

# Analysis of proposed real estate transfer fees on Martha's Vineyard and Nantucket for year-round housing

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Donahue Institute  
Economic and  
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# Analysis of proposed real estate transfer fee on Martha's Vineyard and Nantucket

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## Executive Summary

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The University of Massachusetts Amherst Donahue Institute (UMDI) was engaged by the Martha's Vineyard Commission (MVC) and the Nantucket Planning and Economic Development Commission (NP&EDC) to study the potential impacts of a local option real estate transfer fee (RETF) for the purpose of funding affordable and attainable year-round housing efforts on the islands. The cost of housing on Martha's Vineyard and Nantucket is out of reach for many residents, including essential workers. At the same time, being island communities, it is difficult for workers to commute from off-island areas with lower housing costs. In response to the housing challenges on the islands the proposed real estate transfer fees are designed to create funding streams to address the housing affordability and supply challenges on both islands.

Real estate transfer fees are effective at generating revenue to support public goods, including land conservation, the arts, and housing. On the islands they have been used to fund local conservation land banks since the 1980's. In other high cost seasonal communities, such as Aspen, Colorado and the Hamptons in New York State, RETFs have generated revenue to address the challenges associated with having a large share of housing units used as second homes. Those who oppose real estate transfer fees assert that they have a negative impact on housing markets by reducing sales and home prices. Although there is evidence that these concerns are valid in some markets, impacts vary depending on the specifics of the policy and housing market. Furthermore, in some markets with high levels of speculation and investor activity it may be desirable to reduce price volatility through introducing a RETF.

In this study we examine the existing literature on RETFs. However, that literature is largely focused on large urban markets, such as New York, Toronto, and Washington D.C. and the housing markets on the islands differ in important ways as seasonal tourist destinations. In 2024, the Affordable Homes Act was signed into law by Massachusetts Governor Healey and created the "Seasonal Communities" designation. All municipalities in the counties of Dukes and Nantucket, and several more on the Cape and in the Berkshires, were automatically designated as seasonal communities. The criteria to be considered a seasonal community included:

- A high share of short-term rentals compared to the total housing supply;
- Large seasonal spikes in population due to visitors;
- A substantial gap between local median income and the income needed to afford the median home;
- A significant portion of homes used seasonally or recreationally rather than as primary residences; and
- Large seasonal swings in employment levels relative to the municipality's minimum employment threshold.

These characteristics are all exemplified on the islands. Furthermore, the islands' geographies and environmental concerns mean that the housing supply is largely fixed. Due to their unique characteristics, we looked for examples of RETF in seasonal communities. We include an analysis of data from the Hamptons in New York State, where there was a 2023 increase in the local Peconic Bay

Transfer Tax to fund housing solutions. We compared prices and sales volumes in the towns where the tax rate increased with neighboring communities and found no discernible differences.

We therefore used historic trends to estimate the potential for the proposed RETFs to generate revenue for the islands' affordable and year-round housing trusts. We estimate that a fee would generate over \$10 million on Martha's Vineyard and over \$3.8 million on Nantucket in annual revenue to fund housing efforts on the islands. This revenue could be used in a variety of ways to support the aim of housing year-round residents and workers who might otherwise be forced to move off-island. We estimate the marginal economic impacts of several policies including acquisition and adaptive reuse of housing units, the purchase of year-round deed restrictions, new construction of affordable housing, public employee housing assistance, and the implementation of a lease-to-local program to encourage some short-term rental operators to transition operating year-round rentals.

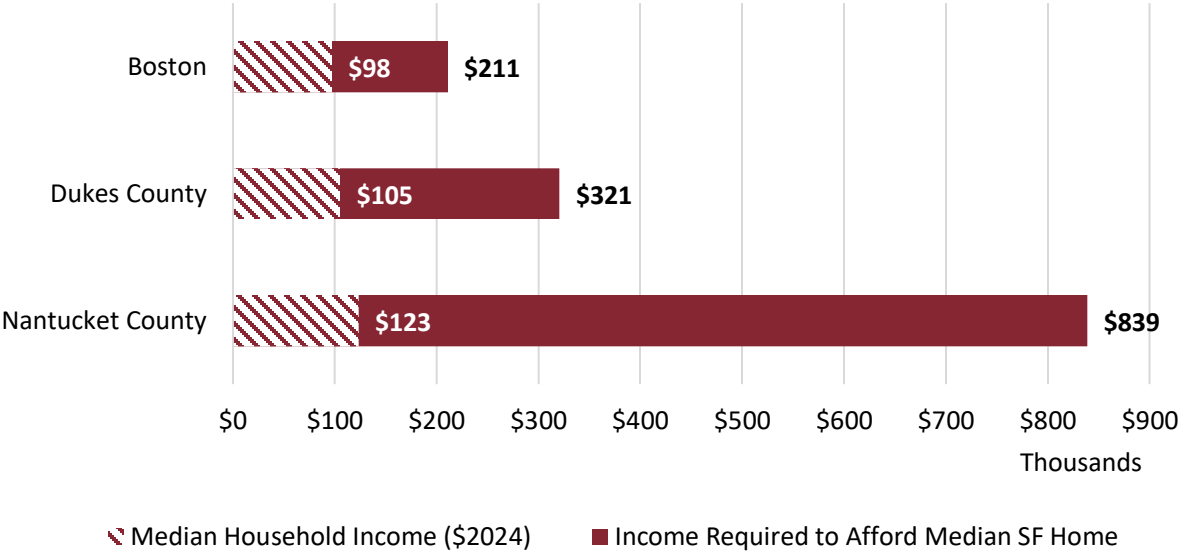
The economic benefits of retaining workers and building or preserving housing are significant and long-term. Crucial to understanding these impacts is differentiating between one-time and ongoing impacts. For example, the cost to acquire or rehabilitate a property for year-round use is high, but that money is only spent once. On the other hand, the benefits from preventing the loss of a household due to high housing costs accrue to the local economies every year. Overall, our economic impact analysis suggests that using proposed transfer fee revenues to support a balanced portfolio of programs has the potential to strengthen both the housing market and the local economy.

# Introduction

The University of Massachusetts Amherst Donahue Institute (UMDI) was hired by the Martha’s Vineyard Commission (MVC) and the Nantucket Planning and Economic Development Commission (NP&EDC) to study the potential impacts of a local option real estate transfer fee (RETF) for the purpose of funding affordable and attainable year-round housing efforts on the islands. The intent of the proposed real estate transfer fees is to create a funding stream to address the housing affordability and supply challenges on both islands. By several measures, the housing affordability challenges on the islands are the most acute in the Commonwealth, at the same time they are not unique. Seasonal communities on the Cape, especially the Outer Cape, struggle with the same challenges that are associated with having a very large share of the housing stock used seasonally as second homes and short-term rentals.

With a 2024 median sales price of \$1.4 million on Martha’s Vineyard and \$3.7 million on Nantucket, the islands are among the most expensive housing markets in the nation (**Table 1**). To afford to purchase the median home on Nantucket a household would need to earn over \$800,000 annually. On Martha’s Vineyard, an income of over \$300,000 is needed.<sup>1</sup> On both islands, median household incomes are well below the level required to afford local real estate. The high cost of housing is driven by the limited supply of housing and the islands’ desirability to wealthy second homeowners and vacationers.

**Figure 1: Income (in Thousands) Required to Afford the Median Single-Family Home**



Source: Warren Group (Dukes County) and Fisher Real Estate (Nantucket), Boston Single Family Home Prices reflect MA Realtor Association December 2024 YTD Home Prices, Census ACS 2023 5YR Incomes, see footnote below for methodology.

<sup>1</sup> Assumes national average 30-year mortgage rates, Massachusetts average insurance rates, Nantucket property tax rates or the median Martha’s Vineyard tax rate and a 20 percent downpayment. Affordability is based on the income needed to make the monthly housing payment 30 percent of monthly income, which reflects the Federal Office of Housing and Urban Development’s 30 percent affordability threshold.

This report will identify the economic benefits of funding year-round affordable and attainable housing on both islands through a transfer fee. The definitions of affordable and attainable refer to the household trying to acquire such housing. The income estimates above are based on a standard rule of thumb for housing affordability, which says that a household is not cost-burdened by their housing if they keep housing costs at or below 30 percent of their total household income. This threshold evolved from standards established by federal housing programs going back to the 1960s.<sup>2</sup> Housing programs which supply affordable housing, both state and federal, provide housing assistance based on percentages of area median income (AMI). In FY2025, AMI was estimated by HUD to be \$153,300 on Martha’s Vineyard and \$163,500 on Nantucket.<sup>3</sup> Affordable housing is typically restricted to households who earn less than area median income. If a household qualifies based on income, they usually pay no more than 30 percent of their income monthly, following the typical affordability threshold, with government subsidies programs paying for the difference between that 30 percent and the market rent or sale price for the property.

Transfer fee revenue could be used to develop housing that is affordable. It could also be used to fund what is referred to as attainable housing. While affordable housing is set aside for income groups below area median income, attainable housing represents year-round housing that is available to year-round households with incomes from area median up to 250 percent AMI. These year-round, working households often do not qualify for affordable housing, but still are unable to access market-rate housing in high-priced resort markets.<sup>4</sup> For both attainable and affordable housing, the most important components are that 1) dedicated year-round housing can be offered and protected in perpetuity in a market dominated by seasonal and investment properties, and that 2) it is priced in a way that households can access it without becoming cost-burdened. As discussed previously, to afford the purchase of the median market-rate home on either island, extremely high incomes are required, reflecting extremely high prices (**Table 1**). Affordable and attainable housing gives locally employed households a path to living on the islands despite high prices in both the rental and ownership markets.

**Table 1: Median Sale Price, Nantucket and Dukes Counties, Single Family Homes, 2014-2024, \$2024**

County	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Dukes	\$765,221	\$810,636	\$905,097	\$963,002	\$924,426	\$981,593	\$1,208,403	\$1,389,183	\$1,447,029	\$1,379,522	\$1,400,000
Nantucket	\$1,954,461	\$2,090,978	\$2,123,874	\$2,461,573	\$2,373,526	\$2,276,069	\$3,090,699	\$3,212,485	\$3,604,709	\$3,289,235	\$3,730,000

Source: Fisher Real Estate Sales Dataset (Nantucket County) and Warren Group (Dukes County)  
 Note: Single Family is a property type in both datasets. Low dollar transactions and sales or purchases by the town, land bank or hospital were excluded.

