

2021

ANNUAL REPORT



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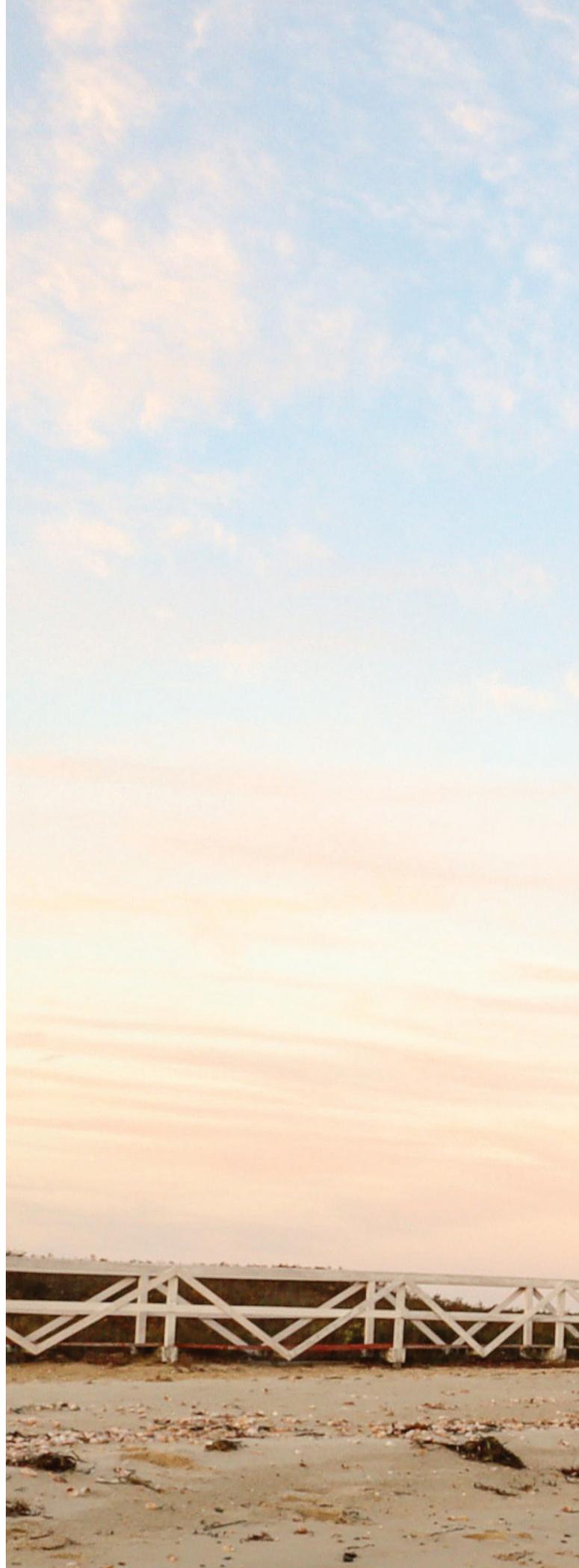
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Find Your Nantucket.

Nantucket is so much more than just a destination on a map.

It is a state of mind. A way of being. From the minute you set foot on the island, you depart—

not just from the mainland, but from the ordinary.

Life is different out here.

And while some things have changed over the years, many remain steadfast, and true.

Great Point Properties is one of them.

We are here to help folks navigate Nantucket real estate with confidence.

And to help you *Find Your Nantucket.*



One for the Books.

The momentum rolls on...

Anyone who says that they knew how 2021 would unfold is, well... lying. It was another banner year. Going into the year, we discussed how people have come to value Nantucket more than ever and are looking to invest in their piece of this extraordinary island. We did not anticipate the speed and levels with which the buyers approached the Nantucket real estate market. In hindsight, it all seems so clear. Decades of wealth accumulation, low-interest rates, and a unique island merged, and we should have known that we would see record sales volume. But no, we did not see it coming. Thanks to all who have worked with Great Point Properties through these very unusual times.

Greg McKechnie, Principal

While we cannot foretell what 2022 will bring, we can promise our clients continuous prompt, honest, and professional service. Thank you for choosing Great Point Properties as your Nantucket real estate guides.

