

Perspectives

The Planning Office is in the process of many short-term and long-term planning initiatives.

from
The Nantucket Planning Office
Planning

In 2008, the Nantucket Planning & Economic Development Commission (NP&EDC) will review for endorsement the Tom Nevers Area Plan, the Open Space and Recreation Plan, and the Nantucket Downtown Traffic Study. The NP&EDC will also continue efforts in cooperation with Edgartown, Mass. to obtain Federal Energy Regulatory Commission (FERC) permits for functioning demonstration projects that utilize marine resources as an alternative to generate energy in the Muskeget

Channel between Martha's Vineyard and Nantucket. We will also be assisting the Town with legislative needs that benefit the community.

If approved at Town Meeting, a new Housing Planner will begin work on housing initiatives in concert with Board of Selectmen goals. Construction will begin on several capital projects including the Bartlett Road bike path connection, which will extend approximately from Raceway Drive to the end of the existing bike path at Mizzenmast, and the Prospect Street sidewalk, which will extend from the Nantucket Cottage Hospital driveway to the northwestern boundary of the public property known as Dead Horse Valley. Design of the Hummock Pond Road bike path and "Four Corners" intersection realignment will initiate and the "Wheels, Heels, and Pedals" website will be updated to include interactive maps.

The Planning Board is in the process of drafting sections for the 41-81D Master Plan. The Planning Board will be holding public hearings to review the

draft and to hear comments from the public. A rewrite of the Rules and Regulations Governing the Subdivision of Land will also take place in 2008. With the annual Town Meeting approaching, the Planning Board is working on a series of articles in connection with the 41-81D Master Plan. Some articles involve simplifying the Zoning Bylaw, as well as including some of the new zoning districts approved at the 2006 special Town Meeting and 2007 annual Town Meeting. Other articles being proposed are zoning map changes to map new zoning districts and phase out other zoning districts, such as the RC-2. Letters will be mailed to property owners who may be affected by a zoning map change and the Planning Board is seeking their input.

We are open to new concepts and would like as much public input as possible. Residents are encouraged to stop by the office, attend a meeting, or submit their comments in writing to the Planning Office at 2 Fairgrounds Road. ■

People often ask real estate professionals to predict the future. The harsh truth is that if we could predict the future, we would not have to have jobs! What we can do is look at the past, apply our knowledge of the market, our experience and some basic economic tenets and give responsible opinions about where the market may be headed.

Predicting the future?

from
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President, NAREB 2007

Real Estate

Nantucket has experienced enormous appreciation in the past 10 years in the value of real estate. The average selling price of a home in 1997 was \$687,000; in 2007 it is \$2,183,000. There are many reasons for this huge escalation.. Nantucket, by it's very nature, is limited. People are still discovering all that makes Nantucket special: the opportunity to spend time in a place that is rich in history, natural beauty and culture. Some people buy purely for investment but, in our experience, most people buy to be able to spend time here. The dark side of the 318 percent increase in the value of an average home over 10 years is that those who are trying to live here year round are under increasing pressure as the cost of owning, or renting, on Nantucket continues to rise. This challenge has necessitated some creative solutions such as the Nantucket Housing Needs Covenant program and an active Habitat for Humanity chapter on Nantucket.

Let's see where we have been the past few years. The two highest dollar volume years for real estate sales were 2004 and 2005, each exceeding \$1 Billion. Last year the total sales dollars were \$917 million. Prior to 2004, the highest dollar volume year was 2000 with \$654 Million. It appears that 2007, with \$806 million in closed sales through November and \$150 million in pending sales, we will end up close to,

or over, \$900 million. Not bad for a "down market".

