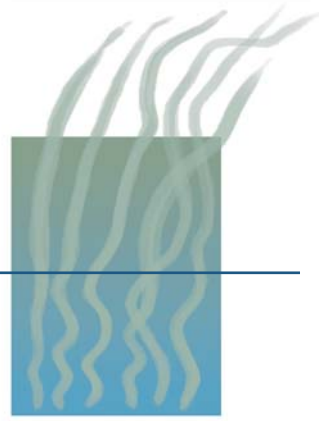


# Atlantic East Real Estate

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AtlanticEastRE.com



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

Best Wishes to you for a Healthy and Happy New Year!

As we bid goodbye to 2008, we reflect on a year of challenges and changes as everyone adjusted to the unsettled market. *Atlantic East* fared well and we are looking forward to 2009. Many thanks to our committed agents: Peter, Mary, Liza, Justin, Lisa and Erikka, our office manager, for our continued success. They are the backbone of our company.

We begin our fifth year in business by moving forward with some new plans, recycling of good ideas and improving upon others. We continue to run our company on the founding principals of education, cooperation and agent support. Your comments, feedback and referrals are always welcome and are very much appreciated.

We wish you the best in the year ahead!

Heidi Drew, ABR, RSPS

Penny Dey, GRI, ABRM

# MARKET NEWS

**Most of us were happy to bid good bye to 2008 and we are looking forward to this year.** The most significant trend in Nantucket real estate is the reduction in the number of sales. There were 248 sales in 2008, down 38% from 2007. The number of sales has been declining each year since 2005, the most recent height of the market. The total number of dollars that the sales represent is also down 33% for 2008.

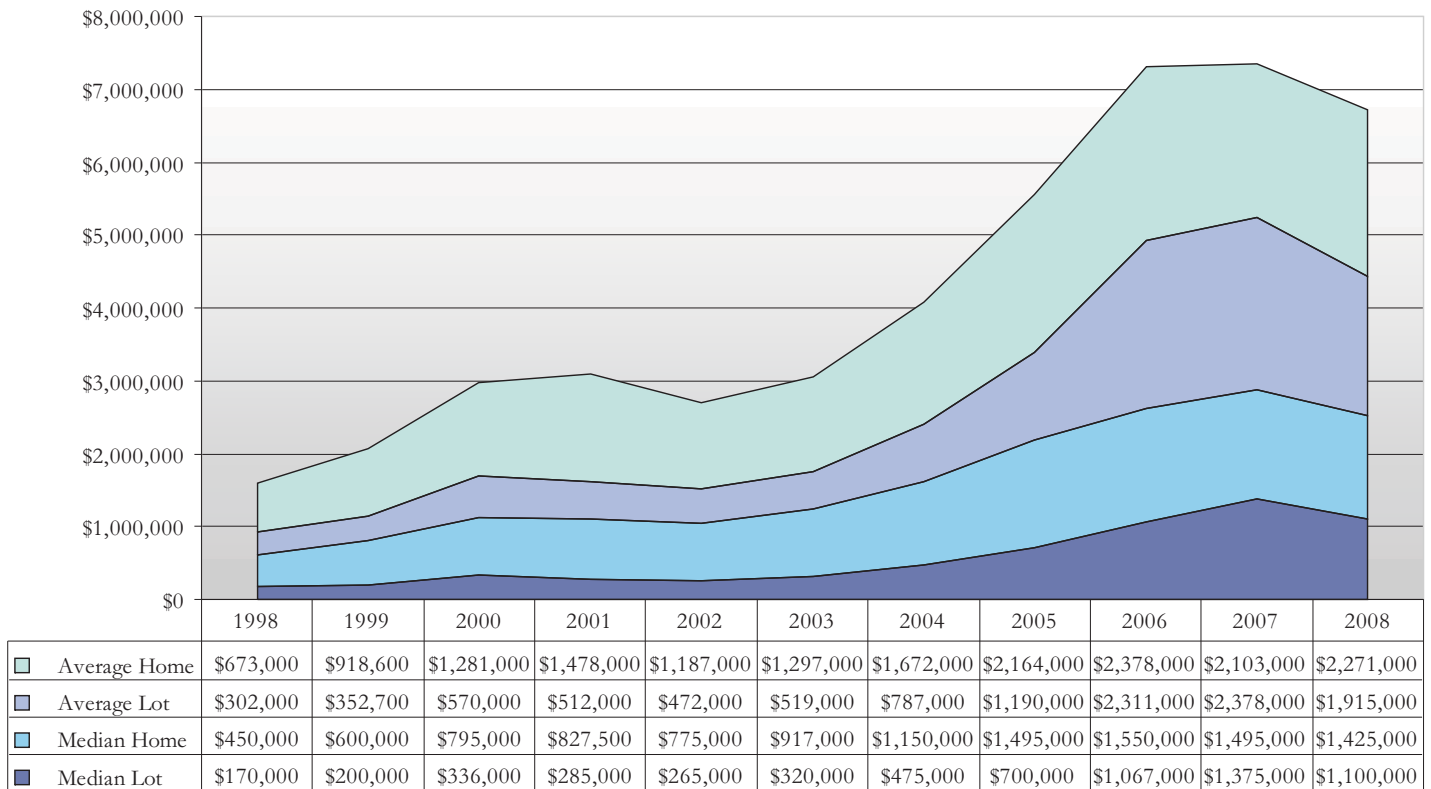
**However, the average price of a house is \$2,271,000, up 8% from 2007** and the median price of a house is \$1,425,000, down only 4.68%. The average price of vacant land is \$1,915,000, down 19% and the median price is \$1,100,000, down 20% from 2007. The median price is a more accurate indicator of broader market value since there were some very high sales that have skewed the statistics for average price.