<sup>2</sup> Hannah Grabenstein, “Is the 30% Rule for Rent Still Relevant? Here’s What Experts Think,” PBS News, December 15, 2025, <https://www.pbs.org/newshour/economy/is-the-30-rule-for-rent-still-relevant-heres-what-experts-think>.  
<sup>3</sup> Department of Housing and Urban Development, “FY2025 Income Limits Documentation System - Dukes County MA,” 2025, [https://www.huduser.gov/portal/datasets/il/il2025/2025summary.odn?STATES=25.0&INPUTNAME=NCNTY25007N25007\\*2500726325%2BGosnold+town&statelist=&stname=Massachusetts&wherefrom=&statefp=25&year=2025&ne\\_flag=&selection\\_type=county&incpath=&ata=2025&SubmitButton=View+County+Calculations](https://www.huduser.gov/portal/datasets/il/il2025/2025summary.odn?STATES=25.0&INPUTNAME=NCNTY25007N25007*2500726325%2BGosnold+town&statelist=&stname=Massachusetts&wherefrom=&statefp=25&year=2025&ne_flag=&selection_type=county&incpath=&ata=2025&SubmitButton=View+County+Calculations).  
<sup>4</sup> City of Grand Junction, Colorado, “What Is Affordable and Attainable Housing?,” 2025, <https://www.gjcity.org/1384/What-is-Affordable-and-Attainable-Housin>.

On Nantucket and Martha’s Vineyard roughly 60 percent of the housing stock is seasonally vacant.<sup>5</sup> The pandemic exacerbated the affordability challenges on the islands as prices and transactions on the islands peaked when rural and vacation destinations across the country saw increased demand for housing. A consequence of rising housing costs in seasonal destinations is that essential workers, are frequently priced out. This has negative consequences for the individual residents and the community. Essential workers include those who support vital infrastructure services, such as healthcare, public safety, public works and education, as well as those in industries important to the local economy such as accommodation, food services and the fishing industry. For an island community, where costs are already elevated due to the inherent challenges of an island economy, price increases put even greater pressure on these workers. Employers are struggling to retain and attract workers and year-round residents who do not own their homes face rising housing costs and a severe shortage of year-round rental inventory. They are frequently forced to move off island or face rising housing instability.

There is proposed legislation in the Massachusetts Senate and House to create new real estate transfer fees that would fund affordable and attainable housing efforts on the islands, alongside legislation to provide the local option transfer fee for municipalities in other seasonal communities and statewide. Real estate transfer fees raise revenue through collecting fees when properties are sold. The fees are often designed to apply only to high-priced transactions, typically over \$1 million. Transfer fee revenues would have the potential to provide a flexible source of funding for housing programs and initiatives that existing federal, state, and local funding streams are currently unable to support. While local support for these efforts has been strong on the Islands, they require approval from the state legislature.<sup>6</sup> The Affordable Homes Act (passed in 2024) originally included such language, but it was removed during reconciliation and not included in the final bill.

It is important to note that real estate transfer fees are not new to Massachusetts or the islands. For example, both the islands fund conservation land banks that help protect and support natural amenities and conservation through revenue from real estate transfer fees. On Nantucket the land bank and transfer fee have been in existence since 1983 and on Martha’s Vineyard the land bank and transfer fee have been around since 1985. Both islands assess a two percent fee on all residential real estate transactions, with a number of specific exemptions, including transfers to government entities and gifts without consideration. Additionally, both islands exempt a portion of the sale if the buyer (or their spouse) is a first-time homebuyer and will make the property their primary dwelling. There are also penalties for re-selling a property with an exempted transaction within five years.

The following **Figure 2** and **Figure 3** show the breakdown of total real-estate sales between 2000 and 2024 by transfer-fee-exempt status on Martha’s Vineyard and Nantucket. Shown in **Figure 2**, a sizable portion of sales on Martha’s Vineyard have been subject to the land bank transfer fee, although this has fluctuated over time. The transfer fee has generated millions in annual revenue for the island, spiking in

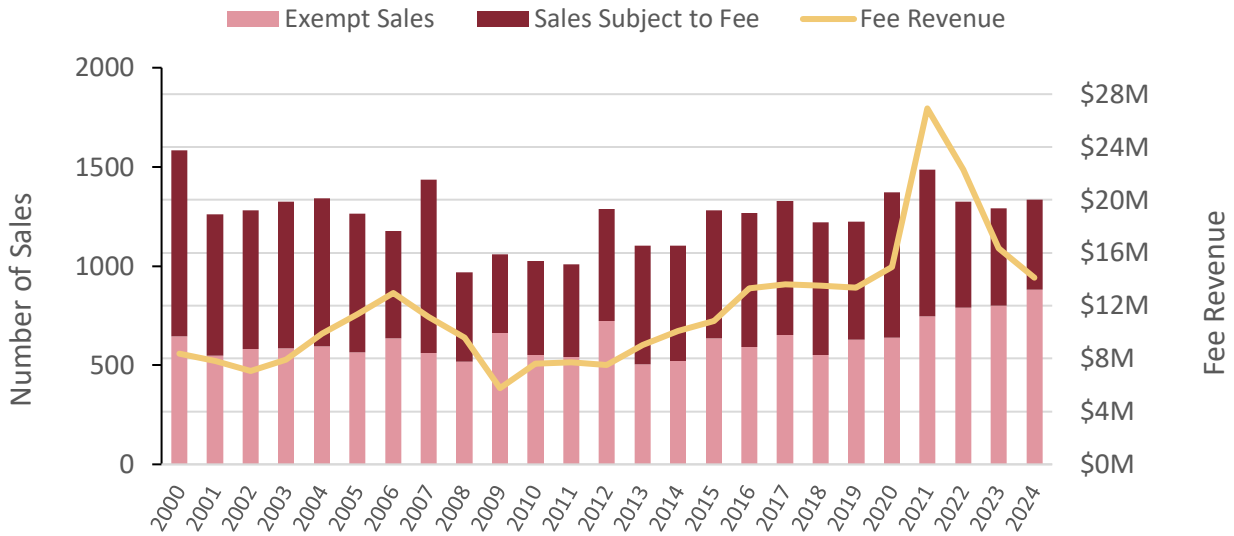
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<sup>5</sup> Executive Office of Housing and Livable Communities, “A Home for Everyone,” Government, Regional Snapshots, 2025, <https://www.mass.gov/a-home-for-everyone>. Executive Office of Housing and Livable Communities, “A Home for Everyone.”

<sup>6</sup> Sarah Shaw Dawson, “Islanders Continue Legislative Push for Housing,” News, *The Martha’s Vineyard Times*, October 17, 2025, <https://www.mvtimes.com/2025/10/17/islanders-continue-legislative-push-housing/>.

2021, with over \$26 million raised in a single year through this fee during the post-pandemic real estate boom.

**Figure 2: Number of Sales and Land Bank Transfer Fee Revenue, Martha’s Vineyard, 2000–2024**

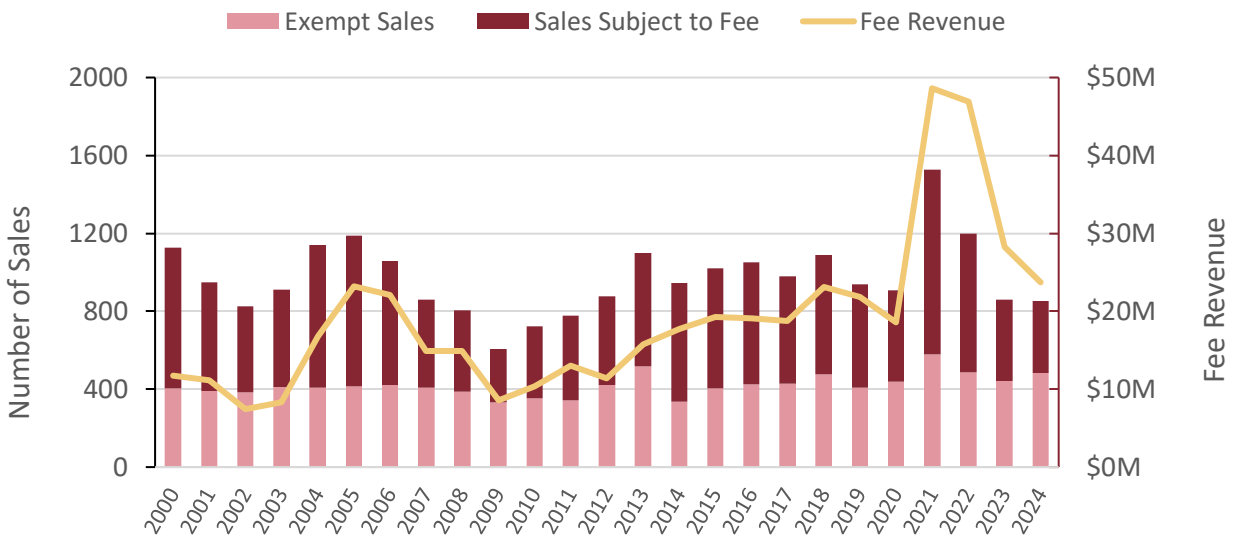


Source: Martha’s Vineyard Land Bank

Note: Sales exclude those made without consideration, meaning low or no dollar value transactions.

Shown in the following **Figure 3**, Nantucket has raised considerable annual revenues from a real estate transfer fee between 2000 and 2024. Similar to Martha’s Vineyard, annual revenues peaked in 2021 for Nantucket as well, with the island collecting over \$48 million from the real estate transfer fee.

**Figure 3: Number of Sales and Land Bank Transfer Fee Revenue, Nantucket, 2000–2024**



Source: Nantucket Land Bank

Note: Sales exclude those made without consideration, meaning low or no dollar value transactions.

Real estate transfer fees have been used successfully on the islands, across the United States, and internationally to support specific policy goals. However, opponents to transfer fees often argue that the fees would decrease the number of sales and increase prices. In this report we start by exploring the existing literature on real estate transfer fees and a case study of the Hamptons in New York State. We include the Hamptons case study, because while there are several peer-reviewed economic studies that have explored the impacts of real estate transfer fees on urban, state, and national housing markets, there are no studies that are readily generalizable to seasonal resort markets like Nantucket and Martha's Vineyard. In urban and national markets there is evidence of modest negative impacts of fees on transaction volume, sale prices, and in turn property tax revenue. These findings have led some in Massachusetts to oppose all real estate transfer fees in Massachusetts. However, there is evidence that real estate transfer fee impacts vary depending on housing market conditions and that in resort markets with limited supply and inelastic demand, like the islands and other seasonal communities, effects on transactions and prices will be minimal.

In particular, the research team looked for studies in real estate markets with luxury, second home markets and real estate transfer fees. While resort communities like Aspen, Colorado have used real estate transfer fees for decades to address the housing shortage, economists have not studied the impacts in these unique settings. Therefore, we collected public data from the Hamptons to explore whether an increase in the local real estate transfer fee was associated with a change in the volume of transactions or prices. Sales volumes and prices in the Hamptons have remained strong after the adoption of the fee. Therefore, we base our projections of potential future revenue from the fees on historic trends on the islands.

