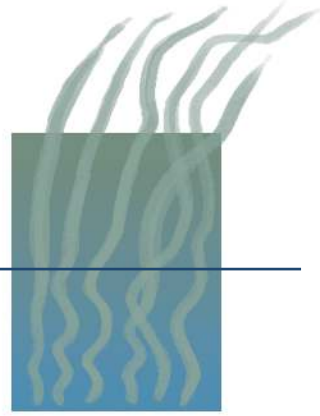


Atlantic East Real Estate

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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

The real story on Nantucket is the drop in the number of real estate transactions. For the first 6 months of 2008 there were a total of 128 sales, down 34% from 193 in 2007. A combination of factors are at play including buyer caution due to the larger economic picture and a market with sellers who, for the most part, do not have to sell and can wait it out. These factors, coupled with high inventory have contributed to the slowdown so far this year. *However, the average sale price of a home is on the rise - up 16% over last year.* The last decline in the market was after 9/11 which led to a decline in the number of sales and dollars in 2002. The Nantucket market then experienced rapid recovery between 2003 and 2005, hitting the last peak in 2005. The highest number of sales ever was in 2004 with 776 transactions. The highest dollar year was in 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. However, there are some bright spots.

If you are a seller and you have owned your Nantucket property for more than four years you will still benefit from significant property appreciation. The average increase in value of a Nantucket property from 2004 until now has been over 15% annualized over four years. 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.



If you are a buyer of Nantucket property, the market has shifted in your favor for the first time since 2002. One of the significant changes on Nantucket is the number of properties listed for sale. In June 2007 there were 627 listings and this June there are 599 listings. Buyers have many more choices than in the past and can be more particular about having their needs met. Properties on the water, those with good water views or those in town in good condition have continued to sell and at strong prices. There are fewer listings in these sectors which contribute to more activity.

Continued on Page 2.....

MARKET NEWS.... *Continued from Page 1*



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 6 months of 2008 it averages 83%. We will closely watch this number to see how it settles out through the rest of this year with the 3rd and 4th quarters usually being the strongest for sales on Nantucket. What this means is, that in some cases (usually that of an overpriced listing that has been for sale for more than 11 months), the buyer may be in the driver's seat.

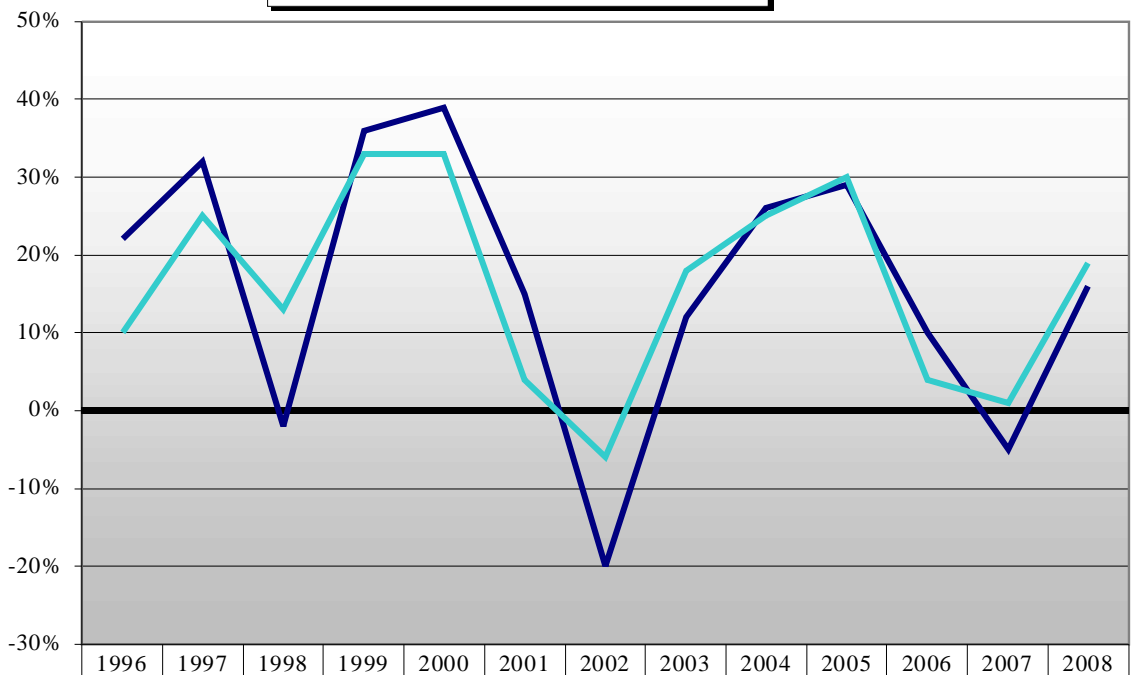
The average sale price as a percentage of assessed value (the amount the town decides a property is worth for purposes of taxation) has also declined, from 130% last year to 116% so far this year. This number fluctuates depending upon where Nantucket is in the cycle of property

