

NANTUCKET REAL ESTATE

Market Insights BY JEN SHALLEY ALLEN



MONTHLY SALES HIGHLIGHTS



HIGHEST SALE

\$12,500,000

81 SQUAM ROAD
MARKETED FOR [415 days]



HIGHEST LAND SALE

\$1,150,000

85 S. SANKATY ROAD
MARKETED FOR [530 days]



HIGHEST SPECULATIVE SALE

\$6,600,000

32 CROOKED LANE
MARKETED FOR [243 days]

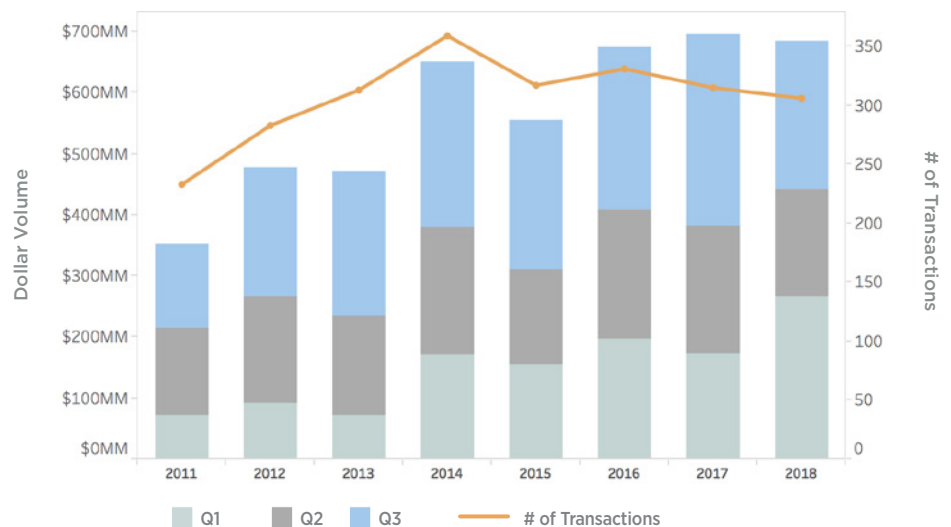
FISHER'S REVIEW

While the first quarter of the year showcased a whopping 38 percent year-over-year increase in transaction activity, the second and third quarters were nearly on par from a comparative standpoint, each posting an approximate 18 percent decline in transaction volume from 2017. Nantucket real estate sales through September 30, 2018 included 306 transactions totaling \$685 million, a cumulative three percent decrease in transactions and a two percent drop in dollar volume through the same period one year ago. Single-family home sales remained steady as compared to the five-year average but were down on a year-over-year basis. Vacant land sales, on the other hand, posted record results from previous years. Inventory levels rose modestly while price reduction activity increased just slightly. Here are Fisher's September Market Insights...

KEY MARKET STATISTICS

ALL PROPERTY TYPES	JAN-SEPT FY2018	JAN-SEPT FY2017	% CHANGE YOY
Transactions	306	315	-3% ▼
Dollar Volume (\$in 000s)	\$685,185	\$697,302	-2% ▼
Avg. Month on Market	6.8	6.8	0%
Last Sale Price to Ask Price	94%	94%	0%
Active Listings (Sept)	439	404	9% ▲
Months Supply of Inventory	12.1	10.6	14% ▲
New Contracts ((Sept)	53	47	13% ▲

