

NANTUCKET REAL ESTATE

Market Insights BY JEN SHALLEY ALLEN



MONTHLY SALES HIGHLIGHTS



HIGHEST SALE

\$9,500,000

8 SOUTH VALLEY

MARKETED FOR [9.6 months]



QUICKEST SALE

\$1,365,000

21 HOOPER FARM ROAD

MARKETED FOR [5 days]



NOTABLE COMMERCIAL SALE

\$4,150,000

2 S. BEACH STREET

MARKETED FOR [6.5 months]

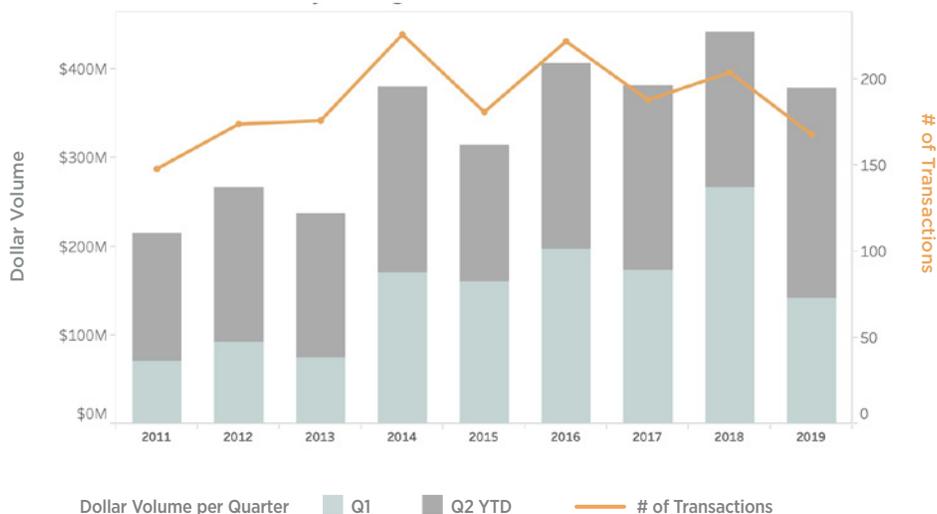
FISHER'S REVIEW

This year's first half report is the opposite of what we were writing about one year ago. In 2018, we were coming off a head-turning, stellar first quarter, yet saw more subdued second quarter results. We had another head-turner of a first quarter this year, but this was due to the fact that transaction figures were down 39 percent from 2018. The good news this summer is that we have a much more vibrant second quarter to report. Sales included 93 transactions totaling \$237 million through the three months ending June 30, 2019, a respective 13 percent and 35 percent increase from the same period one year ago. Cumulatively, for the six months ending June 30, 2019, there were 168 property transfers totaling \$378.5 million. This narrows the year-over-year gap to 18 percent on a transaction basis and 14 percent on a dollar volume basis. Additionally, contract activity during the second quarter was much improved, setting the stage for a promising few months ahead, typically the busiest of the year. Here are Fisher's Market Insights for 1H19...

KEY MARKET STATISTICS

ALL PROPERTY TYPES	FY 2019	FY 2018	% CHANGE YOY	5-YEAR AVG.
Transactions	168	204	-18% ▼	193
Dollar Volume (\$in 000s)	\$378,546	\$442,589	-14% ▼	\$384,910
Avg. Months on Market	7.1	7.1	0	7.6
Sale Price to Last Ask Price	94%	94%	0	94%
Active Listings (June)	457	385	19% ▲	417
Months Supply of Inventory	13.3	10.1	33% ▲	9.8
New Contracts (June)	40	26	54% ▲	31

