

NANTUCKET REAL ESTATE



Market Insights BY JEN SHALLEY ALLEN

MONTHLY SALES HIGHLIGHTS



HIGHEST SALE

\$3,475,000

14 EASY STREET [SPEC]
MARKETED FOR [482 days]



LONGEST MARKETING

\$2,550,000

5 BUNKER HILL ROAD [SPEC]
MARKETED FOR [792 days]



LOWEST DISCOUNT

\$1,195,000

3 NICHOLS ROAD [98%]
MARKETED FOR [62 days]

FISHER'S REVIEW

After the tremendous start to 2018, with the first quarter surpassing every previous monthly record dating back to 2006, 2019 figures already look quite a bit different. In fact, this time last year, we reported an impressive 47 percent (#) and 79 percent (\$) rise in sales figures from 2017, a pace that wasn't sustained in the second quarter. For 2019, we have more of a rabbit than hare scenario with figures more in line with previous January-February performances. For the period ending February 28, 2019, there were 46 property transactions totaling \$95.3 million. While this is only half of the transaction and dollar volume tallied in 2018, the figures are nearly identical to what the market posted in 2017. While this is only half of the transaction and dollar volume tallied in 2018, the figures are nearly identical to what the market posted in 2017 so 2018 may prove to be a unique outlier. We will have to see what unfolds in the next 30-90 days to better understand the data and developing trends. Here are Fisher's February Market Insights...

KEY MARKET STATISTICS

ALL PROPERTY TYPES	JAN-FEB FY19	JAN-FEB FY18	% CHANGE YOY
Transactions	46	86	-47% ▼
Dollar Volume (\$in 000s)	\$95,252	\$185,327	-49% ▼
Avg. Month on Market	10	7.3	37% ▲
Sale Price to Last Ask Price	93%	93%	0
Active Listings (Feb)	291	232	25% ▲
Months Supply of Inventory	8.6	5.9	45% ▲
New Contracts (Feb)	18	29	-38% ▼

NANTUCKET REAL ESTATE ACTIVITY THROUGH FEB 2011-19





RESIDENTIAL SALES SUMMARY

RESIDENTIAL SALES BY PRICE POINT

RISE IN \$1M-\$2M & \$2M-\$3M PROPERTY SALES



Sales by Price Point YoY Comparison

Price Point	2019		2018		5-Year Average	
	Total Transactions	% of Total	Total Transactions	% of Total	Transactions	% of Total
<\$1M	3	10%	11	21%	9	22%
\$1M-\$2M	13	42%	16	30%	13	33%
\$2M-\$3M	7	23%	8	15%	8	19%
\$3M-\$4M	5	16%	7	13%	5	12%
\$4M-\$5M	1	3%	4	8%	2	4%
\$5M-\$6M	1	3%	3	6%	2	3%
\$6M-\$7M	—	—	2	4%	2	3%
\$7M-\$8M	1	3%	1	2%	1	1%
\$8M-\$9M	—	—	1	2%	2	1%
\$9M-\$10M	—	—	—	—	—	—
>\$10M	—	—	—	—	1	0%

- The above table outlines the percentage of single-family home transactions by price point for 2019, 2018 and the five-year average. Like the pattern set one year ago, the number of \$1M-\$2M transactions represented a significantly higher percentage of total transactions on a year-over-year basis. This is due to the rise in property values, particularly at the lower end of the market, which resulted in very few homes available for sale priced less than \$1 million. In fact, there were just three single-family home sales under \$1 million during the first two months of the year, compared to triple that figure for the five-year average and 11 sales during 2018.
- Though we only have data for two months thus far in 2019, sales above \$3M were fewer than one year ago and the five-year average. It's likely far too early to draw any conclusions here but it helps partially explain the lower dollar volume YTD as compared to 2018.