reevaluation by the state Department of Revenue. The last revaluation was in January of 2006 so we are nearing the end of the 3 year revaluation cycle. The average sale price of all properties is \$1,956,000, down from \$2,135,000 in 2007. **The average time a Nantucket property takes to sell is now 11 months, up from 9 months in 2007.** This is simply a function of supply and demand.

Because the high end of the market continues to perform well, the average sale price of a Nantucket house continues to climb and is now \$2,615,000. The median house price is \$1,850,000. The average price of a piece of vacant land is \$839,000 and the median price of a lot is \$430,000 (based on the first 6 months of this year). The middle of the market (\$2-\$4MM), where there is more competition, lagged in 2007 compared to 2006. This is likely to be true for 2008 as well.

As predicted, the Nantucket market is shaping up to be one with fewer transactions, more listings to choose from for qualified buyers and opportunities in a variety of price sectors. Some of the more seasoned buyers have started buying again, recognizing the true values that are out there to be found. **Properties that will continue to sell are those that are priced for this current market.** On Nantucket, the market is largely a second home one, so it reacts differently than a primary home market. **Nonetheless, all real estate truly is local.**

Nantucket Average and Median Home
% Change in Prices
(2008 as of 6.30.08)



Data Source: LINK Nantucket and Nantucket Comparable Sales

THE ULTIMATE IN RECYCLING

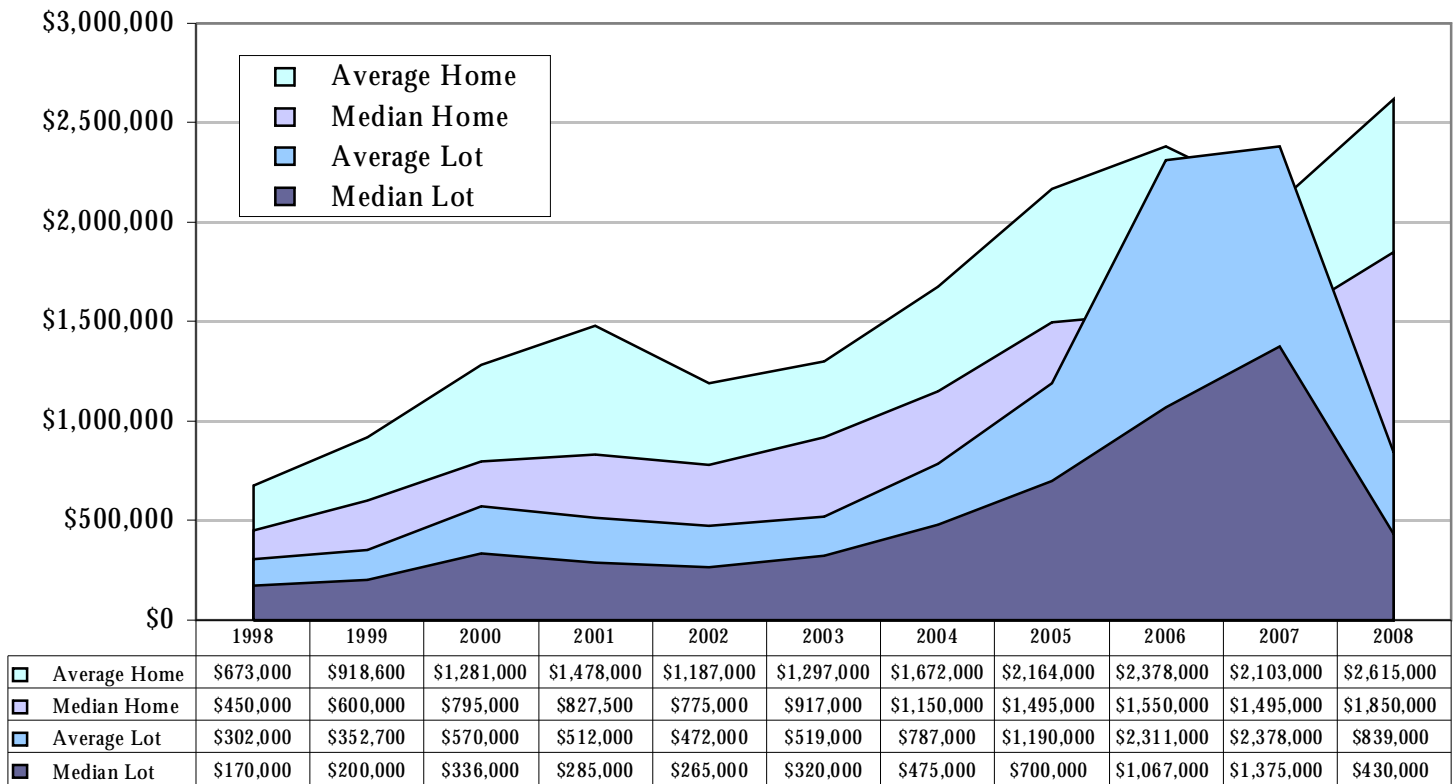
The House Recycle program is Housing Nantucket's oldest program. Currently twenty houses have been saved from the dump and have been reused as affordable housing, supporting the wider community in providing high-quality, low cost housing for island residents. Units donated by generous homeowners are picked up, trucked to a new site, and renovated to provide the best living quality for the tenants. Some of the costs associated with the renovation are covered by the Community Preservation Committee, while other costs are cooperatively negotiated with the homeowner.

Liza Ottani, an Atlantic East agent, who along with her husband Jeff, generously donated a house, says "We feel that we did our part to help someone stay on Nantucket that might not otherwise be able to afford to do so and the house didn't end up in the landfill. There was also a great tax benefit to us." Liza went on to say, "We donated the contents of the house too which went to a veteran who had been homeless and living out of a car here on Nantucket for a number of months. The housing office had found him unfurnished housing. It was very rewarding all around - we couldn't be happier with our decision to have participated in the housing office's affordable housing program."

The benefits of the House Recycle program are many-fold, including community benefits - housing, less waste in the dump - and owner benefits - tax deductions, less cost than the dump. If you have a one, two, or three bedroom house which you would like to consider donating to Housing Nantucket, please contact them at 508.228.4422 or at aaron@nantuckethousing.org.



