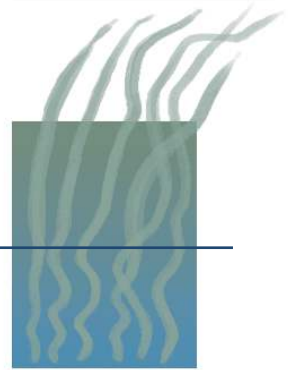


# Atlantic East Real Estate

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N A N T U C K E T

## A T L A N T I C E A S T V I E W

We are so very thankful to our agents, who average 18 years of full time experience in real estate, for helping us come through a very challenging few years. We are pleased to report that, thanks to everyone at Atlantic East, business is looking up. Although we are not the largest office or best self-promoters, this allows us to focus our personal and thorough attention on our clients. We pride ourselves on our market and island knowledge and our ability to communicate. Our clients stick with us and much of our business is referral based. Thank you to all who have had a part in our first five years.

**Now for some good news.** The numbers are in for the first quarter, and although we knew there were signs of market recovery, we now have statistical evidence to support that business is on the increase. The number of sales in the first 3 months of 2010 more than doubled compared to the same period in 2009. The dollars that these sales represent increased from \$53 million in 2009 to over \$108 million in 2010. We attribute the change in the market to a number of factors including increased consumer confidence. A poll done by the National Association of Realtors indicates that 2/3 of people in this country feel that now is a great time to buy.

**How will the year shape up?** We are reluctant, with only one quarter under our belts, to predict what the rest of the year holds. However there are, at any given time, between 30 and 40 properties under contract, totaling about \$50 million. This is a good leading indicator of the direction we are heading in. There were 237 total sales in 2009 with a dollar volume of \$435 million. We are currently on track to exceed last year; by how much remains to be seen.