NANTUCKET REAL ESTATE ACTIVITY JANUARY-SEPTEMBER

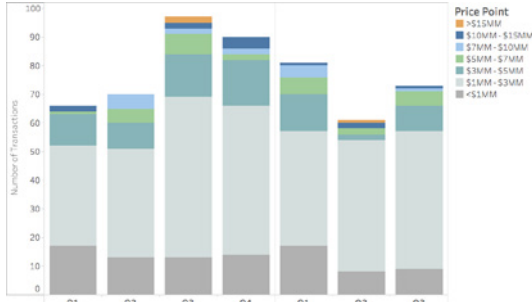




SALES SUMMARY BY PROPERTY TYPE

RESIDENTIAL SALES ANALYSIS

SALES DECLINE FROM 2017; IN LINE WITH 5-YEAR AVERAGE



- Single-family home sales (excluding condos, co-ops & covenant properties) measured 215 transactions totaling \$530 million. This is eight percent lower on a transaction basis and 14 percent lower on a dollar volume basis from the same period one year ago. While the year-over-year decline may be notable, 1Q-3Q figures are directly in line with the five-year average. The biggest anomaly for 2018 has been the lumpy quarterly sales activity — the charts above and on page one illustrate how first quarter sales activity dominated all other first quarters for the last 10 years. Based on preliminary October data, we anticipate 4Q18 will be similar to 4Q17 which should aid in smoothing out sales activity for the year.
- In reviewing residential sales activity by price point, the most significant increase in transaction activity was in the \$1 million to \$2 million segment which increased from 33 percent of total single-family home sales in 2017 to 42 percent of sales through the same 1Q-3Q period in 2018. Both the \$2 million to \$3 million and \$3 million to \$4 million segments saw modest declines from both 2017 and the five-year average. Home sales between \$5 million and \$6 million rose slightly, while each million-dollar pricing segment between \$6 million and \$10 million saw modest declines. Ultra-high-end sales were down by just one transaction from 2017 and the five-year average.

VACANT LAND SALES ACTIVITY

LOT SALES RISE ABOVE 2017 & 5-YEAR AVERAGE



Vacant Land Sales By Price Point YOY Comparison

	2018	2017	% Change	5 Year Avg (2014-18)
Transactions	55	42	31% ▲	56
Total Sales Volume	\$104,506,931	\$32,541,185	221% ▲	\$69,630,053
Avg. Selling Price	\$1,900,126	\$774,790	145% ▲	\$1,226,878
Median Selling Price	\$1,000,000	\$687,500	45% ▲	\$818,100
Avg. Months on Market	8.8	11.6	-25% ▼	8.6
Avg. Price as % of Last Ask	95%	93%	2% ▲	94%
Avg. Price as % of Original Ask	90%	90%	0	90%
Avg. Price as % of Assessed Value	123%	123%	0	124%

- In contrast to residential sales, 2018 presented a dramatic turnaround for land transactions after a long stretch of year-to-year declines in the number of transactions. Through September 30, 2018, there were 55 land transactions totaling \$104.5 million, a respective rise of 31 percent and 221 percent from the same period one year ago. This is almost identical to the number of transactions for the five-year average but the total dollar volume increased by 51 percent.
- Much of this “new” supply stemmed from the subdivision of larger properties, either by current zoning right or the 81L subdivision control law, while the dollar volume increase is due in large part to the \$21.5 million sale of the Cannonbury Lane subdivision in Sconset (which in turn will create more land sales as lots are developed and/or sold). Several other higher-end land sales buoyed total dollar volume, including the \$8.25 million sale of conservation land in the Cisco area, and the \$5.5 million sale of two-acres on Hinckley Lane. For comparison, no vacant land sale transaction was recorded above \$3 million in 2017. Overall, marketing times were significantly lower in 2018, declining to 8.8 months from 11.6 months one year ago.

