

# Martha's Vineyard 2022

## Mid-Year Real Estate Market Report

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The Martha's Vineyard real estate market slowed in the first half of 2022. The number of transactions decreased 32% from 329 transactions in the first half of 2021 to 224 transactions in the first half of 2022. Dollar volume was down 25% from \$556mm in the first half of 2021 to \$416mm in the first half of 2022. However, average price rose 10% from \$1.690mm for the first half of 2021 to \$1.857mm for the first half of 2022. Historically speaking, 224 sales for the first half of the year is a solid performance and comparable to the first half of 2020 which had 222 sales and the first half of 2019 which had 219. It's worth noting that the dollar volume in the first half of 2022 is 38% higher than the first half of 2020 with a similar number of sales,

meaning prices have climbed significantly.

All six towns posted decreases in the number of transactions in the first half of 2022, and all towns except Chilmark posted decreases in dollar volume. In Chilmark, despite the number of transactions falling from 21 in the first half of 2021 to 10 in the first half of 2022, dollar volume increased 25% due to the type of sales that occurred in the first half of 2022, which were all houses including a \$9,025,000 transaction, versus several land sales in the first half of 2021 including beach lots. West Tisbury was the most insulated from the changes with a 9% drop in both the number of transactions and dollar volume. From the first half of 2021 to the first half of 2022, the rest of the towns on the island experienced double

digit decreases in the number of transactions and dollar volume: Aquinnah down 54% and 57% respectively, Edgartown down 32% and 33%, Oak Bluffs down 36% and 30% and Tisbury down 30% and 27%.

In the last month, inventory of properties has shifted up slightly but still remains at an historically low level. The inventory level at mid-year 2022 was 196 properties, higher than the inventory at mid-year 2021 which was 157, but still significantly lower than 2020 which was 396 properties.

What has caused this mild increase in mid-year inventory? At this time, we can only speculate. The uptick in inventory may reveal a buyer pushback on pricing, as some properties linger on the market a little longer due to aggressive pricing and higher

interest rates. The uptick in inventory may also indicate that sellers are starting to see this as a good time to sell rather than holding out for real estate prices to rise further in an uncertain economy. However, it's also worth noting that many properties are selling quickly without ever coming to the market and bidding wars continue to be common in market niches where inventory is too low to meet the strong demand.

Mid-year last year, the real estate boom on the island was in full swing. The mixed activity at the midpoint in 2022 may signal the start of a shift in the market dynamics but it is too early to know. Currently, the market remains strong for Sellers and challenging for Buyers evidenced by higher prices and continued low inventory. **vvv**

## Martha's Vineyard 2021

### Real Estate Market Review

The Martha's Vineyard real estate market continued its rally in 2021 to keep pace with the record-smashing year of 2020. Although the number of transactions slipped 2 percent to 707 (down from 720 in 2020), the overall dollar volume gained 20 percent to a new high record of \$1.34 billion in 2021 (up from \$1.114 billion in 2020). It is the second year in history, and consecutively, that the Martha's Vineyard market has surpassed the \$1 billion threshold. The average sales price, Island-wide and across all categories, rose 22.5 percent to \$1.896 million, another record-breaking high.

Unlike the consistent uptick in performance across all six Island towns in 2020, the results by town in 2021 were mixed. Driven by a strong high-end segment, all towns except Aquinnah experienced increased dollar volume and increased average price, but only two of the six towns on the Island posted gains in the number of transactions — Oak Bluffs and Tisbury.

