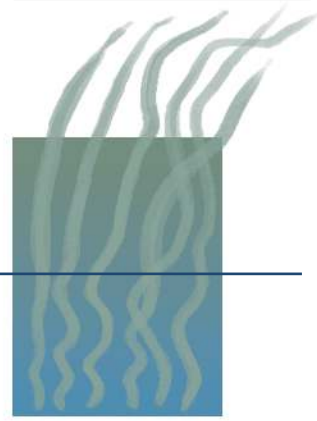


Atlantic East Real Estate

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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

Spring has sprung with longer days, warmth from the sun and the daffodils in bloom. This winter passed quickly without too many snow storms or gray days. We are excited about this summer and look forward to seeing old friends again. As part of our **Spring Greening Program** Atlantic East is doing our part to help the island recycle and re-use. free grocery shopping bags made from recycled materials are being given away to help save paper and prevent plastic bag build up in our landfill. Please stop by the office to pick some up for your family and friends. We are also supporting island-based businesses by making sure that our visitors and tenants are aware of the many unique products made on Nantucket.

Vacation rentals are booking up very quickly for the summer, especially luxury properties and those that are on the water. As expected, August is the strongest, followed by July and then September. With the declining value of the dollar and higher valued foreign currencies, there has been an increase in the number of foreign visitors to the island, many for the first time. There are still rental properties available throughout the season ranging from a 3 bedroom house in Fisher's Landing for \$1300/week to a 7 bedroom house with guest house and pool in the Cliff area for \$35,000/week. If you are interested in renting on Nantucket and have some schedule flexibility, there are some great deals to be found, especially in the early summer and fall.

Now is the time to buy. The market on Nantucket has clearly shifted to a buyer's market for the first time since 2002. The last drop in the market was after 9/11 which led to a decline in the number of sales and sales dollars in 2002. The Nantucket market roared into rapid recovery between 2003 and 2005, hitting the last peak in 2005. The highest number of sales was 2004 with 776 transactions. The highest sales year was 2005 with \$1.2 Billion dollars. By comparison, the total number of sales in 2007 was 399; the dollars that those sales represent was \$852 Million. Both volume and sales dollars started to decline in 2006. The volume of sales dropped 11.5% since 2006; the total sales dollars have dropped 8% since 2006.

One of the significant changes in the Nantucket market is the number of properties listed for sale. In March 2005 there were 182 listings and this March there are 472. This means that buyers have many more choices than in the past and can be more particular about getting their needs met.



Market News

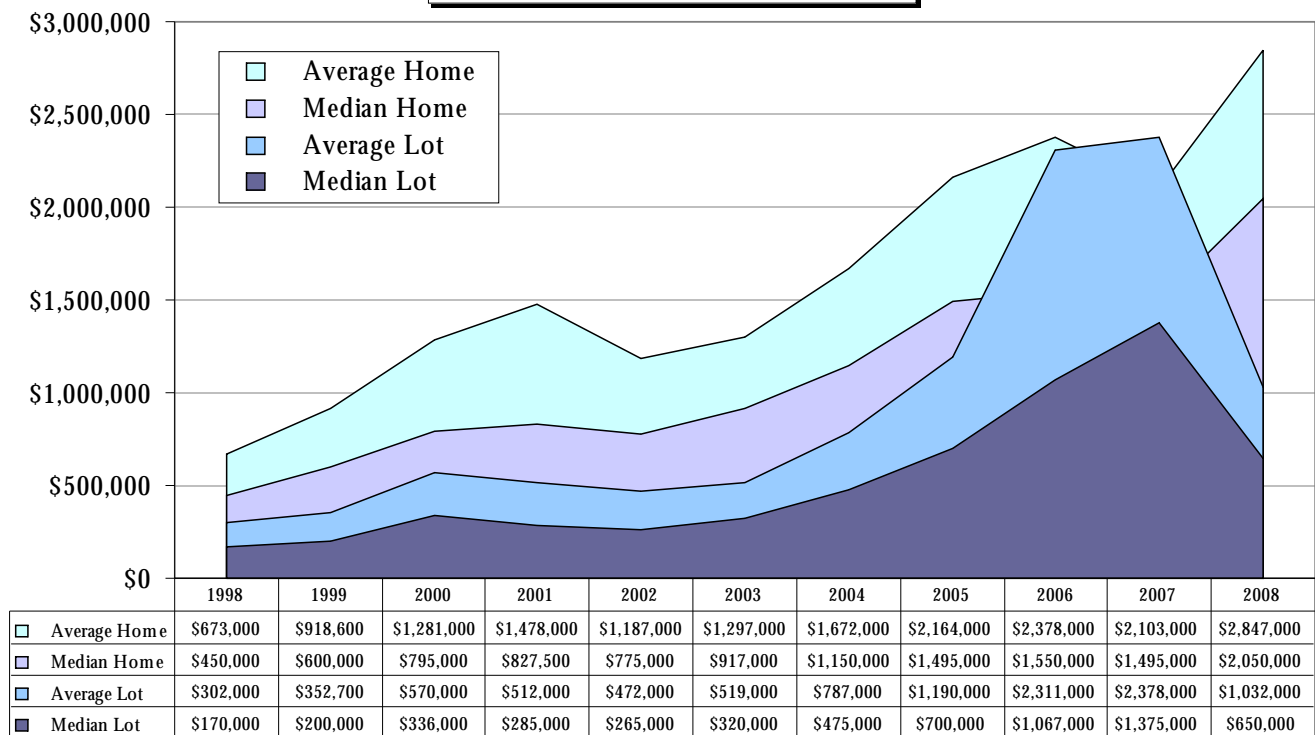
Other significant changes are that the average selling price as a percentage of list price has been declining. Since 1998 this figure has been between 90% and 96%; for the first quarter of 2008 it is 79%. We will closely watch this number to see how it settles out through the rest of this year. The average sale price as a percentage of assessed value (the amount the town decides a property is worth for purposes of taxation) has also declined, from 130% last year to 110% so far this year. This number historically fluctuates depending upon where Nantucket is in the cycle of property revaluation by the state Department of Revenue. The last revaluation was in January 2006. The average sale price of all properties is \$2,124,000, down from \$2,135,000 in 2007. The average time a Nantucket property takes to sell is now 13 months, up from 9 months in 2007.

