

Nantucket Housing Assessment

Low-, Moderate- and Middle-Income Housing Needs

October 2025



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Project Context & Summary of Findings

Like many areas with significant seasonal tourism, Nantucket's local housing market is characterized by residential sale and rent prices that are well out-of-scale with local, year-round household incomes. Furthermore, unlike mainland communities that can tap into affordable housing in surrounding towns, Nantucket must essentially meet all housing needs internally. The growing affordability gap presents a challenge for community stability as employees in a wide range of occupations including Town employees, public safety occupations such as police, fire and emergency response, teachers, nurses and doctors, among other critical members of the community face significant housing cost burden, overcrowding and difficulty securing long-term housing.

For many year-round residents, the growing chasm between income and housing cost goes well beyond traditional definitions of housing affordability that typically cut off around 120% of the local area median income.¹ Yet on Nantucket, even households earning well above the local median income of \$163,500² can find themselves housing cost burdened or severely housing cost burdened – defined as spending 30% or more of household income on housing or 50% or more, respectively. This housing assessment focuses on identifying households in low-, moderate- and middle-income categories who experience or are likely to experience housing cost burden and related housing insecurity, and identifying the nature of need at different income levels.

Housing affordability is a top priority of the Town and is prominently featured in the Town's updated 2025 strategic plan. Nantucket has a strong civic and philanthropic community, and the efforts of Housing Nantucket and others has raised awareness of this issue, helped increase the supply of affordable housing, and facilitated access to housing assistance programs. Since Housing Nantucket's previous housing assessment in 2015, the organization has fostered a growing interest in addressing the issue throughout the community. Despite the delivery of new affordable units to the market since 2015, the affordable housing picture has worsened as housing costs have greatly outpaced incomes, particularly since the COVID-19 pandemic.

Housing Nantucket has asked EBP to determine the number of low-, moderate- and middle-income households and identify housing affordability needs at each income level.

¹ In general, HUD recognizes income limit standards at 30%, 50%, 60%, 80%, 95%, 120% of area median family income, depending on program and enabling legislation.

² FY 2025 HUD Median Family Income (HFMI) for Nantucket.

Summary of Findings

An increase in total housing units and decrease in seasonal units, largely offset by a dramatic increase in owner-occupied units -

- As of the 2023 American Community Survey, there were 12,500 housing units on Nantucket, representing an increase of 850 units since 2013.
- A decrease of nearly 1,000 seasonal units since the peak in 2020 when 64% of units were seasonal. Seasonal units now account for 57% of the total.

Despite this increase in overall and year-round housing units, the affordability picture has worsened in several respects -

- The median home purchase price has increased by more than 140% in real terms since 2017, from a median of \$1.54 million³ to \$3.73 million in 2024.
 - A household income in excess of \$1.4 million would be necessary to purchase a median-priced home on Nantucket.
- Year-round rental availability has dwindled as the number of year-round renter-occupied units declined by 205 and number available for rent dropped to just 35.
- Median rent has increased more than 70% between 2017 and 2025, from \$1,950 in real terms⁴ to more than \$3,330 in 2025.
 - The current median rent is cost prohibitive for households earning less than 80% of AMI (\$130,800).
 - Households in the 120% and 150% of AMI income ranges may also struggle to meet fair market rents for three- and four-bedroom units.
- Incomes have not kept pace. The 2023 median family income of \$151,300 represents an increase of only 9% (in real terms) over the 2015 median.

Housing cost burden and overcrowding, which have long been significant concerns, are worsening:

- Increasing shares of Nantucket households are housing cost-burdened or severely housing cost burdened, defined as spending more than 30% or 50% of household income on housing, respectively.
 - 44% of Nantucket households are cost burdened or severely cost burdened, up from 37% of households in 2017.

³ In inflation-adjusted 2024 real terms (\$1.2 million in 2015 nominal dollars).

⁴ In inflation-adjusted 2025 real terms (\$1,390 in 2017 nominal dollars).

- Nantucket's rate of housing cost burden is 12% higher than Massachusetts' and 15% above national levels.
- Overcrowding continues to be a problem –
 - 3.7% of all households and nearly 15.0% of renter households meet the definition of overcrowded (more than 1.0 occupants per room).
 - These levels of overcrowding point to a significant mismatch between the number of rental units of appropriate sizes to meet household size needs and income limits.

More than three-quarters of Nantucket households are in the low-, moderate- or middle-income brackets defined for this analysis -

- This analysis used data from Claritas and other sources to estimate the number of low-, moderate-, and middle-income households by owner/renter status.
- An estimated 4,210 Nantucket households (77%) meet an income threshold representing low-, moderate- or middle-income levels.
 - This includes an estimated 3,060 households who currently own their homes and 1,150 who rent.
- Renter households in all but the highest income category (240% of AMI) are effectively priced out of homeownership without significant assistance.
 - This affects an estimated 1,080 households (about 20% of all households).
 - Even the estimated 70 households with incomes in the up to 240% AMI category who are currently renters may have difficulty becoming homeowners because of the limited supply of homes for sale for \$1 million or less that do not require significant repairs to be habitable.
- Current average fair market rent is cost prohibitive for households earning less than 80% of AMI and 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 households (about 16% of total households).

There are simply too few year-round housing units, particularly rental units, available –

- Key indicators: High levels of cost burden, significant overcrowding, lack of available year-round rental units, especially with multiple bedrooms, and difficulty recruiting/retaining workers to fill key jobs that serve the community.
- A back-of-the-envelope estimate made using statewide and national proportions of owner-occupied and renter-occupied units suggests a gap of between 890 and 1,080 renter-occupied housing units.
- An increased number of affordable housing units would address the needs of:
 - Households that are currently cost burdened and severely cost burdened;
 - Overcrowded household;
 - Households doing the “Nantucket shuffle” as their living arrangements are continually disrupted by seasonal fluctuations;
 - Households with workers currently regularly commuting to jobs on Nantucket from the mainland; and
 - New Nantucket residents hired to fill critical jobs that serve the year-round community.

Overview of Nantucket’s Housing Market

Housing Supply

As of the 2023 American Community Survey, there were approximately 12,500 housing units on the island, yet 60% of these units - more than 7,050 in total - are for seasonal, recreational or occasional use, leaving just 5,450 for year-round occupancy (Figure 1).

Between the 2013 and 2023 American Community Surveys (ACS), Nantucket gained approximately 800 housing units. Figure 2 illustrates an important change in the composition of these units between seasonal, owner-occupied and renter-occupied that occurred during this period. Prior to 2020, growth in total units was characterized by an increase in the number of seasonal units and decrease in both owner- and renter-occupied units. After 2019, a dramatic shift took place. While just over 100 new units were added between 2019 and 2023, the number of seasonal units dropped by more than 800 while the number of occupied units increased by more than 1,300. Nearly all of this increase was owner-occupied households with fewer than 100 additional renter households.

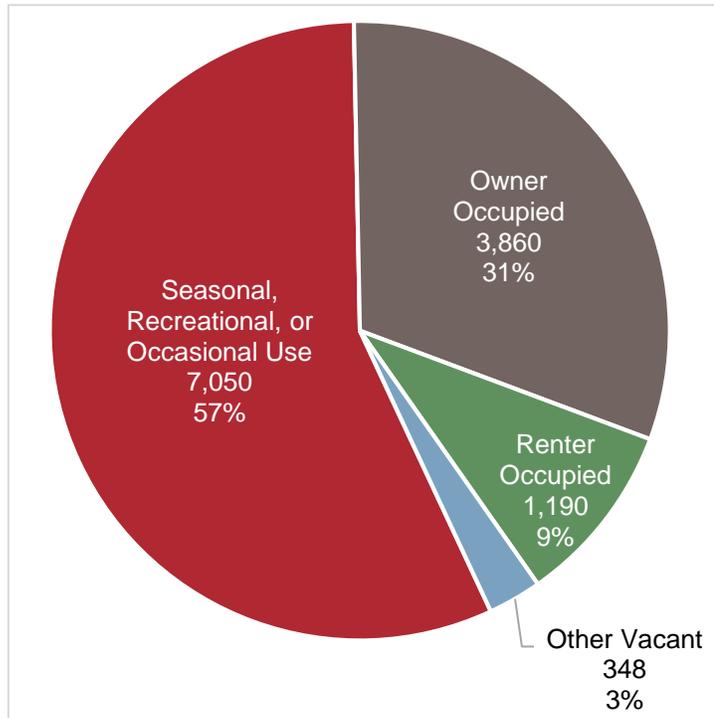


Figure 1. Nantucket Housing Characteristics (2023)

Source: U.S. Census Bureau 2023 ACS 5-Year Estimates.