Lack of inventory was a major factor in the market in 2021. Even though 2020 was a low-inventory year compared with previous years, 2021 saw even sparser inventory. Looking at the numbers, the peak inventory of 187 properties in 2021 was down 45 percent (from the peak of 338 properties in 2020), and peak single-family residential inventory of 136 in 2021 was down 40 percent (from 227 in 2020). It's worth noting that these peaks were misaligned. Peak inventory traditionally occurs in the middle of the summer season, as it did in 2020, occurring the week of July 10, 2020. But the peak in the 2021 market occurred later, during the week of Oct. 8, 2021, perhaps due to sellers reacting to the strong sales data from the summer and deciding to take advantage of the opportunity at hand. In any case, the inventory levels in 2021 ran at 40 to 60 percent below 2020 for most of the year until October, when inventory fluctuated between 28 and 39 percent below the 2020 level of inventory.

But the inventory story doesn't end there. Some segments of the market definitely suffered a lack of inventory; however, the fact remains that during this incredibly low-inventory year, the Island experienced its second highest number of transactions ever (707 transactions in 2021). Certainly some transactions occurred without properties ever hitting the open market, but more significant numbers of properties

moved so quickly that the inventory numbers never caught up — i.e., demand for properties was so high and properties were selling so quickly that there were fewer properties lingering on the market, and the overall inventory numbers never had time to accumulate.

As demand continued at high levels in 2021, seller's market dynamics drove multiple offers. Quick turnaround on many properties caused prices to rise to record-breaking levels, and the market in general moved toward the higher end. For the first time ever, the number of sales on the Island over \$1 million (409) was higher than the number of sales under \$1 million (298). That means that 58 percent of transactions were over \$1 million in 2021, versus 46 percent in 2020 and 28 to 33 percent in 2016-2019. Perhaps even more significant was the thriving high end of the market in 2021, with new records for the number of transac-

tion \$3-plus million, \$5-plus million, \$7-plus million, and \$10-plus million. There were 106 transactions at \$3-plus million in 2021 (versus the previous record of 68 in 2020), 47 sales at \$5-plus million in 2021 (versus 28 in 2020), 27 sales at \$7-plus million in 2021 (versus 17 in 2019), and 12 sales at \$10-plus million in 2021 (versus 11 in 2019). Sales at \$3-plus million represented 15 percent of all transactions in 2021 (versus 8 percent in 2020), and 48 percent of dollar volume in 2021 (versus 30 percent in 2020).

There were two \$25 million sales in 2021, a 60-acre oceanfront farm in Chilmark, and an Edgartown waterfront compound on Katama Bay with a dock. The 60-acre Quenames Farm on the South Shore of Chilmark sold for \$25 million on Nov. 15, 2021. It included nine bedrooms across three residences — a farm-

house, main house, and bunkhouse — plus farm fields and 800 feet of Atlantic beachfront. The 6-bedroom, 6.5-bathroom Katama Bay waterfront property at 17 Faulkner Drive sold for \$25 million on Dec. 1, 2021. This property last transferred in January 2014 for \$8.7 million, at which time the structures were torn down and rebuilt, including over 8,700 square feet of living space plus pool, pool house with kitchenette, and a dock on Katama Bay.

While the above statistics include all transactions and represent Island-wide performance, individual towns and market segments reveal different dynamics. Martha's Vineyard is an Island with six towns, each with its own character and specific market conditions. Within each town there are different niches as well ... waterfront, water view, high-end, midrange, entry-level, and commercial properties. Generalizing trends or making

house, main house, and bunkhouse — plus farm fields and 800 feet of Atlantic beachfront. The 6-bedroom, 6.5-bathroom Katama Bay waterfront property at 17 Faulkner Drive sold for \$25 million on Dec. 1, 2021. This property last transferred in January 2014 for \$8.7 million, at which time the structures were torn down and rebuilt, including over 8,700 square feet of living space plus pool, pool house with kitchenette, and a dock on Katama Bay.

Although Chilmark performed well in 2021, a lack of inventory in the midrange (\$1 million to \$3 million) tempered Chilmark's results for the year. Chilmark's peak inventory level in 2021 was 20 properties, down from 36 properties in 2020, 64 properties in 2019, and 59 in 2018.

In 2021, Chilmark sales represented 7 percent of transactions and 10 percent of dollar volume Island-wide.

