

# NANTUCKET REAL ESTATE

Market Insights BY JEN SHALLEY



## MONTHLY SALES HIGHLIGHTS



HIGHEST SALE

**\$12,500,000**

68 POCOMO ROAD  
MARKETED FOR [11 Days]



AUCTION SALE

**\$2,265,000**

24 ALMANACK POND ROAD  
LISTED IN 2016 FOR [\$9.8MM]



COMMERCIAL SALE

**\$5,500,000**

33 CENTER STREET  
GUEST HOUSE, RESTAURANT & RETAIL

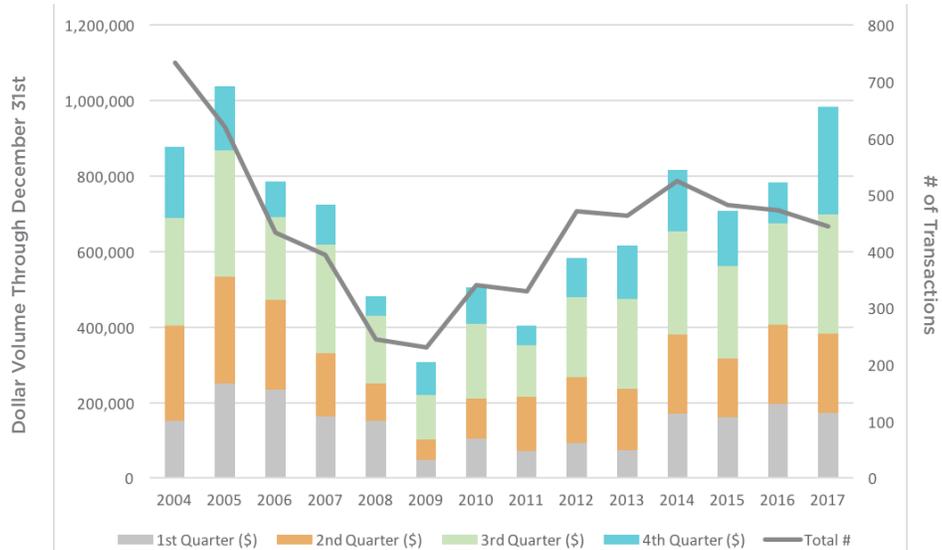
## FISHER'S REVIEW

No matter which sales were or weren't included by various sources, Nantucket real estate enjoyed a banner year. Fisher excluded affordable home sales, foreclosure sales and the \$37.5 million Nantucket Storage Center sale, to arrive at the 444 transactions totaling \$983.8 million for 2017. This represented a slight transaction decline from 2016 but the fourth best dollar volume performance in Nantucket's history. Broadly speaking, property values saw a substantial improvement if the 18 percent median home sale rise is any indication of the year-to-year change in value. Speculative home sales also increased from 2016, while vacant land sales declined on account of limited inventory. Affordable home sales enjoyed another year of solid success, though this data is excluded from the full-year figures included herein. Here are Fisher's December Market Insights...

## KEY MARKET STATISTICS

ALL PROPERTY TYPES	FY 2017	FY 2016	% CHANGE YOY
Transactions	444	472	-6% ▼
Dollar Volume (\$ in '000's)	\$983,813	\$949,129	4% ▲
Avg Months on Market	6.7	8.2	-18% ▼
Sale Price to Last Ask Price	93%	94%	-1 ▼
Active Listings (December)	249	313	-20% ▼
Months Supply of Inventory	6.7	8.0	-15% ▼
New Contracts (December)	27	34	-21% ▼

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





### RESIDENTIAL SALES ACTIVITY: 2017 V 2016 & 5-YEAR AVERAGE

#### HOME SALES SUMMARY

##### Single Family Sales YoY Comparison



	2017	2016	% CHANGE	5-YEAR AVG (2013-2017)
Transactions	323	328	-2%	321
Total Sales Volume	\$857,490,164	\$798,913,839	7%	\$741,432,864
Avg. Selling Price	\$2,654,768	\$2,435,713	9%	\$2,302,872
Median Selling Price	\$1,923,500	\$1,625,000	18%	\$1,568,680
Avg. MOM	6.7	7.9	-15%	9.6
Avg. Price as % of Last Ask	93%	93%	0%	93%
Avg. Price as % of Original Ask	89%	89%	0%	88%
Avg. Sale as % of Assessed Value	127%	124%	3%	122%

- There were 323 single-family home sales (excluding condos, multi-family homes, co-ops & Nantucket covenant properties) in 2017, five transactions shy of 2016 and two more transactions than the five-year average. Though the number of transactions declined modestly, dollar volume increased 7 percent to \$858 million, the highest total over the last 10 years. The increase is attributed to rising property values (measured by resales which will be covered in our 2017 Annual Report) and a sizable increase in the number of high-end (\$5MM+) home sales (see right). Both factors drove the average selling price up 9 percent while the median sale price rose an impressive 18 percent.
- Sales discounts remained steady year to year but the average marketing time continued its noticeable decline, dropping to just 6.7 months for single-family homes. This represents a three-month drop from the five-year average and illustrates the strong demand for Nantucket residences.
- Though excluded from the above chart, and from total year-end figures on page one, it is worth noting that 2017 transactions included 33 affordable (or covenant) home sales totaling \$13.4 million.