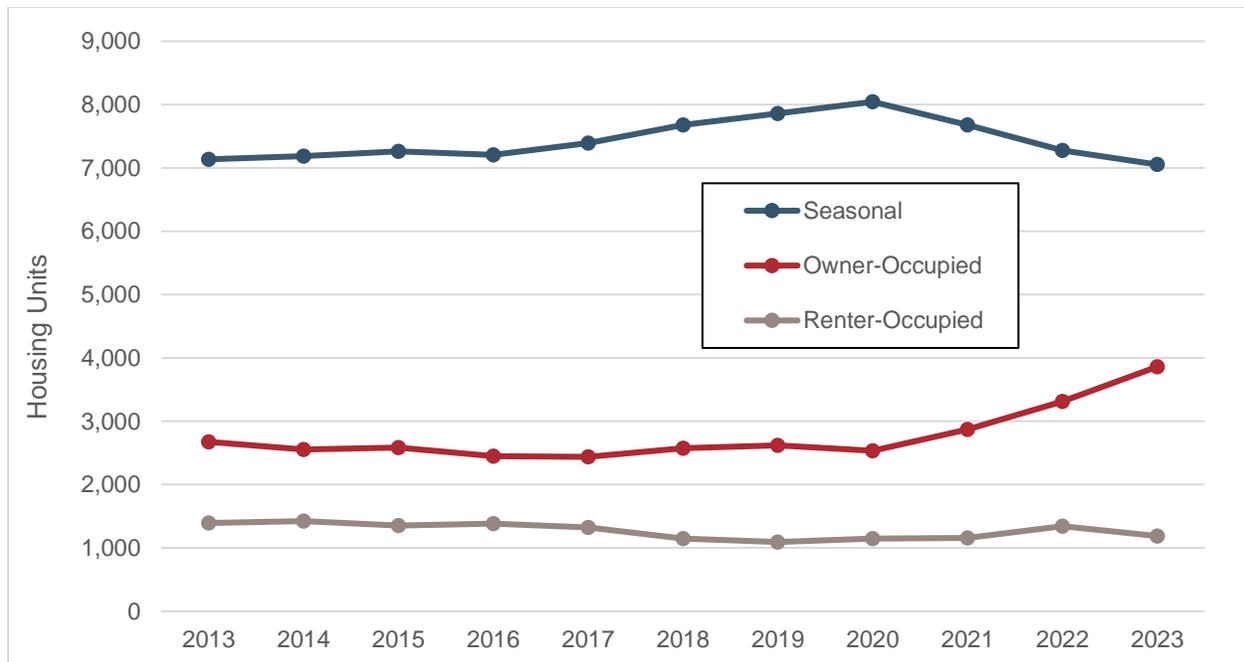


Figure 2. Housing Occupancy Trends 2013-2023

Source: U.S. Census Bureau ACS 5-Year Estimates (2013-2023).

The timing of this shift suggests that it is related to post-COVID changes in work-life patterns. Between 2019 and 2023, the number of Nantucket residents that worked from home more than doubled. It is possible that the new, widespread ability to work remotely allowed many owners of seasonal homes to make Nantucket their year-round home and allowed some mainlanders to buy homes to relocate to Nantucket. If this is the cause, it likely represents a one-time shift rather than an ongoing trend.

Whatever the cause, the distribution between owner-occupied and renter-occupied units, which was fairly similar to the statewide distribution in 2013 (indicated by the dotted line in Figure 3), has now shifted dramatically toward owner-occupied units.

As a result, there are far fewer year-round rental housing units available. Over the previous decade, an average of around 300 vacant units were for rent each year, peaking in 2017 when 446 vacant units were for rent. Yet in 2022 and 2023, there were just 35 and 37 units for rent, respectively.

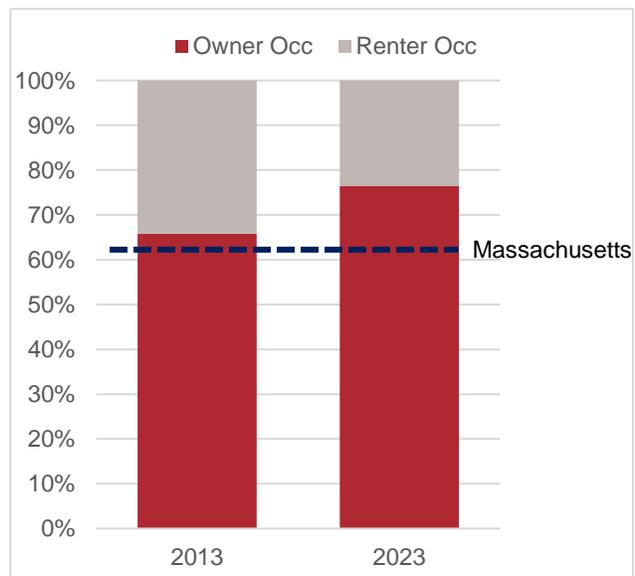


Figure 3. Change in Owner-Occupied vs. Renter-Occupied Units (Tenure), 2013 & 2023

Source: U.S. Census Bureau ACS 5-Year Estimates (2013 & 2023)

Figure 4 presents occupied housing units by number of bedrooms. When owner-occupied and renter-occupied units are considered together as shown in the top bar, Nantucket’s housing stock appears dominated by three- and four-bedroom housing units, which together comprise more than 60% of the total. However, when owner occupied and renter occupied units are considered separately, as shown in the bottom two bars, a very different picture emerges. Nearly all 4- and 5+ bedroom units, 80% of 3-bedroom units and 60% of 2-bedroom units are owner-occupied. In contrast, nearly half of renter-occupied units are 1-bedrooms or efficiencies (zero bedroom). This shows a lack of rental units able to accommodate family households.

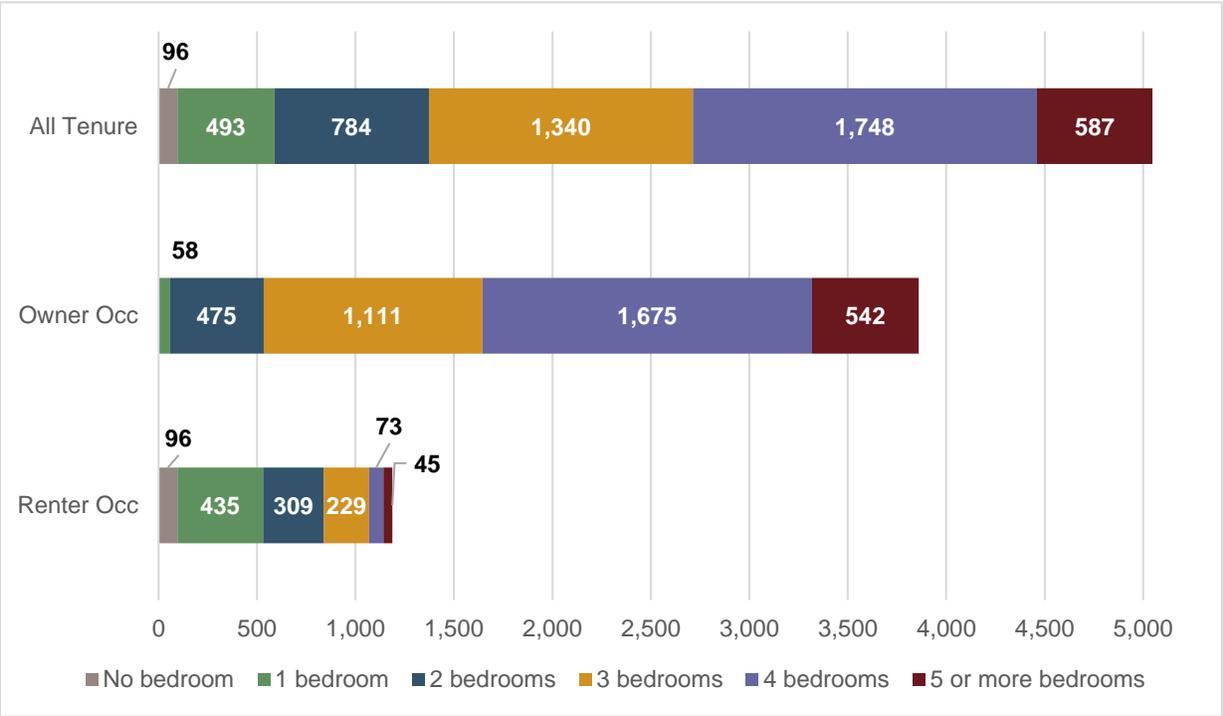


Figure 4. Number of Bedrooms for Owner and Renter Occupied Housing Units

Note: There are no owner-occupied with no bedrooms.
Source: U.S. Census Bureau 2023 ACS 5-Year Estimates.