#### West Tisbury

West Tisbury posted strong gains in dollar volume and average price in 2021, but the number of transactions was down for the year. Transactions fell 7 percent in 2021, from 85 in 2020 to 79 in 2021. However, dollar volume for the town grew 38 percent, from \$120 million in 2020 to \$166 million in 2021, and average price surged 49 percent, from \$1.4 million in 2020 to \$2.1 million in 2021.

Similar to Chilmark, the growth in the West Tisbury market in dollar volume and average price was due to high-end sales. In 2021, there were 15 sales at \$3-plus million (versus 8 sales in 2020), and 7 sales at \$5-plus million (versus just one sale in 2020). The highest sale in West Tisbury in 2021 was \$9 million (versus \$5.5 million in 2020) for a contemporary architectural home on 1.2 acres, with pool, gardens, and frontage on Vineyard Sound.

In 2021, West Tisbury sales represented 11 percent of all transactions on the Island, and 11 percent of dollar volume.

#### Aquinnah

Aquinnah posted decreases across the board in 2021. Transactions declined 12 percent from 25 in 2020 to 22 in 2021; dollar volume decreased 50 percent from \$59 million in 2020 to \$30 million in 2021, and average price dropped 43 percent, from \$2.4 million in 2020 to \$1.4 million in 2021. However, it is important to note that 2020 was an incredibly strong

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broad statements is challenging because each market segment can be, on its own, very small. However, it is worth diving into the different towns and niches to understand their role in the overall market performance.

#### Chilmark

2021 was a solid year for Chilmark despite limited inventory and mixed results. Chilmark posted a 15 percent decrease in the number of transactions, from 60 in 2020 to 51 in 2021, but dollar volume was up 21 percent from \$107 million in 2020 to \$130 million in 2021, and average price rose 43 percent from \$1.788 million in 2020 to \$2.550 million in 2021.

Chilmark's growth in dollar volume and average sale price was due to the growth in its high end, over \$3 million. There were 14 sales at \$3-plus million in 2021 (versus 9 in

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year for the smallest town on the Island, and included the \$27 million sale of 304 acres of Red Gate Farm to the Land Bank and Sheriff's Meadow Foundation. When comparing 2021 numbers to 2019, both the number of transactions and dollar volume increased in 2021, and average price was essentially flat.

Of the 22 transactions in Aquinnah in 2021, half of them (11) were land sales, five of which were beach lot sales (2 on Oxcart Road and 3 on Moshup Trail). One vacant land transaction was the highest sale of the year for Aquinnah — the \$10 million sale of another 32 acres of Red Gate Farm to the Land Bank. The highest residential sale for the town in 2021 was \$2.55 million for a waterfront home on Oxcart Road.

This smallest market on the Island represented 3 percent of total Island-wide transactions, and 2 percent of total Island-wide dollar volume.

### Edgartown

Edgartown continued its impressive gains in 2021, except for the number of transactions, which fell 7 percent, from 257 in 2020 to 239 in 2021. Otherwise, Edgartown rallied again in 2021 with a 20 percent increase in dollar volume (from \$529 million in 2020 to \$632 million in 2021), and a 28 percent jump in average price (from \$2.06 million in 2020 to \$2.65 million in 2021).

The trends of specific market segments in Edgartown reflect the dynamics of the Island's market as a whole in 2021. The segment under \$1 million declined from 78 sales in 2020 to 61 in 2021. The midrange segment of \$1 million to \$3 million held steady in 2021 (from 118 sales in 2020 to 117 in 2021). The high end was the source of Edgartown's growth — sales \$3-plus million grew from 41 in 2020 to 61 in 2021. And the market over \$10 million increased from 5 sales in 2020 to 8 in 2021, including the \$25 million sale at 17 Faulkner Drive, which was discussed in the introduction.

Edgartown sales represented 34 percent of transactions, and 47 percent of total dollar volume Island-wide, in 2021.