Edward Sanford, Principal

2021 ended with the celebration of yet another eye-popping record-breaking year in Nantucket real estate sales. And with that has come the unimaginable: the prolonged demand for real estate has resulted in a record-low inventory. For now, it is reasonable to believe that the seller's market will linger through 2022. Thanks to all who have worked with us this year!

Bill Liddle, Principal

“ We did not anticipate the speed and levels with which the buyers approached the Nantucket real estate market.”

Greg McKechnie

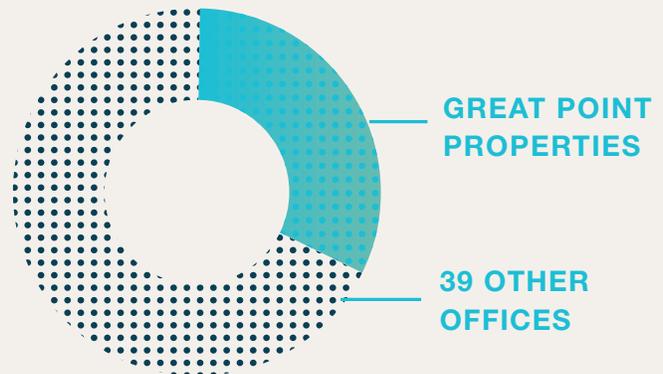
**2021 DOLLAR
VOLUME CLIMBED**



2021 HOME SALES



Total Home Transactions



Total Market Dollar Volume



SOLD

34 EASTON STREET, BRANT POINT

\$14,900,000

2021 TRENDS

61%[↑]

\$4-\$6M HOME SALES,
2021 VS. 5 YEAR AVERAGE

40%[↓]

PRICE REDUCTIONS,
2021 VS. 5 YEAR AVERAGE

74%[↑]

HOME TRANSACTIONS,
2021 VS. 5 YEAR AVERAGE

23%[↓]

YEAR-END
INVENTORY ON MARKET,
2021 VS. 5 YEAR AVERAGE

2.7%

AVERAGE INTEREST RATE

91

HOMES SOLD WITH A POOL

34%[↑]

GPP WEBSITE TRAFFIC
YEAR OVER YEAR



Year of the Hard Hat.

Construction cost boom hits the island.

Nantucket may be an island, but we are not so far offshore that the US macroeconomic markets do not impact our cost of construction. Across the US, labor shortages, increased tariffs, shipping delays, and supply chain disruptions have boiled down to an increase in cost to people wearing hard hats nationwide. Add in the microeconomics of an island and our costs have risen exponentially. Nantucket is experiencing an extremely limited labor supply due to local housing shortages and constraints on work visas. Home valuations have naturally risen as supply and demand drove costs up in the construction market, and price increases are passed along to the consumer.

With volatile material and labor costs, buyers have been paying premium prices for properties that are “done.” Cocktail party conversations about budget overruns and delays are combined with the fact that the one commodity that many of our clients are lacking is time. This has created a market in which buyers will pay a premium not to have to contend with the monetary and time unknowns associated with current construction trends.

The macroeconomic issues will be addressed, but the reality is that now that the prices have risen to address these issues, as long as demand remains, pricing will not recede.

Nantucket real estate has proven to be one of the best financial investments people have made, but the return on investment should be measured in more than equity. Investors are buying not only a home in a beautiful location; they are purchasing premium life experiences, time with family, and a house full of memories. The cost to buy and build is at an all-time high, but the rest is priceless.

SOLD

1 SANDY DRIVE, BRANT POINT

\$3,595,000

FOR LAND.



SOLD

20 CLIFF ROAD, CLIFF
\$4,100,000



SOLD

95 LOW BEACH ROAD, SCONSET
\$7,200,000



SOLD

10 QUINCE STREET, TOWN
\$3,495,000



Looking Ahead.

Market Trends.

2021 was another astonishing sales year for the Nantucket real estate market. After a historic increase in 2020, up 86% from the previous year to a record \$1.87 billion in total sales, 2021 set another dollar and transaction volume record settling at \$2.33 billion on 750 transactions.

