

WORKFORCE HOUSING NEEDS ASSESSMENT
Nantucket, Massachusetts
April 2015

Prepared for:
Housing Nantucket



EXECUTIVE SUMMARY

Key Findings

- Nantucket has an **undeniable shortage of price-appropriate housing for people who work on Nantucket throughout the year**. The lack of affordably priced housing is a barrier to a decent quality of life for workers and their families and an obstacle to hiring qualified people for some specialized positions.
- Nantucket has **11,650 housing units: 64 percent seasonal and 36 percent year-round**.
- The median home price on Nantucket is \$1.2M, yet the median family income is \$92,800. **Homeownership is prohibitive for 90 percent of the island's year-round households**.
- The year-round and seasonal rental supply is conspicuously limited at all bedroom size and market levels. The greatest year-round demand is for two-bedroom units. **Nantucket needs to focus on creating reasonably priced rental housing for families if it expects to attract and keep workers over the long run**.
- Roughly 55 percent of Nantucket's homeowners and 40 percent of its renters struggle to pay for the housing units they occupy. **Half of all year-round households are housing-cost burdened**.
- Most of Nantucket's **un-affordably housed renters are working-age people**, especially below age 34.
- The **number of owner-occupied homes has decreased** by 640 units or 5.5 percent since 2000.
- According to recent population estimates from the Census Bureau, 10,856 people in 4,200 households live on Nantucket year-round. **The Town's population has increased approximately 14 percent since 2000**.

Potential Approaches

- **Develop rental housing on Town-owned land**, including units for single people and families.
- **Allow relocated units to be placed on nonconforming lots**, subject to an affordable housing covenant.
- **Commit all Community Preservation Act (CPA) funding to housing** (except the statutory set-asides for open space and historic preservation).
- **Encourage the Nantucket Land Bank to adopt a housing policy** and partner with the Town, Housing Nantucket, and others to create affordable housing.
- **Use Low Income Housing Tax Credits (LIHTC) and state and federal resources** to increase the supply of safe, decent, sanitary rental housing.
- **Seek special legislation to establish a Housing Bank** and create shared equity housing, e.g., a land trust or buy-downs of lower-end units while they still exist.
- **Embrace inclusionary zoning** in all areas not zoned for very-low-density residential development.
- **Strengthen code enforcement**.
- **Seek special legislation to provide tax-relief and other incentives** to develop accessory units and tertiary dwellings for affordable housing.
- **Relieve sewer connection and other permitting fees** for affordable housing developments.



housing Nantucket people since 1994

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SNAPSHOT: HOUSING ON NANTUCKET

Housing Inventory

- Q** How many housing units does Nantucket currently have?
- A** *According to the U.S. Census Bureau, Nantucket's total housing inventory – including year-round and seasonal housing – includes 11,650 units.*
- Q** What percent are occupied year round? Seasonally?
- A** *Approximately 36 percent of Nantucket's housing units are occupied-year round. Seasonal units account for 62 percent of the housing on Nantucket.*
- Q** What percent are owner-occupied? Year-round?
- A** *The Census Bureau estimates that 66 percent of Nantucket's year-round housing units are owner-occupied. The number of seasonal units occupied by the owners is unknown.*
- Q** How many rental units? What percent are occupied year round? Seasonally?
- A** *Nantucket has approximately 1,640 year-round rental units. The number of seasonal units for renters is unknown.*
- Q** Have units that used to be year-round rental units been sold and taken out of the year-round market? If so, how are they used now (Seasonal? Rental? Owner-occupied?)
- A** *According the Census Bureau, year-round housing growth has not kept pace with seasonal housing growth. From 2000 to 2010, Nantucket reportedly gained a total of 2,408 units, including 530 year-round occupied*

and 1,552 seasonal. From 2010 to 2013, the Town gained 32 units, lost 160 year-round units, and gained 415 seasonal units. Thus, some units that were previously used as year-round housing have converted to seasonal homes.

Q What is the availability of seasonal housing for workers?

