



— WINDWALKER —  
**WILLIAM RAVEIS**  
 NANTUCKET • NORTHEAST • GLOBAL

October 2015

# Nantucket REport

NANTUCKET REAL ESTATE REVIEW

## TRANSACTION HIGHLIGHTS



### HIGHEST SALE

\$10,575,000 20 GOSNOLD ROAD  
 PRIVATE SALE

### LOWEST SALE

\$150,000 (LAND) 47C NOBADEER FARM RD  
 MONTHS ON MARKET: 6.5  
 SALE PRICE TO ORIG. PRICE: 75%



### NOTABLE SALE

The most recent sale of 38 Cliff Road in October 2015 for \$2.3 million represents a 21 percent gross annual return and 7 percent annual return from the previous sale date in Dec. 2012. The returns shed light on rising property values in the area as this home was not significantly altered since its last sale.

## NANTUCKET RE SNAPSHOT

**9%** HOME PRICES (\$) MEDIAN SALES PRICE

**11%** HOME SALES (#) NUMBER OF SOLD HOMES

**5%** LAND SALES (#) NUMBER OF VACANT LOT SALES

**31%** INVENTORY # OF HOME LISTINGS

**4 MOS.** MARKETING TIME MONTHS ON MARKET

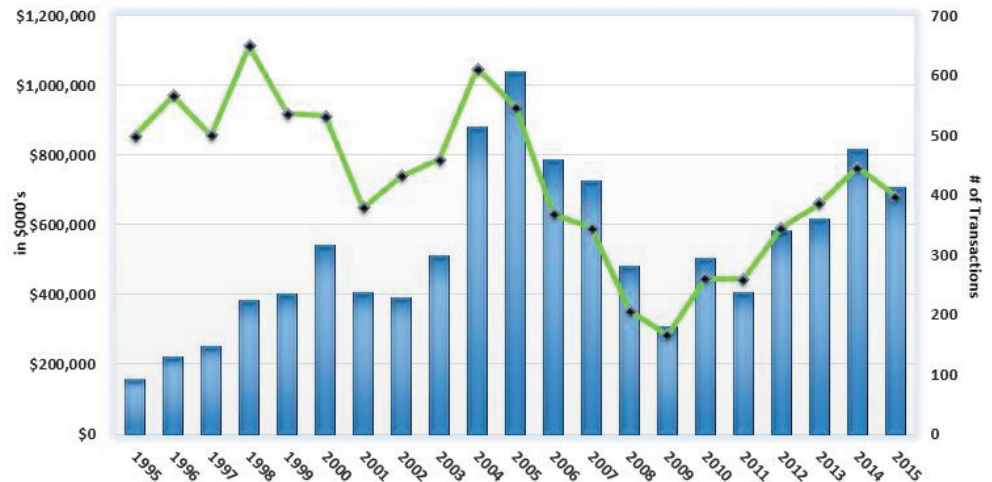
Data as of October 31

	October			YTD through October 31st		
	2014	2015	% CHANGE	2014	2015	% CHANGE
ALL PROPERTIES						
PROPERTY SALES (#)	84	77	-8.3%	446	397	-11%
DOLLAR VOLUME (\$)	\$162,867,518	\$145,625,871	-10.6%	\$816,047,637	\$706,758,795	-13.4%
AVG. SALE VALUE (\$)	\$1,938,899	\$1,891,425	-2.4%	\$1,808,700	\$1,780,284	-1.6%
MEDIAN SALE VALUE (\$)	\$1,471,750	\$1,500,000	1.9%	\$1,194,803	\$1,185,000	-0.8%
AVG. SALE % OF ORIGINAL LIST	85%	88%	3.5%	87%	90%	3.4%
AVG. SALE % OF LAST LIST	85%	93%	9.4%	92%	94%	2.2%
AVG. SALE % OF ASSESSED	126%	120%	-4.8%	123%	130%	5.7%
AVG. MONTHS ON MARKET	15	9	-40%	13	8	-38.5%

First quarter transactions exclude the \$27 million commercial sale of 6 Sun Island Road

## NANTUCKET REAL ESTATE DOLLAR & TRANSACTION VOLUME

Historical Analysis as of October 31st



**SO FAR, THE SECOND HALF OF 2015 IS SHAPING UP FOR A FAR BETTER PERFORMANCE THAN THE FIRST HALF**, especially in comparing year-over-year transaction figures. During the first six months of this year, for example, every month except for January saw double-digit declines in transaction volume from 2014 figures. These declines quickly reversed during the summer season such that 3Q15 posted a 1 percent transaction volume gain over 3Q14. Now into the first reporting month of the fourth quarter, we see that transactions once again trailed same-month figures from one year ago; knowing, however, that October 2014 was the single best monthly period during every year since 2004, an eight percent transaction decline is relatively impressive and places October 2015 as the second highest transaction period for any month during the past 10 years. With October's 77 transactions totaling \$145.6 million, the Nantucket real estate market reached 397 transactions totaling over \$706 million through October 31, 2015.