Since June 2020, the demand for Nantucket real estate has exploded. One result of this gold rush is a rapidly declining *days on market*. 165 house listings sold in thirty days or less, and many more sold that were never listed. Multiple offers were commonplace. As a result, historic inventory tracking did not catch listings that were only on the market for a very short time (many less than one week.) As of December 31, there were only 55 houses and 5 vacant lots for sale. Pre-pandemic, as of December 31, 2019, there were 270 houses and 47 vacant lots listed for sale.

Trying to look ahead by reflecting on past sales history is a bit like walking down the highway backwards. It is easy to see the distance traveled but impossible to know what lies ahead. We recognize some of the foundations of this current market. Artificially low interest rates, massive government deficit spending, robust equity and crypto markets, a strong economy, and the social dislocation created by the pandemic have produced the perfect sales storm. But when it will dissipate and normalcy will return is the great unanswerable question.

The Nantucket real estate market has seen its share of bear markets, brought on by national and global macro-economic events. From 2019 to 2021 we have seen a 132% increase in dollar volume, although it would seem unrealistic to expect this trend to continue. So can we predict the unpredictable? If potential sellers are not motivated to list, we would be hard pressed to expect another record year. Yet buyers are still poised, as never before, to own a piece of Nantucket. For now, the greatest real estate sales market in the history of Nantucket remains intact. For now...

The Inventory Quandry.

And the science of choice.

The 2021 Nantucket real estate market started with a buoyancy that carried over from 2020. Historically low interest rates, “you only live once” attitude, charging equity markets, and the belief that working from home is here to stay helped fuel buyer demand, unlike any other time in recent history. In short, the same tailwinds as 2020. But how was 2021 different? During the early winter months, industry experts opined that we could not match the sales numbers experienced in 2020, mainly because of limited inventory. Instead, what happened was a fine balance of historic high demand combined with a steady, yet limited flow of inventory that culminated in the buyer’s resolve to act quickly and decisively, or someone else would.

Perhaps the biggest contributor to sustained sales growth was the underlying sense that limited inventory and climbing prices would be here to stay. As we write this, there are only 5 vacant lots available on the market and building costs have escalated. Therefore, we cannot build enough to satisfy demand. Additionally, sellers, while tempted to “cash in” and move into a smaller or larger home, have the same limited options, so they are choosing to stay in place. Here is a ten-year snapshot of single-family home inventory as of 10/31 on each year:

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
388	348	398	371	341	301	336	366	240	93

“It’s reasonable to say that the demand for new homes will far exceed supply in 2022...”



Before the pandemic, inventory levels of single-family homes remained steady in the 300 range, averaging 348. The current inventory level of 93, in the context of the ten-year average, is unprecedented. And while debate ensues about transitory conditions in markets versus new norms, it seems clear that the Nantucket market was fueled by buyers not wishing to wait to see what conditions may look like in the coming years.

When, or even if we rotate back to historic norms, it may not be any time soon. One pulse reading is the inventory for new home sales. In 2021, new house sales and pending sales totaled 30, and the majority of those sales transferred pre-construction, which is historically unusual for the Nantucket market. As we approach the end of 2021, there are only four new houses available for sale. Assuming demand remains constant for the foreseeable future, it is reasonable to say that the demand for new homes will far exceed supply in 2022, making it improbable that new house sales volume will match or exceed the 2021 level.

Aside from new construction, which illustrates only a small percentage of our typical inventory, we will have other considerations. If capital gains taxes increase in 2022, it will further disincentivize would-be sellers. On the other hand, perhaps a rising interest rate environment combined with rising values will temper some buyers. No matter what predictions we make, the bottom line is that very low inventory levels will persist. The observers who predicted shrinking market volume in 2021 due to supply constraints were a bit early in making the call.

Great Pointers.

Local pointers from our team to you.

From the most picture-worthy beach to our favorite island traditions, the Great Point Properties team brings you #GreatPointers, tips on navigating your time on island. To read the full library, visit @greatpointproperties on Instagram.



ON THE WATER

TRACY'S POINTER

Stand up paddle boarding is very accessible here because, well, we're on an island! The best spot is on Hummock Pond, a five mile route, out to the beach and back. Another great option is Miacomet Pond, less than one mile long, and perfect for beginners.