Housing Cost

Housing on Nantucket is expensive, whether owned or rented. Fisher Realty’s 2024 Year in Review reports the median home sale price at \$3.73 million, following a dramatic post-COVID run up (Figure 5). The average home sale price was even higher at \$4.88 million, due to sales of very high value properties, such as the \$26 million single family residence at 5 Grant Avenue. Out of 244 residential home sales in 2024, only 6 homes sold for less than \$1 million and only 34 homes sold for under \$2 million. Furthermore, many homes selling below the median are sold “as is” and require significant repairs to be habitable. The supply of smaller, modestly-appointed and priced homes continues to decline as they are acquired as teardowns and replaced with expansive luxury homes.

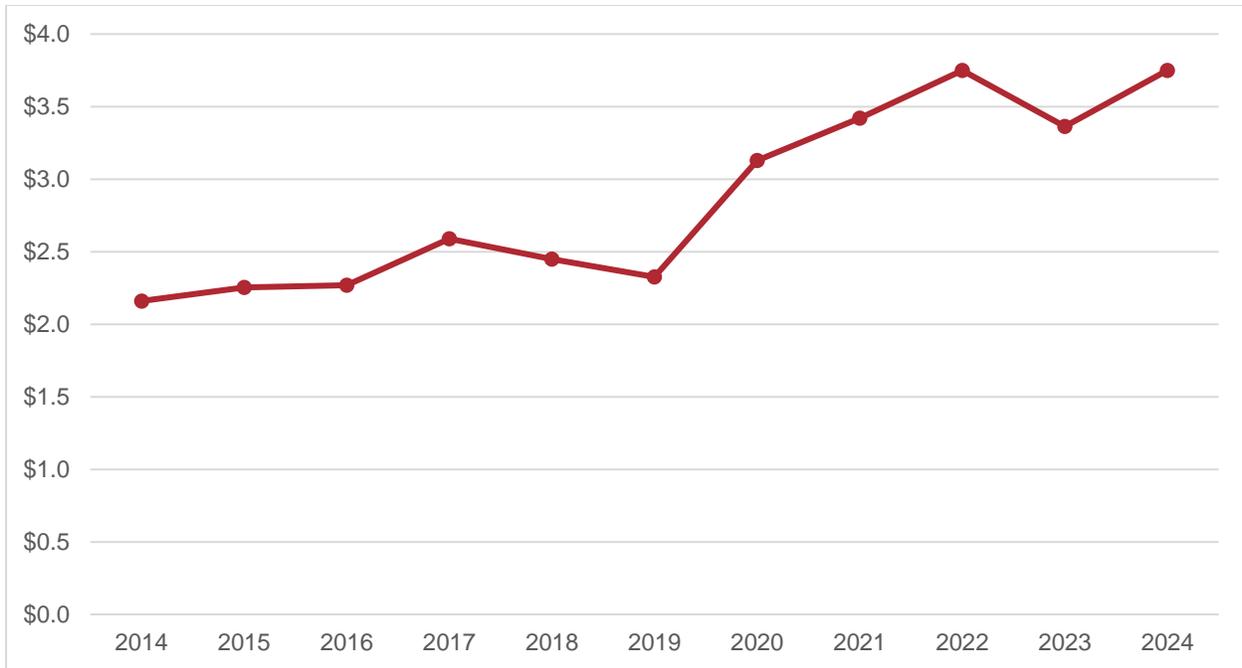


Figure 5. Median Home Price, 2014-2024 (in inflation adjusted 2024 million \$)

Source: Fisher Realty 2024 Year in Review, U.S. Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (Housing in Boston-Cambridge-Newton, MA-NH, all urban consumers, not seasonally adjusted) and EBP.

As discussed above, the year-round rental market is very limited and as with the for-sale housing market, prices are high. The small size of the year-round rental market, the wide range of unit sizes, configurations, and features within that small market, and the fact that most year-round rentals are advertised and found by word of mouth makes determining rent levels challenging. Nonetheless, the U.S. Department of Housing and Urban Development (HUD) annually estimates and reports 40th and 50th percentile gross rents for what HUD deems “standard quality units within a metropolitan area or nonmetropolitan county”, including Nantucket. Multiple sources consulted for this study, including interviews with individuals knowledgeable about local rent levels and data collected by Housing Nantucket⁵ confirm that the HUD estimates for 50th percentile rents are reasonable approximations to market rates.

Figure 6 presents current 50th percentile rent by number of bedrooms for 2020 and 2025 (in inflation adjusted 2025 \$). Since 2020, rents have increased in real terms between 10% and more than 50%, depending on number of bedrooms, with an average increase of about 30%. Current average rents range from \$2,425 per month for an efficiency (zero bedrooms) to more than \$5,000 per month for a four-bedroom unit. While rents for two- and three-bedroom units are comparable to those found in the Boston-Cambridge-Quincy metro area, rents for

⁵ While Housing Nantucket does not track rents, applicants for the organization’s Affordable Rental Program (“Ready to Rent list”) are asked what they are currently paying for housing. Analysis of records from this list are consistent with HUD Fair Market Rent levels.

efficiencies and one-bedrooms are slightly higher on Nantucket, and rents for four-bedrooms are more than 27% higher on Nantucket.

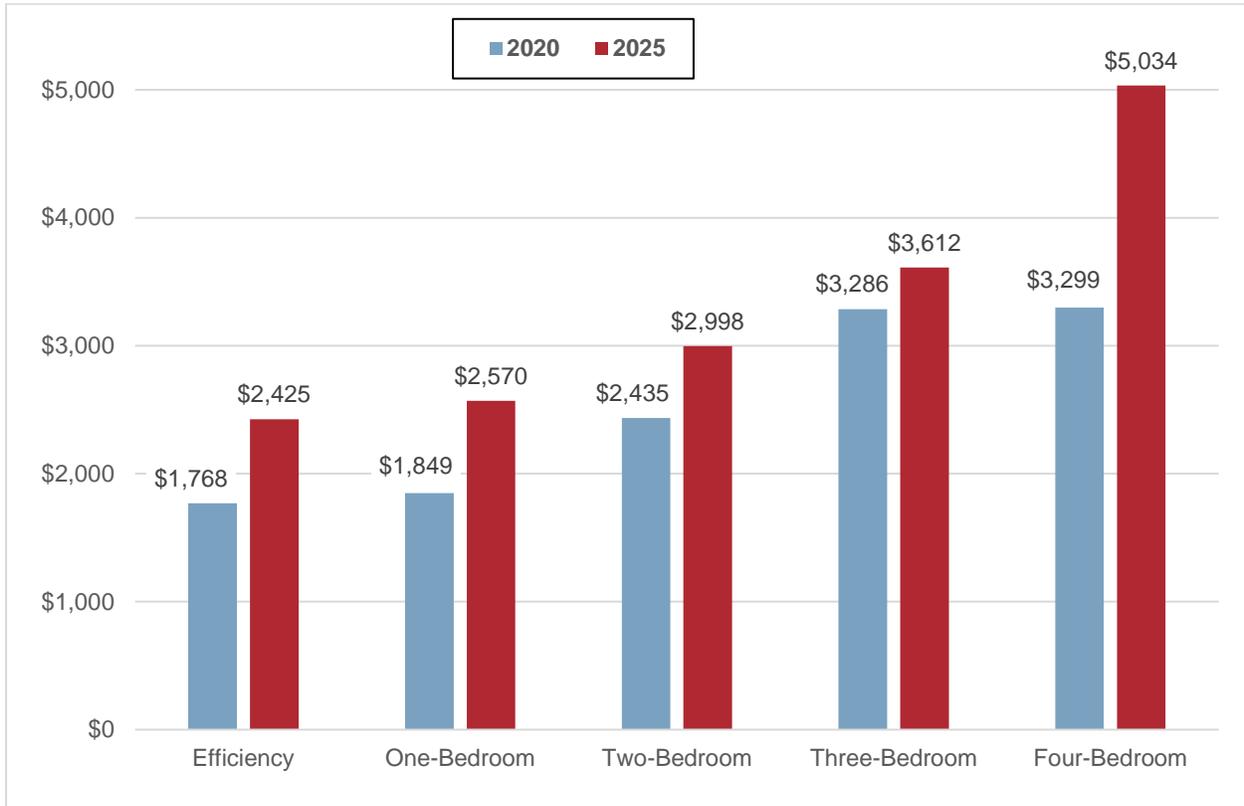


Figure 6. Nantucket 50th Percentile Fair Market Rents, 2020 & 2025 (in inflation adjusted 2025 \$)

Source: HUD 50th percentile monthly rent for Nantucket County.