**Sellers, for the most part, are pricing their properties more realistically than a few years ago.** If you are selling, patience and very competitive pricing is the key to selling. With the credit and economic crises, sellers are more educated about current market conditions and are pricing their properties closer to the market value. Because Nantucket is primarily a second home market, many property owners do not have to sell. In a discretionary market, buyers do not have to buy either. The challenge is to bridge the gap.

**There are opportunities for buyers across all sectors of the Nantucket market.** It is difficult to quantify how much less property is selling for than last year since each transaction is unique. We can say that, for a variety of reasons, the majority of properties sold in 2008 sold for less than comparable properties did in 2007. There are opportunities across all price ranges and in many locations. The reasons that people sell are as varied as the number of listings on the market. We were very busy last season showing properties to buyers who are positioning themselves to buy. The interest in Nantucket as a unique place to spend time has not diminished.

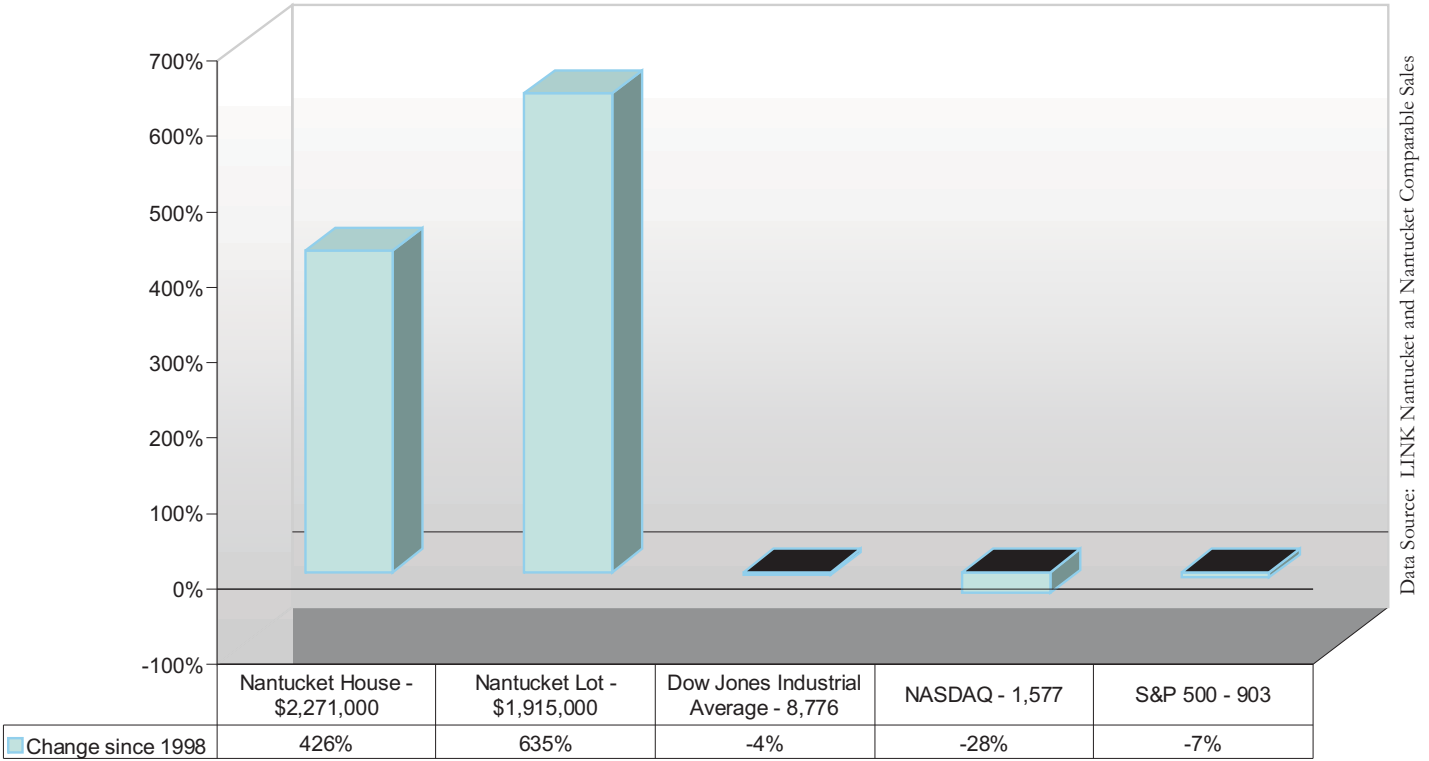
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**Nantucket Real Estate  
1998 - 2008**