NANTUCKET REAL ESTATE ACTIVITY THROUGH JUNE 2011-19





1H19 SALES ANALYSIS BY TRANSACTION TYPE

RESIDENTIAL SALES ACTIVITY

TRANSACTION VOLUME IMPROVES BUT STILL DOWN



	2019	2018	% Change	5-Year Avg (2015-19)
Total Transactions	105	143	-27% ▼	126
Total Sales Dollar Volume	\$260,263,950	\$356,084,157	-27% ▼	\$303,753,856
Avg. Selling Price	\$2,478,704	\$2,490,099	0%	\$2,403,620
Median Selling Price	\$1,750,000	\$1,675,000	4% ▲	\$1,646,350
Avg. Months on Market	7.8	7.2	7% ▲	7.8
Avg. Price as % of Last Ask	94%	93%	0	93%
Avg. Price as % of Original Ask	89%	90%	0	89%
Avg. Price as % of Assessed Value	127%	127%	0	126%

- While single-family home sales (excluding condos, co-ops & 40B/covenant properties) through June 30, 2019 were down 27 percent overall from one year ago, single-family home sales during 2Q19 were even with the number of transactions in 2Q18. The market is still feeling the impact of comparison from a stellar 1Q18, but we should continue to see sales play catch-up during the summer selling season as 2019 sales and contract activity were robust in recent weeks. In fact, a quick look at the 1Q vs. 2Q dollar volume in the chart on the first page, shows just how strong 2Q has been relative to both last year and previous years, while our commentary below on contract activity illustrates that this year's second quarter had far more momentum than witnessed this time last year.
- At 41 percent of total sales, transactions between the \$1M and \$2M price point represented the biggest slice of the pie and were identical to the distribution in 2019. The price point which saw the most notable annual jump in transactions was the \$3M-\$4M segment, which represented 13 percent of sales as of June 30, 2019. This compared to just eight percent in 2019. Sales between \$9M and \$10M also saw two more transactions than during both 2018 and the five-year average.
- The average home sale price held steady at \$2.48M while the median home sale value rose four percent reflecting a slightly higher price point distribution than one year ago.
- Despite a rise in second quarter transaction volume, the average marketing time lengthened just slightly to 7.8 months. Average sales discounts remained largely steady, while single-family inventory increased 21 percent.

VACANT LAND SALES ACTIVITY

LOT SALES POST MODEST DECLINE



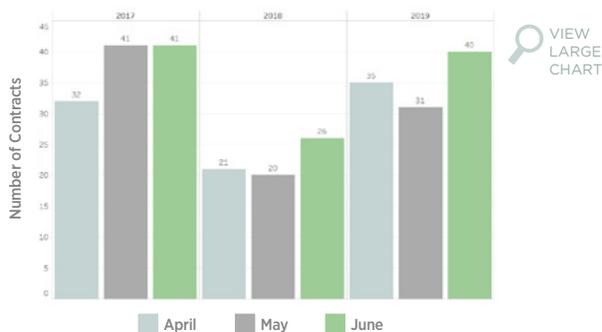
	2019	2018	% Change
Total Transactions	29	35	17% ▼
Total Sales Volume	\$31,480,656	\$53,137,931	41% ▼
Avg. Selling Price	\$1,085,540	\$1,518,227	28% ▼
Median Selling Price	\$950,000	\$885,000	7% ▲
Avg. Months on Market	5.5	8.7	-37% ▼
Avg. Price as % of Last Ask	94%	94%	0
Avg. Price as % of Original Ask	89%	92%	-3 ▼
Avg. Price as % of Assessed Value	138%	120%	18 ▲

- Last year was the first time in many years that we reported a significant rise in first half land sales (which were up 59 percent from 2017). So, while vacant land transactions are off 17 percent from 1H18, we see the amount of activity as still quite solid. Through June 30, 2019, there were 29 land transactions totaling \$31.5 million. Included in these figures are nine commercially-zoned lots near the airport, many of which had negotiated purchase contracts from several years ago, reflecting reduced values from what the market rate would be today. Not included in these figures is the Land Bank's \$9M purchase of land (and residential structures) along the Creeks in Nantucket's Harbor.
- While a little more challenging to compare yearly land metrics with such a limited number of comparable transactions, and vastly different locations and sizes, the median lot sale price rose seven percent from 2018, but the average was down 28 percent. The latter reflects the substantially different price point distribution from year to year. Overall, marketing times were significantly lower, declining to 5.5 months from 8.7 from 2018.