Year-Round Resident Population & Household Characteristics

Year-Round Population and Estimated Undercount

Though Nantucket's summertime population can exceed 60,000, the year-round population is less than one-third that size. While the official Census population is around 14,500, this figure is widely regarded as an undercount. A 2017 study by researchers at the Worcester Polytechnic Institute (WPI) developed a methodology using a wide range of local data sources including the Nantucket Street Census, ferry and airport passenger data, school enrollment, water and electricity consumption patterns, solid waste generation patterns, and cell phone mobility data to more accurately estimate year-round population. The WPI study estimated the year-round population at between 17,000 and 24,700, with a middle estimate of 18,600 at a time when the American Community Survey population estimate was 13,200. This implies a population undercount of about 40%. Applying this factor to the most recent ACS population estimate (2023) yields a population of about 20,400. This is consistent with information from the Town Clerk who noted that a general rule of thumb is to assume one additional resident for each registered voter and there are currently about 10,000 registered voters on the island.

The following is a summary of Nantucket's household population characteristics using 2023 ACS data. Though these indicators are also affected by the undercount, the data is sufficiently accurate to provide a summary overview of household characteristics for context. Information from additional data sources is provided where necessary to refine our understanding of affordable housing needs for Nantucket's year-round households.

Households and Household Size

The 2023 ACS estimated that there were 5,048 households on Nantucket, including 3,299 family households. Nantucket households are larger compared to Massachusetts as a whole, with an average household size of 2.85 persons versus 2.45 persons per household in Massachusetts as a whole. The average household size for Nantucket renter households is 3.23, nearly half a person larger than the average of 2.77 for owner occupied households. This larger household size for renter households stands in contrast to Massachusetts as a whole, where the average renter occupied household (2.14) is half a person *lower* than for owner occupied units (2.63).

Nantucket also has a high rate of overcrowding. As of the 2023 ACS, 188 Nantucket households met the definition of "overcrowded" with 1.01 to 1.5 occupants per room. An additional 26 island households were considered "severely overcrowded". The threshold for that designation is 1.51 or more occupants per room, however all of Nantucket's severely overcrowded households have 2.01 or more occupants per room. Together, overcrowded and severely overcrowded households comprise more than 4.2% of all Nantucket households. This may not sound significant but for comparison, it is nearly twice the rate of overcrowding in Massachusetts as a whole. Furthermore, when broken out by owner occupied and renter occupied units (Figure 7), it is clear that nearly all of the community's overcrowding is occurring

in rental units and at a rate more than three times that of all Nantucket households and three times that of rental households in Massachusetts as a whole. This level of overcrowding in rental households is a strong indicator of a housing market that fails to meet the supply and affordability needs of year-round residents.

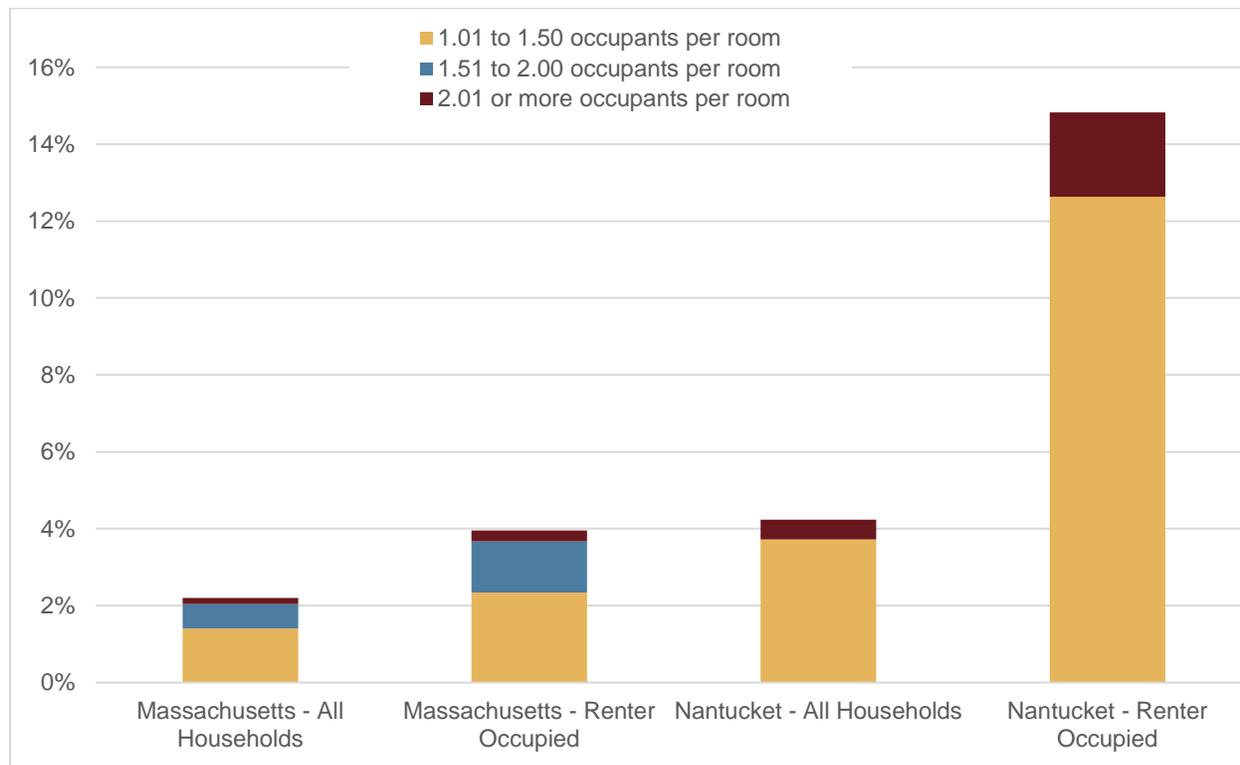


Figure 7. Overcrowding

Note: There were no households with 1.51 to 2.00 occupants in Nantucket.
 Source: U.S. Census Bureau 2023 ACS 5-Year Estimates.

Income

The 2023 5-Year ACS reports a median household income for Nantucket of \$109,988, approximately 18% higher than for Massachusetts as a whole (Figure 8). Nantucket median incomes by household size range from 15% to 135% greater than in the state as a whole, with one notable exception. The median income for 6-person households is 3% lower on Nantucket than in Massachusetts as a whole. And unlike statewide where median income is about the same for 4-, 5-, and 6-person households, Nantucket median income peaks at 4-person households and then declines for 5- and 6-person households. This is particularly important because the costs for larger housing units capable of housing larger household sizes do not decline accordingly. As shown previously in Figure 8, median rent for a 3-bedroom unit is 20% higher than rent for a 2-bedroom, while rent for a 4-bedroom is nearly 70% higher than for a 2-bedroom.

