

“Doubt is not a pleasant condition, but certainty is absurd.”
– Voltaire (1694 – 1778)

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 despite COVID19 or perhaps because of it, 2020 ended as the all-time record holder nearly reaching \$2 billion in sales. 2021 smashed all previous records, eclipsing \$2.3 billion in dollar volume. Is reality catching up to the real estate market in 2022? 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 2022), 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 2020, the average home sale was \$3.225 million (up 29% from 2019), with 195 home sales over \$3 million, 87 over \$5 million, and 14 home sales over \$10 million. The average sale in the \$500,000 to \$999,000 range was \$812,000, 2% above 2019 for this market segment. Over \$300 million in sales volume took place in each of September and October 2020 alone, setting all-time records for single months.

For 2021, the average home sale was \$3,436,000 (up 7% from 2020), supported by 492 sales over \$1 million, representing 76% of the market by dollar volume, 209 sales over \$3 million, 83 sales over \$5 million (representing 31% of the market), and 21 sales over \$10 million.

In the first nine months of 2022, the number of sales and total dollar volume have pulled back from 2021's numbers, with the number of sales down 39% and the total dollar volume for the first three quarters of the year down 25% versus the same period in 2021. As of the end of September 2022, the average home sale was \$3.994 million (up 16% from 2021's average home sale), supported by 211 home sales, with sales over \$1 million representing 76% of the market by dollar volume, 41% over \$5 million, and 12 sales over \$10 million clocking in at just under \$190 million.

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).

In the first three quarters of 2022, there have been 66 vacant lot sales, with a median lot sale of \$1,700,000 (up 55% from 2021), and an average lot sale of \$2,648,000 (up 84% from 2021).

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 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 continued on a similar pace with an estimated 175 single-family permits issued for the year. So far in 2022, an estimated 110 single family building permits have been issued.

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. Until 2021, which easily shattered 2020's record. How long can this continue? Through three quarters, 2022 has fewer sales and less dollar volume compared to 2021, but the average home sale is up 16% from 2021 and the median home sale is up 14%. Will 2022 etch a new record in Nantucket real estate statistics or are we seeing a gradual return to more reasonable levels despite higher prices? 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, 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 going to the 'dark side' and working in the Nantucket Assessor's Office, becoming Nantucket's Tax Assessor in September 2020.