A *The Census Bureau reports only the total number of seasonal housing units, not whether the units are for homeowners, year-round renters, or seasonal workers. Some of the island's employers provide housing for seasonal workers, e.g., Nantucket Island Resorts, which owns facilities with a combined total of 210 beds.*

Housing Prices

Q What is the availability of year-round homeownership opportunities on the market? At what price are these available?

A *There are 264 housing units currently listed for sale on Nantucket. The median asking price is \$2,295,000. The Inquirer and Mirror recently reported that as of March 31, Nantucket's median housing sale price was \$1.65 million. According to the newspaper, "The lowest-priced detached single-family home currently on the market is a four-bedroom, one-bathroom 1,272-square-foot "fixerupper" on MacLean Lane listed at \$599,000."*

Q What is the availability of year-round rental opportunities on the market? At what price are these available?

A *It is difficult to document the number of year-round units that are available for rent at any given time. Rentals often happen by word of mouth or through other informal means. In the past two months (March-April 2015), classified ads in The Inquirer and Mirror have included some summer and winter rentals, but the only year-round rentals have been furnished rooms in a private residence, a partially furnished one-bedroom apartment in Madaket for \$2,000/month, and a four-bedroom home without a published asking rent.*

Q What is under construction on Nantucket?

A *According to the Planning Department, 127 housing units were built on Nantucket in 2014.*

Affordable Housing

Q Where are low- and moderate-income residents currently living?

A *The U.S. Department of Housing and Urban Development (HUD) estimates that 36 percent of Nantucket's year-round residents have low or moderate incomes. Most live in Mid-Island/Surfside and South-of-Town neighborhoods. (See Map 1 for a guide to census tract and place names used in this report.)*

Q How many residents continue to live the "Nantucket Shuffle"?

A *In 2014, Sustainable Nantucket estimated nearly 23 percent of the island's renters (about 300 households) are under ten-month leases.*

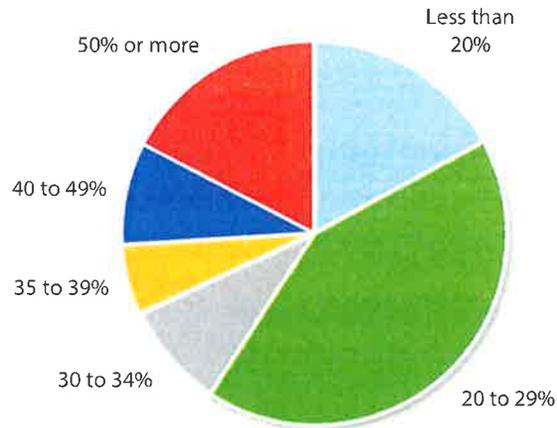
Q How do prevailing rents compare with household income?

A *The Census Bureau reports that 41 percent of Nantucket renters spend more than 30 percent of their monthly income for housing (rent and basic utilities). Seventeen percent spend 50 percent or more – a condition known as **worst-case housing needs**.*

Q How many "substandard" units (basements and garages) are there, and what enforcement is available to insure the safety of residents living in them?

A *The number of substandard units is unknown. Nantucket's Building Inspector is reluctant to release the information, but a source affiliated with the Nantucket Interfaith Council estimates that Nantucket has "hundreds" of illegal units, most of which have one or more code violations. Since Town Meeting just amended the Zoning Bylaw to relax the requirements for accessory apartments and provide for "tertiary" dwelling units, it should be easier for people with illegal units to bring them to code.*

Figure 1
Nantucket's Year-Round Renters:
% Household Income Spent on Housing Costs
 (ACS 2009-2013)



Q How many families are living in multi-family living situations, i.e., overcrowding?

A *According to the Census Bureau, there are 188 over-occupied housing units on Nantucket (more than one person per room), including sixty-nine severely crowded units (more than 1.5 people per room). However, many observers think the Census Bureau has underestimated the incidence of overcrowding.*



Q Do affordable deed restrictions pose a deterrent to the sale of affordable homes?

A *No – as long as the units are not also age-restricted. If anything, affordable housing restrictions can accelerate the speed of sales, especially if the income limits are targeted to a community's actual housing needs. In a heated housing market like Nantucket, affordable deed restrictions can both stimulate economic diversity and effectively preserve affordable units.*