

# NANTUCKET REAL ESTATE



Market Insights BY JEN SHALLEY

## MONTHLY SALES HIGHLIGHTS



**HIGHEST SALE**

**\$17,500,000**

5 HULBERT AVENUE  
MARKETED FOR [730 days]



**FASTEST SALE**

**\$680,000**

5B WITHERSPOON DRIVE  
MARKETED FOR [6 days]



**HIGHEST LOT SALE**

**\$2,400,000**

11 PIPPENS WAY  
MARKETED FOR [1316 days]

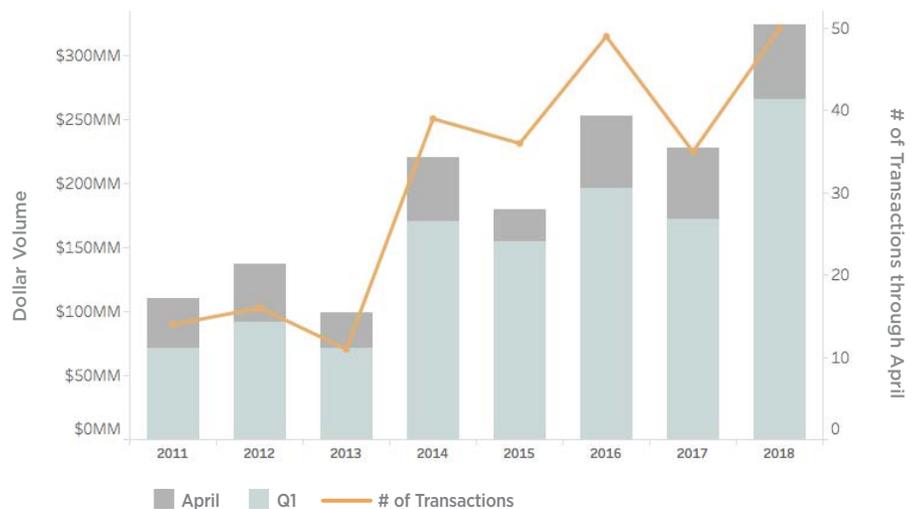
## FISHER'S REVIEW

April 2018 Nantucket real estate sales included 26 transactions totaling \$58.5 million, nearly identical to April 2017 activity but a sizable drop off from monthly first quarter transaction activity which, incidentally, was more robust than in recent years. Recorded new contracts in April were lower than in previous years, perhaps due to the strong first quarter, but inventory levels remained at historic lows and property values continue to rise based on average sale price metrics. We look forward to seeing how the rest of the second quarter unfolds, both from an inventory and sales perspective, so we can offer a more thorough 1H2018 analysis and full-year expectations. Here are Fisher's April Market Insights...

## KEY MARKET STATISTICS

ALL PROPERTY TYPES	FY 2018	FY 2017	% CHANGE YOY
Transactions	147	114	29% ▲
Dollar Volume (\$ in '000's)	\$324,550	\$227,431	43% ▲
Avg Months on Market	7.7	7	10% ▲
Sale Price to Last Ask Price	94%	92%	2% ▲
Active Listings (April)	288	299	-4% ▼
Months Supply of Inventory	7.2	8.0	-10% ▼
New Contracts (April)	21	32	-34% ▼

## NANTUCKET REAL ESTATE ACTIVITY APRIL 2011-2018





### RESIDENTIAL SALES SUMMARY

#### RESIDENTIAL SALES ACTIVITY: 2018 V 2017 & 5-YEAR AVERAGE

RECORD Q1 RESULTS STILL BUOYING DATA



	2018	2017	% Change	5 Year Avg (2014-18)
Transactions	103	84	23% ▲	85
Total Sales Volume	\$262,890,094	\$199,123,200	32% ▲	\$189,608,583
Avg. Selling Price	\$2,552,331	\$2,370,514	8% ▲	\$2,234,204
Median Selling Price	\$1,715,000	\$1,750,000	-2 ▼	\$1,563,750
Avg. Months on Market	8.4	7.3	15% ▲	8.6
Avg. Price as % of Last Ask	93%	92%	1% ▲	93%
Avg. Price as % of Original Ask	89%	88%	0	88%
Avg. Price as % of Assessed Value	126%	118%	9% ▲	125%

- While monthly sales volume in April may have moderated, first quarter sales are still buoying year-to-date results compared to previous years. Through April 30, 2018, there were 103 single-family home transactions totaling an impressive \$263 million. This is more than double the number of transactions and more than triple the dollar volume witnessed during the same period five years ago. It also represents a respective 21 percent (#) 39 percent (\$) increase from the five-year average.
- Not surprisingly, sales metrics improved on both a year-over-year basis and as compared to the five-year average. The median home sale value saw a modest decline of two percent but this is due to the distribution of a limited number of sales early in the calendar year (one or two more transactions would have made a significant difference in this value such that it would be equal to or slightly above the 2017 value). The average marketing time also slipped but this is due to an outlier sale which took 107 months to sell (17 Lily Street), one of the longest marketing times in our records.