Data Source: LINK Nantucket and Nantucket Comparable Sales

**Market Indicators**  
**Change in Value Since 1998**  
 As of December 31, 2008



## MARKET NEWS....Continued

**There are many good properties to choose from now.** The number of active listings has been steadily increasing, giving greater choice to buyers than in the past. Unlike primary home markets, there are very few foreclosure sales on Nantucket. There were only 3 properties in 2008 that sold at foreclosure auction on island. The average selling price as a percentage of list price remains around 93%, the same as last year. There is also more competition with the number of listings higher than a year ago.

**Are we at the bottom yet?** Since no one can accurately predict when the market has bottomed out (until it has passed) we can only share our thoughts and instincts. We believe that it has been a strong buyer's market for over one year now. There is no way to accurately predict how long this will be the case. In 2007 the average selling price as a percentage of assessed value was 130%. In 2008 the average selling price as a percentage of assessed value was 114%, down 16% from 2007. Nantucket usually feels the effects of a recession later than other markets and tends to come out of it faster as it did in 2003.

**What kind of investment is Nantucket?** We work mostly with people who have chosen to spend time on the island because of the place itself. We think that owning on Nantucket is an investment in family and provides the opportunity to spend time in such a special place. From a hard statistical market comparison, Nantucket has handily outperformed the three major market indices, even before October 2008. **Real estate is truly local.**

### THE BEST EXPOSURE

*Atlantic East* Real Estate is one of only three offices on Nantucket whose listings are on [Realtor.com](http://Realtor.com). The web site is the official web site of the National Association of Realtors and is ranked as the #1 homes-for-sale site. [Realtor.com](http://Realtor.com) currently offers potential home buyers access to over four million property listings, as well as the most brokers and agents. It also provides Realtors and the home sellers they represent with the internet's largest real estate marketplace, reaching more than 6.3 million consumers alone monthly. When you list your property with *Atlantic East* you are guaranteed maximum exposure for your listing through numerous web sites including [AtlanticEastRE.com](http://AtlanticEastRE.com) and [Realtor.com](http://Realtor.com).



## SALES ANALYSIS BY PRICE RANGE 2008

It is useful to evaluate the market by evaluating sales in each price range. Single family homes in the \$1-\$1,495MM price range led the pack with a total of 36 sales in 2008. The second best sector were homes between \$600K and \$1MM with a total of 27 sales.

