

NANTUCKET REAL ESTATE

Market Insights BY JEN SHALLEY ALLEN



MONTHLY SALES HIGHLIGHTS



HIGHEST SALE

\$7,100,000

22 NONANTUM AVENUE
MARKETED FOR [183 Days]



QUICKEST SALE

\$1,495,000

1 SEIKINNOW PLACE
MARKETED FOR [8 Days]



HIGHEST SPEC SALE

\$3,525,000

46 HUMMOCK POND ROAD
MARKETED FOR [20 Days]

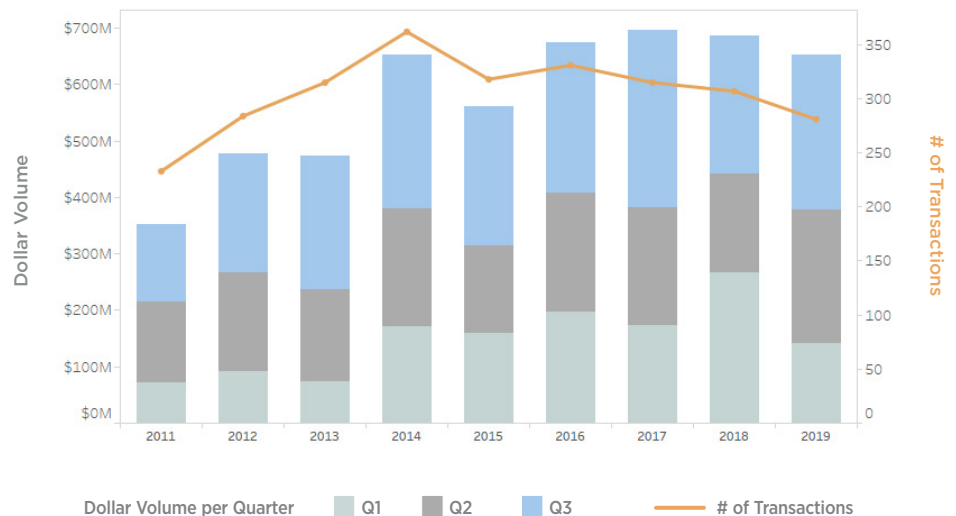
FISHER'S REVIEW

So far in 2019, and unlike 2018, we've seen a more traditional quarterly sales volume trend that steadily increased from the first to the third quarters. In fact, despite a decline in year-over-year September sales figures, cumulative transaction and dollar volume in the second quarter surpassed 2018 levels by a respective 10 and 12 percent. Single-family home sales still lagged 2018 activity on a year-to-date basis but the median value rose while the average marketing time shortened. Sales by price point and summer contract activity indicate strength in the \$3 million to \$4 million segment, while the ultra-high-end trailed previous years' figures. New purchase activity was generally stronger than the past few years while price reduction activity in September rose above 2018. Here are Fisher's September Market Insights...

KEY MARKET STATISTICS

ALL PROPERTY TYPES	FY 2019	FY 2018	% CHANGE YOY	5-YEAR AVG.
Transactions	281	307	-8% ▼	310
Dollar Volume (\$in 000s)	\$651,757	\$686,014	-5% ▼	\$653,966
Avg. Months on Market	6	7	-14% ▼	7
Sale Price to Last Ask Price	93%	94%	-1 ▼	94%
Active Listings (Sept)	477	439	9% ▲	450
Months Supply of Inventory	13.6	12.1	12% ▲	11.9
New Contracts (Sept)	49	53	-8% ▼	53

NANTUCKET REAL ESTATE ACTIVITY THROUGH SEPT 2011-19





RESIDENTIAL SALES SUMMARY

RESIDENTIAL SALES ANALYSIS

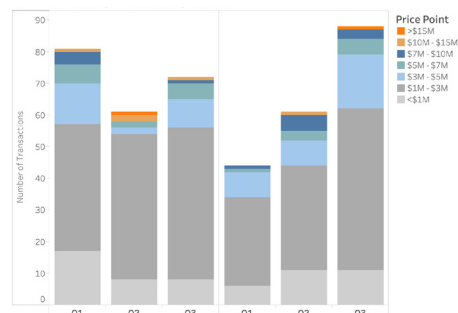
SALES LOWER THAN 2018 BUT MEDIAN VALUE INCREASED