### Oak Bluffs

2021 was another strong year for Oak Bluffs, with increases across the board. The number of transactions grew 11 percent, from 153 in 2020 to 170 in 2021. Dollar volume was up 44 percent from \$138 million in 2020 to \$198 million in 2021, and average price increased 29 percent, from \$900,000 in 2020 to \$1.16 million in 2021. Both the midrange segment of \$1 million to \$3 million and high-end segment over \$3 million posted growth in 2021. In the midrange, the number of transactions grew from 41 in 2020 to 65 in 2021. For sales \$3-plus million, there was only 1 in 2020, versus 8 in 2021. The highest sale in Oak Bluffs was the \$6.5 million sale

of 14R Temahegan Ave., a 1.4-acre waterfront property with a 1930s home in East Chop.

Oak Bluffs' transactions represented 24 percent of transactions on the Island in 2021, and 15 percent of dollar volume.

### Tisbury (Vineyard Haven)

Tisbury had a solid performance in 2021, with growth across the board. There was a 4 percent increase in the number of transactions, from 140 in 2020 to 146 in 2021, a 14.5 percent increase in dollar volume, from \$161 million in 2020 to \$185 million in 2021, and a 10 percent increase in average price, from \$1.15 million in 2020 to \$1.27 million in 2021.

The growth segment of Tisbury's market in 2021 was the midrange (\$1 million to \$3 million), which increased from 41 transactions in 2020 to 56 in 2021. The high-end at \$3-plus million held steady, with 5 sales in both 2020 and 2021. And sales under \$1 million fell from 93 in 2020 to 85 in 2021.

The highest sale in Tisbury in 2021 was the \$11.45 million harborfront property at 88 Hatch Road with a renovated 5-bedroom home, sandy beach on the harbor, and a dock.

Tisbury represented 21 percent of transactions and 14 percent of dollar volume Island-wide in 2021.

### Entry-level sales

The entry level segment of the market, all sales under \$1 million, continues to decline. The total number of sales under \$1 million dropped from 386 in 2020 to 298 in 2021. Additionally, this segment decreased from a market share of 54 percent of all transactions in 2020 to 42 percent in 2021. There was a 30 percent rise in median price in 2021, from \$925,000 in 2020 to \$1.2 million in 2021. For buyers in this segment, including local families, it continues to be more difficult to enter the Island real estate market. Rising prices and limited inventory have forced many year-round residents out of the housing market.

For local families and workers, there is a serious housing crisis. The effects of this crisis can be felt throughout the Vineyard community. We are losing friends and neighbors who move off-Island. Essential services are harder to come by, as are the amenities which power our economy. Labor shortages are an ongoing reality.

Local governments and organizations continue to chip away at this monumental issue with zoning bylaw changes, rent subsidies, and building new affordable housing. The Island Housing Trust, a nonprofit developer of affordable housing, reports that in 2021, they were chosen by the towns of Oak Bluffs, Edgartown, and Aquinnah to build a combined 104 affordable homes on town-owned land: 60 rental apartments in Oak Bluffs, 36 rentals and 4 ownership homes in Edgartown, and 4 rental apartments in Aquinnah. Construction is underway in Tisbury on 20 rental apartments and 2 rental apartments in West

Tisbury that will become home to more than 60 year-round working residents and their children this coming year. Even with these strides forward, demand for affordable housing continues to far exceed supply.

The proposal for a Martha's Vineyard Housing Bank was approved by all six towns. To find out more, go to the Coalition to Create a MV Housing Bank website ([ccmvhb.org](http://ccmvhb.org)) and read about how a housing bank would work. Here's a letter signed by many of us at Tea Lane Associates in support, as well as letters from other community organizations and local boards ([ccmvhb.org/letters-of-support](http://ccmvhb.org/letters-of-support)).