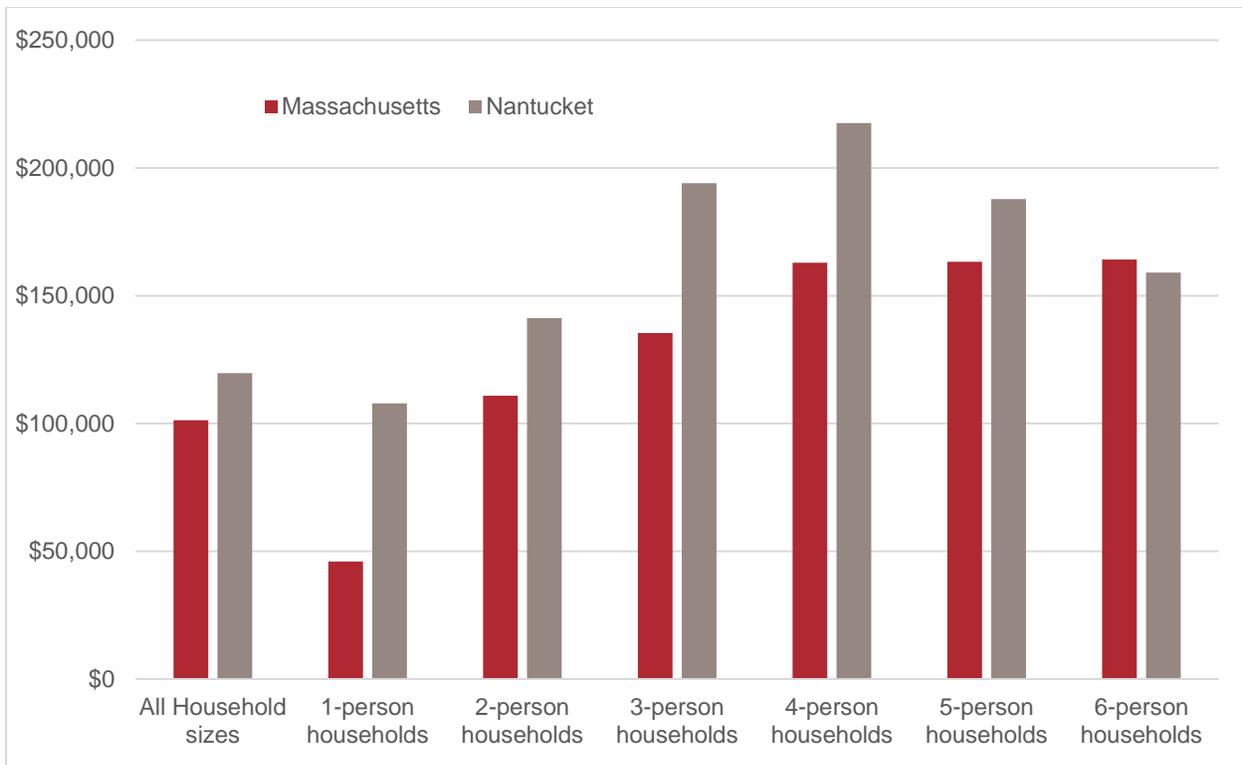


Figure 8. Median Income Comparison by Household Size – Massachusetts and Nantucket

Source: U.S. Census Bureau ACS 2023 5-Year Estimates.

Figure 9 and Figure 10 present Nantucket median income and income distribution by tenure (owner/renter status), showing that owner occupied households are significantly better off than renter households. Despite higher incomes among households that own their homes, both owners and renters experience significant cost burden.

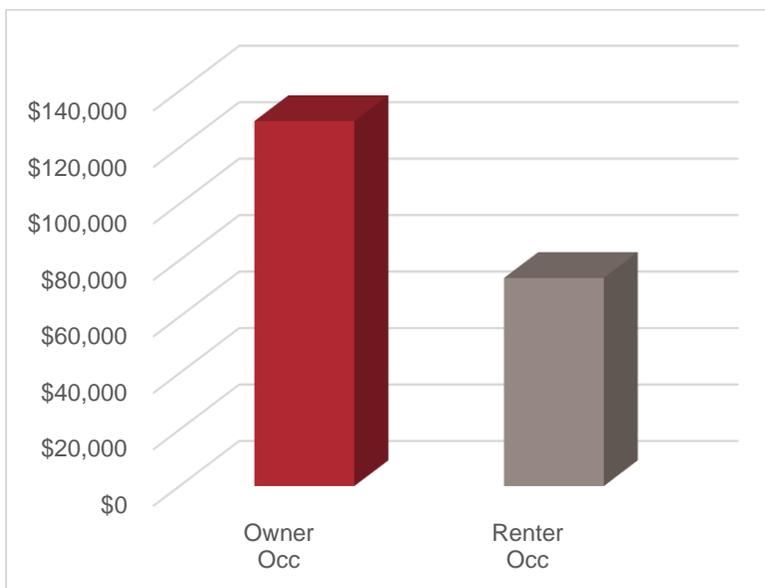


Figure 9. Median Income by Tenure

Source: U.S. Census Bureau ACS 2023 5-Year Estimates.

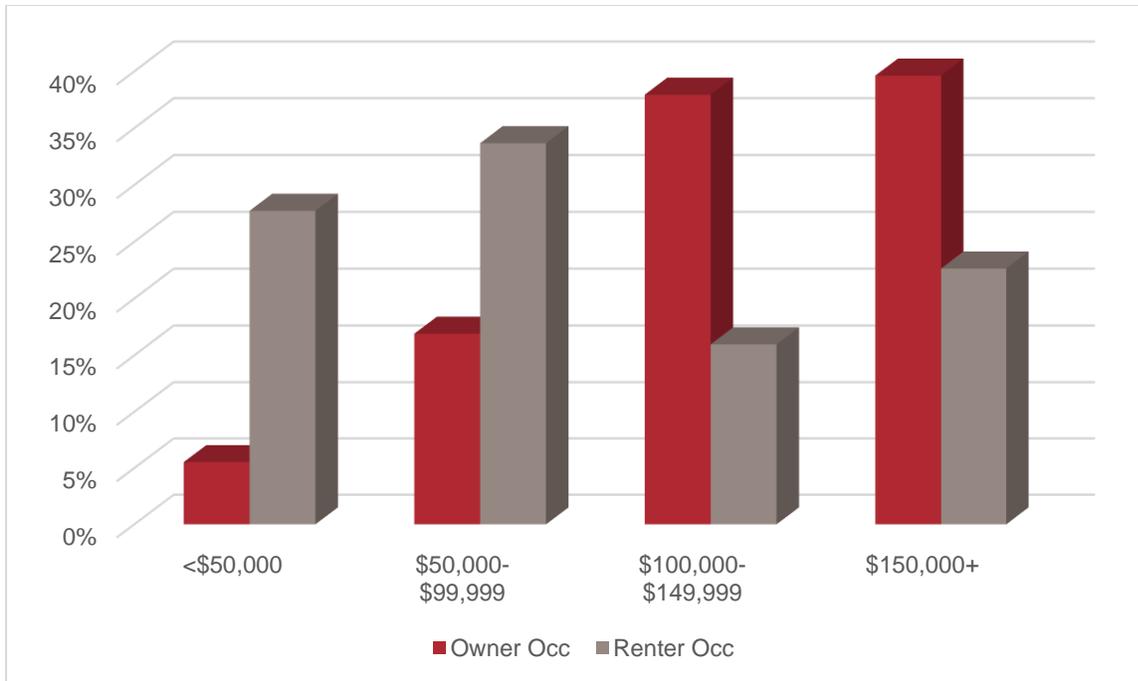


Figure 10. Income Distribution by Tenure

Source: U.S. Census Bureau ACS 2023 5-Year Estimates.

Housing Cost Burden

A household is considered cost-burdened if it spends greater than 30% of gross household income on housing while a household spending more than 50% is considered severely cost-burdened. Figure 11. As the figure demonstrates, Nantucket has higher shares of cost burdened and severely cost burdened households. Nearly one-quarter of Nantucket households were cost burdened with an additional 17% under severe housing cost burden for a total of more than 41% of total households. This represents an increase since the 2013-2017 period when 37% of households were cost burdened or severely cost burdened. Among households earning 80% or less of AMI, nearly 70% are housing cost burdened or severely cost burdened.