There were 21 sales in 2008 of houses between \$200,000 and \$500,000. These ranged from \$325K for a small condo in the Mid-Island area to \$500K for a 3 BR/2 BA free- standing home near the airport. In the \$500K to \$1MM range there were 47 house sales from a 2 BR house in a quiet pastoral area not far from town to a

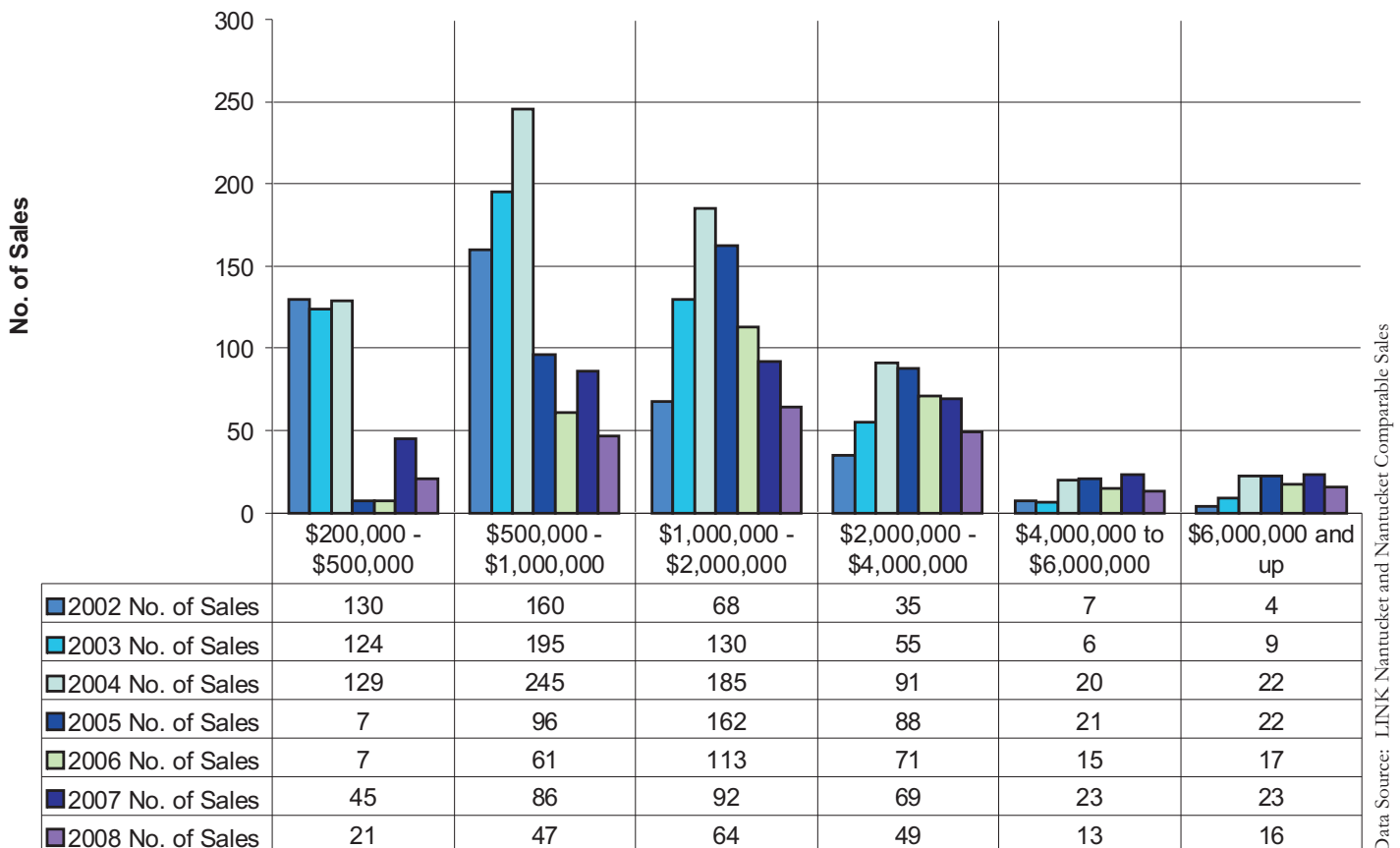
historic half house in Town. Between \$1MM and \$2MM, sales ranged from a house on over one acre in Tom Nevers with 4 BR/2 BA (\$1,040,000) to a home in Quaise on 2.5 acres with deeded harbor access that sold for \$2,000,000. Between \$2MM and \$4MM there were 49 sales from a 4 BR/4 BA house on Cliff Road for \$2,075,000 to an estate just west of Town with a main house, guest house and pool that sold for \$3,960,000.

The higher price ranges held fairly strong for 2008 with 13 sales between \$4MM and \$6MM. A custom built house located just off of Cliff Road sold for \$4,050,000 and a turn of the century, renovated waterfront home in Sconset with a guest cottage sold for \$5,862,500. Over \$6MM there were 16 house sales compared with 23 in 2007. A newly constructed estate off of Madaket Road sold for \$6,100,000 and the highest price paid for residential real estate on Nantucket in 2008 was \$19,500,000 for a home on Easton Street located on the harbor with a private dock.