Because the high end of the market continues to perform well, the average price of a Nantucket house is now \$2,847,000 and the median house price is \$2,050,000. The average price of a piece of vacant land is \$1,032,000 and the median price of a lot is \$650,000 (based on only 3 months of activity). In 2005 and 2006 there were only 7 home sales under \$500,000. In 2007 there were 45 home sales under \$500,000, due in part to the Abrem Quarry project which was built under a 40B comprehensive permit in the Surfside area. In 2007 there was an increase of 30% for the number of home sales in the \$500,000 - \$1MM range. Sales between \$1MM and \$2MM decreased 34% in 2007. Sales between \$2MM and \$4MM were the same. There were 46 home sales over \$4MM in 2007, an increase of 30% from 2006. In summary for 2007, the entry level of the market was strong as was the high end. The middle, where there was more competition, lagged in 2007 compared to 2006.



So - what next? The Nantucket market in 2008 will likely be one with fewer transactions, more property choices for qualified buyers and opportunities in all price ranges. Some of the more seasoned buyers have started to get back in, recognizing the true values that are out there to be found. If you are serious about selling your Nantucket property in this market, you must carefully evaluate the current market context. Become informed about the competition and market trends and try, as hard as it is, to have the ability to view your property as a buyer does. Those properties that will continue to sell are those that are priced for this current market and not some past or future one. Please contact one of our experienced agents if you would like additional information. Happy Spring.