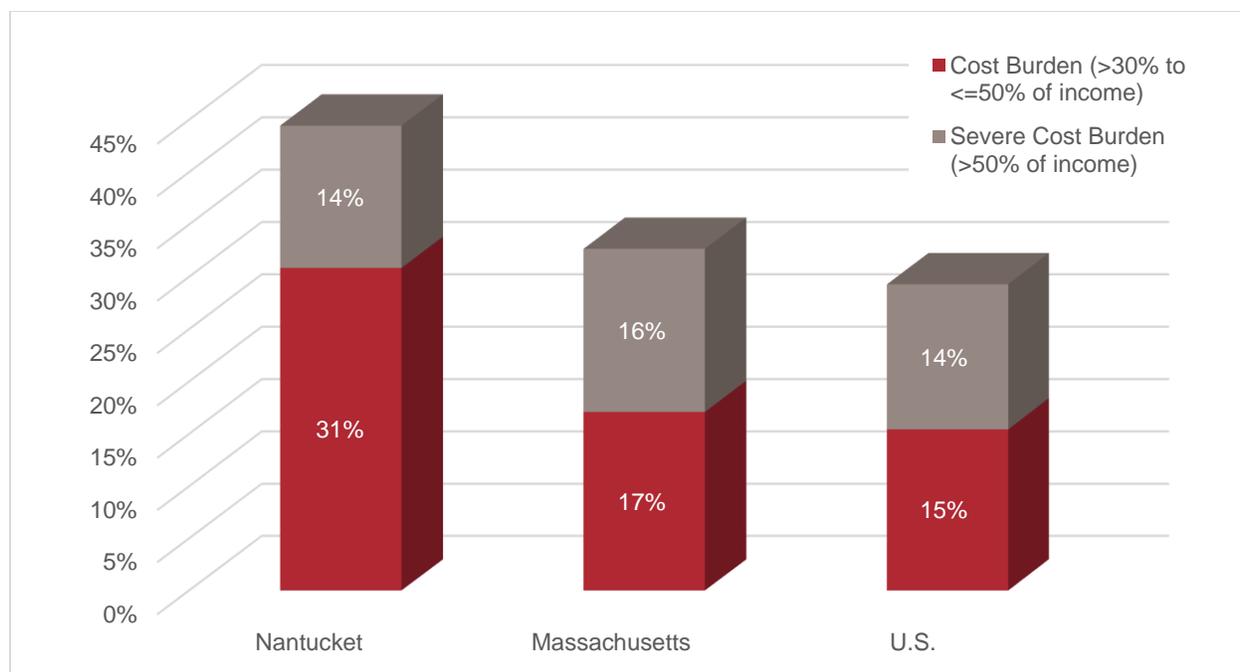


Figure 11. Comparison of Housing Cost Burden: Nantucket, Massachusetts and the U.S.

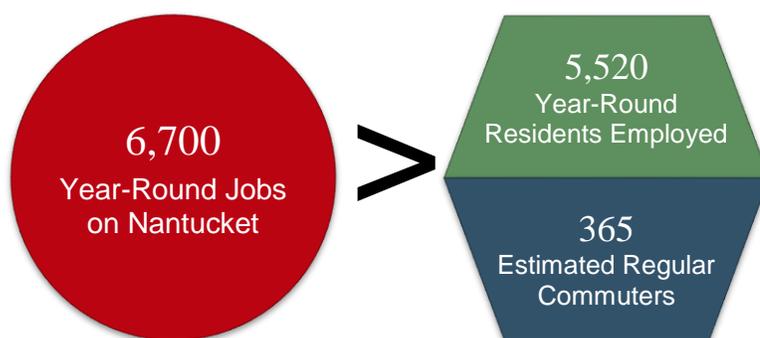
Source: U.S. Census Bureau 2023 ACS 5-Year Estimates.

Workforce and Employment

The 2023 5-Year ACS reports that 5,518 Nantucket residents were employed, though they didn't necessarily work on the island (ACS also reports 950 Nantucket residents who work from home, who may work for entities on- or off-island and ACS commuting patterns indicate that about 100 Nantucket residents have a commute time of greater than 60 minutes, suggesting an off-island workplace).

Quarterly Census of Employment and Wage (ES-202) data collected by the Massachusetts Department of Economic Research reported an average of 6,700 jobs on Nantucket for the off-peak months of January, February, March, April, November and December 2024, representing an increase of 2% over the same months in 2023 and more than 5%

over the 2022 off-season months. ES-202 data reflects jobs on Nantucket regardless of where the employees live. Clearly, the number of employed year-round Nantucket residents is less than the number of year-round jobs on the island, indicating that some workers commute either daily or weekly (e.g. with a Monday arrival and Friday departure). The 2017 WPI population study estimated that there are about 365 non-seasonal commuters (dubbed "sojourners" by the



WPI team). Though some level of commuting is natural for any labor market, the very high cost of commuting to Nantucket, particularly for those not eligible for the resident discount, suggests that some of these commuters would prefer to live on Nantucket if housing were available.

The largest employers of year-round workers on Nantucket are the Town government (approximately 1,200 employees) followed by Nantucket Cottage Hospital with approximately 300 year-round employees. These major employers report that housing cost is their greatest challenge in recruiting and retaining employees and that the issue affects positions at all salary levels. The Town has acquired approximately 40 housing units to help provide stable housing for employees. The Town is currently working on developing a fair and equitable policy to extend housing assistance to employees, for example, in the form of a taxable employee benefit. Details such as the appropriate level and duration of such a benefit are still under consideration. Nantucket Cottage Hospital owns approximately 34 units, however most of these units are larger, multi-bedroom single-family homes. This configuration presents a conundrum for housing larger families with lower incomes because the hospital is prohibited from charging below market rate rents. As a result, most of these units are used as shared housing because the rent as a single-family unit would be too high. Unfortunately, this type of shared housing is not suitable for families which constitute the majority of households.

Data for recent years indicate that peak summer employment brings between 4,700 and 5,300 additional workers onto the island. Though many employers with significant seasonal workforces provide temporary housing, typically dormitory-style, this massive influx and outflow of workers creates a regular pattern of churn that can displace year-round residents.

Estimating Affordable Housing Needs

Various Federal, state, local and non-profit agency housing programs identify low-, moderate and middle incomes with different threshold earnings levels, depending on the program and type of aid. The categories of focus for this study are households earning less than 80%, 95%, 120%, 150%, 175% and 240% of the Area Median Income, categories that roughly approximate thresholds used by different housing assistance programs in use on Nantucket. In practice, when used by an agency to determine housing program eligibility and level of assistance, these limits are adjusted by family size. However, for purposes of estimating the approximate number of households in each category, the following thresholds were developed by applying the maximum percent of AMI for each category to the HUD Median Family Income (MFI).

Table 1. Low-, Moderate- and Middle-Income Thresholds

Income Threshold	Income Category	Family Income Threshold
Median Family Income (100% AMI)	n/a	\$163,500
% of AMI		
80% of AMI	Low	\$130,800
95% of AMI	Moderate	\$155,325
120% of AMI	Moderate	\$196,200
150% of AMI	Middle	\$245,250
175% of AMI	Middle	\$286,125
240% of AMI	Middle	\$392,400

Source: HUD Median Family Income and EBP.

Note that the 2025 HUD MFI for Nantucket is about 30% higher than what the Census Bureau reports from the 2023 ACS, even when accounting for inflation. While the ACS income metrics discussed above provide greater detail regarding household income characteristics, the HUD MFI is widely regarded as a better representation of household income on Nantucket.

The ACS regularly collects and reports the number of households in ten income categories, however the highest income category reported is households earning \$200,000 or more. This does not provide a sufficient level of detail to estimate the number of households in the 150%, 175% and 240% AMI income groups.

Claritas, a commercial data provider, uses data from the Census Bureau, Bureau of Economic Analysis and IRS to estimate county-level “Effective Buying Income” (after tax income) for households that includes three additional household income categories covering up to \$500,000. EBP used current income tax rates to convert Claritas effective buying incomes to household incomes, then identified the number of households in each category. Using this methodology, an estimated 4,210 Nantucket households meet one of the established income thresholds representing low-, moderate- and middle-income levels, encompassing more than three-quarters of households in the community.

Table 2. Nantucket Households by AMI Threshold Category (Estimated)

Income Threshold	Income Range	# of Households
80% of AMI	<\$130,800	2,360
95% of AMI	\$130,801 - \$155,325	530
120% of AMI	\$155,326 - \$196,200	520
150% of AMI	\$196,201 - \$245,250	440
175% of AMI	\$245,251 - \$286,125	180
240% of AMI	\$296,126 - \$392,400	180
Total Low-, Moderate- and Middle-Income Households		4,210

Source: Claritas and EBP.

Though the number of households in these low- to middle-income groups is eye opening, it is consistent with other indicators of Nantucket’s housing need. For example, Nantucket Cottage Hospital, the second largest employer on the island, reports that their annual employee housing survey consistently finds that approximately 70% of staff experience housing insecurity at some point each year. The Nantucket Land Trust cites a recent Town survey that indicates that one in four Town employees spends 50% or more of their household income on housing, meeting the definition of severely cost burdened.

As a point of reference, while Table 2 above indicates that approximately 2,360 households have incomes at or below 80% of AMI. Massachusetts General Law Chapter 40B (commonly referred to as “Chapter 40B” or simply “40B”) requires Massachusetts municipalities to maintain a Subsidized Housing Inventory (SHI) that tracks the number of units affordable to households earning 80% or less of AMI. The Town of Nantucket and partners have worked diligently to add units to the Town’s SHI and have made progress toward meeting the Chapter 40B goal that 10% of housing stock be affordable to households earning 80% or less of AMI. The Town reports that by the end of 2025 its Subsidized Housing Inventory (SHI) will include 402 units, 1,958 fewer affordable units than households in that income category, meeting just 17% of housing needs in this income category.