	2019	2018	% Change	5-Year Avg (2015-19)
Total Transactions	193	216	-11% ▼	214
Total Sales Dollar Volume	\$492,532,466	\$530,736,047	-7% ▼	\$531,912,358
Avg. Selling Price	\$2,551,982	\$2,457,111	4% ▲	\$2,481,077
Median Selling Price	\$1,850,000	\$1,738,500	6% ▲	\$1,731,700
Avg. Months on Market	6.3	7.1	-12% ▼	7.2
Avg. Price as % of Last Ask	94%	93%	1 ▲	94%
Avg. Price as % of Original Ask	90%	90%	0%	90%
Avg. Price as % of Assessed Value	129%	130%	-1 ▼	128%

- Though the year-over-year sales gap effectively closed through the end of August 2019, it reopened in September after lighter activity than one year ago. Single-family home sales (excluding condos, co-ops & covenant properties) measured 193 transactions totaling \$493 million. This is 11 percent lower on a transaction basis and seven percent lower on a dollar volume basis from the same period in 2018. Not only were residential sales off from the prior year, 1Q-3Q figures were also lower than the five-year average (which happens to be nearly identical to 2018 figures).
- Despite the decline in transactions, the median home sale price rose six percent from one year ago as 2019 single-family home sales included more transactions in the \$3 million to \$5 million segment as compared to 2018. Interestingly, the average marketing time also dropped from 7.1 months in 2018 to 6.3 months in 2019, among the lowest on record in Nantucket sales history. The average sale price to the last list price rose one percentage point to 94 percent, while inventory levels rose eight percent from one year ago.

QUARTERLY SALES ANALYSIS BY PRICE POINT

SALES MOMENTUM STEADILY GREW; HIGH-END TRAILED 2018

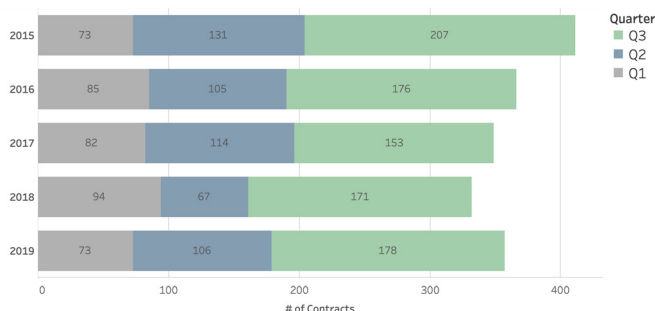


- While quarterly momentum steadily grew year-to-date, most all price points trailed 2018 activity due to the decline in overall transaction volume. The only price points to see an annual volume increase were the \$3 to \$4 million segment and the \$4 million to \$5 million segment, though 2019 volume for each price point was in line with the five-year average. This is somewhat surprising given the inventory in these two price points are essentially double what they were two years ago. For example, as of September 30, 2019, there were 50 single-family homes listed for sale between \$4 million and \$5 million, which compares to just 26 homes listed during the same period in 2017. The comparative quality of the inventory in this price point is likely driving demand.
- Also of note for sales by price point trends is that the ultra-high-end of the market (\$10M+) has thus far lagged prior years. Through September 30, 2019, there were just two homes that sold for more than \$10 million. This compares to five transactions in 2018 and five transactions over the five-year average for the same period. Historically, the high-end (\$5M-\$10M) and ultra-high-end of the market sees most of its transaction activity in the fourth quarter so time will tell if 2019 can catch up to 2018. There are currently three purchase contracts for properties last listed for more than \$10 million while full year 2018 figures included 10 sales above \$10 million.

