

NANTUCKET REAL ESTATE

Market Insights BY JEN SHALLEY



MONTHLY SALES HIGHLIGHTS



HIGHEST SALE

\$7,500,000

91 LOW BEACH ROAD
MARKETED FOR [700 days]



LOWEST RESIDENTIAL SALE

\$530,000

33 SOUTH CAMBRIDGE STREET
MARKETED FOR [1 day]



ABOVE LAST ASKING PRICE SALE

\$6,000,000

12 MIDDLE VALLEY ROAD
MARKETED FOR [465 days]

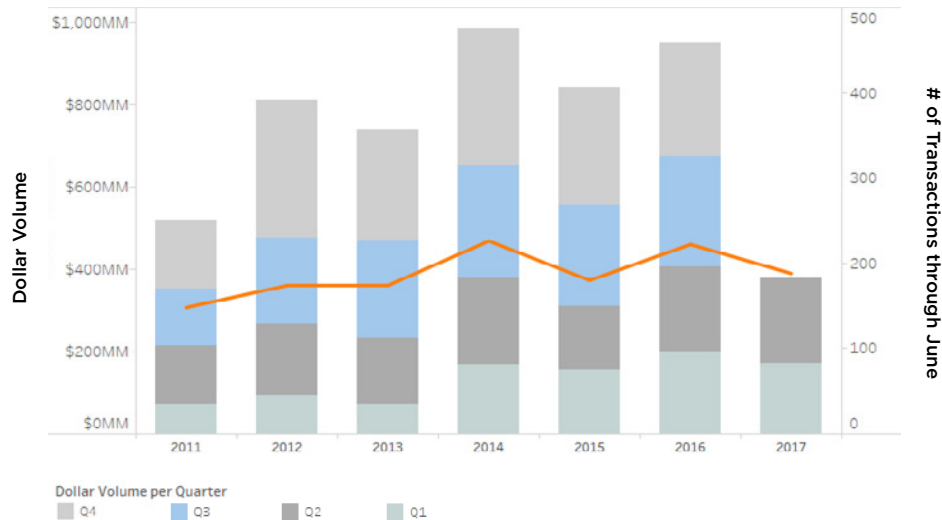
FISHER'S REVIEW

June 2017 Nantucket real estate sales included 47 transactions totaling \$97.1 million, a dramatic increase from May 2017 and a modest increase of two percent and 12 percent respectively from one year ago. On a cumulative basis, first half sales activity through June 30, 2017 included 188 transactions totaling \$381.8 million, a 15 (#) percent and 6 percent (\$) decline from the same period one year ago. Historically low property inventory, particularly in the sub-\$2 million market, was the primary driver of reduced transaction activity for both residential and vacant land sales. On the new activity front, purchase contracts for 1H17 were higher than 1H16 suggesting this year may see a better second half than one year ago. Here are Fisher's June Market Insights...

KEY MARKET STATISTICS

ALL PROPERTY TYPES	JUNE 2017	JUNE 2016	% CHANGE YOY
Transactions	188	222	-15% ▼
Dollar Volume (\$ in '000's)	\$381,828	\$406,936	-6% ▼
Avg Months on Market	6.6	7.8	-15% ▼
Sales Price to Last Ask Price	93%	94%	-1% ▼
Active Listings	372	448	-17% ▼
Months Supply of Inventory	10.19	10.34	-1% ▼
New Contracts (June)	41	29	41% ▲

NANTUCKET REAL ESTATE SALES ACTIVITY 2011-17





1H17 SALES ANALYSIS BY TRANSACTION TYPE

RESIDENTIAL SALES ACTIVITY

HISTORICALLY LOW INVENTORY LED TO
MODEST DECLINE IN HOME SALES



	JAN-JUN 2017	JAN-JUN 2016	% CHANGE YOY
Transaction Volume	135	140	-4% ▼
Dollar Volume (\$ in '000's)	\$330,855	\$317,396	4% ▲
Median Sale Price (\$ in '000's)	\$1775	\$1620	10% ▲
Average Months on Market	6.3	8.72	-23% ▼
Sale Price to Original List Price	90%	89%	1 ▲
Sale Price to Last Ask Price	93%	93%	0 ▼
Active Listings (June)	299	351	-15% ▼

- Single-family home sales (excluding condos, co-ops & covenant properties) during 1H17 declined a modest four percent from one year ago. The 135 homes sold during the period were five transactions shy of 1H16 and 14 homes shy of the record set in 1H06. The number of home sales in the \$1MM-\$1.99MM price point decreased the most as a percentage of all transactions (-5 percentage points). There were one to two more transactions in most all price points between \$5 million and \$10 million helping to drive the median home sale price up 10 percent from 1H16.
- The continued strength in demand led to a nearly two-month, year-over-year decline in the average marketing time for single-family homes. As of June 30, 2017, the average marketing time measured just over six months from listing date to contract date. Demand continued to make a dent in property inventory which declined 17 percent over the last 12 months. Sales discounts remained steady as homes sold for an average of 93 percent to the last asking price.