*Atlantic East* is proud to have participated in 3 of the top ten brokered sales in 2008. Please see the chart below for more detailed information on house sales in each price range and how 2008 compares to previous years.

### NANTUCKET

#### Number of House Sales by Price Range 2002 - 2008



Data Source: LINK Nantucket and Nantucket Comparable Sales

## VACATION RENTALS

A vacation closer to home may be the perfect solution for many people this season. We handle over 400 quality rental properties in a variety of location and price ranges. August is the most popular rental month, bearing the highest rates, followed by July. June and September are both great months to spend time on Nantucket and the rental rates are more reasonable, it is easier to get a ferry reservation and there are many fine rental properties to choose from. Our web site [AtlanticEastRE.com](http://AtlanticEastRE.com) has extensive rental information including good quality photographs that are large enough to see!



Properties range from a one bedroom cottage in Quaise for \$1,250/week in the season to a large estate in the Polpis area with a main house, guest house and pool for \$35,000/week. Prices are driven by location, amenities, the size of the house (sleeping capacity) and proximity to Town or the beach. We pride ourselves on facilitating a smooth vacation for each of our guests. Our agents are experienced and are all long term residents of Nantucket. Helping to orchestrate the perfect vacation for you consists of more than just finding the right home. Our clients consider us their island resource!

## COMMERCIAL REAL ESTATE ON NANTUCKET

Because of Nantucket zoning and other local controls, real estate that can be used for commercial purposes is usually in specific areas. Downtown is the most concentrated area for retail stores, restaurants and offices. Another commercial area which has been quickly growing is the Mid-Island area where the Stop & Shop is located. A newer commercial area is out by the airport. There are a variety of different zoning districts allowing different types of commercial activity, some with more intensive use.

At the 2006 Annual Town Meeting legislation was passed that would prohibit any chain stores in the downtown Old Historic District. The belief behind the proposal was that keeping the shopping experience unique in our downtown was a long term sustainable business model for the island. If visitors come to the island only to find all of the same stores they have at home, the island would be less distinctive. Other historic tourist towns have passed similar measures, including Bristol, R.I.; Ogunquit, Maine; and Carmel-by-the-Sea, Calif. The driving motive for the ban is to preserve a quaint, small town atmosphere.

Because of the relatively low number of property transfers for commercial property, it is hard to draw consistent conclusions. Below is a quick snapshot of activity for 2001 through 2008.