To understand the potential impact of additional revenue from a transfer fee on the islands we first summarize findings from a survey of businesses, non-profit organizations, and public agencies. The business survey collected data on how the housing shortage and affordability crisis are impacting employers and the current measures that organizations are taking to address it. We use data from the survey and direct communication from employers to provide estimates of the economic impact of different measures that a real estate transfer fee to fund affordable and year-round housing trusts could have on the islands.

Our literature review and analysis of the Hamptons in New York suggests that the proposed transfer fees will not have a meaningful impact on the volume of real estate transactions or sales prices. The qualitative data from the survey point to the urgent need for housing for year-round residents and essential workers, and the negative economic consequences of the current housing challenges. We estimate that the proposed transfer fees have the potential to raise over \$10 million on Martha's Vineyard and over \$3.8 million on Nantucket in annual revenue to fund housing efforts on the islands.<sup>7</sup> These funds can be used to expand or implement a variety of policies to help meet the existing housing needs on the island and we provide a breakdown of likely uses and their impact to help guide local leaders' decisions on the use of these potential revenues.

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<sup>7</sup> The difference in revenues between the two islands reflects several factors. First, Martha's Vineyard has a higher proposed rate, at two percent compared to half a percent for Nantucket. Second, in 2024, Martha's Vineyard had slightly more sales overall. Finally, the Vineyard fee has a different exemption than Nantucket's, capturing a different share of property sales than on Nantucket.

# Policy Background & Literature Review

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## Policy Background

Many states and localities across the U.S. (and globally) have implemented a fee or tax on the transfer or sale of properties—often referred to as a real estate transfer fee (RETF) or real estate transfer tax (RETT). These policies are often enacted in high-price real estate markets in an effort to raise money for local investments in land conservation and housing affordability. A 2025 report from the SAGE Policy Group found that 37 states (including Washington D.C.) impose a tax or fee on real estate transfers, and a number of these states have increased their transfer tax rates in recent years.<sup>8</sup> There are also many examples of similar fees outside of the U.S., such as in Germany, and the United Kingdom.<sup>9, 10</sup>

The structure of transfer fees can differ widely across localities, varying in whether the buyer or seller pays the fee; which transactions are subject to, or exempt from, the transfer fee; and how much of a transaction is subject to the fee (i.e. whether the tax is applied marginally). In many cases, only the value of sales above a certain threshold is subject to the transfer fee, targeting the fee on higher-value and luxury real estate. In practice, this often takes the form of a marginal fee assessed only on the value of a property transfer above a set threshold, or with a progressive structure that has increasing rates (i.e. 0.5 percent of the first \$450,000 of the transaction value, 1.5 percent between \$450,000 and \$1,000,000, and 2 percent of anything above that).<sup>11</sup>

In other locations, a tax is assessed on the entire transaction value (non-marginal), not just the amount above the set threshold. For example, New York City applies a non-marginal tax on residential sales below \$500,000 which are taxed at 1 percent, and 1.425 percent for sales priced above that.<sup>12</sup> A progressive, non-marginal transfer tax structure was also implemented in the Los Angeles “United to House Los Angeles” (ULA) measure in 2023, which imposed a 4 percent tax on transactions priced between \$5 million and \$10 million, and a 5.5 percent tax on transactions over \$10 million—with these transaction thresholds adjusted for inflation over time.<sup>13</sup>

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<sup>8</sup> SAGE Policy Group, *The Economic and Fiscal Consequences of High Transfer Tax Rates* (2025), [https://www.communitytaxcoalition.org/\\_files/ugd/8c4cdb\\_7f018770cc524703a7fef2b8f4b7ecf7.pdf](https://www.communitytaxcoalition.org/_files/ugd/8c4cdb_7f018770cc524703a7fef2b8f4b7ecf7.pdf).

<sup>9</sup> Mathias Dolls et al., “Who Bears the Burden of Real Estate Transfer Taxes? Evidence from the German Housing Market,” *Journal of Urban Economics* 145 (January 2025): 103717, <https://doi.org/10.1016/j.jue.2024.103717>.

<sup>10</sup> Qiulin Ke et al., “Transactions Tax Change during the Pandemic: A Study of the UK Housing Market,” *Journal of Housing Economics* 69 (September 2025): 102088, <https://doi.org/10.1016/j.jhe.2025.102088>.

<sup>11</sup> Samantha Waxman et al., *States Should Enact, Expand Mansion Taxes to Advance Fairness and Shared Prosperity* (Center on Budget and Policy Priorities and the Institute on Taxation and Economic Policy, 2024), <https://www.cbpp.org/research/state-budget-and-tax/states-should-enact-expand-mansion-taxes-to-advance-fairness-and>.

<sup>12</sup> Corey Rosenthal et al., “New York State and City Real Estate Transfer Taxes,” *CPA Journal* 86, no. 4 (2016): 58–59, 115639567, <https://research.ebsco.com/linkprocessor/plink?id=0c5cd905-7079-37ef-a43d-88faf0e81d40>.

<sup>13</sup> Michael Manville and Mott Smith, *The Unintended Consequences of Measure ULA* (The UCLA Lewis Center for Regional Policy Studies, 2025), <https://escholarship.org/uc/item/9z17p49t>.

Localities use funding from transfer fees in different ways to support a variety of goals including affordable housing, community preservation and revitalization, and land conservation and environmental protection.

In addition to a statewide graduated real estate transfer tax, Washington state has implemented different transfer fees tools for cities and counties to adopt (referred to as “real estate excise” taxes or REETs). These include two 0.25 percent local-option REETs to fund eligible capital expenses, a land conservation REET of up to one percent, and an additional tax up to 0.5 percent for affordable housing. San Juan County (made up of the San Juan Islands, which is a seasonal community) was the first in the state of Washington to opt-in to the affordable housing REET in 2018, having also adopted all other local transfer taxes for capital projects and land conservation previously.<sup>14,15</sup> The San Juan County Home Fund is funded by this 0.5 percent tax, alongside a small portion (1/10<sup>th</sup>) of the county sales tax. As of December 2025, the Home Fund has contributed more than \$15 million over seven years to fund the construction of more than 200 units of affordable housing.<sup>16</sup>

Aspen, Colorado implemented two different versions of a transfer fee to support different community policy goals. In 1978, a 0.5 percent fee on all real estate transactions was implemented to raise money for visual and performing arts in the community, including the construction and maintenance of an opera house. This fee was recently extended to expire in 2039. In 1989, Aspen implemented an additional 1 percent fee on all real estate transaction values above \$100,000, excluding affordable units. This additional fee is used to fund several community priorities, including local affordable housing construction and purchasing affordable deed restrictions from local property owners.<sup>17</sup> Some localities like Toronto, Martha’s Vineyard, and Nantucket also include specific exemptions for first-time homebuyers, to prevent these additional taxes and fees from becoming a barrier to local first-time buyers.<sup>18</sup>

Communities have used transfer fee revenues to create and fund land trusts or land banks. For example the Martha’s Vineyard Land Bank (originally created in 1985), the Nantucket Islands Land Bank (originally created in 1983), and the Block Island Land Trust (established in 1986)—among others in the region and across the country.<sup>19, 20, 21</sup> These organizations aim to protect natural community resources from development in a high-demand real estate market. Additionally, many communities like Martha’s Vineyard and Nantucket use this strategy to preserve land for public recreation in addition to the

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<sup>14</sup> “Real Estate Excise Taxes in (REET) in Washington State,” Municipal Research and Services Center (MRSC), January 2, 2026, <https://mrsc.org/explore-topics/finance/revenues/real-estate-excise-tax>.

<sup>15</sup> “San Juan County Budget,” San Juan County, WA, accessed January 16, 2026, <https://www.sanjuancountywa.gov/2030/San-Juan-County-Budget>.

<sup>16</sup> “San Juan County Celebrates Affordable Housing Wins in 2025,” San Juan County, WA, December 19, 2025, <https://www.sanjuancountywa.gov/m/newsflash/home/detail/2069>.

<sup>17</sup> Westley Crouch, *Aspen Allocates \$1 Million to Housing Coalition*, July 9, 2025, <https://www.aspentimes.com/news/aspen-allocates-1-million-to-housing-coalition/>.

<sup>18</sup> Ben Dachis et al., “The Effects of Land Transfer Taxes on Real Estate Markets: Evidence from a Natural Experiment in Toronto,” *Journal of Economic Geography* 12, no. 2 (2012): 327–54, <https://www.jstor.org/stable/26158151>.

<sup>19</sup> Dukes County Registry of Deeds, “Martha’s Vineyard Land Bank,” Dukes County Registry of Deeds, 2025, <https://massrods.com/dukes/marthas-vineyard-land-bank/>.

<sup>20</sup> Nantucket Islands Land Bank, “About,” Not For Profit, Nantucket Land Bank, 2025, <https://www.nantucketlandbank.org/about/>.

<sup>21</sup> Town of New Shoreham, “Block Island Land Trust,” Government, Town of New Shoreham Rhode Island, 2025, <https://www.newshorehamri.gov/167/Block-Island-Land-Trust>.

environmental protection and conservation of important waterways and coastline ecosystems. The Martha's Vineyard Land Bank and the Nantucket Islands Landbank provide numerous recreational opportunities for residents and visitors, like hiking trails and areas for boating.<sup>22</sup>

## Literature on the Impacts of Real Estate Transfer Fees

The literature on real estate transfer fees is from the field of economics and focuses on the impact of transaction fees on real estate markets. There is an absence of academic literature on their effectiveness at achieving the public policy goals outlined above. In the economic literature, several empirical studies on the impact of real estate transfer fees/taxes find reductions in prices and sales volumes after the implementation of a tax, though the impact varies across different localities. Importantly, there is no peer-reviewed literature that considers the impacts of transfer fees on markets with significant external real estate demand for second homes or with predominantly tourism-driven economies. Thus, the generalizability of this research to the housing markets on Martha's Vineyard and Nantucket and other seasonal communities is limited.