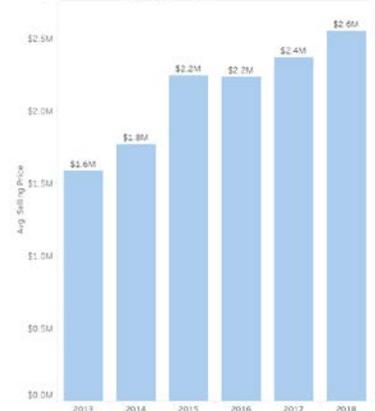
#### TRAILING 5-YEAR AVERAGE HOME SALE PRICE

PROPERTY VALUES REMAIN ON THE RISE



- Through April 30, 2018 the average sales price of a Nantucket home was \$2.55 million. Following suit with the upward trajectory in transaction volume, this figure represents a nearly 61 percent jump from the average home sales price in 2013 and a more moderate but still solid rise of eight percent from one year ago.
- The primary driver of the rise in the average home sale value can be attributed to strong buyer demand amid a diminishing supply of homes, particularly in the sub-\$1 million arena. In 2013, sub-\$1 million home sales represented 62 percent of total transaction activity through the four months ending April 31st. With limited supply in this price point, the 39 transactions that took place through April 30, 2018 represented just 24 percent of total sales volume. Buyers have been forced to spend more than \$1 million for a Nantucket home.
- Another factor leading to the increase in property values, particularly when using the average home sale metric, is the increase in home sales above \$4 million. Nearly every price point above \$4 million has seen at least a two to four percent increase (as a percentage of total transaction activity) over the five-average.

Trailing 5-Year YTD Average Single Family Home Sale Price



### FORWARD MARKET INDICATORS

#### HISTORICAL COMPARISON OF CONTRACT ACTIVITY

IS LIMITED INVENTORY HAMPERING NEW CONTRACTS?



- In reviewing trailing 3-month contract activity (Offers to Purchase & Purchase and Sale Agreements) since 2013, a historic pattern was disrupted in 2018. Until this year, April contract activity surpassed that of both February and March. However, April 2018 contract activity was not only lower the previous two months, but was also well below new contract totals during each April during the last five years.
- The dip in new purchases could be attributed to the fact that Nantucket real estate saw record first quarter results, indicating buyers were more active than normal over the winter (i.e. there may not be an aggregate change in overall 2018 transaction volume, it may just be more concentrated in the first three months of the year than is typical). Alternatively, new purchase activity in April may have been hampered by limited supply. For-sale inventory has been trending historically low over the last couple of years but this reduced supply may have been exaggerated in April when many homes have yet to come to market for the summer season and when buyer demand was obviously quite strong. It's been theorized for years that the Nantucket real estate market is becoming less and less seasonal; this year may turn out to certainly prove that point.

#### PROJECTED MONTHS ON MARKET FOR SINGLE-FAMILY HOMES

MARKETING TIMES RANGE FROM THREE MONTHS TO 30 MONTHS



- Comparing trailing 12-month sales to the corresponding current inventory by price point paints a picture of anticipated marketing times for single-family homes. Assuming sales activity continues at the trailing 12-month pace, which may be not occur given recent contract activity, homes priced less than \$2 million are expected to sell in under six months, while homes priced between \$5 million and \$6 million may take nearly two years to sell. Interestingly, homes priced between \$8 million and \$9 million are in relatively short supply given recent demand and are projected to take just seven months to sell.
- While these projections provide an indication of current market dynamics in specific price points, they are based on historic data so could naturally change pending future sales trends. They will also change significantly in the coming months as we see how the distribution of 2018 inventory and transactions unfold by price point. For example, we expect the ultra-high-end of the market will see an extension in the projected marketing time as several properties listed for more than \$10 million came to market in May.

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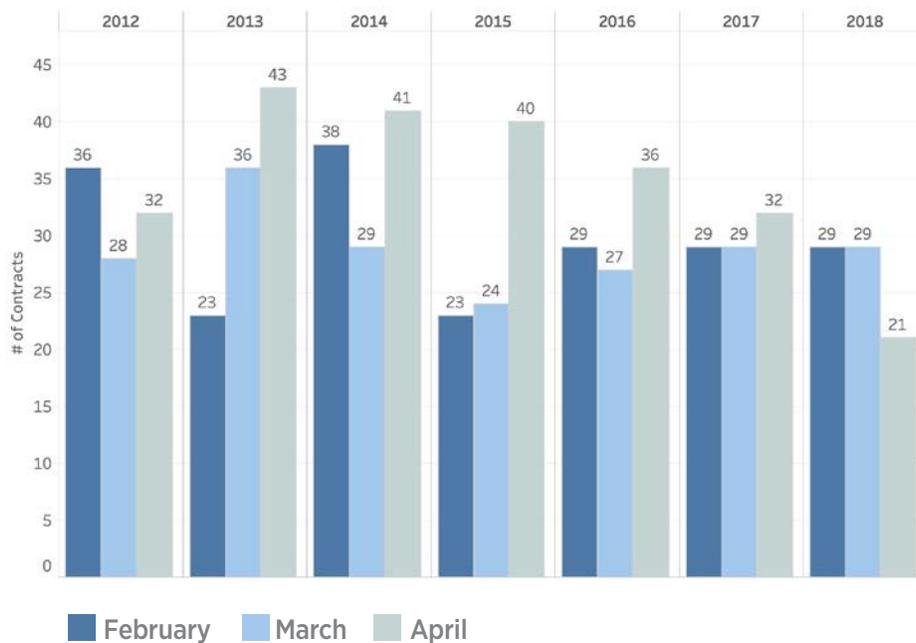




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