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# MARKET NEWS

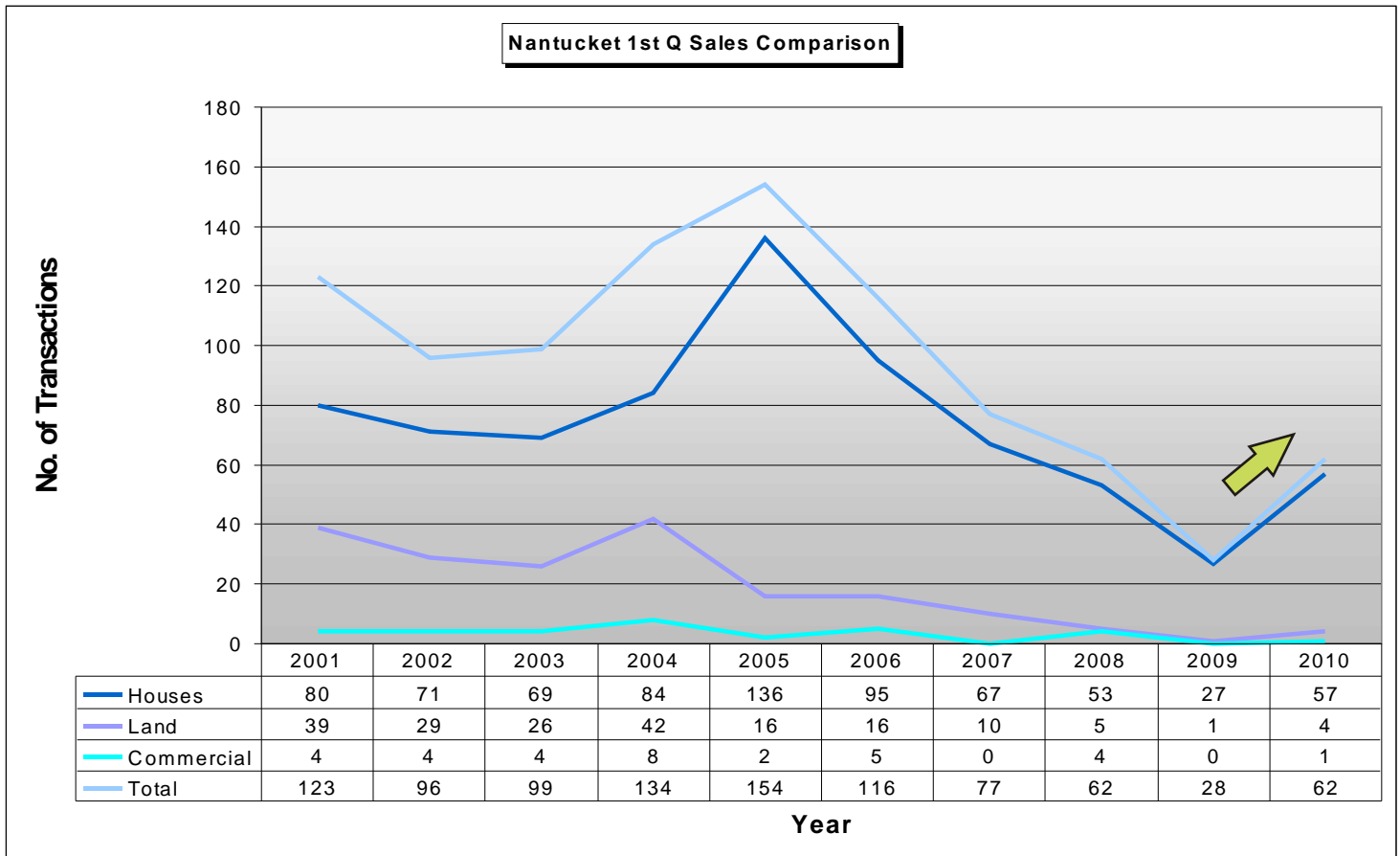


**What about prices?** The average price of a home and vacant land has been sliding down since 2008. The average home price was \$2,271,000 then; it is now \$1,841,000, about a 20% decline. The median selling price of a home was \$1,425,000 and now it is \$1,050,000, a decline of 26%. The first quarter of this year saw the smallest decline in average values in the past 3 years.

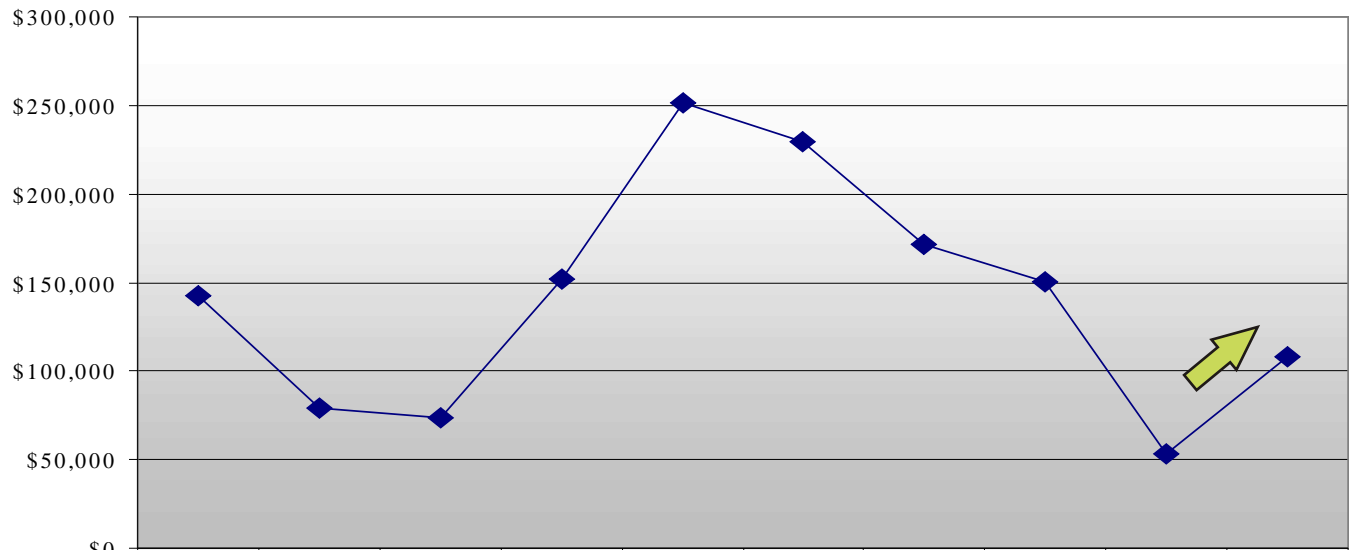
**Who is buying on Nantucket now?** We can't generalize about who is buying now except to say that buyers are informed, qualified and recognize a good opportunity. A number of our buyer clients are those who have had a connection to Nantucket, perhaps as renters, and who recognize that the past few years offered the best climate for buyers that we have seen in years. Many sellers have priced their properties correctly (in some cases after years of chasing the market down) for the current market which is also helping to increase activity.

**Nantucket real estate has significantly outperformed other financial market indices.** The average Nantucket house is worth 277% more than it was 10 years ago. A vacant lot on the island is worth 206% more than it was 10 years ago. The Dow Jones Industrial Average is worth 5 % less than it was 10 years ago. Historically, Nantucket has been fortunate to feel the effects of an economic downturn later than other markets and typically recovers more rapidly.