Although some studies show evidence that a transfer fee is associated with a decline in real estate sales, it should be noted that these studies do not engage with the long-term public policy goals that lead many communities to implement these fees. For example, a 2012 study of a land transfer tax in Toronto estimated that the tax was associated with a 14 percent decline in real estate sales volumes,<sup>23</sup> Notably, a 2021 analysis by the city estimated that this tax collected more than \$6.4 billion in revenue since being introduced in 2008 up to the end of 2020.<sup>24</sup> Toronto city leadership has kept this tax in place and increased the rates more than once in recent years, approving an increase at the end of December 2025 that goes into effect in April 2026 shortly after the previous increase in 2023.<sup>25</sup>

Other studies on markets with long-standing transfer taxes have also found reductions in sales. A 2015 comparative analysis of the housing markets in New York City and New Jersey estimated a 0.7 percent reduction in sales attributed to a real estate transfer tax. They also documented a clear “bunching” pattern near the tax threshold, showing that buyers and sellers will adjust sales prices to be exempt from a non-marginal transfer tax.<sup>26</sup> A 2025 study of real estate transactions in Germany from 2005-2019 found that a 1 percent increase in real estate transfer taxes led to a 3 percent reduction in prices within a year but did not find a significant reduction in the volume of transactions.<sup>27</sup> Long-term public policy goals, again, were not included in the analyses.

In some instances, a reduction in sales prices and volume may be a desired policy outcome. One motivation for implementing these fees is that they may create a disincentive for speculative behavior in the market and lead to decreased home price volatility. A recent study of the 2020 transfer tax holiday

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<sup>22</sup> Dukes County Registry of Deeds, “Martha’s Vineyard Land Bank.”

<sup>23</sup> Dachis et al., “The Effects of Land Transfer Taxes on Real Estate Markets.”

<sup>24</sup> Heather Taylor, *2021 Updated Assessment of Revenue Options* (City of Toronto, 2021), <https://www.toronto.ca/legdocs/mmis/2021/ex/bgrd/backgroundfile-168696.pdf>.

<sup>25</sup> Muriel Draaisma, “Toronto City Council Approves Hike in Land Transfer Tax for Luxury Homebuyers,” *CBC News*, December 17, 2025, <https://www.cbc.ca/news/canada/toronto/toronto-luxury-homes-land-transfer-tax-increase-approved-city-council-9.7020160>.

<sup>26</sup> Wojciech Kopczuk and David Munroe, “Mansion Tax: The Effect of Transfer Taxes on the Residential Real Estate Market,” *American Economic Journal: Economic Policy* 7, no. 2 (2015): 214–57, <https://www.jstor.org/stable/24465962>.

<sup>27</sup> Dolls et al., “Who Bears the Burden of Real Estate Transfer Taxes?”

in the U.K. during COVID supported this claim and found that that the temporary tax break increased home prices and the amount of sales. The authors concluded that the transfer tax plays a stabilizing role for real estate prices.<sup>28</sup> However, other previous studies have conflicted with these conclusions.<sup>29</sup> A 2017 study looking at sales in several U.S. states found no difference in price volatility when compared to states without a transfer tax in place, after controlling for several economic and demographic factors like income, population, mortgage rates, property taxes, and rates of unemployment.<sup>30</sup>

Other studies find little to no effect of transfer taxes on prices or sales volumes in certain markets. For example, a 2017 analysis of the transfer tax policy in Washington D.C. found no evidence of a reduction in sales subject to taxation. The researchers suggest that transfer taxes do not lead to long-term “housing lock-in” effects. In other words, in the D.C. case they do not find evidence that fewer households moved, nor a reduction in home sales due to the transfer tax.<sup>31</sup>

In short, the literature illustrates that the impact of transfer fees varies across communities and that it is necessary to consider the specifics of the policy and the housing market where it will be implemented. Furthermore, the literature is focused on impacts on real estate markets and does not evaluate the outcomes associated with revenue generation and the funding of community-related projects.

## Generalizability to Nantucket & Martha’s Vineyard

It is critical to note that the existing literature does not include studies in housing markets with high demand from second homeowners and tourism, so the conclusions may not generalize to housing markets of seasonal communities. In Massachusetts, Nantucket and Martha’s Vineyard are examples of such markets, but communities on Cape Cod and in the Berkshire experience similar dynamics. In the case study below, we present evidence that demand in these resort markets is not likely to be sensitive to transaction taxes or fees.

Basic economic theory suggests that taxes lead to a substitution effect where people substitute a lower cost good for the good that has been taxed. For example, if a tariff is imposed on wine from Europe, Americans may switch to drinking wine from California. However, there are few to no substitutes for a vacation home on Nantucket or Martha’s Vineyard due to the draw of the specific location and island geography. Therefore, it stands to reason that the tax is less likely to lead to behavior change among potential buyers than it would in other markets, where homebuyers may have more options and be more sensitive to price. There is a limited supply of housing units and buildable land on both islands. This relatively inelastic supply paired with strong demand has led to extremely high housing prices. According to a 2025 analysis by LendingTree, Nantucket and Vineyard Haven (on Martha’s Vineyard) were the first and second most expensive towns in the U.S.<sup>32</sup>

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<sup>28</sup> Ke et al., “Transactions Tax Change during the Pandemic.”

<sup>29</sup> Haiwei Chen, “Real Estate Transfer Taxes and Housing Price Volatility in the United States.,” *International Real Estate Review* 20, no. 2 (2017): 207–19, 123533571, <https://research.ebsco.com/linkprocessor/plink?id=64d07965-194a-3bca-b25e-03d72b816b6a>.

<sup>30</sup> Chen, “Real Estate Transfer Taxes and Housing Price Volatility in the United States.”

<sup>31</sup> Joel Slemrod et al., “The Behavioral Response to Housing Transfer Taxes: Evidence from a Notched Change in D.C. Policy,” *Journal of Urban Economics* 100 (July 2017): 137–53, <https://doi.org/10.1016/j.jue.2017.05.005>.

<sup>32</sup> Teresa Mettela, “Big-City Prices Hit Small Towns, Squeezing Out Homebuyers,” Realtor.Com, September 9, 2025, <https://www.realtor.com/news/trends/small-towns-big-city-prices-squeezing-out-homebuyers/>.

As noted earlier, empirical research on transfer taxes in luxury and seasonal markets is limited, however, there are examples of communities with similar demand characteristics and luxury housing markets with transfer fees in place. Aspen, Colorado is an example of a high-cost seasonal community which has been successful in generating substantial revenue through a real estate transfer fee. In 2024, the average price paid for a single-family home in Aspen was \$18.4 million. Through a 1.5 percent tax on real estate transfers they collected nearly \$24 million from 638 transactions, up 4 percent from the \$22.9 million collected from 603 transactions in 2023.<sup>33</sup> The transfer fee in Aspen has been in place for over 40 years, and the revenue has been used to fund visual and performing arts, land preservation, and affordable housing efforts in the community. Recently, the City of Aspen allocated \$1 million in funding for affordable deed restrictions in the community to support local homeownership.<sup>34</sup> Through these revenue streams, Aspen has successfully been able to create, steward and preserve the largest per-capita deed restricted housing inventory in the US, with approximately 70 percent of their year-round residents living in deed-restricted housing.<sup>35</sup>

Vermont and New Hampshire have implemented transfer taxes. The State of Vermont implemented their tax in the 1960s and expanded it recently to provide more revenue for year-round housing for residents.<sup>36</sup> The tax starts at 1.25 percent of home value, plus a 0.22 percent clean water fee (for a 1.47% base rate). Added to this base rate is a 0.5 percent tax on the first \$200,000 in value if the property is the owner's "principal" residence, meaning it is a residential property the owner will occupy full-time. If it is a second home and not rented out long-term, the owner instead pays a higher, 3.4 percent rate on the full-value of the home in addition to the base rate. There is a partial exemption for property purchases funded through select state agencies or select federal programs. The buyer typically pays the transfer fee.<sup>37, 38</sup> Full exemptions are in place for blighted properties that will be rehabilitated and for energy-efficient mobile homes.<sup>39</sup> In calendar year 2025, the Vermont transfer tax generated around \$86 million in revenue for the state, about \$6,000 per revenue generating sale.<sup>40</sup> The addition of the higher tax for non-principal residences was added in 2024<sup>41</sup> and advocates viewed the transfer tax increase as a means of funding additional workforce housing with projected revenue increases of \$16 to \$19 million.<sup>42</sup>

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<sup>33</sup> Aspen Daily News Staff Report, "Real Estate Transfer Taxes Generated \$24M for Aspen in 2024," Aspen Daily News, January 17, 2025, [https://www.aspendailynews.com/news/real-estate-transfer-taxes-generated-24m-for-aspen-in-2024/article\\_ddb7c460-d4b1-11ef-a44f-c73b4485ca71.html](https://www.aspendailynews.com/news/real-estate-transfer-taxes-generated-24m-for-aspen-in-2024/article_ddb7c460-d4b1-11ef-a44f-c73b4485ca71.html).

<sup>34</sup> Crouch, *Aspen Allocates \$1 Million to Housing Coalition*.

<sup>35</sup> Rachel Tuyn et al., *2023 Workforce Housing Report* (Northwest Colorado Council of Governments and the Colorado Association of Ski Towns, 2023), [https://www.nwccog.org/wp-content/uploads/2023/10/23078-Workforce-Housing-Report\\_FF\\_web.pdf](https://www.nwccog.org/wp-content/uploads/2023/10/23078-Workforce-Housing-Report_FF_web.pdf).

<sup>36</sup> Chapter 231: Property Transfer Tax, 32 V.S.A. § 9602 § Title 32: Taxation and Finance, accessed January 8, 2026, <https://legislature.vermont.gov/statutes/section/32/231/09602>.

<sup>37</sup> Vermont Department of Taxes, "Property Transfer Tax," accessed January 8, 2026, <https://tax.vermont.gov/property/property-transfer-tax>.

<sup>38</sup> University of Vermont: Vermont Legislative Research Shop, "Vermont Property Transfer Tax," 2005, <https://www.uvm.edu/d10-files/documents/2024-06/propertytransfertax.pdf>.

<sup>39</sup> Vermont Department of Taxes, "Property Transfer Tax."

<sup>40</sup> Vermont Department of Taxes, "Quarterly Property Transfer Tax Reports," Q4 2025, <https://tax.vermont.gov/data-and-statistics/ptt>.

<sup>41</sup> Suzanne Garvey, "Changes to the Vermont Property Transfer Taxes," *The Vermont Journal*, December 2, 2024, <https://vermontjournal.com/real-estate/changes-to-the-vermont-property-transfer-taxes/>.

