

NANTUCKET REAL ESTATE

Market Insights BY JEN SHALLEY



MONTHLY SALES HIGHLIGHTS



HIGHEST SALE

\$13,000,000

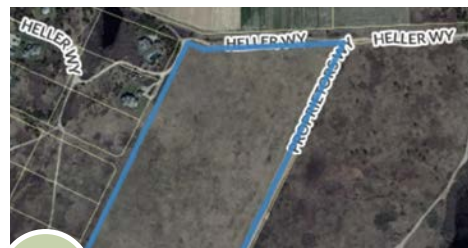
4 WINGSPREAD LANE
MARKETED FOR [361 days]



QUICKEST SALE

\$707,000

5A WITHERSPOON DRIVE
MARKETED FOR [1 day]



NOTABLE LAND SALE

\$8,250,000

LAND BANK PURCHASE
CISCO

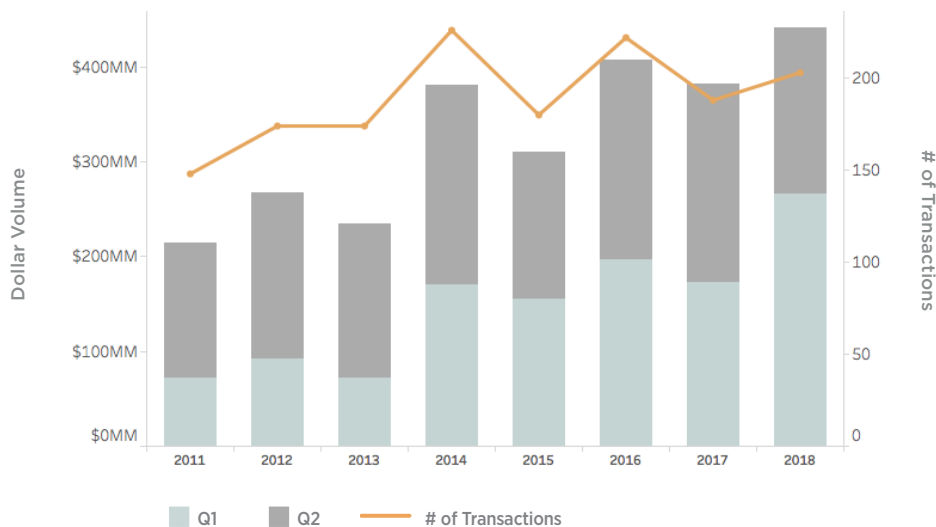
FISHER'S REVIEW

While data through the end of the first quarter showcased a head-turning 38 percent year-over-year increase in transaction activity and a 59 percent rise in dollar volume from 2017, Nantucket real estate sales moderated in the second quarter. Sales included 203 transactions totaling \$441.7 million through June 30, 2018, marking an eight percent increase in transactions and a 16 percent rise in dollar volume through the same period one year ago. On a transaction basis, this is slightly below the 222 property sales that took place 1H2016 (\$407 million) yet higher than every other first half period since 2006. Vacant land transactions led the charge, with units sold rising 59 percent from 1H2017, while single-family home sales rose four percent from the same period. June contract activity was lighter than one year ago, though comparable to June 2016, while total second quarter contract activity was notably lighter than in previous years. Inventory levels rose slightly while price reduction activity declined. Here are Fisher's Market Insights for 1H18...

KEY MARKET STATISTICS

ALL PROPERTY TYPES	2018	2017	% CHANGE	5-YEAR AVG (2014-2018)
Transactions	142	136	4% ▲	134
Dollar Sales Volume	\$355,255,157	\$332,955,250	7% ▲	\$303,554,411
Avg. Selling Price	\$2,501,797	\$2,448,200	2% ▲	\$2,271,462
Median Selling Price	\$1,685,000	\$1,813,000	-7% ▼	\$1,549,550
Avg. MOM	7.2	6.3	15% ▲	8.7
Avg. Price as % of Last Ask	93%	93%	0%	93%
Avg. Price as % of Original Ask	90%	90%	0%	89%
Avg. Sale as % of Assessed Value	127%	122%	4% ▲	125%

NANTUCKET REAL ESTATE ACTIVITY JUNE 2011-2018





1H18 SALES ANALYSIS BY TRANSACTION TYPE

RESIDENTIAL SALES ACTIVITY

HOME SALES, DOLLAR VOLUME & INVENTORY RISE



	2018	2017	% Change	5 Year Avg (2014-18)
Transactions	142	136	4% ▲	134
Total Sales Volume	\$355,255,157	\$332,955,250	7% ▲	\$303,554,411
Avg. Selling Price	\$2,501,157	\$2,448,200	2% ▲	\$2,271,462
Median Selling Price	\$1,685,000	\$1,813,000	-7% ▼	\$1,549,550
Avg. Months on Market	7.2	6.3	15% ▲	8.7
Avg. Price as % of Last Ask	93%	93%	0%	93%
Avg. Price as % of Original Ask	90%	90%	0%	89%
Avg. Price as % of Assessed Value	127%	122%	4% ▲	125%

