

Nantucket Housing Affordability Assessment

for Housing Nantucket

August 2025

EBP 

- Housing affordability:
 - Significantly affects year-round households at almost every income level
 - Is the top recruiting/retention challenge for employers of year-round employees at all salary level and occupations including doctors and hospital staff, firefighters and police, educators and Town government workers
 - Has been a persistent concern for decades and is a top priority issue for the Town of Nantucket, major employers, and local non-profit and civic organizations
 - Remains significant even as new affordable and workforce housing units are being acquired and built by the Town, major employers and non-profits such as Housing Nantucket and Habitat for Humanity

Housing Nantucket commissioned this independent analysis to determine the number of Nantucket year-round households at low, moderate and middle-income levels that are affected by housing un-affordability.



2023



12,500 housing units, 44% of which are year-round units

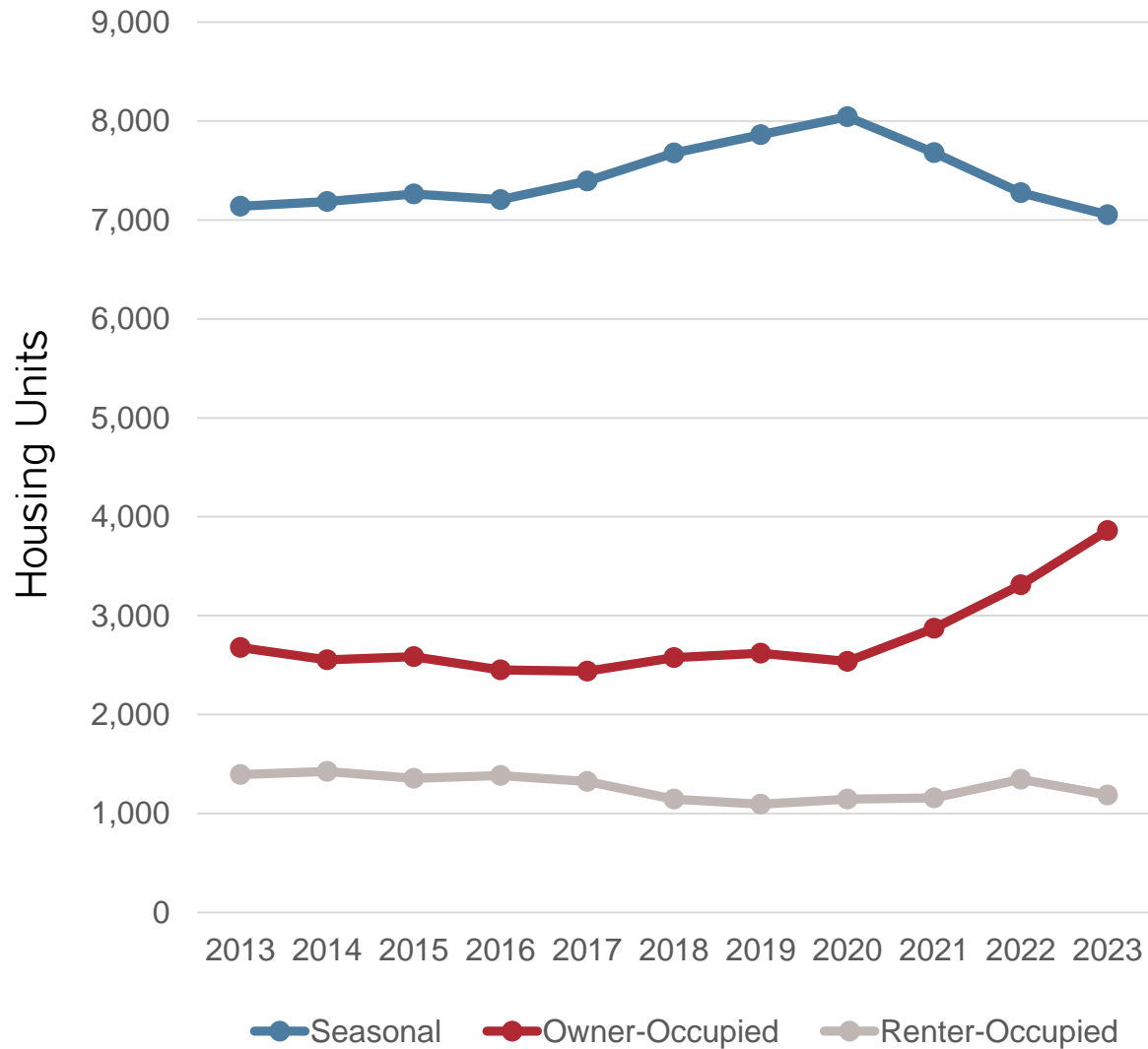
2013



11,650 housing units , 36% of which are year-round units

Despite this increase in overall and year-round housing units, the availability of affordable housing has worsened in several respects.

Significant Decline in Year-round Rental Units



- The increase in total housing units since 2013 and decline in seasonal units were outpaced by an increase in owner-occupied units
- While increased owner-occupancy is good for community stability, it has increased challenges for renters who are important to the community
- This shift resulted in 205 fewer renter-occupied housing units and 165 fewer year-round units for rent
- Vacant year-round rental units are virtually non-existent, numbering about three dozen

140%

increase in median home purchase price (\$3.7 M) in 2024 compared to 2015

70%

increase in average fair market rent (\$3,330) compared to 2015

9%

increase in the median family income* (\$151,300) between 2015 and 2023

\$1.4 million

The annual income a household would need to purchase a median-priced home on Nantucket

\$130,800

(80% of AMI**)

The lowest household income for which current fair market rent is affordable

\$155,326 to \$245,250
(120% - 150% of AMI)

The income range in which larger households may also struggle to pay fair rents for suitable units

