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## Special Advertising Feature

## Cape, Islands Gain Ground with Investors

WITH AVAILABLE INVENTORY LOW, HOMES MOVE FAST AT ALL PRICES

By Joseph Dobrian

Cape Cod, the South Coast/South Shore and the islands of Martha's Vineyard and Nantucket are perpetual winners in the second-home market, partly because of the lifestyle those markets offer, and partly because of the investment value of the real estate there. Inventory continues to shrink, so well-priced homes sell quickly—in all price ranges.

## NATIONWIDE TREND

"The trends in southeastern Massachusetts are the same trends we are seeing around the rest of the country," reports Michael Schlott, president of Kinlin Grover Real Estate, which has offices across the area.

"The main issue is very low inventory. Inventories have been shrinking for the past three years, and we are now at historic lows in many markets. As a result, well-priced homes coming onto the market are selling quickly. This is true for all segments: low-end, mid-range and high-end homes. For the first quarter of this year on Cape Cod, the South Coast and the South Shore, available single-family home inventory was down almost 13%, and the average sale price was up 10%.

"At the high end, the average sale price was up more than 11%. When homes come onto the market they are going



BOB GOTHARD/TEA LANE ASSOCIATES



RON LUNCH PHOTOGRAPHY, NANTUCKET, MA

Left: aerial view of waterfront properties at Tea Lane, Martha's Vineyard; right: shingle-style homes with modern interiors are popular in Nantucket.

quickly, and selling for significantly more than a year ago.

"A traditional market sees 3% to 5% appreciation, so we are talking about first-quarter numbers that are three or four times higher than the average market," he adds.

"However, it's important to remember that quarterly statistics like these represent a small window into the market and not necessarily a growing trend.

"Prices are increasing, but they are likely to stay more within traditional ranges over the long run. Also, the average number of days that a home stays on the market is down 15% to 20%."

Mr. Schlott acknowledges that the new federal tax laws impacting real estate—in particular the \$10,000 cap on the property tax and reduced mortgage-interest deductions—have created some uncertainty, but low inventory continues to drive sales on Cape Cod because the area is built out.

On Martha's Vineyard, Abby Rabinovitz, owner of Tea Lane Associates in Chilmark, Mass., reports that the 2018 market is just starting to get hot. Inventory is low, she agrees, but several interesting properties are available and buyers are coming in at every price point.

## WATERFRONT HOMES

"Entering the Vineyard market at lower price points is difficult due to lack of inventory," Ms. Rabinovitz says. "Vineyard properties below \$1 million can go quickly.

However, "because of the Vineyard's salt-water ponds, you don't have to be right on the ocean to have an incredible waterfront property. The ponds provide a 'close-to-nature' experience, amazing views and easy access to some gorgeous Atlantic beaches.

"The Vineyard has something for everyone. Do you want to be in-town? Would you rather be isolated and remote? Close to nature but still convenient to

everything? You can find it here. We're very excited about a new listing that's on the market for the first time in more than 50 years, a three-home waterfront estate on Stonewall Pond on almost six acres. Another special property we are listing sits on Tisbury Great Pond, with intimate views of the pond out to the ocean. A third is a beautifully crafted home overlooking Quitsa Pond and the Vineyard Sound. Each of these properties has easy deeded access to a beautiful private Atlantic beach."

At Island Properties BHHS (Berkshire Hathaway HomeServices), owner Michael O'Mara says Nantucket is a smaller, more remote, less expensive market than Martha's Vineyard—but Nantucket, too, is seeing a real estate boom. The number of sales there is up 25% in 2018, year to date, and dollar value is up 39%.

"The big part of the market is under \$3 million," he says. "Nantucket is more centralized

than Martha's Vineyard, with very few towns. We have the second-busiest airport in New England, and aviation has made Nantucket a more practical place to own.

**"YOU DON'T HAVE TO BE ON THE OCEAN TO HAVE AN INCREDIBLE WATERFRONT PROPERTY."**

"New homes are very popular here. Millennials are often willing to sacrifice location in exchange for creature comforts. The trend is toward a contemporary look on the interior, but with the old-fashioned shingle style on the outside," Mr. O'Mara adds.

"Climate-wise, Nantucket is little cooler than New York or Boston. Your body has a perfect temperature, and many people seem to find it on Nantucket."