- Single-family home sales (excluding condos, co-ops & 40B/covenant properties) during 1H18 rose four percent from one year ago, posting nearly the same number of transactions as 2014 and 2016. Like last year, the number of home sales in the \$1MM-\$1.99MM price point increased the most as a percentage of all transactions rising 10 percentage points over 2017, versus the six-percentage point rise in 2017 from 2016. The average home sale price rose two percent year-over-year thanks to a slight increase in \$5MM+ sales. The median home sale value declined seven percent reflecting a difference in the distribution of sales in the \$1MM-\$1.99MM price point from one year ago.
- Despite a rise in transaction volume, the average marketing time lengthened by nearly one month. Average sales discounts remained steady while sales prices as a percentage of Town-assessed values rose. Single-family inventory was largely the same with 297 homes for sale as of June 30, 2018 (versus 299 in 2017).

VACANT LAND SALES ACTIVITY

LOT SALES RISE FOR THE FIRST TIME IN YEARS



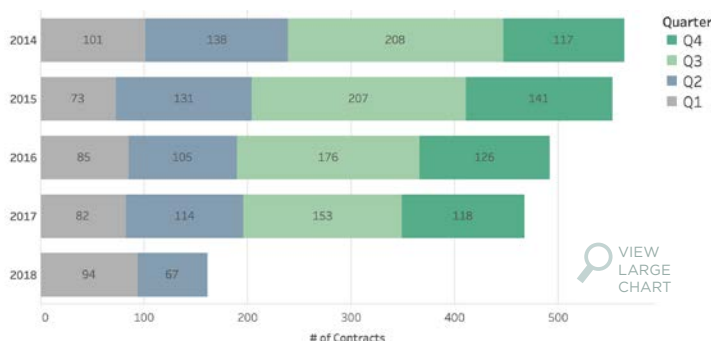
	2018	2017
Transactions	35	22
Total Sales Volume	\$53,137,931	\$18,428,685
Avg. Selling Price	\$1,518,227	\$837,668
Median Selling Price	\$885,000	\$735,000
Avg. Months on Market	8.7	13.6
Avg. Price as % of Last Ask	94%	92%
Avg. Price as % of Original Ask	92%	90%
Avg. Price as % of Assessed Value	120%	122%

- After many years of year-to-year declines in the number of vacant land sales, the first half of 2018 presented a dramatic turnaround. Through June 30, 2018, there were 35 land transactions totaling \$53 million, a respective rise of 59 percent and 188 percent from the same period one year ago. Nearly half of this "new" supply stemmed from the subdivision of larger properties, either by current zoning right or the 81L subdivision control law which allows for the subdivision of land with two structures that predate 1952.
- While a little more challenging to compare land on the island with such a limited number of comparable transactions, and vastly different locations and sizes, the median lot sale price rose 20 percent from 2017. This is not surprising given the average lot size (excluding the 33-acre Land Bank purchase) was 1.8 acres in 2018 and just .70 acres in 2017. Overall, marketing times were significantly lower, declining to 8.7 months from 13.6 months one year ago.

FORWARD INDICATORS

CONTRACT ACTIVITY

2Q CONTRACT ACTIVITY DECLINES SIGNIFICANTLY



- Late spring/early summer contract activity indicated that the sales slowdown witnessed during the second quarter of 2018 may continue into the third quarter. Recorded contracts (Offers to Purchase and Purchase & Sale Contracts excluding duplicates) during June declined to a total of 26, down from 41 during the same month in 2017 but similar to the 29 contracts recorded during June 2016 (which incidentally ended up being a solid sales year).
- On a quarterly basis, 2Q18 contract activity (67) was well below 2Q17 activity (114) and below every second quarter throughout the last four years. On a historical basis, the third quarter is the strongest quarter for new contracts so the month to month increase in activity from May to June could be a sign of an increase in momentum as we head into the strongest sales months of the year. Preliminary July contract activity confirms this is true so far.
- It is worth mentioning that the data is HIGHLY sensitive to whether contracts are registered in the MLS system. And while one could assume this should be a constant year to year, anecdotally there are a significant number of properties under agreement that are not yet recorded in the MLS. June figures may be insufficiently documented though third quarter sales activity will be the true test to determine whether June contract figures were accurate.

