

# NANTUCKET REAL ESTATE



Market Insights BY JEN SHALLEY

## MONTHLY SALES HIGHLIGHTS



HIGHEST SALE

**\$5,600,000**

5 CLIFFORD STREET

▲ 20 PERCENT MORE THAN 2015 SALE



FASTEST SALE

**\$1,729,063**

2 NORTH BEACH STREET

MARKETED FOR [16 days]



LOWEST HOME SALE

**\$724,000**

8A SOMERSET LANE

MARKETED FOR [69 days]

## FISHER'S REVIEW

If you've read the recent articles on CNBC.com, born2invest.com or brokerspulse.com, you've read some pretty bold statements about the Nantucket real estate market, many of which seem to take a crumb of truth and pile on a big twist of reality. While we undoubtedly agree that Nantucket continues to enjoy a strong market run, we couldn't resist offering a more balanced view on the statements made in these articles. By providing real data, we'll counter the notions that Nantucket is more expensive than the Hamptons, that most of our sales come from the high-end of the market, that there are a "ton" of high-end properties for sale, and that prices are off the charts. Here are Fisher's May Market Insights...

## KEY MARKET STATISTICS

ALL PROPERTY TYPES	JAN-MAY 2018	JAN-MAY 2017	% CHANGE YOY
Transactions	176	141	25% ▲
Dollar Volume (\$ in '000's)	\$376,510	\$284,756	32% ▲
Avg Months on Market	7.3	6.4	14% ▲
Sale Price to Last Ask Price	94%	93%	1% ▲
Active Listings (May)	344	345	0%
Months Supply of Inventory	8.6	9.5	-9% ▼
New Contracts (May)	20	41	-51% ▼

## NANTUCKET REAL ESTATE ACTIVITY JAN-MAY 2011-2018





### RESIDENTIAL SALES SUMMARY

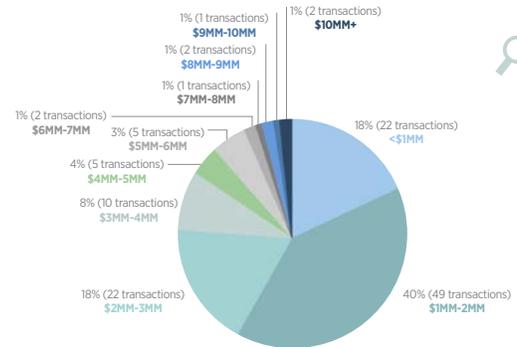
#### RESIDENTIAL SALES: NANTUCKET VS THE HAMPTONS



	Nantucket (as of 5/31)	Hamptons (as of 3/31)
SF Home Sales \$	\$305,000,000	\$674,000,000
SF Home Sales #	122	332
Median Home Sale Price	\$1,700,000	\$1,100,000
Average Home Sale Price	\$2,500,000	\$2,030,000
Most Expensive Listing	\$38,000,000	\$175,000,000
Listing over \$20 million	7	75

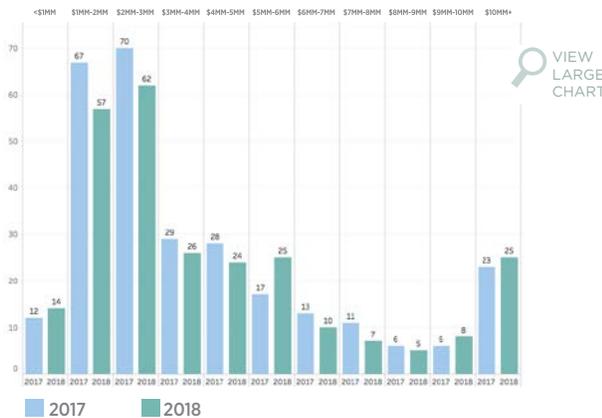
- Nantucket sales included 122 single-family home transactions totaling \$305 million through May 31, 2018. This is a respective increase of 21 percent and 24 percent over 2017 and nearly the same increases from the five-year average. The "massive" 49 percent increase over 2017 sales that we saw during the first quarter has already moderated by more than half that gap. The average selling price was \$2.5 million, while the median sale price was \$1.7 million. On Nantucket, the highest sale so far this year was \$17.5 million and the highest listed property is presently \$38 million.
- Most Hamptons' brokerage firms report quarterly rather than monthly data so we will await the 2Q18 reports to better compare apples to apples for both markets. Through March 31, 2018, Brown Harris Stevens reports that sales included 332 transactions totaling \$674 million. The average home sale price was \$2.03 million while the median home sale price was \$1.1 million. Using these aggregate metrics, Nantucket is more expensive than the Hamptons but it's nearly impossible to ensure we are comparing similar home types given the vast difference in geographical area. Perhaps the biggest difference is in the "high-end" of the market where the most expensive home is currently listed for \$175 million and 75 homes are listed above the \$20 million mark.