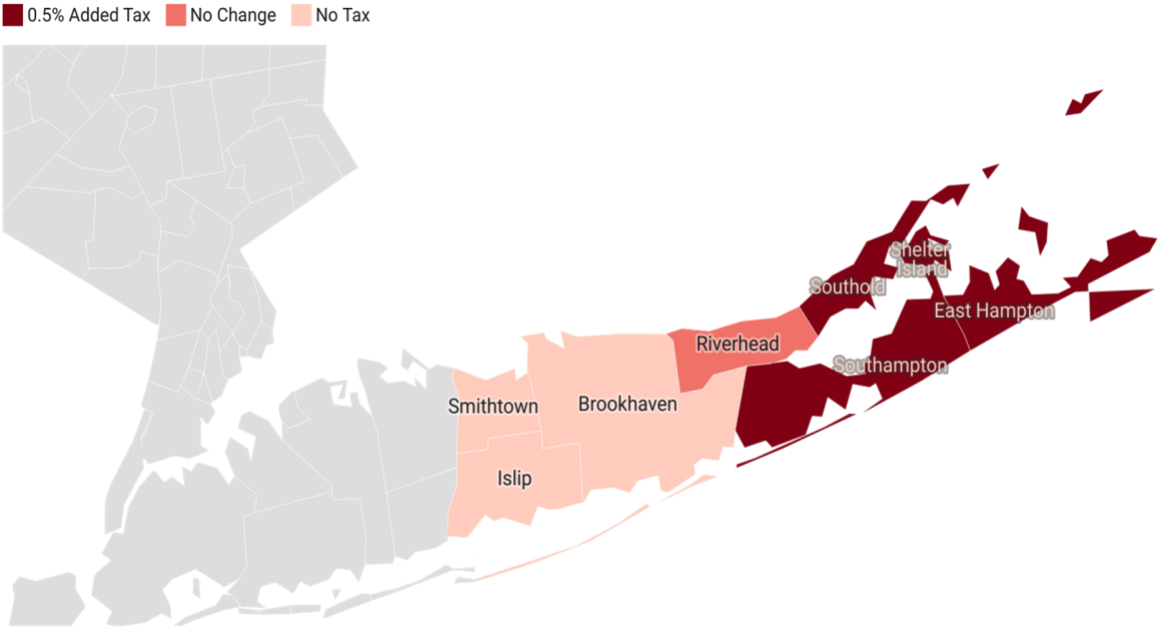
<sup>42</sup> Corey Dockser, "Vermont Moves toward New Tax on Second Home Buyers," Vermont Public, May 17, 2024, <https://www.vermontpublic.org/local-news/2024-05-17/vermont-moves-toward-new-tax-on-second-home-buyers>.

Given the strong continued demand and rising prices in resort communities, like Aspen, these fees continue to generate revenue to fund local projects. Because public data on the housing markets in these places is limited, there are no peer-reviewed studies on rural, resort communities' experiences implementing fees and the related impacts. The following section, therefore, focuses on a case study of a comparable housing market with publicly available data to explore how a transfer fee may impact a housing market with limited inventory and high external demand from second homebuyers and a tourism-driven local economy.

# Comparable Housing Market Analysis: Hamptons Case Study

In New York, the towns on the edges of the Peconic Bay, which separates the North and South forks of the east end of Long Island, have implemented a transfer tax. Home to “the Hamptons” the eastern end of Long Island features seasonal communities that are popular summer destinations for visitors and second homeowners. The housing market in this area is high-priced, in November of 2025 the median sale price reported by Zillow in the town of Southampton was over \$2 million dollars. Similar to Nantucket and Martha’s Vineyard, the area already has an existing 2 percent transfer tax to fund work on land preservation and water quality, which has been in place since 1999. In 2022, the New York State Assembly proactively gave the five Peconic Bay towns the right to adopt a supplemental 0.5 percent transfer tax to fund local affordable housing efforts, and in April of 2023, four towns added the additional 0.5 percent tax on top of the 2 percent to fund affordable housing and housing assistance programs in each town. One town, Riverhead, did not adopt the additional tax.<sup>43</sup> Peconic Bay’s seasonal economy and higher-price housing market makes it an excellent comparison case study for the effectiveness of a transfer fee on Nantucket and Martha’s Vineyard.

**Figure 4: Map of Peconic Bay Transfer Tax Towns**



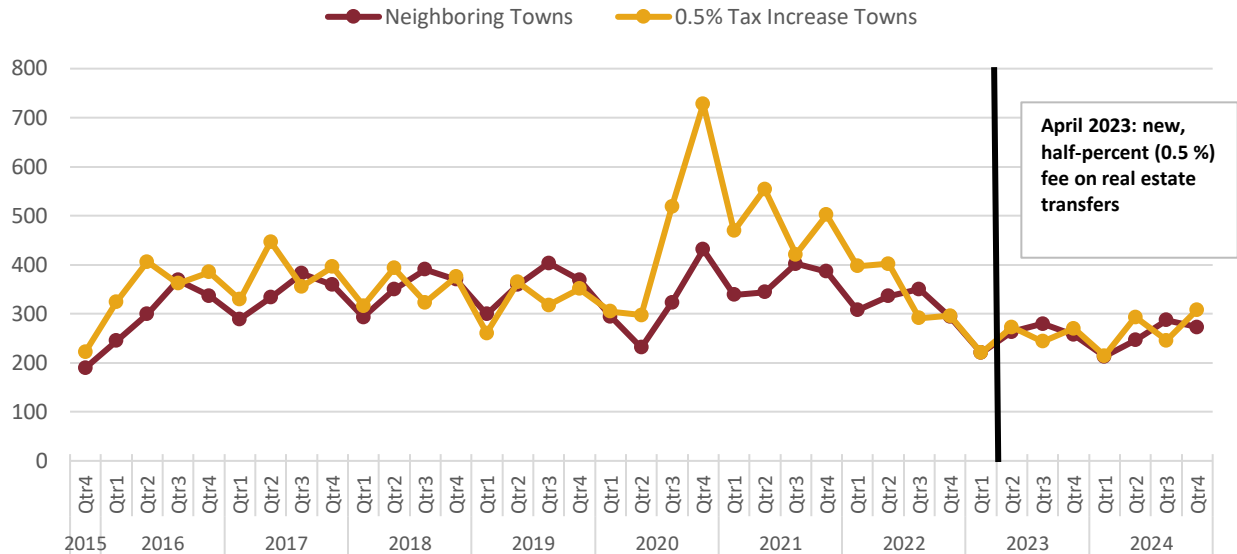
Source: UMDI Analysis, Created in Data wrapper

The behavior of the housing market in this area compared to neighboring towns, which did not implement transfer tax (Figure 4), can provide a natural experiment on the impacts of transfer taxes on local housing markets. Besides the similarity of the region to the two islands, New York state also

<sup>43</sup> Alek Lewis, “Real Estate Tax Generates \$4.6M for Riverhead Preservation Fund in First Half of 2024,” *Riverhead LOCAL*, July 30, 2024, <https://riverheadlocal.com/2024/07/30/real-estate-tax-generates-4-6m-for-riverhead-preservation-fund-in-first-half-of-2024/>.

collects detailed transaction data for sales and provides it to the public, allowing us to examine how the 2023 tax change impacted sales in the region.

**Figure 5: Peconic Bay Area Towns, Single Family Home, Transactions per 1,000 Housing Units**

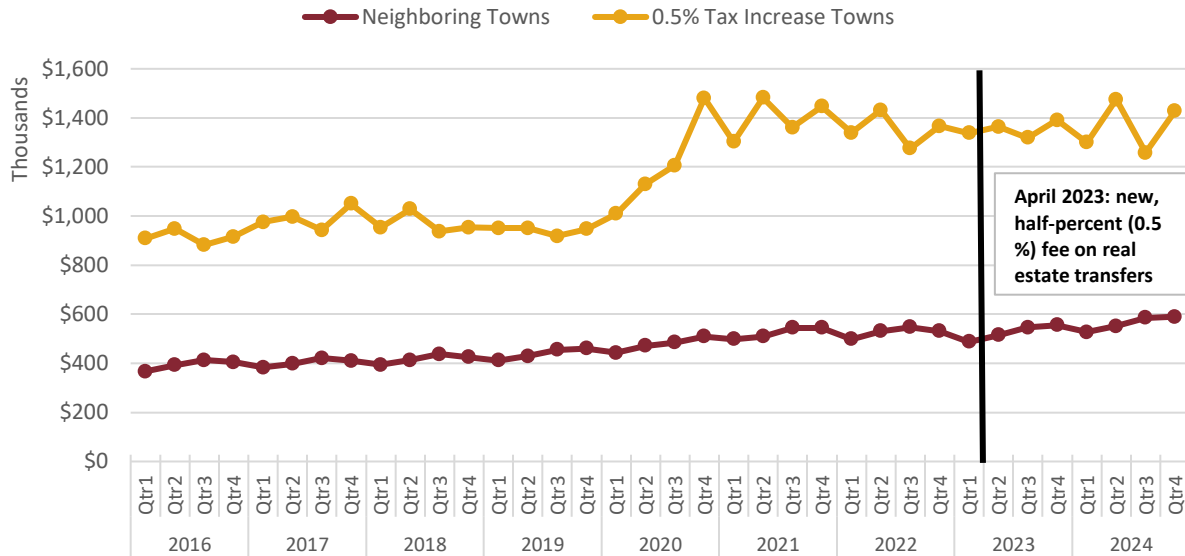


Source: New York State Office of Real Property Tax Services

**Figure 5** above shows the trend in single-family home sales (adjusted for number of housing units) in towns that adopted the additional 0.5 percent tax versus their neighbors. Reflecting the seasonal nature of the towns that adopted the tax increase, these towns experienced a sharp increase in the intensity of sales between 2020 and 2022, as people chose to move out to the eastern end of Long Island in response to the pandemic and took advantage of the increase in remote work. However, after that period the trends largely converge and the implementation of the additional tax in April of 2023 has no noticeable change in sales intensity. Sales volumes in the towns implementing the additional transfer fee for housing remained steady and consistent, with no discernible difference from volumes in the neighboring towns. In total, \$73 million dollars was collected in transfer tax revenue in the first half of 2024 by the towns which had adopted the higher rate. Out of that total, \$15 million dollars will fund year-round housing needs, with the remainder supporting land conservation.<sup>44</sup>

<sup>44</sup> Lewis, "Real Estate Tax Generates \$4.6M for Riverhead Preservation Fund in First Half of 2024."

**Figure 6: Peconic Bay Area Towns, Single Family Home, Median Home Sale Price, 2016–2024\***



Source: New York State Office of Real Property Tax Services  
 \*Values adjusted to 2024 dollars

Prices also appear unaffected by the increase in the transfer tax rate. **Figure 6** shows the trend in single-family home prices between the towns that adopted the rate increase and their neighbors. Prices remained steady through the implementation of the rate increase, suggesting there was no major impact on sale prices in response to the implementation of the new policy. The two town-groupings have different housing price points. The median single-family home costs more than twice the price in the transfer tax towns compared to their neighbors. This reflects the denser neighborhoods and less seasonal economy of the towns that did not adopt the new measures. This comparison still makes it clear that both areas followed a similar price trend, except during the pandemic, and that the transfer fee did not lead to a departure from the historic trend.