Estimating Housing Needs Among Owners and Renters

This section estimates housing needs by owner households and renter households. This analysis assumes that households earning less than 120% of Nantucket's AMI, with the exception of existing homeowners in that income range, must choose rental housing, as ownership will be beyond reach even with significant financial assistance.

The first step is to estimate the number of existing owner-occupied households in each of the above income categories. The ACS reports a total of 3,861 owner-occupied housing units and provides the number of owner-occupied units for income categories up to \$150,000. This information was used to estimate existing owner-occupied households in each income category of interest, as follows: Owner occupied units with household incomes in categories up to \$99,999 and 60% of households in the \$100,000-\$149,999 category were allocated to the 80% of AMI category. The remaining 40% of households in the \$100,000-\$149,999 category were allocated to the 95% of AMI category. The ACS provides no detail regarding the number of owner-occupied units with household incomes above \$150,000, so these were allocated according to the proportions developed using the data obtained from Claritas. The remaining households in each income category are assumed to be renters. The results are shown below in Table 3.

Table 3. Estimated Owner- and Renter-Occupied Household

Income Threshold Category	Estimated Households	Estimated Owner-Occupied Households	Estimated Renter-Occupied Households
80% AMI	2,360	1,750	610
95% AMI	530	480	50
120% AMI	520	330	190
150% AMI	440	280	160
175% AMI	180	110	70
240% AMI	180	110	70
Total	4,210	3,060	1,150

Source: HUD, ACS, Claritas and EBP.

Perhaps most surprising are the numbers of owner-occupied units in the lower income brackets. This is likely due to long-time owners who purchased homes when prices were comparatively lower and when their household incomes were much higher (such as prior to retirement). The presence of so many homeowners in these lower income categories is consistent with the housing cost burden patterns discussed above. These existing homeowners may need assistance to remain in their homes as costs continue to increase.

Table 3 also indicated that there are an estimated 1,150 renter households, primarily in the up to 80% of AMI category and 120% and 150% of AMI categories. Table 4 presents these

estimated number of renter households by income category as well as the maximum monthly rent they can pay that avoids housing cost burden (30% of gross household income). Available data lacks sufficient detail to evaluate whether there are enough rental housing units to meet the needs of each income category. As discussed above, the Town’s SHI list of units affordable to households earning up to 80% of AMI contains fewer units than households shown here. Most SHI units rentals while some are deed-restricted ownership units, but even if they were all rentals, they would fall 208 units short of meeting renter needs. This underscores the reality that what is needed to satisfy Chapter 40B is only a small portion of what is needed to meet Nantucket’s affordable housing needs.

Table 4. Maximum Monthly Rent by Income Category

Income Threshold	Estimated Renter Households	Maximum Monthly Affordable Rent¹
80% AMI	610	\$3,270
95% AMI	50	\$3,883
120% AMI	190	\$4,905
150% AMI	160	\$6,131
175% AMI	70	\$7,153
240% AMI	70	\$9,810

¹Assumes maximum monthly rent not to exceed 30% of gross household income. Source: HUD, ACS, Claritas and EBP.

Some households who are currently renters, particularly those in the higher income brackets, may wish to pursue homeownership. Table 5**Error! Reference source not found.** presents the maximum home prices households in these middle-income categories could afford based on a maximum of 30% of gross household income. The maximum purchase price for all income categories is well below the median home price. In fact, it would take an income of around 850% of AMI to afford a median-priced home. Only households in the 240% of AMI group are likely to find a home at the maximum affordable purchase price, and a home in that price range would likely require significant, costly repairs to be habitable. As a result, even households in the highest of these income groups would likely need significant assistance to become homeowners.

Table 5. Estimated Maximum Purchase Price for Homeownership (Maximum of 30% of Gross Household Income)

Income Threshold	Income Limit	# of Renter Households	Monthly Mortgage Payment	Total Mortgage	Maximum Purchase Price
120% of AMI	\$196,200	190	\$3,249	\$488,422	\$537,264
150% of AMI	\$245,250	160	\$4,062	\$610,527	\$671,580
175% of AMI	\$286,125	70	\$4,739	\$712,282	\$783,510
240% of AMI	\$392,400	70	\$6,499	\$976,843	\$1,074,528

Source: EBP.

Housing Needs by Household Size

Data relating household incomes to household size was not available at sufficient level of detail to determine housing unit needs by size. Though it does not provide a complete picture, information from Housing Nantucket’s “Ready to Rent” list provides a point of reference for need among lower income households. Nantucket residents seeking to participate in Housing Nantucket’s affordable rental program for low-, moderate-, and middle-income residents complete an application that collects information including household size and income. Housing Nantucket provided anonymized data (all identifying information removed) for applicants between October 2023 and July 2025. EBP analyzed the data to remove entries from non-Nantucket residents, to remove duplicate records⁶, and to remove entries missing data in key fields such as household size, income, and current rent. This process yielded 538 complete, presumed unique records.

Approximately 169 (31%) of applicants reported a household size of 1, 159 (30%) reported a household size of 2, 109 (20%) reported a household size of 3, and 64 (12%) reported a household size of 4. Only 28 applicants (5%) reported a household size of 5 and 8 reported a household size of 6 (1%). Six was the largest household size reported. Using applicant-supplied information, average household incomes were calculated for each household size category. While larger household sizes were associated with higher incomes, the average income for only one household size-category exceeded 80% of AMI, and just barely at \$134,400. Therefore, this distribution of household size needs is likely representative of lower-income Nantucket households but does not shed light on households with incomes above 80% of AMI.

⁶ The dataset provided to EBP did not include identifying information however some entries were clearly exact duplicates and some very similar entries could be identified as duplicates using information provided in the “What are your reasons for moving?” field.

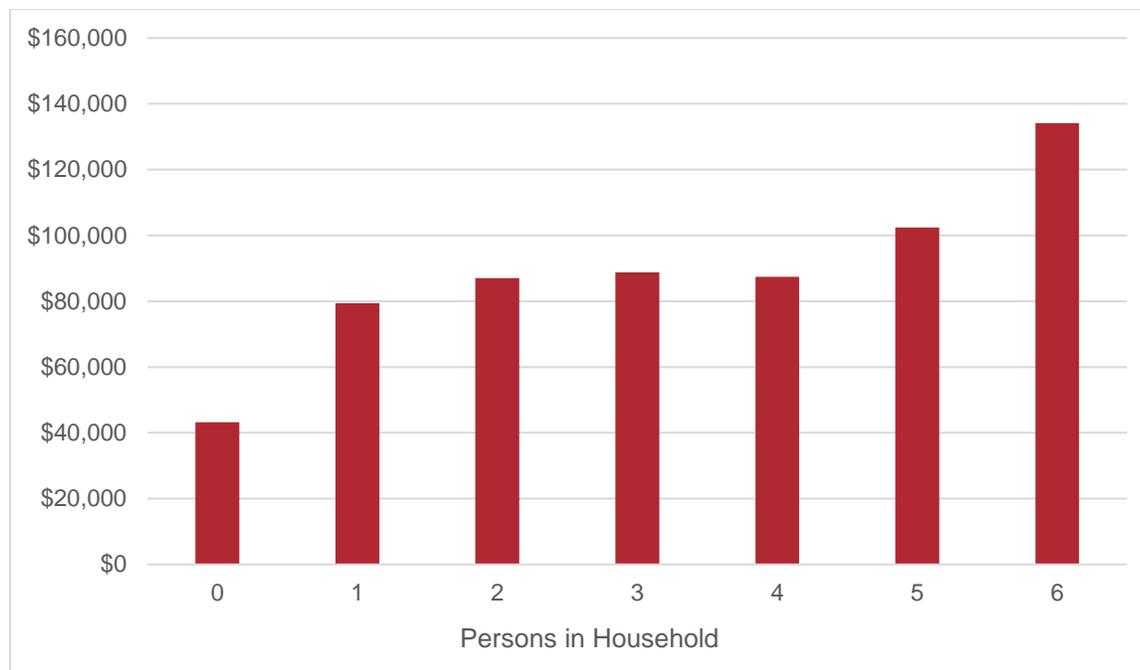


Figure 12. Average Household Income by Household Size for “Ready to Rent” Applicants

Source: Housing Nantucket and EBP.

Additional Housing Needs

The majority of this analysis focuses on affordable housing needs among Nantucket’s *existing households* in *existing housing stock*. However, the lack of affordable housing affects the community in another way not captured by this analysis of existing households. Lack of affordable housing causes key jobs in the Town government, at the hospital, and with other employers that serve the year-round population to go unfilled or to face high turnover as residents must leave the community to find less costly housing. These unfilled jobs represent a shortage of services delivered to Nantucket residents, and fewer year-round households putting down roots in the community. To fill these jobs, additional households would need to move to Nantucket. Yet the number of year-round affordable rental units and number of ownership units that could be made affordable is already insufficient to meet the needs of the existing population.