House and Land Prices on Nantucket
As of March 31, 2008



Data Source: LINK Nantucket and Nantucket Comparable Sales



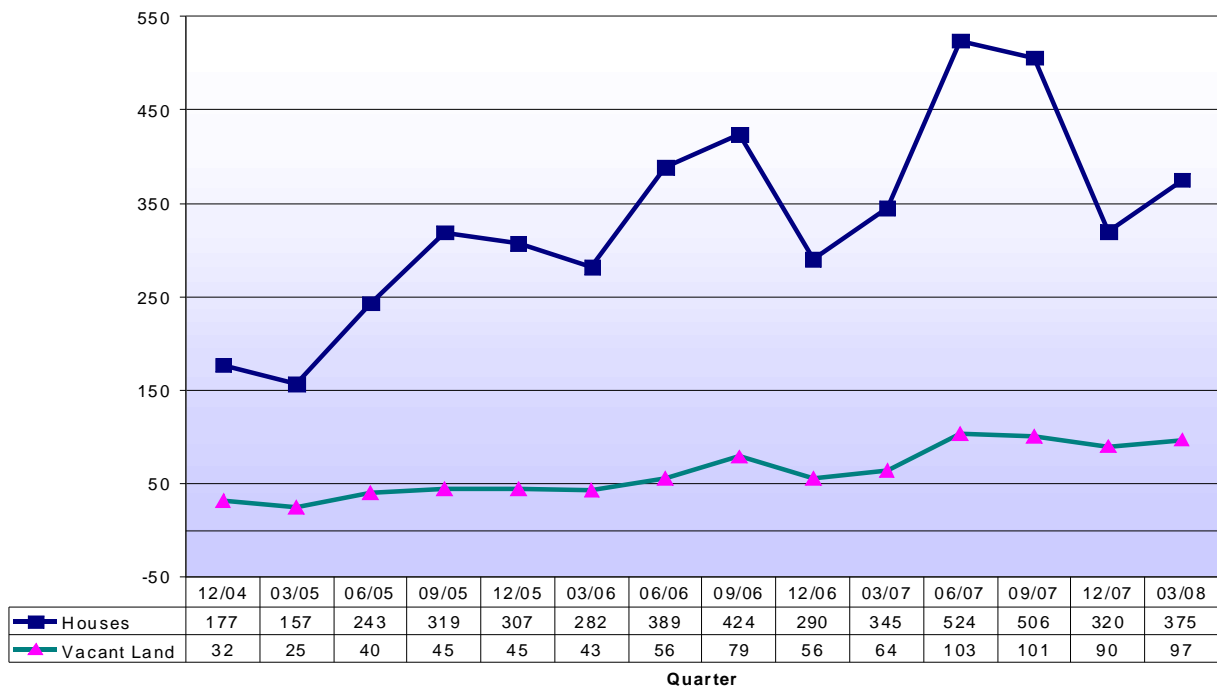
Then and Now

One of our clients brought in this wonderful photograph of 5 North Water Street, taken around 1930. Our office building remains remarkably similar. In the older picture, there were two large trees in front of the property and North Water Street appears to be unpaved (or maybe it is snowy). A picture taken today shows that one of the large trees has been replaced and the other is gone and the street is now paved with Belgian block. It is difficult to tell what the exterior of the building used to look like; the exterior of the building is now white clapboard. The only other exterior change appears to be the addition of our back entrance stoop and stairs and the fence surrounding the property is now painted white. Good things stay the same!



PROPERTIES ON THE MARKET

March 31, 2008



Data Source: LINK Nantucket

ANNUAL TOWN MEETING

Nantucket's annual Town Meeting opened on April 7, 2008 with 125 articles on the warrant. The Board of Selectmen were able to present a balanced budget to town meeting this year. The FY 2009 operating budget of \$68.5 million for the town was approved. Of this, \$21.8 million is for the school budget. The town's salaries and benefits consume approximately 69% of the total budget. There are two debt service overrides this year: Article 10 for general capital needs is \$5 million and Article 11 for the new Public Safety Facility at the 2 Fairgrounds Road property is \$27.5 million. The proposed residential tax rate for FY 2009 without the overrides is \$2.67/\$1,000. If the overrides pass at the ballot on April 15, the new tax rate will be \$2.78/\$1,000. Sconset Beach Preservation Fund: Article 67 creates a temporary moratorium on any new erosion control projects on town-owned property until December 2010, or until the town creates a comprehensive coastal management plan that would guide future erosion control projects around the island. There is also a non-binding referendum vote at the election on April 15 to see how Nantucket voters feel about SBPF being permitted to use town owned land in their efforts to control erosion on the Bluff in Siasconset. Harbor Plan: Article 49-52 established the creation, location and requirements of the proposed Harbor Overlay District. Zoning: The Planning Department sponsored numerous zoning articles that change the zoning maps and add new districts. For more complete information on the results of this year's annual Town Meeting please visit http://www.nantucket-ma.gov/Pages/NantucketMA_TownMeeting/index





New MESA Regulations

There are new regulations under the Massachusetts Endangered Species Act (MESA) that may affect your property. The mission of the Natural Heritage & Endangered Species Program, founded in 1978, is to protect and conserve over 178 species and 264 native plants and their habitats in the state of Massachusetts. These species and plants have been listed as threatened, endangered or of special concern under the new MESA regulations. This new act may affect the intended use of many parcels of land or expansion of existing home sites on Nantucket. A MESA map is available at our office if you would like to determine whether or not your property is located within the priority habitat of rare species and wildlife areas. You can consult your attorney or surveyor for more information or go to the state web site at www.natural.heritage@state.ma.us.

BITS AND PIECES

RE-USE AND RECYCLE! The Nantucket Re-Use and Exchange web site is a free, not-for-profit, internet based service that connects those with stuff they can no longer use with people who can use it. Why not save the dump fees and the cost of shipping things to and from the island - and feel good about placing something you no longer use with someone who really needs it? There is an option of selling your goods or donating the proceeds to a charity of your choice. Check the site out at www.NantucketReuseExchange.com. **SAFETY FIRST!** The Nantucket Fire Department reminds homeowners to make sure that there is a visible house number on your home. And now is the time to make sure that your house has working smoke and carbon monoxide detectors. Please contact us, or the fire department (508-228-2323) with any questions. **PHOTOGRAPHERS!** The Nantucket Garden Club is seeking participants to enter their photos in the 2008 Nantucket Green Thumb Show. The theme is "Garden Pathways". Please contact Heidi Drew for more information at heidid@atlanticeastre.com.



"You can't build a reputation on what you are going to do." Henry Ford

JUSTIN QUINN



Our newest agent, Justin Quinn is not new to the island! He arrived in 1987 where he managed Indian Summer Sports before opening The Upper Deck sports shop on Main Street. Justin is an avid traveler and sailor, having sailed the coast of Maine, Great Lakes and raced star class, IOR, PHRF and the laser North Americans. His passion for sports includes skiing, wind surfing and a 28 day adventure with Outward Bound. In 1992 Justin started his own local construction company and recently established a kitchen design and sales company with his wife Lisa. They live in town with their two daughters Isabella and Gianna. Justin brings additional construction, zoning, wetland and market knowledge to the office and we welcome him to *Atlantic East*.

ATLANTIC EAST

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

We believe in doing one thing and doing it well.

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SEE [ALL THE LISTINGS WITH ONE CLICK](#)
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