PROJECTED MONTHS ON MARKET FOR SINGLE-FAMILY HOMES



MARKETING TIMES RANGE FROM THREE MONTHS TO 28 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 continue at the trailing 12-month pace, homes priced less than \$1 million are anticipated to go under contract within three and a half months while homes priced above \$9 million may take more than two years to reach a contract for sale. This is approximately two months faster for both price points than the projected time one year ago. In looking at the trend line of this chart, it's clear there is a steady rise in projected marketing times as the price point increases. This is true except for the \$8M-\$9M price point where inventory is presently quite low (two properties) as compared to the historical sales activity, resulting in a lower projected marketing time than the \$7M-\$8M price point.
- 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 2019 inventory and transactions unfold by price point.

FORWARD MARKET INDICATORS

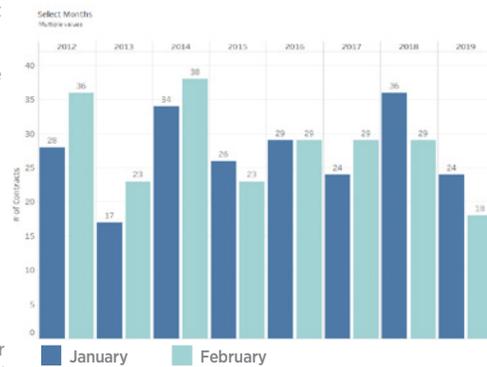
HISTORICAL COMPARISON OF CONTRACT ACTIVITY



EARLY CONTRACT ACTIVITY ALSO SHOWS DECLINE FROM 2018

- Fisher Real Estate measures new contract activity as the total number of Offers to Purchase and Purchase and Sale contracts during a specified period, accounting for any duplicates as a property moves from one status to the next. We include both contract types in our figures to capture current market activity as accurately as possible as properties are often marked under contract only once they are at Purchase and Sale status. This method ensures the figures aren't underestimating buyer activity for a snapshot in time.
- Similar to early comparisons with year-to-year sales figures, 2019 contract activity is quite a bit lower than the exceptional start we saw in 2018. In looking at previous years, however, the numbers aren't quite as stark in contrast. New purchase contracts in January were comparable to previous years while February contracts moderated to lower levels. Once again, we believe it is too early to draw much in the way of conclusions but will report on first quarter contract activity next month. The average last list price for all new property contracts in January and February was \$2.1 million, an indicator that we will continue to see a healthy amount of activity in the \$1 million to \$2 million price point.

Contract Activity YTD 2012-19

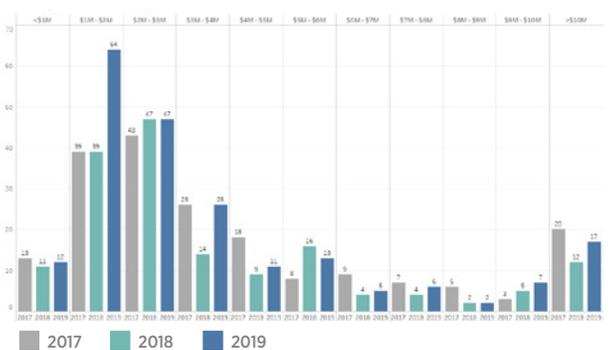


INVENTORY LEVELS BY PRICE POINT



TOTAL INVENTORY RISES, LARGELY IN THE \$1M-\$2M SEGMENT

February SFH Inventory by Price Point 2017-19



- To frame the inventory picture for all property types (residential, land and commercial properties), total Nantucket real estate inventory as of February 28, 2019 included 291 properties. This represents a 24 percent increase from the same time one year ago, or an increase of 56 properties. With only two months of sales data, it's difficult to tell whether the rise is a cause for concern, or if we are simply seeing a jump in year-over-year figures given the abnormally strong sales activity from January - February 2018. When we compare 2019 inventory to 2017 inventory, the rise is just 12 percent.
- Interestingly, the most notable rise in inventory came in the \$1 million to \$2 million price point where available-for-sale properties rose to a total of 64 as of February 28, 2019 compared to 39 properties the two previous years. Properties priced between \$3 million and \$4 million also saw a comparatively large increase on a year-over-year basis but were on par with the number of listings in 2017. Early in the "listing season" it's difficult to draw too many conclusions on the seasonal versus organic effects of inventory changes. Fisher will be keeping a close eye on inventory levels as we hit the spring and summer markets.