More year-round affordable housing units are needed to reduce cost burden and overcrowding among existing residents and to accommodate new households. Though a full analysis of housing demand is beyond the scope of this study, the following provide useful points of reference:

- Affordable housing needs of cost-burdened and severely cost-burdened households. Approximately 44% of Nantucket households are cost burdened, including approximately 690 households that are severely cost-burdened (spending greater than 50% of household income on housing). Bringing the number of cost burdened households to the

Massachusetts rate (33%) or national rate (29%) would require between 590 and 765 additional affordable units.⁷

- Affordable housing needs of renters earning below 80% of AMI. Approximately 610 Nantucket renter households earn 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.
- Affordable housing needs of renters earning between 80% and 120% of AMI. Approximately 240 Nantucket renter households earn between 80% and 120% of AMI and are therefore ineligible for SHI units. Ensuring that there are 240 units income-restricted to between 80% and 120% of AMI would satisfy the needs of these households.
- Affordable homeownership needs. In Massachusetts, a household income of 175% of the state's median income is needed to afford a median priced home.⁸ There are approximately 140 renters on Nantucket with incomes between 175% and 240% of AMI who are unable to afford homeownership in the community. Providing 140 income-restricted ownership units for households earning between 175% and 240% of AMI would give renters the same opportunity for homeownership that they would enjoy on the mainland.

Note that the needs listed above overlap and are not intended to be summed to a total. Instead, they represent different ways of conceptualizing the range of housing needs in the community.

While some of these needs can be met by Nantucket's existing housing stock, such as by adding income-restrictions to existing units or through financial assistance (e.g. state and federal programs or extended by employers), the limited amount of year-round rental housing stock will likely continue to present challenges.

As noted above, the shares of owned and year-round rented units are far out of proportion compared with Massachusetts-wide and national shares. The proportion of owners to renters in any housing market is driven by a combination of real estate market (e.g. cost, availability, proximity to jobs and activity centers) and socioeconomic factors (e.g. wages/income, household size, age/life stage, and transportation). However, while individual housing preferences may vary widely, at the population level these individual preferences average out to similar rates of homeownership and renters. For example, the national split is 63% owner/37% renter while in Massachusetts the split is 65% owner/35% renter despite very different underlying socioeconomic conditions and real estate market factors in Massachusetts and across the country.

On Nantucket, this proportion is disrupted by exceptionally high demand for seasonal housing units and seasonal rents that can be many times greater than what year-round resident incomes can bear. However, Nantucket's year-round community has the same factors driving demand for

⁷ Using Nantucket's 2023 ACS 5-Year total number of housing units of 5,048, the Massachusetts rate of 33% yields 1,649 cost-burdened households while the U.S. rate of 29% yields 1,478 cost-burdened households, or 594 and 765 fewer (respectively) than the 2,243 that exist at the current Nantucket rate of 44%.

⁸ Using the 2025 Massachusetts median home price reported by the Warren Group ([link](#)) and the 2023 ACS 1-Year Estimate median income for Massachusetts of \$129,134.

year-round housing as any other: Year-round residents, a Town government, police and fire services, a hospital, a grocery store, shops and restaurants. Without the seasonal market forces that greatly reduce the number of year-round rental units available, we might expect to see proportions of owners to renters similar to those in the rest of Massachusetts or the nation as a whole. The following back-of-the envelope estimate shows how the shares of owner-occupied versus renter-occupied found in Massachusetts and the nation would look in Nantucket’s housing market.

Table 6 presents a simplified extrapolation of how many additional renter-occupied housing units Nantucket would have under national and Massachusetts shares of homeownership, holding the number of owner-occupied units on Nantucket at its 2023 number (3,860). The “Existing Owner/Renter Split” shows current conditions. The next two rows apply the national and Massachusetts shares of owner-occupied units to the existing Nantucket number of owner-occupied units to determine total number of occupied units needed to achieve that share (i.e. 3,861 is 65% of what total number of housing units). This extrapolation implies that between 892 and 1,081 renter-occupied units would need to be added to Nantucket’s year-round housing stock to reflect either the national or statewide proportions of owner-occupied and renter-occupied units.⁹

Table 6. Extrapolation of Number of Rental-Occupied Units Needed to Achieve National or Massachusetts Share of Owner- and Renter-Occupied Housing Units

	Total Occupied Units	Owner Occ Units	Renter Occ Units	Add'l Renter Occupied Units
Existing Nantucket Owner/Renter Split	5,048	3,861	1,187	--
at National Owner-Occupied Share (65%)	5,940	3,861	2,079	+892
at Massachusetts Owner-Occupied Share (63%)	6,129	3,861	2,268	+1,081

Source: Total number of occupied housing units on Nantucket, Owner-occupied number of housing units on Nantucket, and shares of owner-occupied units for Massachusetts and the nation from U.S. Census Bureau 2023 ACS 5-Year Estimates, extrapolation by EBP.

It should be noted that this simplified calculation serves as a point of reference regarding the size of Nantucket’s year-round housing market and doesn’t necessarily represent demand for new units. A full market analysis would be needed to more accurately quantify demand for additional affordable ownership and rental units.

⁹ Any additional units would need to be income restricted or otherwise strictly limited for year-round occupancy or they would simply add to the seasonal rental supply.

Summary Conclusions

Despite an increase in overall and year-round housing units since the 2015 housing assessment, the affordability picture has worsened:

- Year-round rental availability has dwindled as the number of year-round renter-occupied units declined by 205 and number available for rent dropped to just 35
- The median home purchase price has increased by more than 140% in real terms since 2015.
 - A household income of more than \$1.4 million is necessary to purchase a median-priced home.
- The average fair market rent has increased more than 70% in real terms between 2015 and 2025, to more than \$3,330 –
 - Current average fair market rent is cost prohibitive for households earning less than 80% of Area Median Income (AMI) - \$130,800
 - Households in the 120% and 150% of AMI income ranges may also struggle to pay fair market rents for units suitable for larger households
- Incomes have not kept pace. The median family income reported by the ACS increased by only 9% in real terms between 2015 and 2023, to \$151,300.

As a result, cost burden and overcrowding, which have long been significant concerns, are worsening:

- Increasing shares of Nantucket households are housing cost burdened or severely housing cost burdened –
 - More than 44% of households are cost burdened or severely cost burdened, up from 37% of households in 2017.
 - Nantucket's rate of housing cost burden is 12% higher than Massachusetts' and 15% above national levels.
- Overcrowding continues to be a problem -
 - 3.7% of all households and nearly 15.0% of renter households meet the definition of overcrowded.
 - These levels of overcrowding point to a significant mismatch between the number of rental units of appropriate sizes to meet household size needs and income limits.

More than three-quarters of Nantucket households are in the low-, moderate- or middle-income brackets defined for this analysis -

- An estimated 4,210 Nantucket households (77%) meet an income threshold representing low-, moderate- or middle-income levels.
 - This includes an estimated 3,060 households who currently own their homes and 1,150 who rent.
- Renter households in all but the highest income category (240% of AMI) are effectively priced out of homeownership without significant assistance.
 - This affects an estimated 1,080 households (about 20% of all households).
 - Even the estimated 70 households with incomes in the up to 240% AMI category who are currently renters may have difficulty becoming homeowners because of the limited supply of homes for sale for \$1 million or less that do not require significant repairs to be habitable.
- Current average fair market rent is cost prohibitive for households earning less than 80% of AMI and 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 households (about 16% of total households).

There are simply too few year-round housing units, particularly rental units, available –

- Key indicators: High levels of cost burden, significant overcrowding, lack of available year-round rental units, especially with multiple bedrooms, and difficulty recruiting/retaining workers
- A back-of-the-envelope estimate made using statewide and national proportions of owner-occupied and renter-occupied units suggests a gap of between 890 and 1,080 renter-occupied housing units
- Though this represents a very rough estimate, new rental units would address the needs of:
 - Households that are currently overcrowded (multiple households sharing one unit);
 - Households doing the “Nantucket shuffle” as their living arrangements are continually disrupted by seasonal fluctuations;
 - Households with workers currently regularly commuting to jobs on Nantucket from the mainland; and
 - Households new to the community that have been attracted to fill critical, year-round Nantucket jobs.