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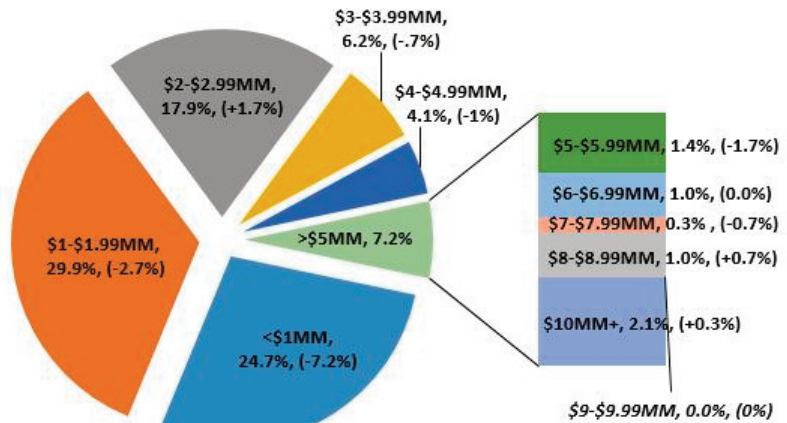
12 Oak Street Nantucket, Massachusetts 02554 508 228 9117

**OCTOBER SALES WERE LED** by the \$10.575 million private sale of 20 Gosnold Road, one of six ultra-high-end (\$10MM+) sales so far this year. This is the same number as in 2014 but given the overall reduced number of transactions from last year, the ultra-high-end represents a slightly larger percentage of total sales (2.6% in 2015 vs. 1.7% in 2014 - see chart to the right). Two additional high-end (\$5MM-\$10MM) transactions also helped boost dollar volume including the Nantucket Islands Land Bank's \$7 million purchase of 100 acres in Madaket and the \$5.9 million sale of 19 North Pasture Lane in Polpis. Property sales in this \$5 million to \$10 million price point represent just 3.8 percent of 2015 sales compared to 5.5 percent of transactions in 2014, helping to explain the larger drop in dollar volume (-13%) relative to transaction volume (-11%). Another price point which saw a year-to-year decline in the percentage of total sales is the sub-\$1 million segment which fell 7.2 percentage points through October 31, 2015. Interestingly, the number of home sales for less than \$1 million represented 32 percent of October transactions, indicating we may see this price point grow as a percentage of total sales as we approach year's end. In a positive sign for rising property values and strong demand, seven properties sold for 100 percent or more of the original asking price in October, the highest number during any monthly period so far in 2015. This compares to just two full price sales during October 2014. The growing number of these full-or above-price sales suggests demand is exceptionally vibrant for certain properties in certain areas (i.e. Surfside (5 properties) followed by Town (4) and 'Sconset (4)). The average price of all full- or above-price sales in 2015 has been \$2.1 million.

**OCTOBER 2015 SALES WERE NOTABLE** for the 15 vacant land transfers that took place. These sales represented 17 percent of all YTD land transaction, bringing the total number of vacant lots sold through October 31, 2015 to 87. This represents an increase of 5 percent from the same time last year, double the number of lots sales as witnessed during the same period in 2007, and the highest number of lots sold since 2005 when there were 108 transactions through October 31st. Perhaps surprisingly, even as the number of lot sales have risen, so too has vacant land inventory. In fact, the number of lots available for sale rose 22 percent from October 2014 to October 2015. This partially explains why even though demand is robust, the median sale value actually declined by one percent over the last 12 months while the average value declined 23 percent. So where is this seemingly 'additional' supply of land coming from on an island with limited supply? Nearly 30 percent of current lot inventory represents subdivided parcels from what were individual, oversized parcels of land. This includes at least 10 parcels of land along Hanabea Lane near the airport and several parcels on Phippen's Way in Shimmo, among others. As of October 31, 2015 there were 85 parcels of land for sale. Comparing this to the the 93 lot sales that have taken place during the past year, this ratio indicates that the projected months on market for vacant land was 11 months at the end of October, three months lower than the projected months on market for single-family homes but two months longer than the projected absorption time for land one year ago

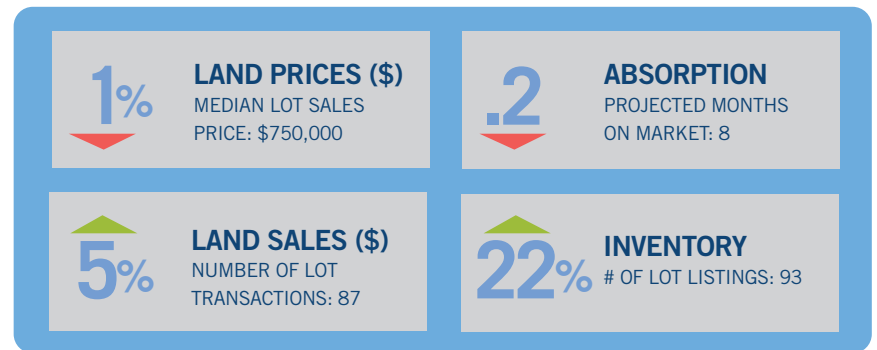
**IN OTHER NANTUCKET REAL ESTATE INVENTORY NEWS**, given that YTD 2015 transactions trail 2014 totals by 10 percent, it doesn't come as much of a surprise to see that inventory levels have risen over the same period. Yet, the 28 percent year-over-year growth in inventory cannot be solely explained by the 10 percent decline in transactions. Inventory levels have increased from both 2014 and 2013 levels. Some of the new inventory is coming from opportunistic sellers taking advantage of a strong market, but in dissecting single-family home inventory by new construction and previously owned properties, we can also see that a portion of the increased inventory stems from new construction by speculative developers, particularly in the \$2MM-\$4.99MM range. In fact, 13 percent of total inventory (in November) was comprised of newly constructed homes. This compares to 6 percent just one year ago. Windwalker William Raveis will continue to watch this trend and will plan to do a more detailed report in the coming weeks. Stay tuned.

## NANTUCKET HOME SALES BY PRICE POINT: 2015 VS 2015 THROUGH OCTOBER 31, 2015



(Percentage figures in parentheses represent YOY change)

## VACANT LAND IN FOCUS: 2015 VS 2014



## SINGLE-FAMILY HOME INVENTORY NEW CONSTRUCTION VS PREVIOUSLY OWNED