PROPERTY INVENTORY & PRICE REDUCTIONS

INVENTORY RISES SLIGHTLY THOUGH PRICE REDUCTIONS WERE FEWER



- The number of residential, vacant land and commercial property listings rose 3.5 percent from one year ago. As of June 30, 2018, there were 385 properties listed for sale and the total months' supply (how long it would take to sell all listings based on trailing-12month sales) measured 11 months, one month longer than the same period last year. The inventory increase stemmed mainly from land and condo units.
- Given the relatively short selling season for Nantucket real estate, the market often sees an increase in the number of price reductions in June. This year was no exception, though the number of reductions in June was fewer than during June of the preceding two years. There were 27 price reductions through the 30 days ending June 30, 2018, a six percent decline from the same period last year. The average listing price discount was also less, measuring nine percent compared to a 10 percent average reduction in June 2017.



1H18 SALES ANALYSIS BY TRANSACTION TYPE

CLOSE

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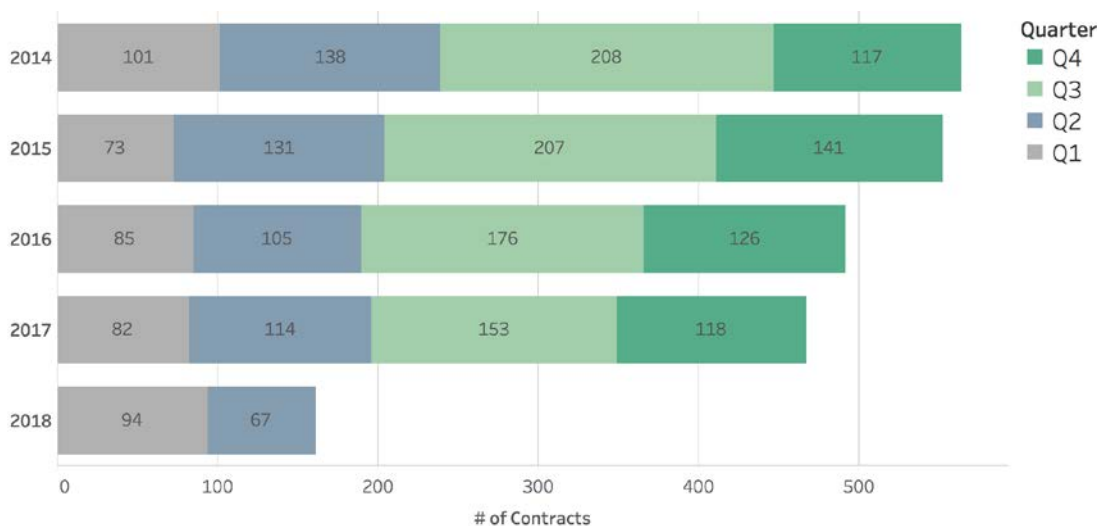


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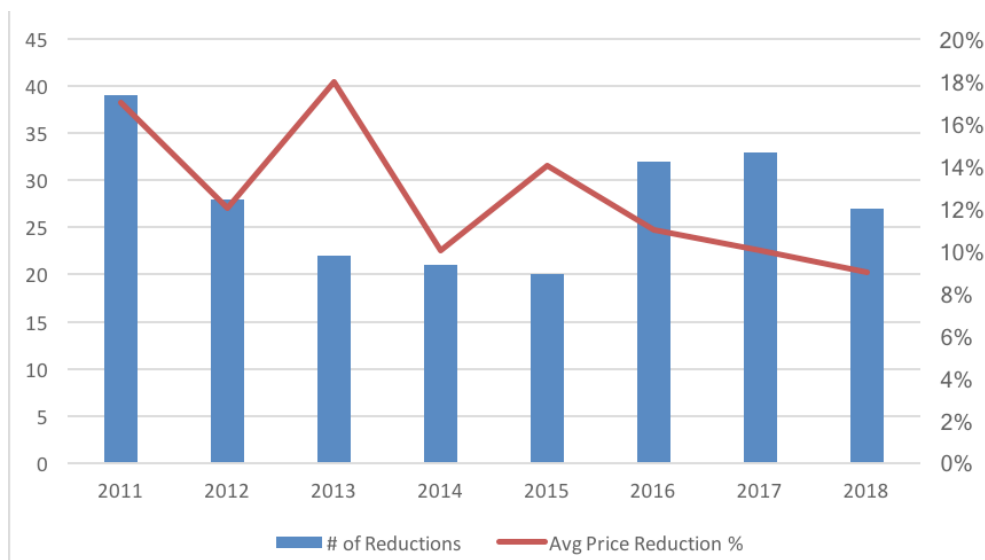


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