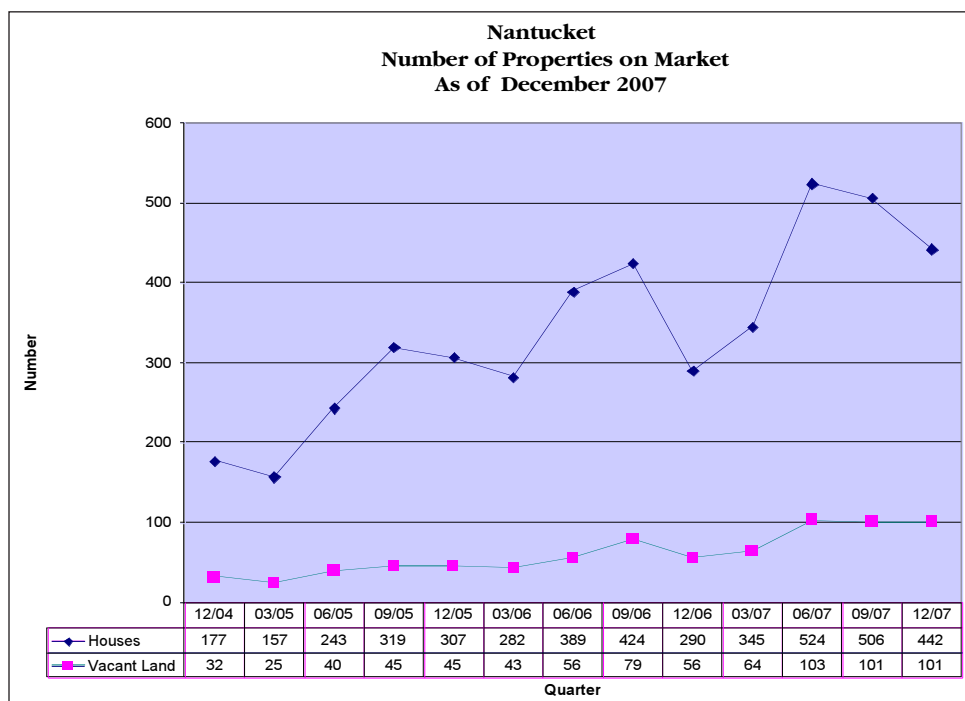
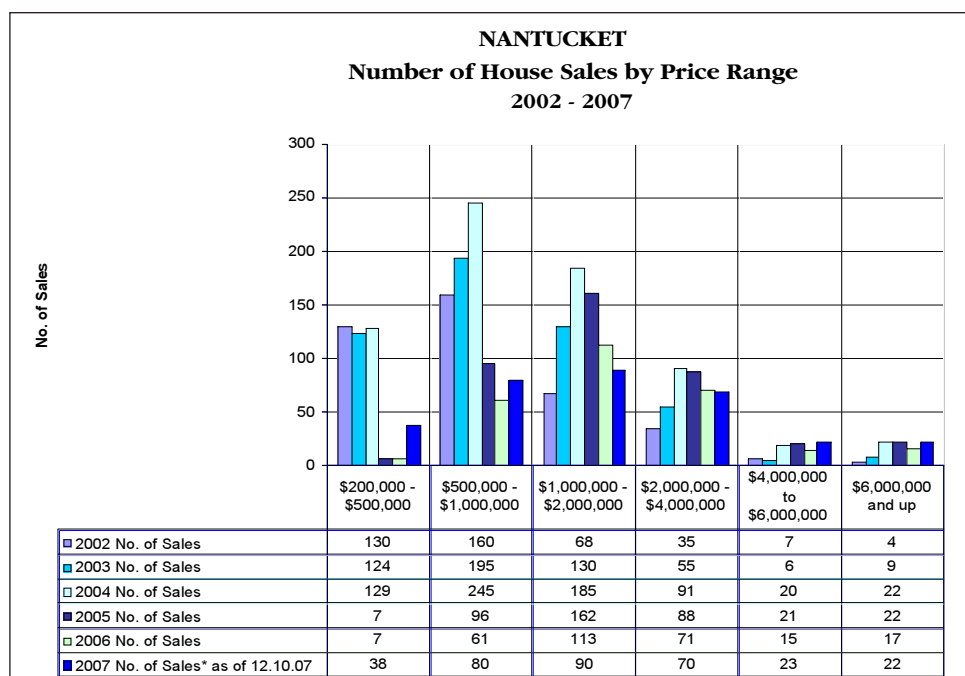
There is no question that real estate markets around the country are experiencing declines, both in the number of sales and the value of those sales. One cannot compare Nantucket to these other markets which are driven by primary home sales. Nantucket is foremost a second home market. Factors such as interest rates, the sub prime mortgage crisis and unemployment levels do not seem to directly impact the Nantucket market in any substantive way. All real estate truly is local.

Nantucket was close to even with the number of sales through November compared to last year. In 2006 there were 385 sales and this year there have been 379, but the dollar volume was still slightly up by 1.6 percent. The average selling price of all properties is up 3.22 percent.

It is important to consider different sectors of the Nantucket market to best understand where we are in the cycle. In 2006 only 7 houses sold under \$500,000; in 2007 there have been 38. In 2006 there were 103 house sales over \$2 million; in 2007 there have been 115. The lower and higher ends of the market moved well in 2007. The \$1 - \$2 million range was down, largely a function of supply and demand.

There are currently 534 properties actively for sale on Nantucket. Of these, 442 are single-family, multi-family, condominiums, coops or commercial properties. There are 101 pieces of vacant land for sale. The highest number of properties for sale recently was in June of 2007. The average time it takes a property to sell on Nantucket is 9 months. There is about one year of inventory currently listed for sale.

The challenges in 2008 will be similar to those of 2007 and, in some cases, are difficult to quantify. Will buyers continue to be influenced by the national media reports about real estate and apply those precepts to Nantucket? Will there continue to be a large number of properties for sale? Are sellers becoming more educated or realistic about prices? When will we hit the "bottom"? We will only know the



answer to the last question after the trend lines have started to turn up; in other words, when we are no longer at the "bottom". Which brings us back to predicting the future: no one can predict the future, but we can make an educated guess as to what is coming.

If you a buyer, you have many more properties to choose from than a few years ago. The sector under \$1 million has been active this year. Interest rates are still at historical lows which should help first time home buyers get into a property. The highest ranges appear to be somewhat impervious to market fluctuations and continue to move. There are opportunities throughout the market as some sellers do need to sell.

You are in the driver's seat now.

If you are a seller, you have enjoyed very rapid appreciation in the value of your Nantucket property. It is still a good time to sell, especially if you purchased your property before 2004. Sellers who have priced their properties to the current market and not some past, or future one will sell first. Most people who own on Nantucket have property not just for an investment but because they have a connection to Nantucket and love spending time on the island. Let's hope it remains this way. ■

Data Source: LINK Nantucket, Nantucket Listing Service