HIKING SPOT

GREG'S POINTER

Squam Swamp is a must-do hike. The loop is like nowhere else on Nantucket. There are Fiddle Head Ferns, great trees to climb, and small bridges that my kids used to swear were where the fairies lived!



ISLAND VIEWS

KATIE'S POINTER

One of the prettiest views on Nantucket is the look-out at Tupancy Links. You'll find beautiful views of Brant Point, Jetties, and the ocean. It's also the perfect place to walk your pup!





SCONSET TIME

LEONE'S POINTER

You can't beat an afternoon in Sconset with a guided tour provided by Nantucket Preservation Trust! Afterwards, partake in lunch and cocktails at the Summer House.



FRESH EATS

LIZ'S POINTER

Eat fresh, local fish as much as you can. Get fish tacos at Millie's, grab your favorite seafood from a local market, or go out and catch your own. And speaking of eating local, bay scallops are a must. You won't be sorry!



BEST OF THE BEACHES

ETHAN'S POINTER

Wherever you find yourself on Nantucket, I'll bet you're close to a beach. Some of the best are Cisco or Madaket at sunset, Fisherman's for a swim during the day, and Miacomet for evening fishing.



ACK TRADITION

ALLY'S POINTER

Always toss a penny off the side of your ferry when it pulls around Brant Point and heads for the mainland. Legend says that doing so ensures a safe return to the island! It also makes for a great photo-op.



