

**Atlantic East Market News**  
**1<sup>st</sup> Quarter 2014**

We were never so happy to welcome spring as we are this year. It was a very long winter and just when we thought it was over, there would be another snow storm. We surely appreciate the changing season, more than ever, after last winter. One of the wonderful things about living on Nantucket is that each season brings a new pace, environment and climate to our island. We enjoy the return of the longer days and daffodils in the spring, being outside and welcoming back family and friends in the summer and the peace and quiet come autumn. For some reason, the changing seasons seemed to be amplified on Nantucket, possibly because we are on an island. This month we celebrate one year in our new location at 82 Easton Street. It has been an excellent spot for us as we embark upon our 10th year in business at *Atlantic East* Nantucket Real Estate. Last year brought many changes for our office which we believe better positions us to serve the needs of our clients and customers. We are looking forward to an action-packed summer with all, very capable, hands on deck.

The real estate market on Nantucket continues to rapidly move with the number of sales up 74% for the 1st Q of 2014 compared to the 1st Q of 2013. The dollars represented by these sales were up 141%. The average price of a property on Nantucket is now \$1,690,000, compared to \$1,224,000 at the end of 2013. The biggest challenge facing the Nantucket market in 2014 will be the declining number of properties for sale. With the increased activity in 2013, fewer distressed properties coming to market and increased confidence on the part of buyers, we are faced with the lowest inventory coming into spring that we have seen in many years. Never have we seen market conditions start to shift so rapidly. In 2012, foreclosures and short sales constituted 10% of the market, in 2013 it was 4% and to date in 2014 there has been only one foreclosure sale. This is partly due to the fact that, with the economic recovery, jobs for year round folks on Nantucket are more plentiful. The price sector hardest hit by distressed sales was properties under \$1 M, largely occupied by people who live on-island all year long.

**1st Quarter of 2014 Hot:** There were 103 sales in the 1st Q of 2014, representing \$174,073,000. This compares to 59 sales, representing \$72,207,000 in 2013. The last 1st quarter this strong was in 2006, just prior to the recession. (See charts on Page 4).

**Shorter Time on Market:** The average time a property is listed for sale on Nantucket is now 7.47 months, compared to 9 months in 2012 and 11 months in 2008. This number has been steadily declining since 2008, indicating that buyers feel more confident than in the past.

**Values Rising:** The average selling price, as a percentage of list price is now 95.19%, compared to 92% in 2012 and 90% in 2009. The average selling price, as a percentage of assessed value, is now 134%, compared to 105% in 2012 and 99% in 2009. So, assessed values, which are set by the Town of Nantucket every 3 years, serve primarily as a barometer for comparison to similar properties at this time.

**What is Selling?** The highest demand continues to be for either vacant land in prime locations or for houses that are in move-in condition. Properties with water access or water views are also moving right now. Town and 'Sconset have seen the highest appreciation within the past 12 months of any areas on the island. In 2013 half of all properties sold were \$900,000 and under; to date in 2014 half of all properties sold were under \$1,200,000.

**Who is Buying?** People who are buying on Nantucket are those who wish, not only to diversify their holdings, but those who have the ability to spend time on the island.

**Predicting the Future:** There were 469 sales on Nantucket in 2013, representing a total of \$748 million. The first quarter of this year would indicate that 2014 will surpass last year, barring any unforeseen market correction.