### High-end sales

2021 was a record-breaking year for the high-end segment of the market over \$3 million, as well as all of the subsegments above this price point (sales \$5-plus million, \$7-plus million, \$10-plus million), except that the three sales over \$20 million in 2021 tied the record with the Island's 2015 performance in this highest segment. In 2021, the \$3-plus million segment of the market represented 48 percent of total Island-wide dollar volume (up from 37 percent in 2020), and 15 percent of all transactions.

### Land sales

Sales of vacant, buildable parcels increased 6.7 percent, from 94 transactions in 2020 to 100 in 2021. But the modest increase in transactions translated to a 35 percent in dollar volume for a total of \$146 million in 2021 (versus \$108 million in 2020). These vacant, buildable land sales represented 14 percent of all transactions on the Island in 2021.

Looking at high-end land sales, there were three transactions over \$5 million in 2021 (versus two in 2020). These three sales in 2021 included a 12.3-acre south shore parcel in West Tisbury with Atlantic beach, conservation land, trails, and pond frontage/access for \$8.55 million, the additional 32-acre parcel of Red Gate Farm in Aquinnah, which sold to the Land Bank for conservation for \$10 million, and a 6.5-acre waterfront parcel on Katama Bay in Edgartown with dock for \$14 million.

Beach lots represent a separate segment of land sales. These are unbuildable properties which convey ownership in private beaches on the Island. This segment jumped up from 4 transactions in 2020 to 11 in 2021. In 2021, 6 sales were in Chilmark and 5 in Aquinnah. It is impossible to hypothesize about this market segment because inventory drives it, and the availability of these properties is erratic and unpredictable.

### Commercial sales

The sale of commercial properties jumped for the second consecutive year to 34 transactions in 2021 (up from 22 transactions in 2020). Of the 34 commercial transactions in 2021, 19 were in Tisbury, 7

were in Oak Bluffs, 5 were in Edgartown, and 3 were in West Tisbury. The highest-priced commercial transaction was the sale of Edgartown Marine at 32 Herring Creek Road in Edgartown for \$9.3 million.

Commercial transactions represented 5 percent of transactions and 5 percent of dollar volume Island-wide in 2021.

### Conclusion

2021 was an intense year. As the nation and the world tried to navigate through the COVID-19 pandemic with some success and many setbacks, no one could escape being challenged in myriad ways. All the while, in our little corner/Island of the world, the real estate market continued to soar beyond reasonable expectations, despite a lack of inventory. This lack of inventory can also be described as an abundance of demand, a demand that built up during the pandemic for a multitude of reasons we described last year (the fleeing from urban/suburban environments for more space/safety, the ability to work remotely, the motivation to fulfill the dream of an Island home, the historically low mortgage rates). Competitive bids and quick-moving properties created a tough market on the Island for many buyers. Sellers benefited from this frenetic market in 2021 with historically high price points, and an explosion of overall dollar volume for our Island market.

Looking into 2022, as we said last year, it is a great time for sellers to make a move. 2021 market activity is spilling over into this new year, and inventory is low. For buyers, with inventory at an historic low, the real estate market on the Island continues to be extremely competitive. It is important for buyers to consult with their agent to better understand the market and know specifically what they are looking for, so that they can move quickly when the right property emerges.

If COVID has taught us anything, it's how intensely interconnected we all are in the world, even if you try to hide away on an Island! The national and international forces at play will affect us here, and have a hand in shaping what comes next for the Vineyard. We believe 2022 will be a strong year for the Martha's Vineyard real estate market, but this moment in time is fraught with fragility and unpredictability. So above all else, we continue to hope for health and stability for our country, our Island, and all of our, and our clients', families and friends. **VPV**

*Editor's Note: Please note that properties or shares of properties worth less than \$50,000 have not been included in the lists to follow; and second and third owner names are also not included, to conserve space.*

*Each town has a means to look up the tax assessors figures on their respective websites.*

*These values are for FY2022 with an assessment date of 1/1/2022. Ownership changes after that date are not reflected.*