HOMES SALES BY AREA

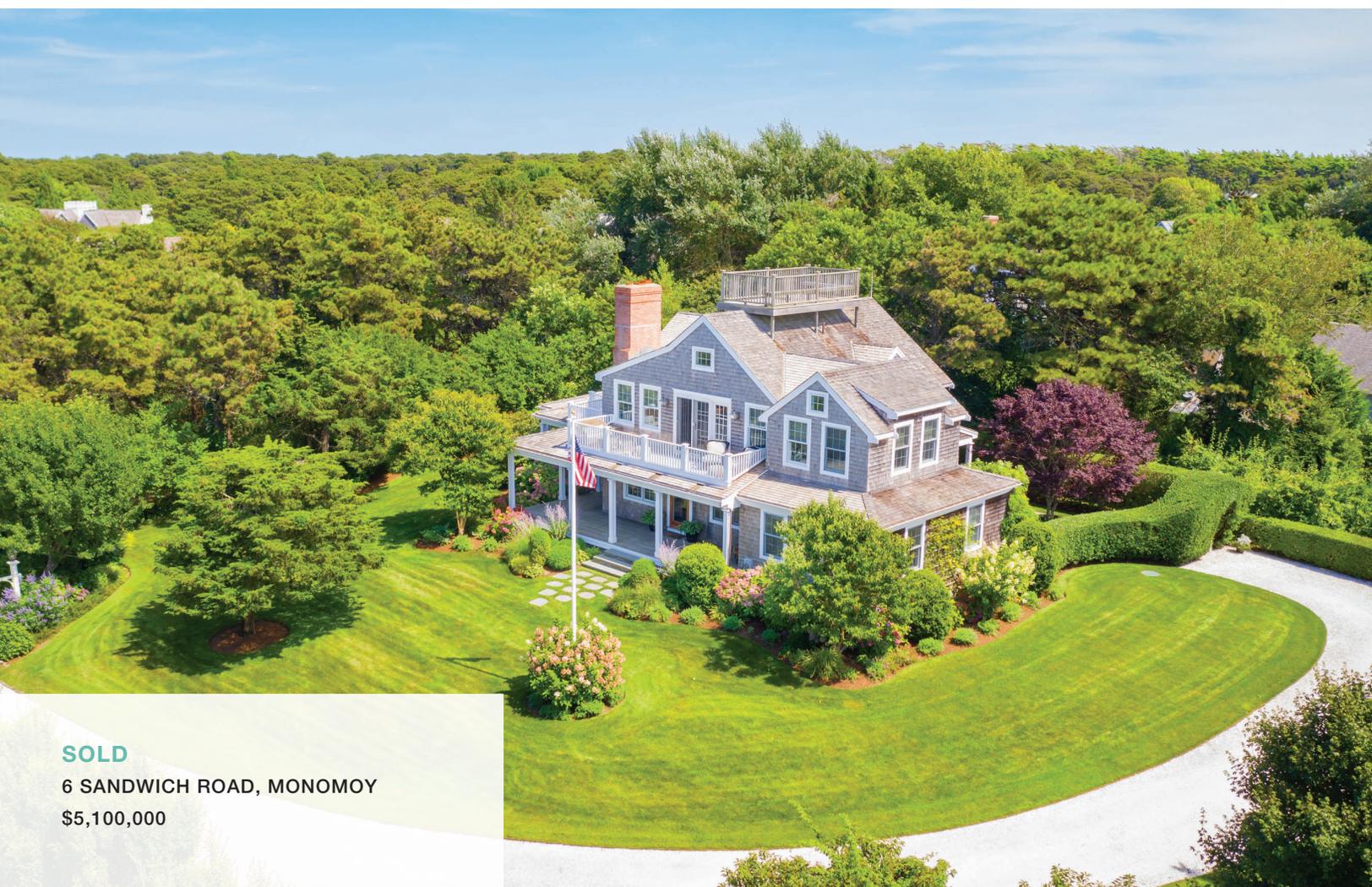




SOLD

48 & 49 WEST MIACOMET ROAD, MIACOMET

\$12,995,000



SOLD

6 SANDWICH ROAD, MONOMOY

\$5,100,000

Giving Back

A big part of what makes Nantucket such a special place to live and vacation is our community. And it is not just the open ocean we are surrounded by. Diverse history and culture are abundant on Nantucket, and there are over 100 local nonprofit organizations that support the needs of our small town.

This past year, we were able to sponsor, volunteer, and participate in a number of nonprofit events, many with causes close to our hearts. From 5ks to golf tournaments, we did so as a team!

A FEW OF OUR FAVORITE ISLAND ORGANIZATIONS



LAND CONSERVATION

\$50M LAND BANK FEE GENERATED
(2% FEE ON 2021 TRANSACTIONS)

33% OF THE ISLAND IS PROTECTED LAND OWNED BY
NANTUCKET CONSERVATION FOUNDATION
(ROUGHLY 9,000 ACRES)





Connect With Us

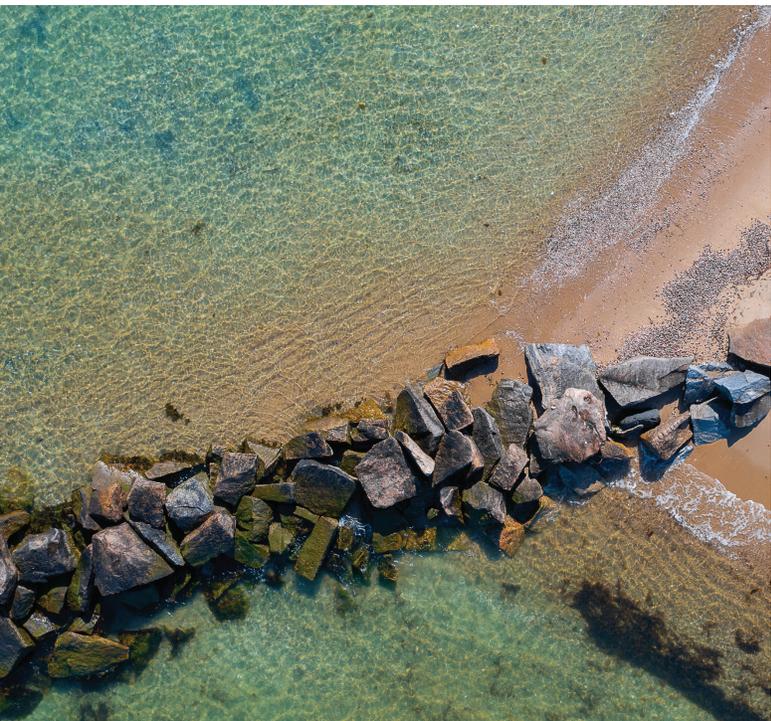
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