**Owning property on Nantucket is about much more than just a real estate investment.** We have long known that owning property enabling a family to spend time on the island is about much more than simply making an investment. It is about the opportunity to become part of this special place: our natural world, history, culture and our community. We feel fortunate to call Nantucket home. Come for a visit or come to stay!



### Nantucket 1st Quarter Comparison Sales Dollars



◆ Dollars 1st Q.	\$142,515	\$78,927	\$73,557	\$152,158	\$251,239	\$229,730	\$171,902	\$150,468	\$53,322	\$108,095
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## LESS IS MORE

Trophy houses no more? For many years in our real estate careers here, we have heard: “The house is too small, it is not big enough”. Two years ago for the first time ever we were told the house was “too big”!! Times are changing. After thinking this over and reading up on this oncoming trend, here are our thoughts and some facts that we learned:

According to the US Census, the average square footage of a new home has dropped for the first time since the early 1980’s. Looking at the stats, the average home size of 2,215 sf is still double the size of an average new home in 1960 at 1,138 sf .

Home sizes, especially second homes, increased with the baby boomers and flourishing pocketbooks. The need and wish to accommodate the entire family, the desire for more space and luxuries such as media and exercise rooms, wine cellars and gourmet kitchens propelled home sizes into new dimensions. Do we really use or need all of this?

The downturn in the economy, life style changes, heightened awareness of our carbon footprint, focus on green building and the desire for a simpler life has caused the lust for larger homes to dwindle. Cost also factors into this with the expense of maintaining, cleaning, and heating and cooling these larger properties. People want to spend more time with their families and friends instead of maintaining property.

Nationwide, homeowners are updating their existing homes to meet their needs instead of buying bigger, a trend we are seeing on Nantucket as well. Now we are hearing “we want to downsize”!



# FORECLOSURES on NANTUCKET

**What about foreclosures on Nantucket?** In the first quarter of this year 13% of all sales were foreclosures - 8 foreclosure sales out of 62 transactions. Only one of these properties sold at foreclosure to a buyer. The rest sold back to the lenders who were the highest bidders which is typical here on Nantucket. Foreclosure sales on island during the first quarter ranged from \$340,000 for a 2 Bedroom unit at Tristram's Landing in Madaket to an estate property on 3 acres in Polpis that sold for \$6 million. Buying a property at foreclosure sounds better than it usually is. It can be very complex, and the buyer often has to accept the property as it is with no opportunity for inspections including the septic system. The buyer may even have to buy the property subject to federal, state or local tax liens. A buyer is also usually dealing with either an institutional or unwilling seller which can create challenging issues. Our advice, if you wish to pursue such a property, is to engage qualified professionals (among them a Buyer's Agent and Attorney) to help represent you. Another option is to wait until a property sells back to the lender at foreclosure auction and then proceed to try to buy it directly from the lender through your Buyer's Broker.



## BITS AND PIECES

**Nantucket Property Yearbook 2009:** The Nantucket Association of Real Estate Brokers (NAREB) has just published the inaugural issue of the Nantucket Property Yearbook for 2009. It is a comprehensive guide to the real estate market on Nantucket featuring all of the properties sold in 2009 along with some general information about the market. If you have not yet received your copy, contact one of our agents, or check it out at [http://nareb-online.com/PDFs/NAREB\\_2009Yearbook.pdf](http://nareb-online.com/PDFs/NAREB_2009Yearbook.pdf).

**No Rental Tax on Private Homes:** Article 66, which proposed a Home Rule petition to levy a 6% room occupancy tax on the rental of private homes on Nantucket, failed to garner enough votes to pass at the second night of Annual Town Meeting. We do not believe that renting a private home is the same as staying in a commercial establishment such as a hotel, inn or guest house. When we stay at a commercial establishment we have the assurance that the facility has proper fire and safety equipment, that it has been inspected by the authorities and that there are certain health and code standards that must be met. We also felt the article was flawed in that there was no mechanism for the monitoring and collecting of the tax. It was entirely based on the honor system. This issue, brought forward by the innkeepers, will no doubt be back in the future, when the requisite two years have passed before proponents can bring it up again.

**Instant Information:** We are very excited to announce we now have three ways to get updates on the island and our real estate market. For info on recent transactions, market statistics, Things You Don't About Us or whether or not Quentin the Quahog saw his shadow, check out our blog and subscribe to an RSS feed at <http://www.atlanticeastre.com/NantucketRealEstate/>. You can also find us on Facebook or follow us on Twitter @AtlanticEastRE. Our updates can be very helpful to anyone with an interest in Nantucket real estate sales, vacation rentals or just a love of the island.

## ATLANTIC EAST

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Anne Remian, Broker  
Lisa Sherburne, Broker, ABR, RSPS

*We believe in doing one thing and in doing it well.*

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