the second lowest number of transactions over this six-year period (second only to the 404 transactions that took place through November of 2012). It is the dollar volume (\$912 million) that is remarkable and the highest for the measurement period. In fact, we are likely going to see the 2017 Nantucket real estate market nudge up against the \$1 billion mark (excluding the \$37.5 million sale of Sun Island and covenant home sales) with fewer than 450 transactions.



## RESIDENTIAL SALES ACTIVITY BY PRICE POINT

CLOSE

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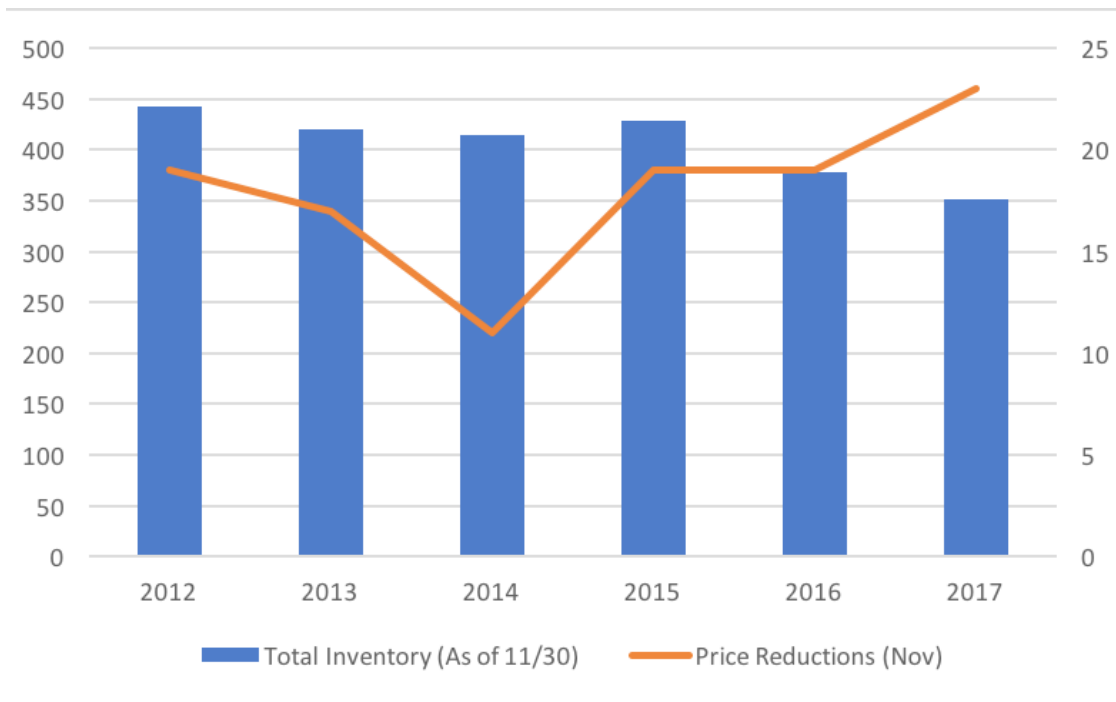


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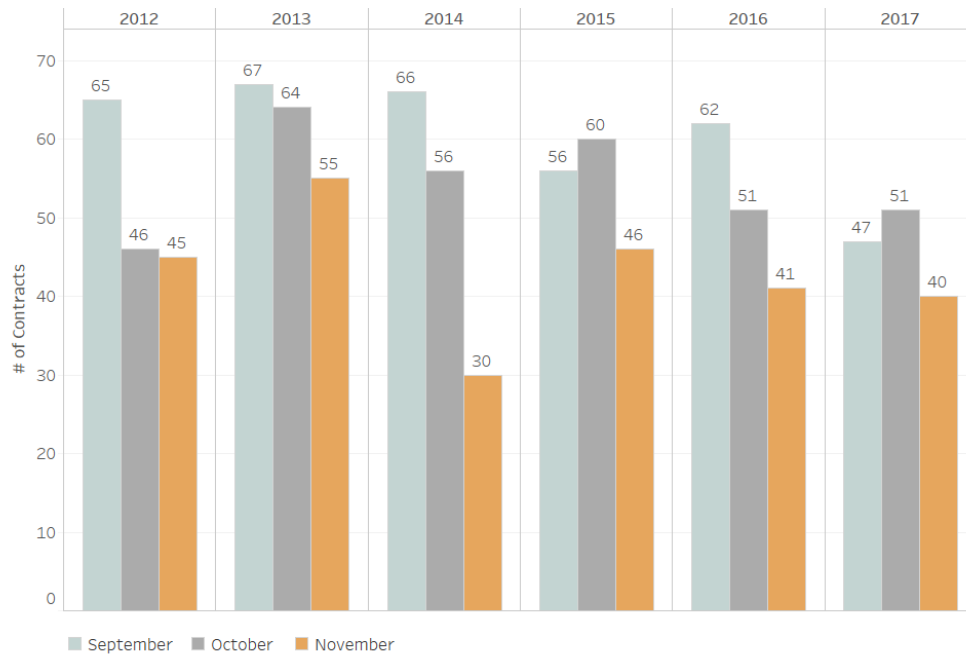
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