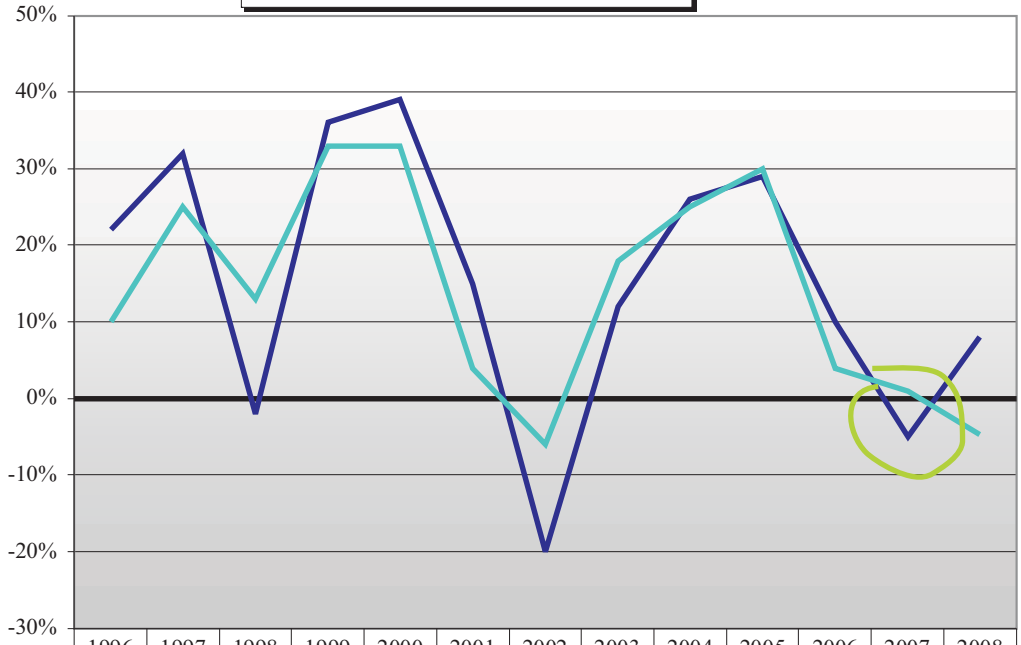
### Commercial SALES

|                                    | 2001        | 2002      | 2003        | 2004        | 2005        | 2006        | 2007        | 2008        |
|------------------------------------|-------------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Total # of Commercial Sales</b> | 14          | 10        | 16          | 41          | 22          | 11          | 5           | 14          |
| Average Sale Price                 | \$1,018,696 | \$783,854 | \$1,583,209 | \$2,757,685 | \$6,221,349 | \$2,996,330 | \$4,565,800 | \$3,524,879 |
| Average Sale as % of List Price    | 91%         | 85%       | 90%         | 89%         | 97%         | 84%         | 79%         | 83%         |
| Average No. Months on Market       | 16 months   | 6 months  | 23 months   | 14 months   | 13 months   | 11 months   | 6 months    | 16 months   |

The largest commercial property sale in Nantucket history took place in 2004 when Nantucket Island Resorts purchased 48 downtown properties including the Boat Basin, the White Elephant and the Harbor House hotels and the majority of properties owned by Winthrop Corporation. The height of the market was 2005 before things started to moderate the following year. With the uncertainty in the economy, it is surprising that there was as much commercial activity as there was in 2008. Sales ranged from a retail condominium in the Mid-Island area for \$385,000 to \$4,500,000 for 33 Main Street, an historic brick building on a corner lot, formerly occupied by Tonkin of Nantucket. The highest price for a commercial sale in 2008 was the sale of the Marine Home Center properties for \$23.7 million which included multiple retail and storage structures as well as some dwelling units. With the advent of 2009 we are seeing the usual shuffling around of businesses downtown. We won't know for sure until spring what businesses are still here and in what locations. There are about a half dozen commercial spaces available for rent in the core district for the coming season. Please contact one of our knowledgeable brokers for more information about commercial real estate on Nantucket.



**Nantucket Average and Median Home  
% Change in Prices**



|                        |     |     |     |     |     |     |      |     |     |     |     |     |     |
|------------------------|-----|-----|-----|-----|-----|-----|------|-----|-----|-----|-----|-----|-----|
| — Avg Home % change    | 22% | 32% | -2% | 36% | 39% | 15% | -20% | 12% | 26% | 29% | 10% | -5% | 8%  |
| — Median Home % change | 10% | 25% | 13% | 33% | 33% | 4%  | -6%  | 18% | 25% | 30% | 4%  | 1%  | -5% |

Data Source: LINK Nantucket and Nantucket Comparable Sales

*“The best way to predict the future is to create it.”* Peter Drucker

**FOND FAREWELL**

With sadness and excitement we wish Jodi Vavricka the best with her intriguing new chapter in life. Jodi was one of five candidates chosen out of 250 for a new position as a real estate coach for the very successful Mike Ferry Organization. The company has recently relocated to Las Vegas where she has joined them to further her career. Jodi will still be doing referrals and can be reached at 508-221-2513. Best Wishes Jodi!

Peter has been summering on the island since 1980. After graduating from Syracuse University in 1995 Peter spent time in Manhattan and Boston working in Publishing. In 1999 he decided to make Nantucket his permanent home. With his father’s knowledge in design and historic renovation and his brother’s construction company in fine home building, real estate seemed to be a natural fit. Peter spends his spare time enjoying live music, extensive travel to distant countries and quality time with his nine nieces and nephews.



**Peter DuPont, Sales Associate**

**A T L A N T I C E A S T**

- Penny Dey, Broker, GRI, ABRM & Heidi Drew, Broker, ABR, RSPS
- Peter DuPont, Sales Assoc. Mary Malavase, Broker, ABR, RSPS, TRC
- Liza Ottani, Sales Assoc. Erikka Perkins, Sales Assoc.
- Justin Quinn, Sales Assoc. Anne Remian, Broker
- Lisa Sherburne, Broker, ABR, RSPS

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

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SEE ALL THE LISTINGS WITH ONE CLICK at [AtlanticEastRE.com](http://AtlanticEastRE.com)