Based on this analysis of the Peconic Bay Transfer Tax the research team assumes that the implementation of an increased real estate transfer fee in Martha’s Vineyard and Nantucket would not lead to a meaningful reduction in the number of transactions nor sales prices. In communities like the Hamptons, Nantucket, and Martha’s Vineyard, demand for second homes is not as sensitive to price as other areas where many prior studies have been conducted. Furthermore, the supply of luxury second homes is highly inelastic.

## Potential Revenue

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Estimates of the potential revenue from additional transfer fees depend on analysis of historical real estate transaction data. Historical transaction data allows for an estimate of the revenue that would have been generated in a typical year, were the transfer fee in place. However, because real estate markets may change rapidly, as was seen during the pandemic, estimates of historical performance can inform future projections, but should be interpreted with caution. We base our projections on historic trends recognizing that transactions and sales prices will be affected by trends in the larger economy that are difficult to predict.

### Historical Method

For this report, historical county-level real estate transaction data for the period 2014 to 2024 was used to estimate the revenue from a proposed local option transfer fee to fund housing efforts for each of the two islands. This approach was used previously in a 2019 analysis of a proposed transfer tax in Boston.<sup>45</sup> For Martha's Vineyard (Dukes County)<sup>46</sup>, the primary dataset used for the analysis was the Warren Group sales dataset, which combines information from real estate databases including MLS, local registries of deeds and other sources. This dataset was considered for Nantucket, but it was discovered that a few large transactions were assigned incorrect prices in the Warren Group dataset, substantially reducing their list price.<sup>47</sup> These transactions had a noticeable impact on the revenue estimate. Therefore, local data on real estate transactions, drawn from MLS and provided by Fisher Real Estate, were used for Nantucket.

For each year of historical data, the sales dataset was filtered for fee-eligible transactions. The proposed fees on both Islands include an exemption. The amount of the sale price that falls below that exemption threshold would not contribute to the fee. For Dukes County, this exemption threshold was proposed by local vote at \$1 million dollars, and higher exemptions of \$1.5 million and \$2 million were also tested in this analysis. On Nantucket, the first \$2 million dollars was proposed as exempt by local vote. Excluded from the analysis are low dollar transactions (\$1,000 or less), sales related to affordable housing, charity/religious organizations, municipal property, and sales or purchases by the towns, land banks or local hospitals, reflecting the exclusions in the transfer fee proposals filed by the Islands with the Massachusetts Legislature.<sup>48</sup>

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<sup>45</sup> Hank Fishkind, *Economic Impact of a Real Estate Transfer Tax for the City of Boston* (PFM Group Consulting LLC, 2019), <https://www.docdroid.net/cqftLrT/pfm-study-boston-real-estate-transfer-tax-pdf>.

<sup>46</sup> Dukes County was used as the unit of analysis for the Martha's Vineyard revenue analysis which includes the town of Gosnold.

<sup>47</sup> This error was only diagnosed by looking at individual transactions in the dataset and comparing them with actual deed data. In some cases, zeroes were left off the end of the list price, reducing transactions in the tens of millions of dollars into the hundreds of thousands. Warren Group was contacted about these discrepancies and corrected the data, but the local dataset was used in Nantucket anyways.

<sup>48</sup> This approach is limited by the accuracy of each dataset. As mentioned previously, some prices were incorrect in the Warren Group Dataset. Additionally, typos in the source documents and other errors may misrepresent certain properties. Spot checking was done to verify property information but not every transaction could be verified manually. The advantage of the Warren Group dataset is that it contains an extensive set of datapoints about each transaction including sale price, owner and seller information, mortgage and lender information among others. However, in some cases the scraping process used to compile the dataset may omit or misinterpret elements of the source data.

## Martha's Vineyard

The research team created estimates of the annual transfer fee revenue that would have been generated under three different scenarios, shown below in **Table 2** and **Figure 7**. In each scenario a 2 percent transfer fee is assessed on the value of a real estate transaction above the specified exemption level: \$1 million, \$1.5 million, or \$2 million. Looking at the ten-year period of 2014 through 2024, including 6,815 home sales, a proposed transfer fee on Martha's Vineyard could have collected total revenues ranging from an estimated \$56.45 million (from 1,131 eligible sales over \$2 million) up to \$92.37 million (from 2,656 eligible sales over \$1 million), depending on the chosen sales price exemption. Revenues from the transfer would have peaked in 2020 and 2021, when pandemic related migration to the island increased the volume and value of transactions.

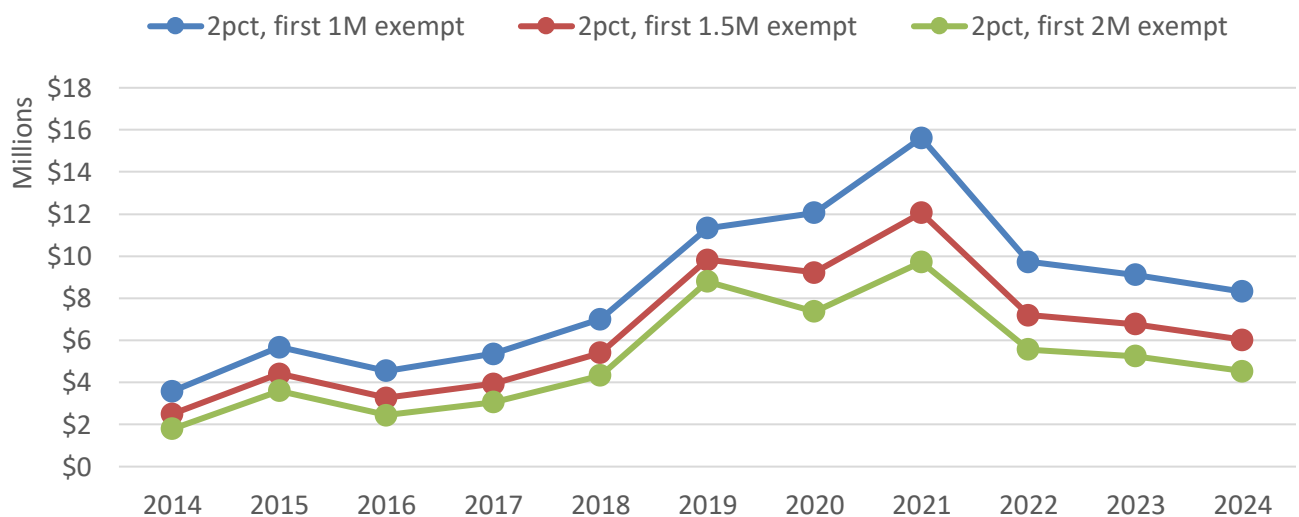
**Table 2: Martha's Vineyard Historical Estimate of Transfer Fee Revenue**

Policy	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
2pct, first 1M exempt	\$3.58M	\$5.67M	\$4.56M	\$5.36M	\$7.01M	\$11.34M	\$12.06M	\$15.62M	\$9.73M	\$9.12M	\$8.32M	\$92.37M
2pct, first 1.5M exempt	\$2.50M	\$4.41M	\$3.26M	\$3.94M	\$5.40M	\$9.83M	\$9.22M	\$12.05M	\$7.20M	\$6.77M	\$6.02M	\$70.60M
2pct, first 2M exempt	\$1.79M	\$3.59M	\$2.45M	\$3.07M	\$4.33M	\$8.79M	\$7.36M	\$9.72M	\$5.56M	\$5.26M	\$4.54M	\$56.45M

Source: Warren Group

Note: Excluded from revenue estimates are low dollar transactions, sales related to affordable housing, charity/religious organizations, municipal property, and sales or purchases by the town, land bank or hospital.

**Figure 7: Martha's Vineyard Historical Estimate of Transfer Fee Revenue**



Source: Warren Group

Note: Excluded from revenue estimates are low dollar transactions, sales related to affordable housing, charity/religious organizations, municipal property, and sales or purchases by the town, land bank or hospital.

While the volume of transactions has dropped to below pre-pandemic levels, sales prices have remained high. Total sales peaked in 2020, however sales that would have been subject to the fee in all three scenarios peaked in 2021, due to the rise in prices; **Table 3** shows the number of home sales included as subject to the transfer fee at each proposed marginal threshold. **Table 4** shows these as a percentage of total home sales. Looking at the entire ten-year period of 2014 through 2024, the share of sales subject to a transfer fee would range from 17 percent of total sales with a \$2 million exemption, to 39 percent of total sales with the lower \$1 million exemption.

**Table 3: Martha's Vineyard Historical Count of Sales, Total and Fee Generating, Counts**

Policy	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Total Sales	537	649	663	664	650	603	789	783	522	512	443	6,815
2pct, first 1M exempt	129	150	165	182	200	182	340	435	302	289	282	2,656
2pct, first 1.5M exempt	86	101	96	107	123	122	233	277	202	190	178	1,715
2pct, first 2M exempt	55	67	67	66	90	88	142	189	137	112	118	1,131

Source: Warren Group

Note: Excluded from revenue estimates are low dollar transactions, sales related to affordable housing, charity/religious organizations, municipal property, and sales or purchases by the town, land bank or hospital.

**Table 4: Martha's Vineyard Historical Count of Sales, Total and Fee Generating, Shares**

Policy	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Total Sales	537	649	663	664	650	603	789	783	522	512	443	6,815
2pct, first 1M exempt	24%	23%	25%	27%	31%	30%	43%	56%	58%	56%	64%	39%
2pct, first 1.5M exempt	16%	16%	14%	16%	19%	20%	30%	35%	39%	37%	40%	25%
2pct, first 2M exempt	10%	10%	10%	10%	14%	15%	18%	24%	26%	22%	27%	17%

Source: Warren Group

Note: Excluded from revenue estimates are low dollar transactions, sales related to affordable housing, charity/religious organizations, municipal property, and sales or purchases by the town, land bank or hospital.

## Nantucket

The research team created estimates of the annual transfer fee revenue that would have been generated under three different scenarios, shown below in **Table 5** and **Figure 8**. Our analysis considered three Nantucket scenarios with different transfer fee rates, where the first \$2 million of each transaction was exempt. The rates considered were 0.5 percent, 1 percent, and 2 percent. Over the ten-year period of 2014 through 2024, the proposed transfer fees would have generated between \$30.78 million in revenue with a 0.5 percent fee and \$123.12 million with a 2 percent fee. We estimate that the fee would have been collected on 2,322 eligible sales.