FORWARD INDICATORS

CONTRACT ACTIVITY

STRONG QUARTERLY CONTRACT ACTIVITY; JUNE UP SIGNIFICANTLY



- This time last year, sales momentum was beginning to wane after a stellar first quarter; this year we seem to be seeing the opposite trend as late spring and early summer contract activity was notably stronger than one year ago. Recorded contracts (Offers to Purchase and Purchase & Sale Contracts excluding duplicates) during June rose to a total of 40, up from 26 during the same month in 2018 and up from the 31 recorded in May. On a quarterly basis, the 106 contracts booked during 2Q19 contract activity were well above the 67 during 2Q18.
- Most of the June contracts, 40 percent, were for properties last priced between \$1 million and \$2 million, lower than the 54 percent for this segment in 2018. New contract activity for the \$2 million to \$3 million price point rose handsomely from one year ago, as did contracts for properties last listed between \$3 million and \$4 million. The high-end of the market seemed to hold steady, at least for what was noted in the MLS.
- Historically, the third quarter is the strongest quarter for new contracts so the month to month increase in activity from May to June could be just the boost the market needed to continue to even out the year-over-year sales metrics. Both preliminary July sales and contract activity confirmed this is true so far.

PROPERTY INVENTORY & PRICE REDUCTIONS

INVENTORY & PRICE REDUCTIONS WERE HIGHER



- Given that the 2019 market is still playing transactional catch-up to 2018, inventory levels are markedly different than one year ago and are more comparable to the 2015 & 2016 markets. In fact, the number of residential, vacant land and commercial property listings rose 19 percent in the last 12 months. As of June 30, 2019, there were 457 properties listed for sale and the total months' supply (how long it would take to sell all listings based on trailing 12-month sales) measured 13 months, three months longer than the same period last year. The number of listed properties is higher for nearly every million-dollar pricing segment, but is most notably higher for properties in the \$4M to \$5M price point and the \$3M to \$4M price point.
- 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, as there were 36 price adjustments through the 30 days ending June 30, 2019, a 33 percent increase from the same period last year. The average price discount from the original list price was approximately 10 percent, similar to price reduction activity we saw this time last year.



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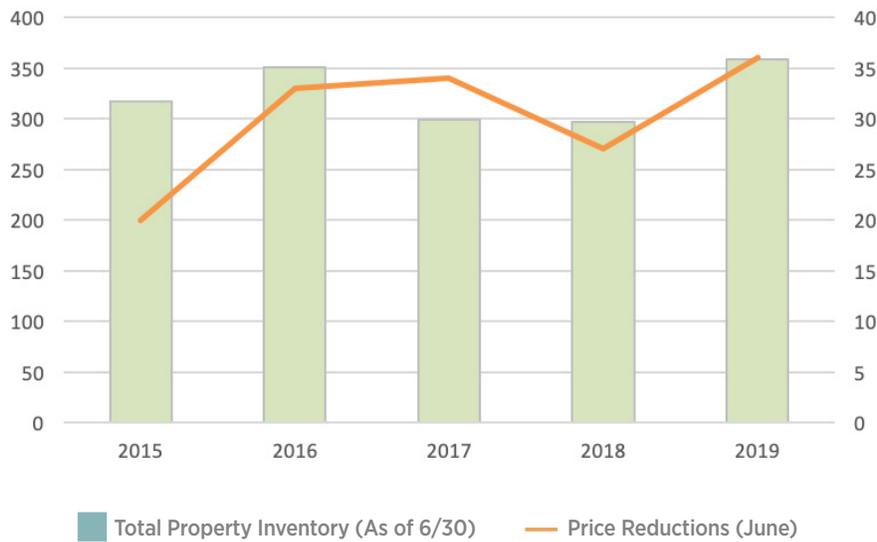


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