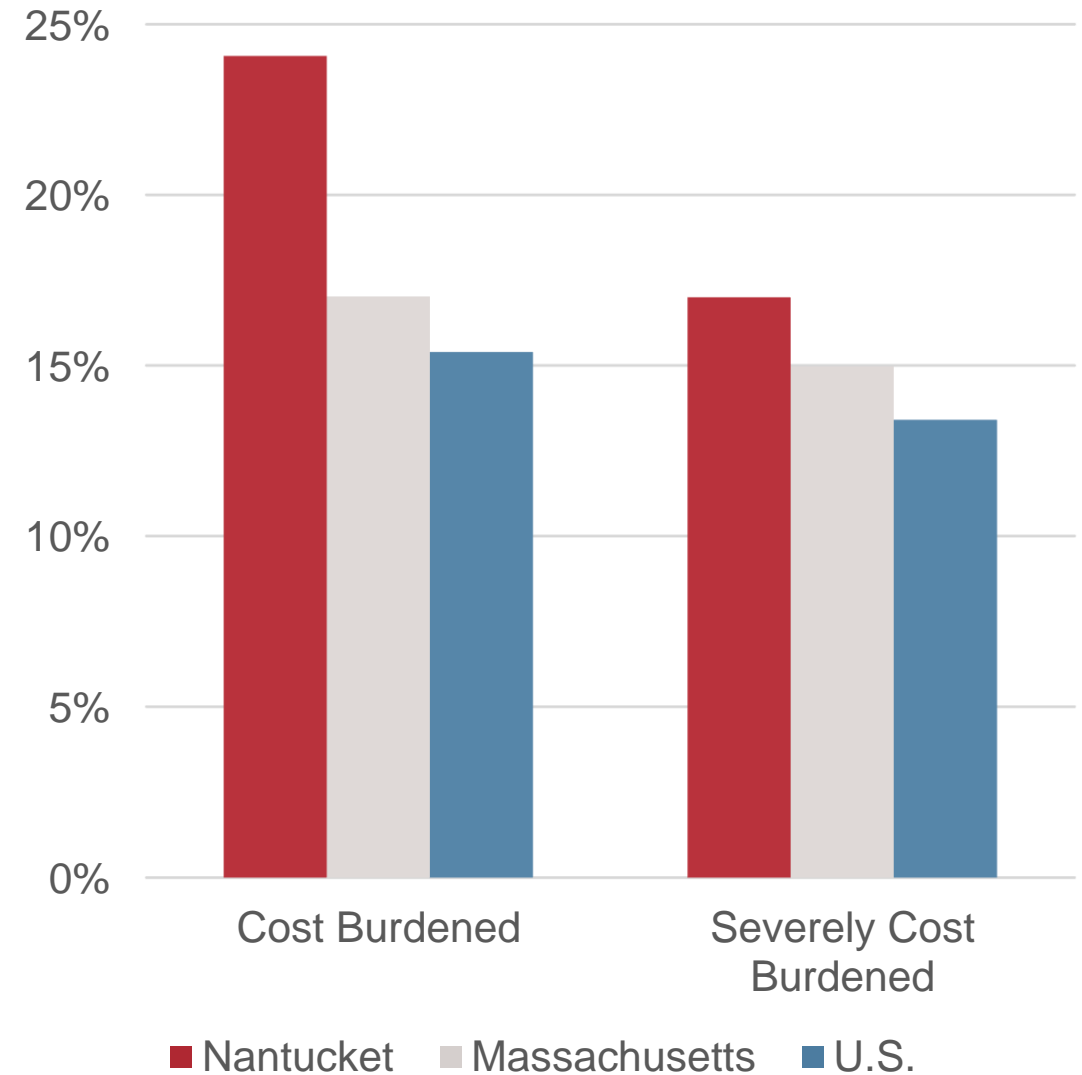
* Source: ACS

** Area Median Income

- An increasing share of Nantucket households are housing cost-burdened or severely housing cost burdened
- In 2021, more than 41% of households were cost burdened or severely cost burdened, up from 37% of households in 2017



Households spending more than 30% of gross income are considered cost burdened, while those spending or 50% or more are considered severely cost burdened

