

Demand Is High on Cape Cod, Martha's Vineyard

LUXURY HOMES ARE BEING SNAPPED UP, WHICH IS GOOD NEWS FOR SELLERS

By Joseph Dobrian

Outside of Boston, two of Massachusetts' most famous luxury home destinations are Cape Cod and the little island of Martha's Vineyard. In both of those markets, demand traditionally runs ahead of supply, and the current disparity is putting upward pressure on prices—so this might not be a bad time to sell, according to brokers in the area.

ACTIVE MARKET

Kathy Forrester, director of marketing at Kinlin Grover Real Estate and The Randall Family of Companies, reports that the market is very active this year. According to the Cape & Islands Multiple Listing Service, year-to-date, the average sales price across Cape Cod is up 8.6%. Average days on market, across all home price categories, fell 23%, from 108 in July 2017, to 83 in July 2018. At the high end, through the mid-year, homes over \$1 million have seen a 10.5% increase in sale price.

"We've already experienced a 40.4% increase in luxury sales volume and an 18.2% increase in average sales price over the last year," Ms. Forrester says. "Currently, we have 120 listings at \$1 million or higher. With very little buildable land



COURTESY OF KINLIN GROVER REAL ESTATE



TEA LANE ASSOCIATES

L to R: five-bedroom waterfront home in Barnstable Village; custom-built house overlooking Squibnocket beach.

remaining, and local environmental restrictions, new residential development is limited outside the most populated areas of the Cape—such as Hyannis and Falmouth, where a few condo communities are in development. The trend in the high-end market is to purchase and renovate."

Renovation of existing homes, or tearing down and rebuilding from scratch, are by far the most popular procedures on Cape Cod—rather than buying a new house in turnkey condition, of which very few are available at any time. This is particularly true at the high end, where buyers often purchase a property for the land value and extensively renovate it to bring it up to modern standards and technology.

Existing Cape Cod homeowners are also renovating to meet the demands of high-end buyers, who want updated custom interiors, modern

appointments, and state-of-the-art mechanical systems.

Kinlin Grover's current high-end listings range from a private, newly renovated five-bedroom waterfront home on 3.18 acres, in Barnstable Village, for \$6.25 million, to a custom five-bedroom waterfront estate on 3.56 acres with panoramic views of Nantucket Sound, for \$9.75 million, and an 8,000-square-foot waterfront estate in East Falmouth, priced at \$9.99 million.

SELLING QUICKLY

"The numbers say it for Cape Cod in 2018," remarks Stewart Young, regional manager for LandVest, there. "It's a solid market, with a few really great properties coming on—although they go quickly if priced well. We recently brought a really rare property to market in Truro and it was gone just like that. We have a very unusual large-acreage estate in East Dennis that has received a

great deal of interest because of its scale and privacy."

Abby Rabinovitz, principal broker/owner of Tea Lane Associates on Martha's Vineyard, reports that she's preparing for the fall season, which she expects will be more active than usual—although perhaps not as hot as 2017. So far, she says, transactions are down 4.5% island-wide, due mainly to low inventory in some villages.

"Overall inventory on Martha's Vineyard is down, but this varies in different niches," she says. "Entry-level properties are scarce and it's harder for a first-time buyer to get into the market: these properties often go under agreement in a matter of weeks. Inventory of quality custom water-view homes is also down, but waterfront inventory remains strong, with many incredible properties ranging from \$4 million to over \$20 million. There's outstanding inventory in the \$8 million

price range—and compared to markets like Nantucket or the Hamptons, the Vineyard has amazingly favorable pricing.

PEACEFUL PLACE

"Martha's Vineyard is a wonderfully quiet, peaceful place to get away, yet it has so much to offer. You have to fly or take the ferry to get here, which makes it more remote. Cape Cod is wonderful—easier to get to, more convenient—but we're less crowded. The island as a whole has incredibly varied topography, towns, rural countryside and great beaches," she concludes.

"THE TREND IN THE HIGH-END MARKET IS TO PURCHASE AND RENOVATE."

Tea Lane Associates' current listings include a new custom home in Aquinnah, with pool and "some of the best water views on the island," for \$6.35 million; a "quintessential beach home" perched above Squibnocket beach and pond, fully renovated and ready to move in, for \$4.4 million; as well as a classic waterfront property in West Chop, overlooking Vineyard Sound, priced at \$11.75 million.