#### DEFINING HIGH-END HOME SALE ACTIVITY



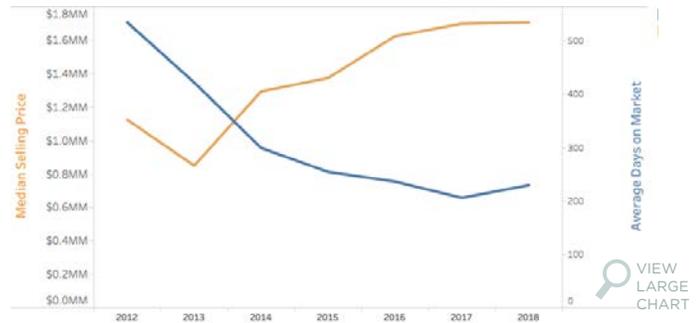
- Characterizing the "high-end" of the market depends entirely on how you define it. Compared to "America" as we commonly like to call the mainland, nearly every sale on Nantucket could be characterized as a high-end sale given the relative price points compared to primary home markets. Like certain other luxury vacation home markets, we often define the high-end as sales between \$5 million and \$10 million, and the ultra-high-end as any home sale above \$10 million.
- Contrary to the statement that most of our sales come from the high-end, home sales below \$5 million represent the clear majority of Nantucket sales at 88 percent of the single-family home sale market. High-end home sales represent 11 percent of transactions and the ultra-high-end represents just two percent.
- While it is true that home sales between \$4 million and \$6 million rose 300 percent 1Q18 over 1Q17, let's keep in mind that we are talking about a very small number of transactions – eight to be exact. Although there were only three home sales in this price point in 2017, the five-year average shows that Nantucket typically sees five transactions between \$4 million and \$6 million during the first quarter. The increase isn't as meteoric as the article suggests or as one might deduce.

#### HIGH-END PROPERTY INVENTORY



- One of my favorite quotes in the article is that the island has more houses listed for sale over \$10 million than under \$1 million. This is true so long as you exclude condominiums and multi-family units, which tend to make up a healthy portion of the sub-\$1 million market. Where the author gets a little more carried away is with the statement that there is a "ton" of high-end inventory on the market. I go back to one of my first points – it all depends on the definition of the key word. I suppose my definition of a ton is very different from the author's.
- The above chart illustrates available inventory by price point as of May 31st for the past three years. If I were defining a ton of inventory, my eye might jump to the 120 or so properties for sale in the \$1 million to \$3 million price point. But I know that is not a ton of inventory, especially when looking at historic numbers. Inventory in the high-end of the market (\$5 million to \$10 million) is down in many of the individual price point segments, save for homes priced between \$5 million to \$6 million. Yet, the increased inventory there should be good news for buyers given the aforementioned 300 percent increase in transactions earlier this year (am I right?).

#### MEASURING NANTUCKET PROPERTY VALUES



- The first paragraph of the CNBC.com article indicated "prices are off the charts" on our toney little island while simultaneously showing the underwhelming façade of a ranch-style house listed for \$24 million on Easton Street. From the photo, a reader is unaware that this simple looking structure sits on a subdividable lot right on Nantucket Harbor, or that the property has a deep-water dock, one of only a handful available on the island (the last dock that came up for sale, which is a rarity in and of itself, fetched \$4.75 million). They say a picture paints a thousand words but this photo leaves out 999 of them...
- While there are myriad ways to analyze what's happening with prices, we'll review the median home sale price to gauge property value changes. Through May 31, 2018, the median home sale price was \$1.708 million, up from \$1.7 million for the same period in 2017 and \$1.625 million in 2016. This hardly seems like an off-the-charts increase in pricing but I'm not certain how the author measured the prices.
- Aside from these aggregate data points, we also have several transactions which illustrate that some homes are selling for less than their most recent sale prices (though others, in certain areas and price points, are certainly selling for more – see top photo on page 1.) So while the market metrics and the overall balance of supply and demand indicate that the Nantucket real estate market is continuing to strengthen, we don't yet see broad data that shows prices are off the charts.