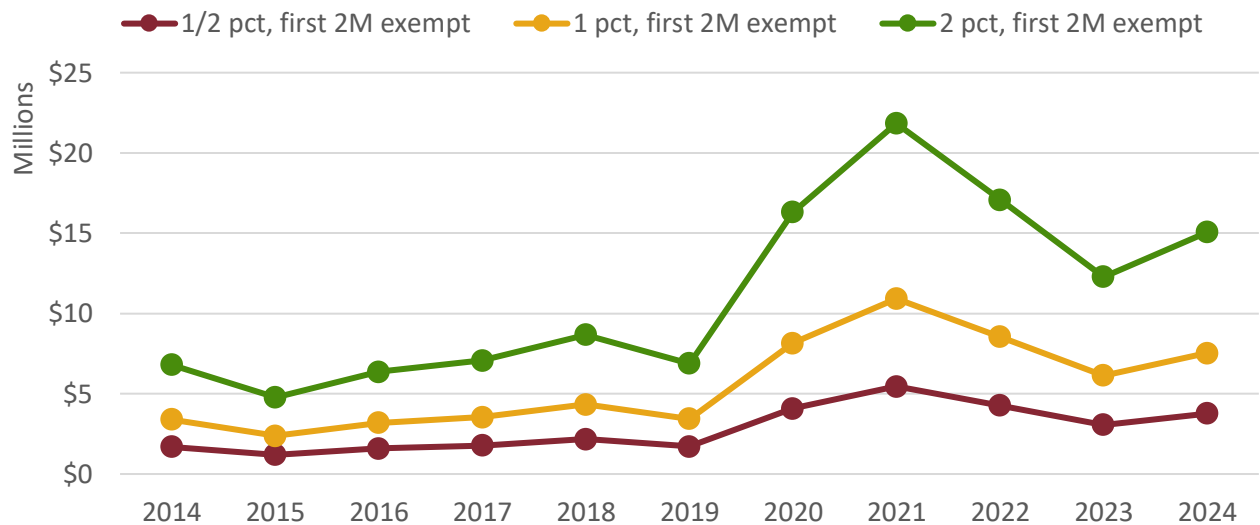
**Table 5: Nantucket Historical Estimate of Transfer Fee Revenue**

Policy	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
1/2 pct, first 2M exempt	\$1.70M	\$1.19M	\$1.59M	\$1.77M	\$2.17M	\$1.72M	\$4.08M	\$5.46M	\$4.27M	\$3.07M	\$3.77M	\$30.78M
1 pct, first 2M exempt	\$3.40M	\$2.39M	\$3.19M	\$3.53M	\$4.33M	\$3.45M	\$8.15M	\$10.92M	\$8.54M	\$6.14M	\$7.53M	\$61.56M
2 pct, first 2M exempt	\$6.80M	\$4.77M	\$6.37M	\$7.07M	\$8.66M	\$6.89M	\$16.30M	\$21.84M	\$17.08M	\$12.27M	\$15.06M	\$123.12M

Source: Fisher Real Estate Sales Dataset

Note: Excluded from sale counts are low dollar transactions, sales related to affordable housing, and sales or purchases by the town, land bank or hospital.

**Figure 8: Nantucket Historical Estimate of Transfer Fee Revenue**



Source: Fisher Real Estate Sales Dataset

Note: Excluded from sale counts are low dollar transactions, sales related to affordable housing, and sales or purchases by the town, land bank or hospital.

**Table 6: Nantucket Historical Count of Sales, Total and Fee Generating, Counts**

Policy	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Total Sales	520	481	496	477	461	430	634	739	437	303	321	5299
Fee Sales	150	128	144	165	173	164	325	382	257	201	233	2322

Source: Fisher Real Estate Sales Dataset

Note: Excluded from sale counts are low dollar transactions, sales related to affordable housing, and sales or purchases by the town, land bank or hospital.

The number of sales overall, and those generating revenue, peaked in 2021. The previous **Table 6** shows the annual number of home sales on Nantucket between 2014 and 2024 and the number that would have been subject to the proposed transfer fee, assessed on the portion of the sales price above \$2 million. **Table 7** shows this as a percentage of total home sales for each year. Over the entire ten-year period studied, our analysis found that 44 percent of home sales would have some portion of the sales price subject to the proposed transfer fee (share of homes sold for over \$2 million). While the overall volume of transactions has returned to below pre-pandemic levels, home prices remain elevated and the share of sales that would generate revenue has increased steadily.

**Table 7: Nantucket Historical Count of Sales, Total and Fee Generating, Shares**

Policy	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Total Sales	520	481	496	477	461	430	634	739	437	303	321	5299
Fee Sales	29%	27%	29%	35%	38%	38%	51%	52%	59%	66%	73%	44%

Source: Fisher Real Estate Sales Dataset

Note: Excluded from sale counts are low dollar transactions, sales related to affordable housing, and sales or purchases by the town, land bank or hospital.

## Projections

### **Method**

To understand the potential impact of the transfer fee it is important to have a sense of how much revenue will be generated by the fee. This depends both on the final form of the fee, the rate and exemption levels, and the future real estate market. Therefore, these projections are subject to assumptions that may change but provide useful information when considering the impact of a future fee. The research team used a projection method that replicates the approach used in the “Economic Impact of a Real Estate Transfer Tax for the City of Boston” Report from 2019, developed by Hank Fishkind and the PFM Group Consulting LLC.<sup>49</sup> Historic sales for eligible properties in each case are inflation adjusted to 2024 dollars, then average historical annual sales are calculated, the transfer fee rate is then applied to create the historic average annual revenue.

A price adjustment is applied to the historic average annual revenue, to create an estimate of future annual revenue. Two adjustments are used to create a low and high future scenario representing a 10 percent and 20 percent price increase for housing.

- The 10 percent rate is rounded up from an 8.9 percent, five-year price projection by the Home Economics Blog in 2025. This forecast focuses on residential real estate.<sup>50</sup>
- The 20 percent rate is rounded up from 19.5 percent, which was the consensus home price estimate among “107 leading housing economists” identified in the Pulsenomics Economic Survey<sup>51</sup> and focuses on residential real estate.<sup>52</sup>

The historic average annual revenue, with the price adjustment applied, becomes the estimate of revenue in five years. An estimate of revenue for 2025 was not available at the time of this analysis, so that change is distributed across a six-year period, 2025-2030.

Several assumptions are made using this approach. First, we assume the future property mix (commercial or residential, single-family versus duplex, size of building) will be similar to the historical property mix. This means that if the real estate market shifts, for example, if many large homes suddenly go up for sale in the next five years, our projections will underestimate the revenue generated. Second, we assume that non-residential price growth will be the same as residential price growth. The transfer fee applies to many types of real estate, including commercial, but most sale transactions on both islands were residential in nature. Finally, because we do not have 2025 data yet, we assume 2025 home sales will be like 2024 homes sales, and do not adjust our historic average to account for that extra year.

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<sup>49</sup> Fishkind, *Economic Impact of a Real Estate Transfer Tax for the City of Boston*.

<sup>50</sup> Aziz Sunderji, “Our National 5 Year Home Price Forecast,” *Home Economics*, August 25, 2025, <https://home-economics.us/our-national-5-year-home-price-forecast/>.

<sup>51</sup> <https://pulsenomics.com/>

<sup>52</sup> Aziz Sunderji, “Our National 5 Year Home Price Forecast.”

## Results

**Table 8: Low and High Scenario Transfer Fee Revenue Projections, 2025 through 2030**

Low Scenario (10% Growth)		Projected						
County	Avg. Annual Revenue, 2014-2024	2025	2026	2027	2028	2029	2030	Total, 2025-2030
Dukes (2pct, First 1M Exempt)	\$9,870,286	\$10,034,790	\$10,199,295	\$10,363,800	\$10,528,305	\$10,692,809	\$10,857,314	\$62,676,313
Nantucket (1/2pct, First 2M Exempt)	\$3,250,406	\$3,304,579	\$3,358,753	\$3,412,926	\$3,467,099	\$3,521,273	\$3,575,446	\$20,640,076

High Scenario (20% Growth)		Projected						
County	Avg. Annual Revenue, 2014-2024	2025	2026	2027	2028	2029	2030	Total, 2025-2030
Dukes (2pct, First 1M Exempt)	\$9,870,286	\$10,199,295	\$10,528,305	\$10,857,314	\$11,186,324	\$11,515,333	\$11,844,343	\$66,130,913
Nantucket (1/2pct, First 2M Exempt)	\$3,250,406	\$3,358,753	\$3,467,099	\$3,575,446	\$3,683,793	\$3,792,140	\$3,900,487	\$21,777,718

The projections shown in **Table 8** show that transfer fee revenue will increase through 2030 along with home prices. Dukes County can expect over \$62 million dollars in additional revenue by 2030, while Nantucket can expect over \$20 million. These projected revenues are close to the amount of revenue that would have been generated over the last decade in each place if the fee had been in place historically. This means that the transfer fee will be a reliable funding tool for supporting housing development on the islands. As real estate prices grow, and sales remain constant, revenues will increase.

## Survey

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The 2024 Housing Needs Assessment for Martha’s Vineyard found that “Housing insecurity is an increasing problem for critical service workers; there is a pronounced need for more workforce housing.”<sup>53</sup> The same is true on Nantucket. UMDI conducted an online survey to collect data directly from island employers on how they are coping with the housing challenges. These survey results help to document the motivation for creating a funding stream to support affordable and attainable housing for year-round residents and also provide valuable information to support the economic impact analysis.

### Method

The survey asked businesses to share with the research team how the lack of affordable and attainable housing creates challenges for their workforce and how they are responding to those challenges (see **Appendix B: Business Survey**). The survey was conducted on-line using Qualtrics and all businesses, non-profit organizations, and government agencies that served the islands were eligible to participate. Given the budget and timeline of the study we used a convenience sample. The survey was shared by MVC and NPEDC through various channels and open from September 18<sup>th</sup>, 2025, to October 5<sup>th</sup>, 2025. In total 291 businesses, non-profits and governmental entities serving the islands responded. The strong response to the survey provides valuable information from a range of businesses and organizations on the islands. It is important to note that this is not a census of businesses and employers, we did not hear from all business owners on the islands, and the study team did not weight the responses to generate estimates from a representative sample, but the volume and quality of responses provides us with valuable insight into how businesses, non-profits, and government agencies are coping with the housing challenges on the islands.

### Findings from Survey

In total 291 entities responded to the survey: 242 served Martha’s Vineyard, 45 served Nantucket and four served both Islands. Organizations that responded to the survey represented various sectors and industries. Ten percent of respondents were from government or public sector agencies, 31 percent were from private, for-profit companies, another 31 percent were from non-profit organizations, and 29 percent of respondents were self-employed (For detailed tables see **Appendix A: Survey Summary Tables**).