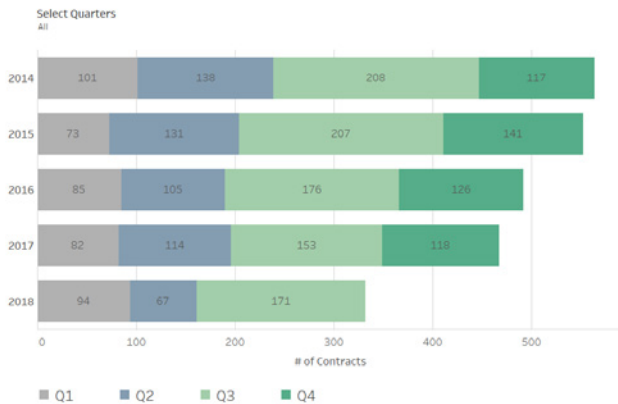
FORWARD MARKET INDICATORS

CONTRACT ACTIVITY BY QUARTER

NEW CONTRACTS RISE IN 3Q

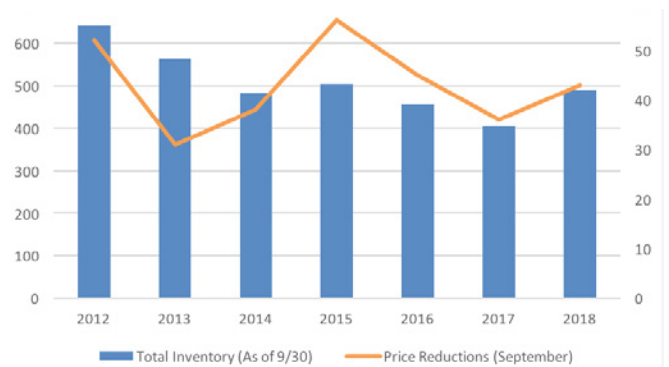


Contract Activity by Quarter through Sept 2014-2018



MONTH-END INVENTORY & PRICE REDUCTION ACTIVITY

INVENTORY & PRICE REDUCTIONS RISE



- Reduced sales activity in the third quarter was foreshadowed by the pronounced dip in new purchase agreements during the second quarter. In fact, total contract activity was just half of what it had been in previous second quarter periods. The good news is that third quarter activity rebounded quite nicely with 171 new purchase contracts through September 30, 2018.
- Based on the average last list price of under contract properties (which is close to \$2.6 million), 4Q18 sales may be more concentrated in the middle portion of the market, which could help to bring the median home sale value back up to prior year's levels. The data also indicates there will be continued transaction momentum in the upper end of the market, particularly homes priced between \$6 million and \$13 million.

- After several years of reporting historically low inventory, the number of properties for sale on the island has been rising, albeit rather modestly. As of September 30, 2018, there were 439 properties on the market as compared to 405 one year ago. This included 342 single-family homes, 58 parcels of land, 17 commercial properties and 22 co-ops, multi-family properties or condominiums. The price points which saw the largest year-over-year increase in the number of properties listed for sale were the \$1 million to \$2 million, \$3 million to \$4 million, \$7 to 8 million segments, as well as properties listed above \$10 million.
- Based on a slight reduction in transaction activity and a rise in total inventory, it should come as no surprise that price reductions also ticked up from last year. During the 30-day period ending September 30, 2018, there were 43 price reductions compared to 36 price reductions in 2017. The average price reduction (from original list price) was 10 percent, slightly lower than one year ago when the average was 11 percent. We'll see whether these price reductions spur sales activity in the fourth quarter.

