

The Real News

by Rob Ranney

*“If you can count your money, you don’t have a billion dollars.”
– J. Paul Getty (1892 - 1976)*

2017, 2018 and 2019 each surpassed \$1 billion in total dollar volume, with 2018 breaking the record for the all-time record year in dollar volume, topping \$1.2 billion. 2019 pulled back from 2018’s lofty levels, coming in just under 2017’s totals. COVID19 all but halted the real estate market for a few months in 2020, however 2020 ended as the all-time record holder nearly reaching \$2 billion in sales. Through the third quarter, 2021 is ahead of 2020 at this point and is on pace to possibly surpass 2020’s year-end total. Let’s take a look.

In real estate analysis, we need to look backward in order to look forward. Looking back over recent years (for comparison to 2021), we see that in 2019, there were 472 transactions (down 13% from 2018), and a total dollar volume of \$1.019 billion (down 15% from 2018). In 2020, there were 679 transactions (up 43% compared to 2019), and a total dollar volume of \$1.895 billion (up 86% compared to 2019).

In 2019, the average home sale was \$2.481 million (down 5% from 2018), with 85 sales over \$3 million, 30 over \$5 million, and 4 home sales over \$10 million. The average sale in the \$500,000 to \$999,000 range was \$798,000, 1% above 2018 for this market segment.

Fresh off of 2020’s lofty levels, 2021 is not really showing any signs of slowing. Through three quarters of 2021, the average home sale is \$3,167,000 (down 2% from 2020’s average home sale), supported by 351 home sales, 74% of which are over \$1 million, and 27% over \$5 million.

In 2018, there were 94 vacant lot sales, with an average lot sale of \$1.756 million (up 117% from the average lot sale in 2017), and a median lot sale of \$920,000 (up 39% from the median lot sale of \$660,000 in 2017). In 2019, there were 67 vacant lot sales, with an average lot sale of \$1.453 million (down 17% from 2018), and a median lot sale of \$975,000 (up 6% from 2018). In 2020, there were 88 vacant lot sales, with an average sale price of \$1,521,000 (up 26% from 2019), and a median lot sale of \$975,000 (statistically the same as 2019).

Through three quarters of 2021, there have already been 104 vacant lot sales, with a median lot sale of \$1,050,000 (up 8% from 2020), and an average lot sale of \$1,349,000 (down 11% from 2020).

2009 is the record holder for the year with the fewest number of building permits being issued since 1972 (the first year building permits were required and thus records were kept), with a total of only 44. 2010 ended with a total of 53 new single-family permits being issued, and 2011 saw 54 single-family permits issued, only 1 more than were issued in 2010. 58 single-family permits were issued in 2012, a modest increase over

2011. In 2013, there were 108 single-family permits issued, a significant increase over recent preceding years. In 2014, 140 single-family permits were issued, a 30% increase over 2013. In 2015, 141 single-family permits were issued. At the end of 2016, 150 single-family permits had been issued, up slightly from 2015's permit numbers. 170 single-family permits were issued during 2017. An estimated 195 single-family permits were issued during 2018 and an estimated 175 in 2019. 2020 ended with an estimated 190 single-family permits being issued despite the COVID19 slowdown during the first half of the year. 2021 continues on a similar pace through three quarters of the year.

2018 started out stronger than any year of the previous 5 years before it, in fact any year in Nantucket's real estate record, and finished as the all-time record holder for dollar volume up until that year. 2019 ended down somewhat from 2018 levels. 2020 began quite strong compared to 2019, but due to the outbreak of COVID-19 in March and April, real estate activity slowed dramatically, if not halted briefly altogether. The flight from more congested population areas led Nantucket real estate activity to rebound significantly, setting many records along the way. By the end of 2020, total dollar volume already nearly doubled 2019's total, ultimately making 2020 the new record holder for total dollar volume. By dollar volume, 2021 is keeping pace with 2020, and with one quarter left, 2021 might shatter 2020's record. Stay tuned.

-Rob Ranney

-a student of the current real estate market, and a licensed real estate salesperson since 1987, Rob contributed to real estate appraisals with Denby Real Estate, Inc. from 1996 to 2016 as an apprentice appraiser, construction progress inspector for numerous financial institutions, market statistician, REALTOR, and leading researcher and data collector for Denby Real Estate, Inc., the source for all your Nantucket real estate information, statistics and market analysis needs. Since 2016, Rob has continued his career in valuing Nantucket real estate by working in the Nantucket Assessor's Office.