#### HOME SALES BY PRICE POINT



PRICE POINT	2017		2016		5-YEAR AVERAGE	
	TRANSACTIONS	% OF TOTAL	TRANSACTIONS	% OF TOTAL	AVG TRANSACTIONS	% OF TOTAL
<\$1MM	57	18%	70	21%	89	28%
\$1MM-2MM	109	34%	123	38%	110	34%
\$2MM-3MM	71	22%	54	16%	56	17%
\$3MM-4MM	35	11%	30	9%	26	8%
\$4MM-5MM	16	5%	20	6%	16	5%
\$5MM-6MM	8	2%	9	3%	7	2%
\$6MM-7MM	7	2%	5	2%	5	1%
\$7MM-8MM	4	1%	6	2%	3	1%
\$8MM-9MM	3	1%	3	1%	2	1%
\$9MM-10MM	2	1%	1	0%	2	0%
>\$10MM	10	3%	7	2%	8	2%

- As a follow-up to our November report, the above table outlines single-family home transactions by price point for the full calendar years of 2017 & 2016, as well as the five-year average. Over these time periods, the price points to experience 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 five-year average and three percentage points from 2016); the \$2 million to \$3 million price point, which rose five percentage points from the five-year average and six percentage points from one year ago; and the \$3 million to \$4 million price point, which rose three percentage points from the five-year average.
- For the high-end (\$5MM+), where far fewer transactions generally take place as compared to the sub-\$3 million market, it is worth noting the aggregate annual change in the number of transactions rather than viewing the slight changes that occur as a percentage of all transactions. In 2017, there were 34 high-end transactions, three additional transactions from 2016 and far more than the 19 that took place in 2015. Thirty-six percent of these transactions were speculative home sales, a notable change from the one high-end spec sale in 2015 and a slight rise from the 32 percent in 2016.
- The ultra-high-end of the market (\$10MM+) rose one percentage point from both 2016 and the five-year average. With 10 transactions in 2017, it represented the highest number of annual sales in Nantucket's history (previous annual record was eight transactions).

### SPECULATIVE HOME SALES & VACANT LAND SALES ACTIVITY

#### 2017 VS. 2016 SPECULATIVE HOME SALES ACTIVITY

##### Speculative Home Sales YoY Comparison



	2017	2016	% CHANGE	5-YEAR AVG (2013-2017)
Transactions	43	32	34%	28
Total Sales Volume	\$176,958,500	\$131,920,500	35%	\$105,938,233
Avg. Selling Price	\$4,115,314	\$4,101,469	0%	\$3,624,707
Median Selling Price	\$3,200,500	\$4,110,000	-22%	\$3,251,000
Avg. MOM	9.6	6.7	42%	7.7
Avg. Price as % of Last Ask	95%	94%	1%	94%
Avg. Price as % of Original Ask	92%	92%	0%	91%
Avg. Sale as % of Assessed Value	192%	163%	29%	163%

- In total, there were 43 speculative home sales in 2017, a noticeable 34 percent increase from 2016 and an increase of 53 percent from the five-year average. The distribution of sales by price point was roughly similar to 2016, hence the comparable average sale price from year to year.
- The average marketing time for sold projects was 9.6 months, nearly three months longer than one year ago and three months longer than the market as a whole for FY17. This can be attributed in part to the higher supply of inventory, but more specifically to a handful of properties that were marketed far longer than the rest. For instance, the sale of 2A Winn Street, just west of town, took 41 months from the initial marketing date to final sale. Despite the longer marketing times, the sales discounts remained steady from one year ago.

#### VACANT LAND SALES SUMMARY

##### Vacant Land Sales YoY Comparison



	2017	2016	% CHANGE	5-YEAR AVG (2013-2017)
Transactions	64	73	-12%	83
Total Sales Volume	\$58,378,717	\$80,920,500	-28%	\$92,132,913
Avg. Selling Price	\$912,167	\$1,108,500	-18%	\$1,099,571
Median Selling Price	\$678,500	\$880,000	-22%	\$749,500
Avg. MOM	9.1	11.7	-22%	10.5
Avg. Price as % of Last Ask	93%	95%	-2%	92%
Avg. Price as % of Original Ask	91%	92%	-1%	89%
Avg. Sale as % of Assessed Value	134%	112%	23%	126%

- One of Nantucket's most robust land transaction years was 2015 where 105 land transfers totaling over \$100 million took place. The supply at that time, much of which was created by several mid-island subdivisions, was met by robust demand, demand that has persisted in recent years. In 2016, just 73 transactions were recorded as supply became more constrained and could not meet the full demand of the market. In 2017, vacant land sales declined even further amid continued limited supply. Through the twelve months ending December 31, 2017, just 64 transactions totaling a mere \$58 million took place. This is the lowest number of transactions since 2011. And with available inventory declining to a historic low of 51 parcels for sale by year's end, it's no surprise transaction activity has been hampered by the lack of supply of available land.
- As compared to 2016, the average size of lots sold in 2017 decreased from approximately 1.36 acres to .82 acres, which is one of the reasons behind the 18 percent and 22 percent respective declines in the average and median sale values. Similar to home sales, the average marketing time declined substantially from 11.7 months one year ago, to 9.1 months by the end of 2017.



CLOSE

## HOME SALES SUMMARY

## Single Family Sales YoY Comparison

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SALES ACTIVITY

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