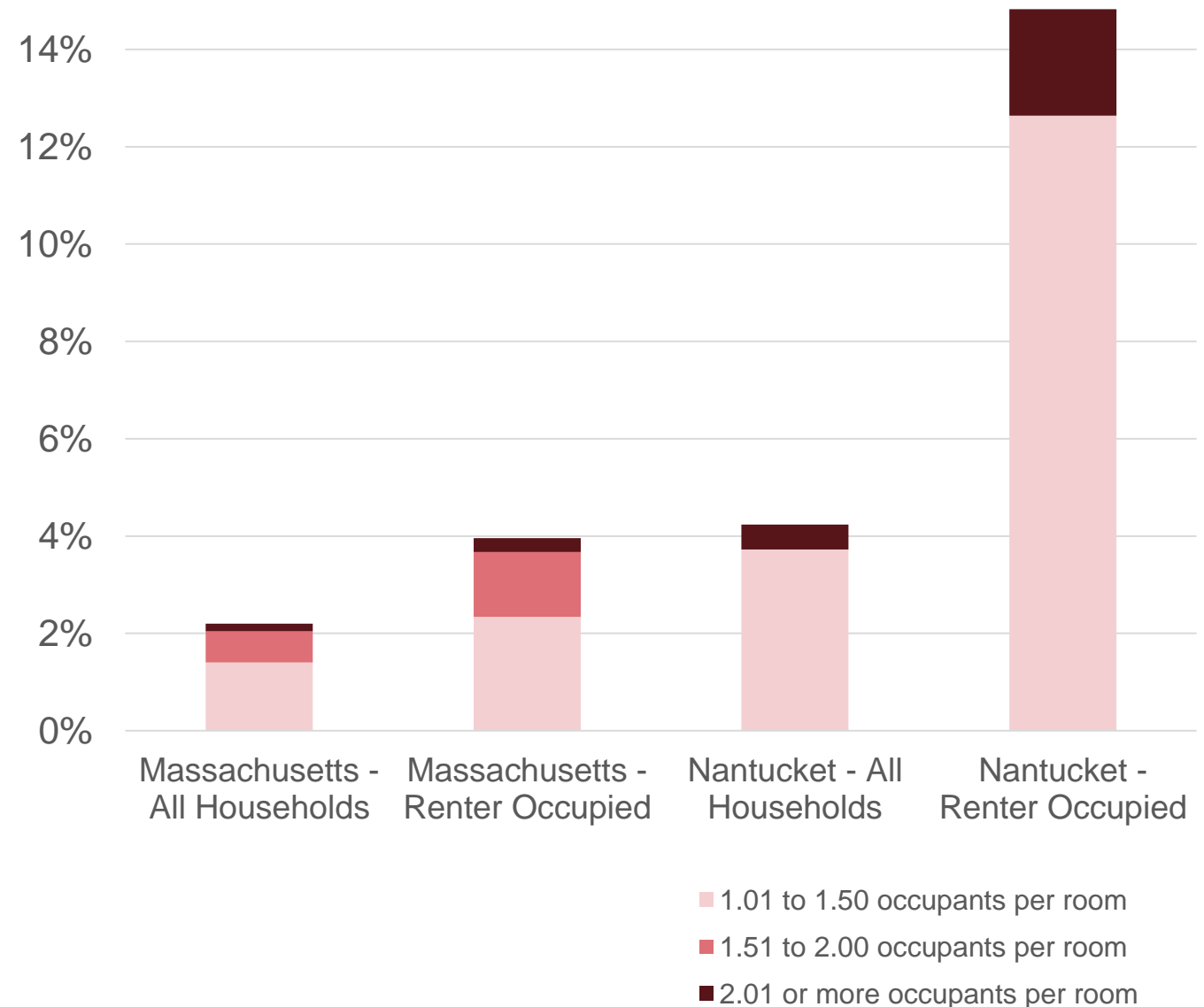


Overcrowding continues to be a problem

- 4.2% of Nantucket households are overcrowded (compared with 2.2% in Massachusetts as a whole)
- Nearly 15.0% of renter households are overcrowded, including 26 households with more than 2 people per room



Households with more than 1.0 occupants per room are considered overcrowded while those with more than 1.5 occupants per room are considered severely overcrowded



Source: Census/ACS and EBP.

Analysis

EBP used data from Claritas, HUD, the Census/ACS, and other sources to estimate the number of low-, moderate-, and middle-income households by owner/renter status.



Income Brackets Defined for This Analysis

- More than 3/4 (4,210) of Nantucket households are in the low-, moderate-, or middle-income brackets defined for this analysis.
- This is comprised of an estimated 3,060 households who currently own their homes and 1,150 who rent.

Income Threshold	Household Income Category	Approximate Income Range
80% of AMI	Low	<\$130,800
95% of AMI	Moderate	\$130,801 - \$155,325
120% of AMI	Moderate	\$155,326 - \$196,200
150% of AMI	Middle	\$196,201 - \$245,250
175% of AMI	Middle	\$245,251 - \$286,125
240% of AMI	Middle	\$296,126 - \$392,400

Estimated Households in Low-, Moderate, and Middle-Income Categories

Income Threshold	Approximate Income Range	Total Estimated Households	Households by Owners/Renters	
			Estimated Homeowners	Estimated Renters
80% of AMI	<\$130,800	2,360	1,750	610
95% of AMI	\$130,801 - \$155,325	530	480	50
120% of AMI	\$155,326 - \$196,200	520	330	190
150% of AMI	\$196,201 - \$245,250	440	280	160
175% of AMI	\$245,251 - \$286,125	180	110	70
240% of AMI	\$296,126 - \$392,400	180	110	70

Source: Claritas, HUD, Census/ACS and EBP.

- Current average fair market rent is cost prohibitive for households earning less than 80% of AMI / \$130,800 in annual income.¹
- Households in the 120% and 150% of AMI income ranges may also struggle to meet fair market rents, particularly for three- and four-bedroom units.
- This affects an estimated 850 renter households (about 16% of total households).

¹Fair market rents are exceptionally difficult to determine on Nantucket due the very small supply advertised and found largely by word-of-mouth.