FORWARD MARKET INDICATORS

CONTRACT ACTIVITY BY QUARTER

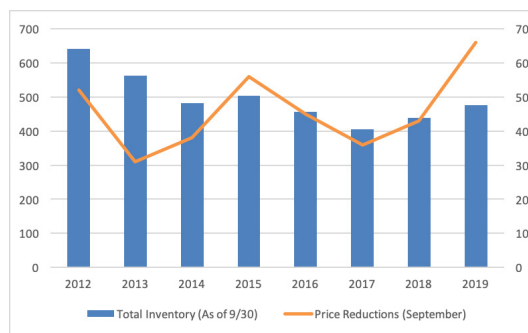
NEW CONTRACTS STRENGTHENED IN THIRD QUARTER



- While quarterly trend patterns mimicked previous years with most new contracts occurring in August, total contract activity during the third quarter of 2019 was slightly higher than during the previous four years. Recorded contracts (Offers to Purchase and Purchase & Sale Contracts excluding duplicates) for the quarterly period ending September 30, 2019, totaled 178 properties, a tad higher than in each of the previous years. The strength in contract activity should bode well for a solid fourth quarter, though preliminary October figures are lighter than 2018. That said, preliminary October contracts are far better than in 2018 so it could be an interesting fourth quarter.
- Most of the contracts booked in the third quarter, 32 percent, were for properties last priced between \$1 million and \$2 million, slightly lower than the 37 percent for this segment in 2018. Also, similar to the year-to-date sales patterns, new contract activity for the \$3 million to \$4 million price point doubled from one year ago, while most other price points were largely the same. The high-end and ultra-high-end of the market held steady, at least for what was noted in the MLS.

MONTH-END INVENTORY & PRICE REDUCTION ACTIVITY

INVENTORY & PRICE REDUCTION ROSE



- While overall Nantucket real estate inventory is still relatively low from a historic basis, the number of properties for sale on the island has been rising. As of September 30, 2019, there were 477 properties on the market (all types, not just single-family) as compared to 439 one year ago. This included 369 single-family homes, 61 parcels of land, 14 commercial properties and 33 co-ops, multifamily properties or condominiums. The price points which saw the largest year-over-year increase in the number of properties listed for sale were the \$4 million to \$5 million, \$6 million to \$7 million and \$8 million segments, while all other price points were effectively steady.
- Based on the reduced transaction activity and a rise in total inventory, it's no surprise that price reductions also ticked up from last year (just as they did from 2017 to 2018). What is a little eye-opening is how many price reductions there were. During the 30-day period ending September 30, 2019, there were 66 price reductions compared to 43 price reductions in September 2018. The average price reduction (from original list price) was 13 percent, slightly higher than one year ago when the average was 10 percent. We'll see whether these price reductions spur sales activity in the fourth quarter.