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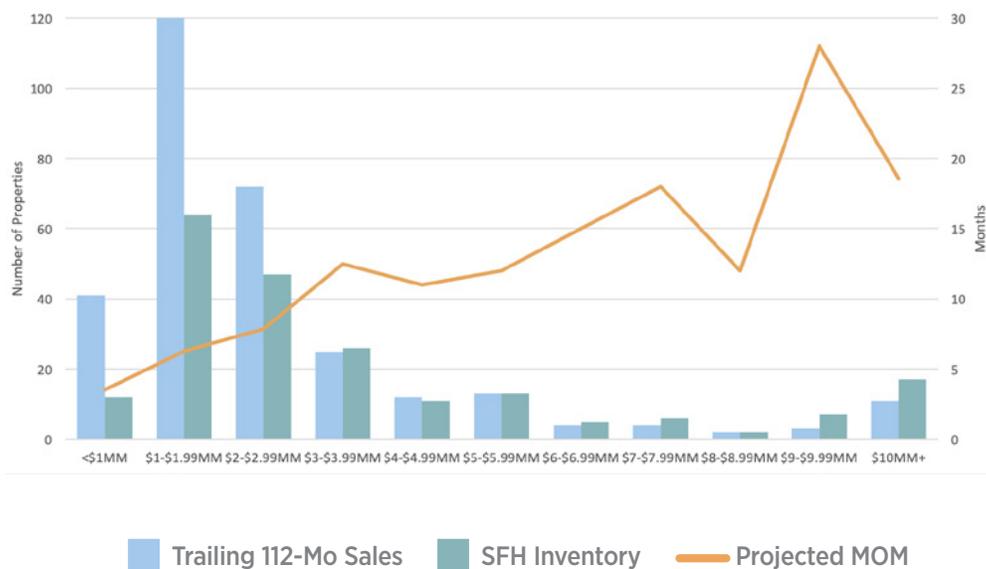
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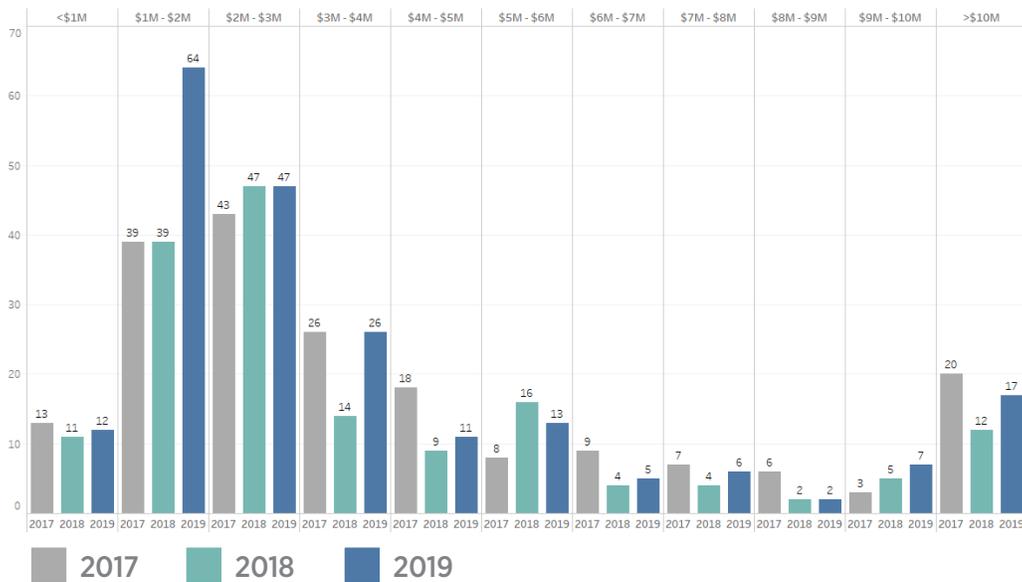


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