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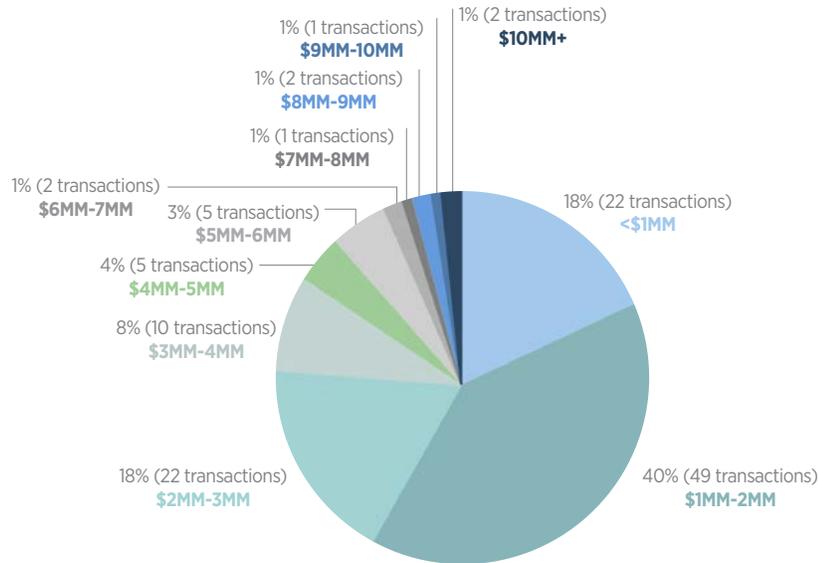
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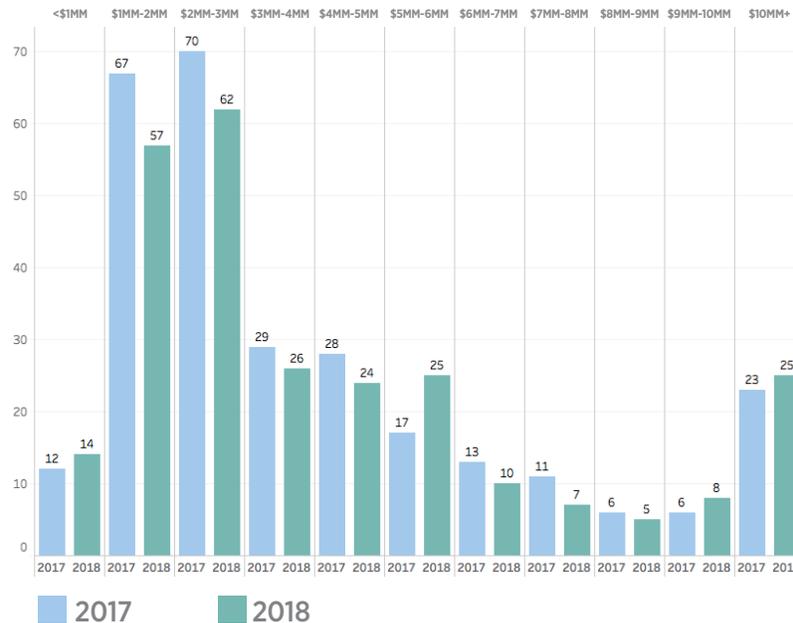


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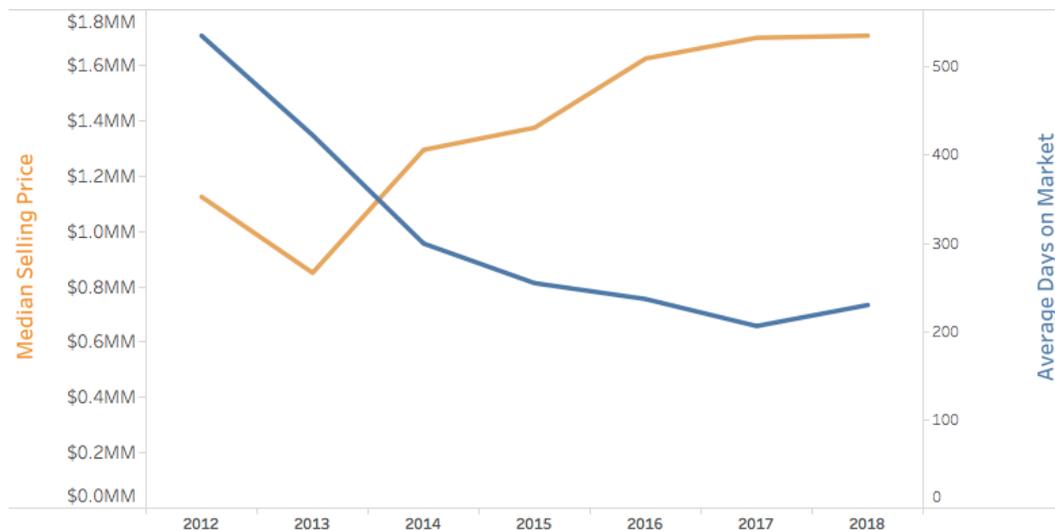


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