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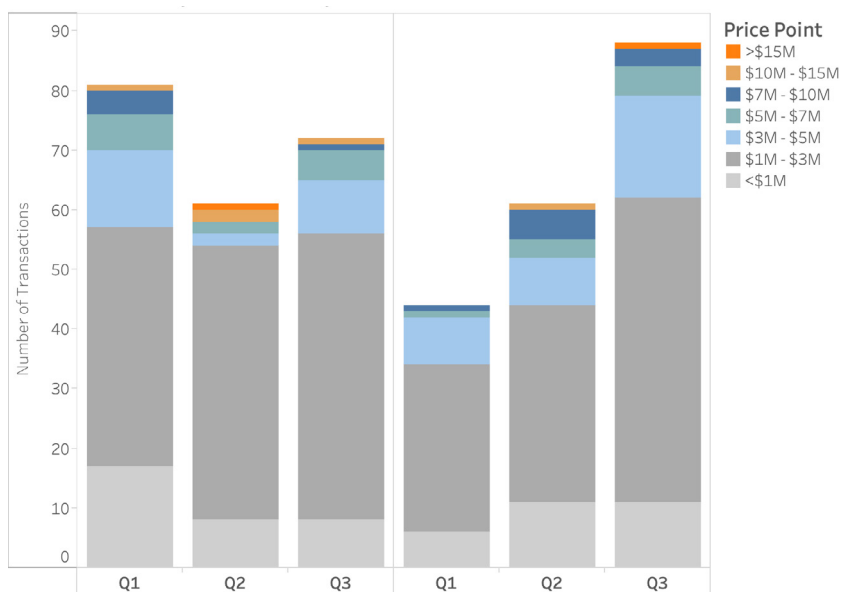
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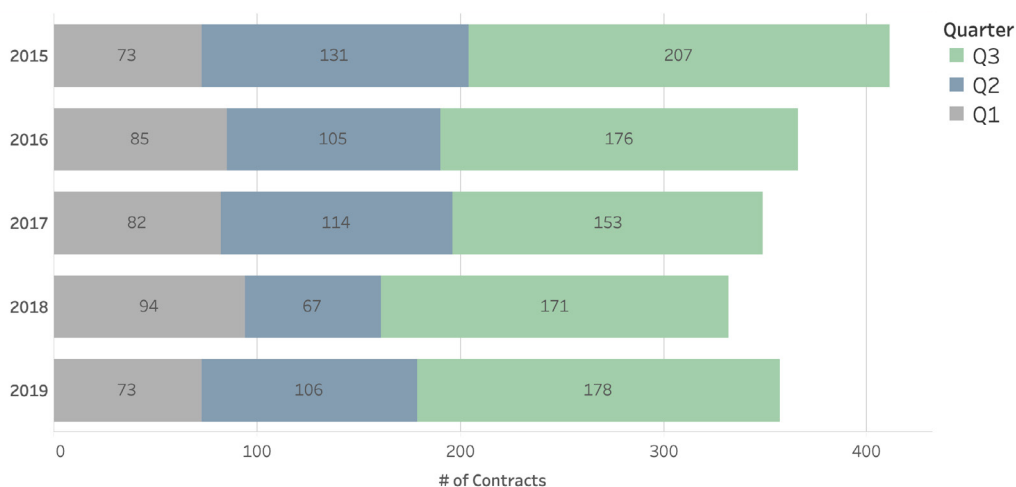
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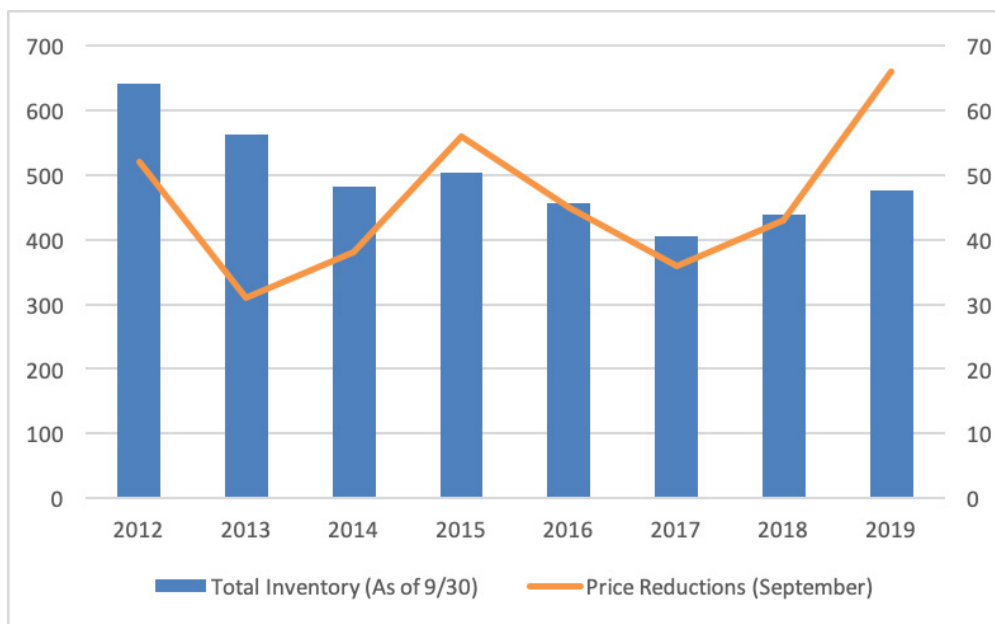
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