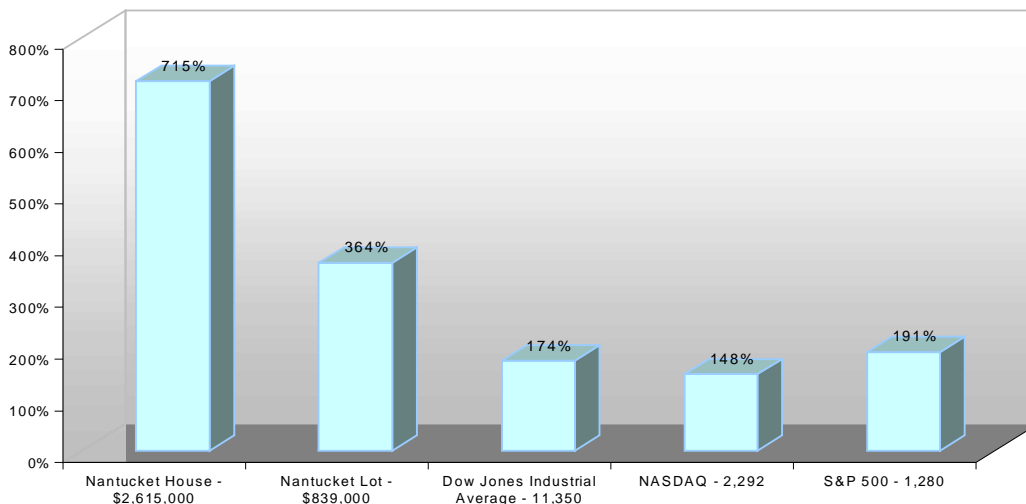
House and Land Prices on Nantucket
(2008 as of 6.30.08)



PROPERTY TAX OVERRIDES

Nantucket voters rejected \$38 million in override spending including funds for a proposed public safety facility and new athletic fields. In mid June, only 19.8% of Nantucket's registered voters participated and they turned down all three ballot questions by significant margins. The proposals contained in the three questions had previously been approved by voters at Town Meeting in April. The first override question would have approved \$27.5 million for a new joint safety complex for fire, police and other public safety personnel located off of Fairgrounds Road. The vote was 1,023-584. The second override question would have authorized borrowing \$5.5 million for a variety of capital projects and was defeated 846-757. The third question sought \$3.6 million for a sports field complex off Nobadeer Farm Road and was defeated 1,068-534. Stay tuned.

Market Indicators
Change in Value Since 1996
 As of June 30, 2008



WHAT WE'RE UP TO

In June *Atlantic East* supported the Iron Man Race which benefits Big Brothers Big Sisters of Nantucket. We provided the reusable canvas bags for over 400 race participants.

Also to benefit Big Brothers Big Sisters, the Blooming Bids for Kids fundraiser was held in late June at the Cisco Brewery and was headed up by Jodi Vavricka and Heidi Drew. It was a great evening and the variety of creative planters was an amazing sight. Those with a green thumb donated original planters which were then auctioned off to raise funds for the BBBS program.

Our **Spring Greening Program** continues to be a success and at the core is our determination to give away 5,000 bright green reusable shopping bags made of recycled materials. Please stop by our office to pick some up - it has been great to see them in use all over the island.

When you stop by to visit us you may be greeted by the friendly Lindsay Meyers who is our summer intern. Lindsay is a student at Lehigh University majoring in Economics and Finance and has just completed study in international business and project management in Prague. We welcome Lindsay to *Atlantic East!*



LISA SHERBURNE, Broker, ABR, RSPS

Lisa has been enjoying Nantucket since she was a child. Three years after graduating from Boston University she returned to the island and began her real estate career in 1993.

Lisa is married to Alan, a successful building contractor, and they have two daughters, Kali and Macie.

Her community involvement includes volunteering for the Atheneum's Circus Flora (held each year in July) as well as special events at the Nantucket New School, a private school for students preschool - 8th grade. She has also helped coach youth soccer and tee ball teams. With her love of the outdoors, Lisa enjoys running, surfing and mountain biking. She is a favorite among her many customers and clients, as she is dedicated to superior service.



ATLANTIC EAST

Penny Dey, Broker, GRI, ABRM & Heidi Drew, Broker, 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.
 Lindsay Meyers, Summer Intern

We believe in doing one thing and doing it well.

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SEE ALL THE LISTINGS WITH ONE CLICK at AtlanticEastRE.com