Maximum Monthly Rent by Income Category & Affected Households

Income Threshold	Approximate Income Range	Estimated Renter Households	Maximum Monthly Affordable Rent ¹
80% of AMI	<\$130,800	610	\$3,270
95% of AMI	\$130,801 - \$155,325	50	\$3,883
120% of AMI	\$155,326 - \$196,200	190	\$4,905
150% of AMI	\$196,201 - \$245,250	160	\$6,131
175% of AMI	\$245,251 - \$286,125	70	\$7,153
240% of AMI	\$296,126 - \$392,400	70	\$9,810
Total:		1,150	

¹Assumes maximum monthly rent not to exceed 30% of gross household income.

Source: HUD, ACS, Claritas and EBP.

- Renter households in all but the highest income category (240% of AMI) are essentially priced out of homeownership.
 - This affects an estimated 1,080 renter households (about 20% of all households).
- Even the estimated 70 households with incomes in the 240% of AMI category that are currently renters are likely to be shut out of homeownership due to the limited supply of homes for sale for \$1M or less that do not require significant repairs to be habitable.



Estimated Maximum Purchase Price for Homeownership

Income Threshold	Approximate Income Range	Estimated Renter Households	Total Mortgage	Maximum Purchase Price
120% of AMI	\$155,326 - \$196,200	190	\$488,422	\$537,264
150% of AMI	\$196,201 - \$245,250	160	\$610,527	\$671,580
175% of AMI	\$245,251 - \$286,125	70	\$712,282	\$783,510
240% of AMI	\$296,126 - \$392,400	70	\$976,843	\$1,074,528
Total:		490		

¹Assumes maximum total monthly housing cost not to exceed 30% of gross household income.

Source: HUD, ACS, Claritas and EBP.

Comparison of Year-Round Rental Market Shares

- A full market analysis to determine demand for new housing was beyond the scope of this analysis, but a rough approximation of the shortage of year-round rental housing can be made.
- The extrapolation below:
 - Maintains the number of owner-occupied units on Nantucket at current level
 - Applies the US and MA shares of owner-occupied units to calculate how many more rental units Nantucket would have to add to achieve those

	Total Occupied Units	Owner Occupied Units	Renter Occupied Units	Additional Nantucket Renter Units Needed
Existing Nantucket Units	5,048	3,861	1,187	--
At US Owner-Occupied Share (65%)	5,940	3,861	2,079	+892
At MA Owner-Occupied Share (63%)	6,129	3,861	2,268	+1,081

Different Perspectives on Affordable Housing Needs

Reduce Prevalence of Cost Burden –

Reducing cost burden to Massachusetts or National levels would require between 590 and 765 additional units affordable to low-, moderate-, and middle-income households.

Renters earning below 80% of AMI –

Fulfilling the Town's 2027 SHI goal of 600 units would nearly meet the needs of these low-income renter households.

Renters earning between 80% and 120% of AMI –

Ensuring that there are at least 240 income-restricted units for households earning between 80% and 120% of AMI would satisfy the needs of these households.

Affordable homeownership needs -

Providing 140 income-restricted ownership units for households earning 175%-240% of AMI would give Nantucket residents the same opportunity for homeownership that they would enjoy on the mainland.

Low-, moderate-, and middle-income households face:



High levels of
cost burden



Significant
overcrowding



Lack of available
year-round rental
units



Shortage of Town,
hospital and other
important staff

While these challenges may be at least partially addressed by direct financial assistance, the combination of all four of these factors indicate that there are simply too few year-round housing units, particularly rental units that accommodate family households.

Comparison of Year-Round Rental Market Shares

- Question: What would Nantucket's year-round rental market look like with Massachusetts and U.S. proportions of year-round rental units?

- Methodology: Holding the number of owner-occupied units on Nantucket at its current level and apply the U.S. and MA shares of owner-occupied units to calculate how many more rental units Nantucket would have to add to achieve those proportions

	Total Occupied Units	Owner Occupied Units	Renter Occupied Units	Difference in # of Renter Occupied Units
Existing Nantucket Units	5,048	3,861	1,187	--
At U.S. Owner-Occupied Share (65%)	5,940	3,861	2,079	-892
At MA Owner-Occupied Share (63%)	6,129	3,861	2,268	-1,081

Supporting Materials, including methodology, supporting data, and full results, can be found in the accompanying technical appendix.

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