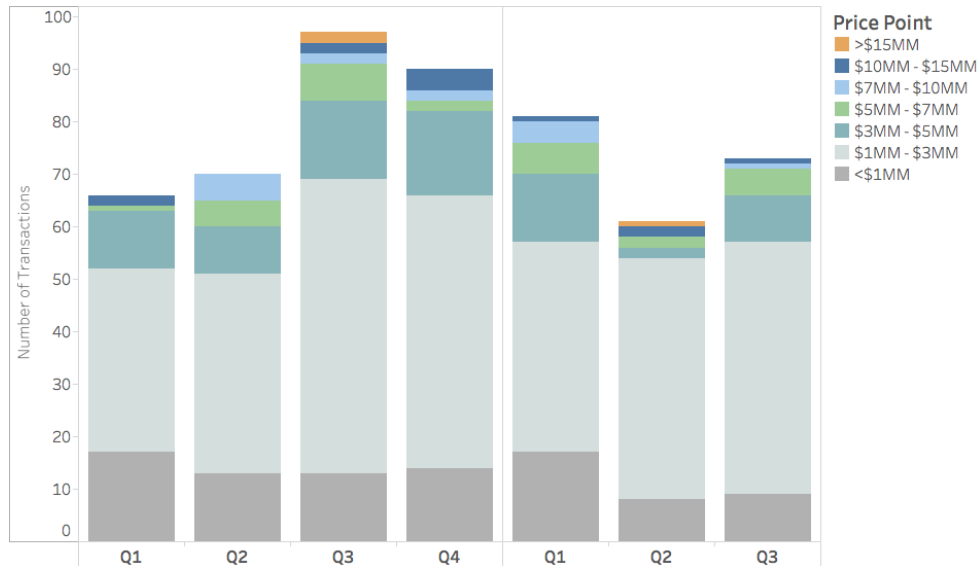


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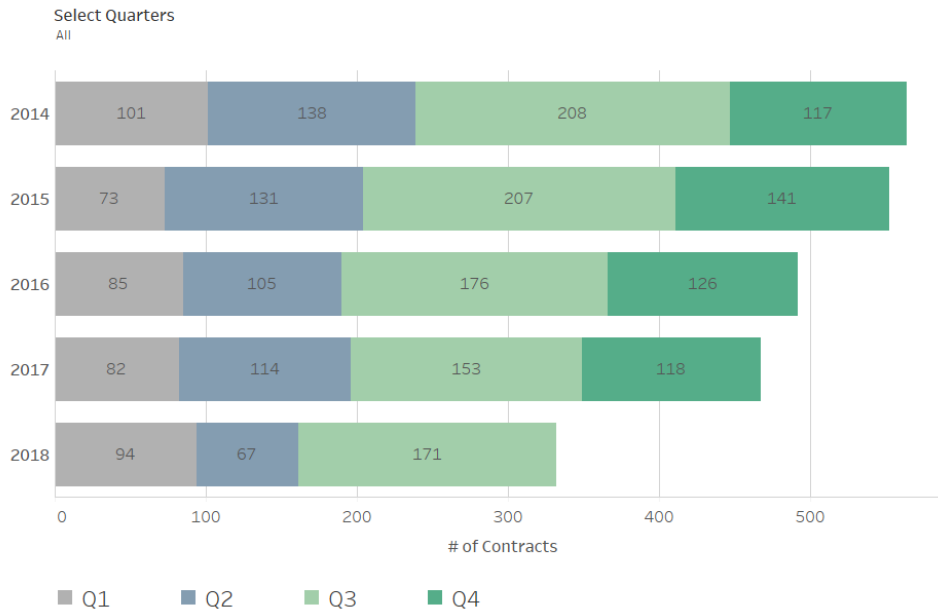


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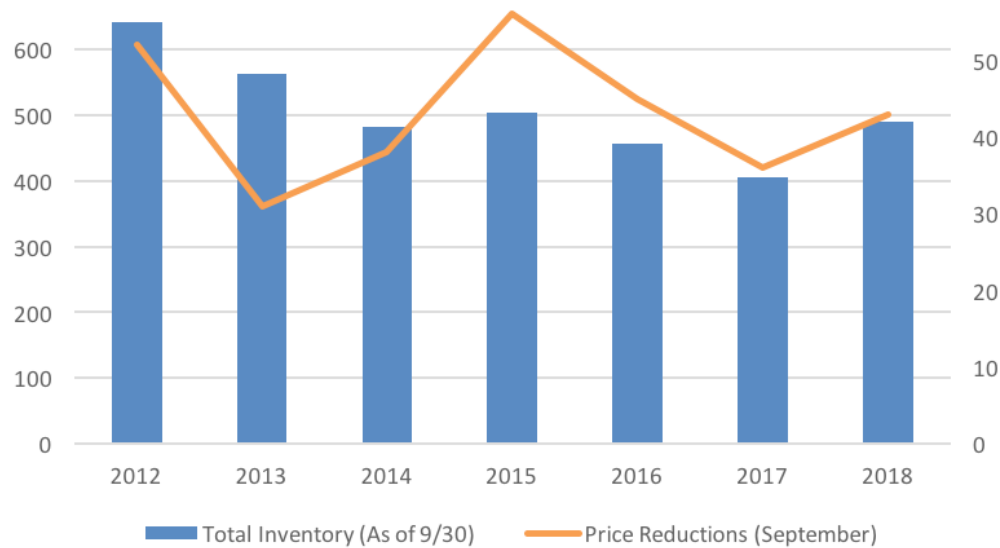


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