VACANT LAND SALES ACTIVITY

LOT SALES DECLINED DUE TO
HISTORICALLY LOW INVENTORY



ALL PROPERTIES	JAN-JUN 2017	JAN-JUN 2016	% CHANGE YOY
Transactions	23	34	-32% ▼
Dollar Volume (\$ in '000's)	\$20,529	\$40,833	-50% ▼
Median Sale Price (\$ in '000's)	\$775	\$766	1% ▲
Average Months on Market	13.6	5.9	131% ▲
Sale Price to Original List Price	90%	93%	-3 ▼
Sale Price to Last Ask Price	92%	96%	-4 ▼
Active Listings (June)	47	60	-22% ▲

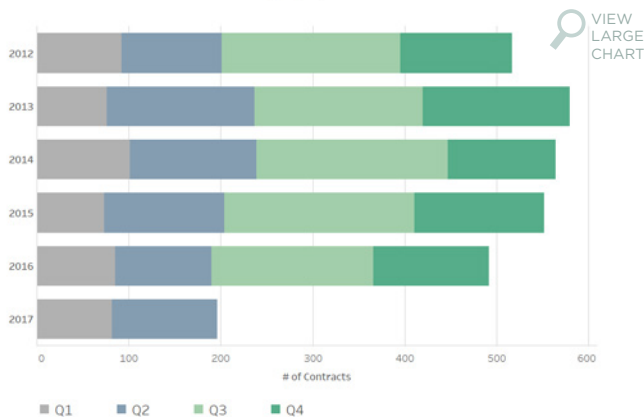
- As compared to the first six months of 2016, vacant land sales declined 32 percent through the period ending June 30, 2017. While transaction figures were more in line with activity witnessed in 2011 & 2012, the inventory landscape between these time periods was dramatically different as just 47 lots remained for sale as of June 30, 2017 compared to 95 lots listed at the same time in 2012. Not only was inventory limited but it must not have readily met buyer demand as the average marketing time was 400 days for 1H17 compared to an average of 160 days for 1H16.
- With lower transaction volume, reduced inventory levels and lower list prices on the available land for sale, dollar volume dropped a sizable 50 percent from 1H16. The average sale price declined from \$1.2 million one year ago to \$890,000 through the period ending June 30, 2017. This has more to do with the year-to-year differences in available land attributes than it does a decline in lot values. Interestingly, the average sale price to the last list price declined four percentage points to 92 percent of last ask, perhaps due to unrealistic pricing on the part of sellers.

CONTRACT ACTIVITY & INVENTORY BY PRICE POINT

CONTRACT ACTIVITY

SECOND QUARTER ACTIVITY HIGHER THAN 2016

Contract Activity by Quarter 2012-2017

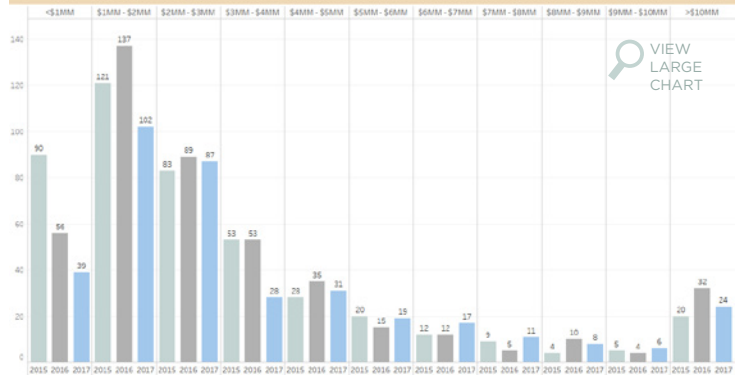


- The number of contracts (Offers to Purchase and Purchase & Sale Contracts excluding duplicates) recorded during the 30 days ending June 30th totaled 41, the exact same number of contracts recorded in May 2017 but a sizable increase from the 29 contracts recorded during June 2016.
- On a quarterly basis, 2Q17 contract activity (114) exceeded 2Q16 activity (105), though both quarters were shy of 2Q15 (131) and 2Q14 (138) purchase activity. 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 is likely a sign of an increase in momentum as we head into the strongest sales months of the year.

PROPERTY INVENTORY BY PRICE POINT

AVAILABLE PROPERTIES UNDER \$2 MILLION DRAMATICALLY LOWER

June Inventory by Price Point 2015-2017



- The number of residential, vacant land and commercial property listings declined 17 percent from one year ago. As of June 30, 2017, the total number of properties listed for sale measured 372 and the total months' supply (how long it would take to sell all listings based on trailing-12 month sales) measured 10 months, a one percent decline from the same period last year.
- In looking at the changes in inventory over the last three years it's apparent that the shortage of inventory, particularly at the lower end of the market, created a drag on year-to-date transaction activity. The sub-\$2 million market typically represents approximately 60 percent of annual sales activity, so when the number of sub-\$1 million listings declined from 90 properties in June of 2015 to just 39 properties in June of 2017, it's no wonder there has been an overall decline in transactions. The number of available \$1 million to \$2 million properties also declined, though more moderately (121 to 102), creating additional pressure on transactions.