

ATLANTIC EAST NANTUCKET REAL ESTATE MARKET NEWS Q3 2024

As of the end of Q3, the Nantucket real estate market continues the trend of the past few years with a lower number of transactions selling but for considerably more dollars than in the past. During the pandemic driven years of 2020 through 2022, the value of an average house on Nantucket increased 43% from \$2.4 million in 2019 to \$4.2 million at the end of 2023. To date in 2024, the average selling price of a home on Nantucket is \$4,620,000, the highest it has ever been. And, although the number of sales are down: -6% from last year and -31% the year prior, prices are showing no softness. The average selling price of vacant land on Nantucket, becoming ever more scarce, rocketed this year to \$3.02 million (+55%), with a median lot price of \$2.55 million (+76%). Add to this the very low inventory coupled with the current interest rate climate, to understand the lower sales activity in some sectors of the Nantucket real estate market. In the decade prior to 2020, Nantucket averaged about 500 transactions annually. In 2022 there were 825 sales for \$2.3 billion dollars. In 2023 there were only 333 transactions (for \$1.1 billion dollars) and to date in 2024 there have been only 218 sales (for \$880 million dollars). The Nantucket real estate market is on track to break \$1 billion again in 2024 (as we did in 2017, 2018 and 2019). Again, there is no indication that selling prices will moderate any time soon.

In the years prior to the pandemic, the average number of properties listed for sale, at any given time, on Nantucket was 350-400 (residential, land and commercial). Last year at this time, there were only 129 listings; today there are 207 (+37%). The reasons people decide to sell their Nantucket property are varied. Many of them have to do with a change in life circumstances, often beyond our control. Although the year-round population has been steadily climbing for the past 10 years, others who live on-island are, for many reasons, deciding to sell and relocate. With the nearly 5-year assault on the short-term rental of one's private home, there are people who have decided to sell because without the ability to rent, it is impossible financially to keep their home on Nantucket.

Many sellers have aggressively priced their properties, perhaps to test the market or because they believe that the market has not changed since 2021. This is not the case. Much of the pandemic-driven activity was impulsive, as people fled to communities they perceived as safer. If you are a seller who wants to sell, it is extremely important to price your property for the current market and not some past or future market.

When evaluating the market activity, it helps to look at different price sectors. The high-end of the market (over \$10M) is doing well with 15 closings so far in 2024. There have been 11 sales between \$7-10M; 27 sales between \$5-7M; 54 sales between \$3-5M (the most active sector); 42 sales between \$2-3M; 35 between \$1-2M and 22 sales for less than \$1 million dollars. Nearly 50% of all sales this year have been over \$3 million dollars. The average time on the market is still low at 5 months and the average selling price, as a percentage of list price, is now 92%. In 2021 and 2022 it was 94%. The average selling price, as a percentage of assessed value, has dropped now to 137% from 152% last year. As has been typical, the largest number of sales occurred for properties located in Town, followed by the Mid-Island, Sandpiper Place, Sconset and Surfside. Stay tuned for our annual wrap up as soon as we are in 2025!