When asked “Have you been able to fully staff your business or non-profit in 2025?” 61 percent of respondents reported that they have not been able to fully staff. Common responses to the follow-up question of why, was the cost of living and housing. For example, one private employer wrote in: “No one has a place to live. Housing prices drive salaries to levels that cause our services to be unaffordable

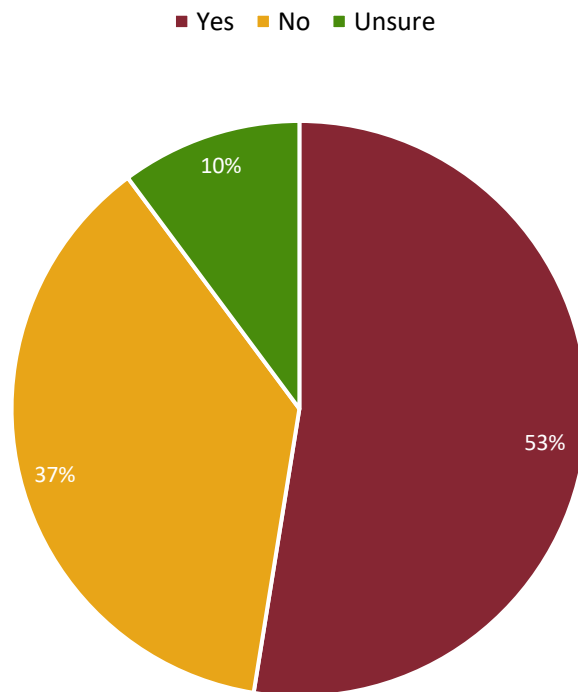
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<sup>53</sup> Karen Sunnaborg Consulting and Martha’s Vineyard Commission Staff, *Martha’s Vineyard Housing Needs Assessment* (Martha’s Vineyard Commission, 2024), [https://www.mvcommission.org/sites/default/files/docs/MV%20Housing%20Needs%20Assessment%20Update%20September%202024%20FINAL\\_0.pdf](https://www.mvcommission.org/sites/default/files/docs/MV%20Housing%20Needs%20Assessment%20Update%20September%202024%20FINAL_0.pdf).

for even middle-class families. We sometimes get a full staff, but within a month or two some employees lose their housing and have to leave the island.”

We also asked employers directly whether they had lost employees due to housing costs, and on both Nantucket and Martha’s Vineyard over half of the respondents reported that they had lost employees due to housing costs (**Figure 9**). In addition, we asked respondents whether they had increased wages beyond normal cost of living increases to retain employees, and 60 percent had done so. Another 55 percent of respondents reported that potential employees had declined offers of employment because of the lack of available housing or the cost of housing on the Islands.

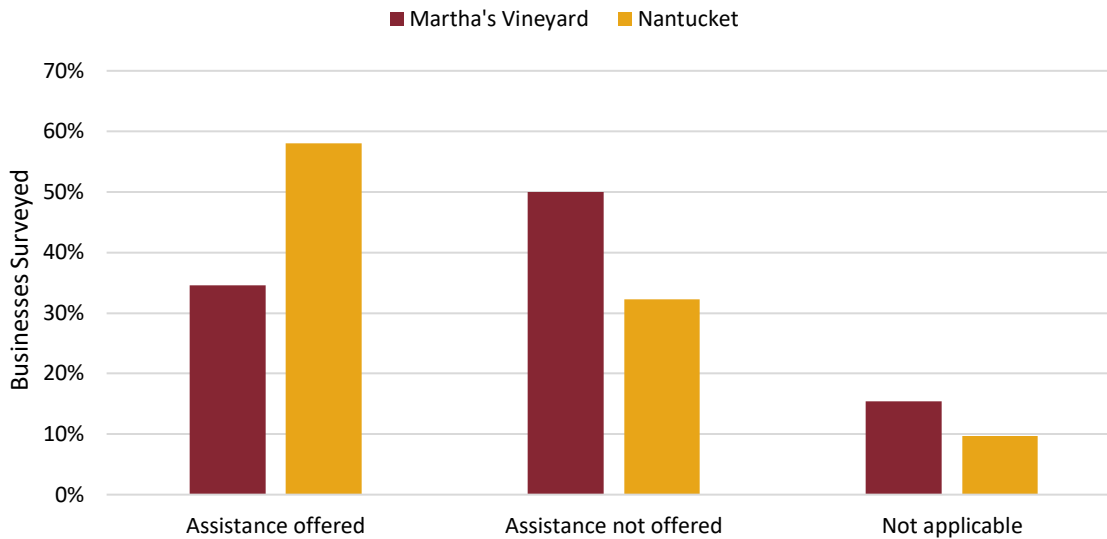
**Figure 9: Share of businesses reporting the loss of employee(s) due to cost of housing**



Source: UMDI business survey

In response to the challenges posed by the housing market, many employers on the islands have offered assistance to their employees with housing. In our survey over a third of respondents reported providing some form of assistance to their employees. Respondents on Nantucket were most likely to report offering assistance, 58 percent of respondents indicated that they helped employees with housing (**Figure 10**). Of those who reported providing assistance, the most common form of assistance was providing or renting housing directly to employees (65 employers reported doing so). A third of those that help with housing provide a subsidy, another third provide assistance finding housing through local networks, and a few employers provide assistance with accessing capital to purchase a home.

**Figure 10: Share of employers reporting that they assist employees with securing housing**



Source: UMDI business survey

Employers who provide housing to their employees are most likely to rent housing that they own to their employees, though it is also common for employers to provide employees with housing or room and board as part of their compensation. We asked those that provided assistance or a housing subsidy how much assistance they provided and the average subsidy per month per employee was \$1,050 on Martha’s Vineyard and \$1,500 on Nantucket. In total, employers who completed the survey reported over 400 units on both islands that were dedicated to housing employees, and that these units house over 1,000 employees. Employers who responded to the survey reported assisting another 460 employees with housing subsidies. These figures certainly understate the true magnitude of the expenditure by employers to assist their employees in finding housing on the Islands.

The survey allowed write-in responses for Martha’s Vineyard and Nantucket business and nonprofit owners and government agencies to share about the housing assistance they provide to employees. While many do provide assistance, one third of those that responded to the question said that they do not offer housing assistance to employees and that they only hire those who already have housing. One Martha’s Vineyard business owner working in food and lodging summarized this finding well, saying “We are lucky to have hired individuals who already have secure housing. We do not even consider applicants who do not have housing.” Of those that responded and said that they provide employee housing, many expressed the sentiment that doing so was difficult and burdensome but that their business could not operate otherwise. One healthcare employer wrote in: “[We] cannot fill certain positions, especially ones that require certain education/licensure. Housing is the major barrier because we often find people who are willing to move to the Island for the job, but they can’t find anywhere to live.”

The survey ended with an open-ended survey question that asked organizations to share anything else about the impact of the high cost of housing on Martha's Vineyard and Nantucket. Most respondents shared that the high cost of housing made it difficult to attract and retain employees. Several employers stressed concern over the instability of housing. The executive director of a Martha’s Vineyard nonprofit

said, “We are in a precarious balance where we are fortunate at the moment that our core staff have stable housing, but we are always at risk of one thing shifting, causing the structure to topple.” Several other respondents stated that it was challenging to recruit qualified candidates who did not already have housing on the island. One Martha’s Vineyard nonprofit owner in the healthcare field said, “Due to the high cost and shortage of housing on Martha’s Vineyard, it has made it very difficult to recruit top candidates to fill positions as they cannot afford to move here.” Another healthcare employer emphasized how the impacts of the housing challenges cut across pay grades and impact the whole community: “Candidates who are willing to relocate struggle to find affordable year-round housing options. This includes senior level leadership staff [...], as well as entry level employees. Lack of access to affordable on island housing options has a significant impact on our ability to provide [...] care and also creates a significant hardship for the patients and families that we serve, resulting in a significant impact on health and wellness within the community.” The qualitative findings of the survey paint a clear picture of the need for year-round housing to help solve the workforce challenges on the islands.

# Economic Impact of Using Real Estate Fee Revenues for Affordable and Year-Round Housing Trusts

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If the transfer fees are allowed by the legislature and subsequently adopted on the islands, the projected revenue will have beneficial ripple effects on the local economy. These impacts will depend on how the new revenue streams are used. UMDI conducted an economic impact analysis to illustrate the various impacts that the new revenue streams could have on the islands. In many instances these impacts would be similar in other seasonal communities, though the island nature of Nantucket and Martha's Vineyard shape the model in important ways as many goods and services are necessarily imported. In this section we explain the method used to estimate these impacts.

## Method

### *IMPLAN*

The IMPLAN economic impact software was used to analyze the impact of a proposed transfer fee on Martha's Vineyard and Nantucket. IMPLAN is an input-output model which takes in user inputs on the nature of a change, whether it is an expansion of a business, new construction, or in this case, a change in government policy. IMPLAN then estimates the economic impacts of that change on the larger economy of an area. For a full methodology and walkthrough of IMPLAN, see **Appendix C: The IMPLAN Economic Impact Model**.

The economic impact analysis relies on a combination of data sources including the survey of residents, publicly available data from government sources, and examples from existing activities on the islands. A total economic impact would depend on how each island chooses to use the revenues from the transfer fee. It is unknown in advance exactly how the revenue will be used to address the housing needs on the islands and the allocation of the funds will likely vary from year to year, while also each data source has some margin of error. To compensate for these sources of variation, we estimated the impact per \$1 million of expenditures on various programs. This creates multipliers that allow readers to estimate, with reasonable accuracy, any size or combination of investments they choose without being limited to a predetermined mix created for this study.

The analysis that follows includes impacts from household and public savings and construction expenditures. It does not include impacts from land or property purchases. Asset transfers, like property transactions, stock sales, precious metals purchases, and the like, are generally excluded from economic impact analyses because the transfer itself does not create any economic activity. One item of value is simply exchanged for another of equal value.

That said, while the asset transfer itself is excluded, there are other impacts that are associated with these transactions that do have economic impacts. Examples include taxes, agent fees, capital gains income, and changes in consumption spending. These impacts are also excluded from this analysis due to the findings from the revenue projections section of this report that suggest the fee will largely not be capitalized into the property price. Because there is little evidence that transaction volumes or prices will materially change in luxury or vacation markets in response to the imposition of the transfer fee,

there is also little evidence that there will be material changes in taxes, agent fees, or capital gains income to island residents, businesses, and local government. The corollary for this is that buyers will experience higher closing costs, though many buyers of non-exempt properties are off-island residents so any changes in current consumption caused by the higher purchase price will be borne primarily by the economy of their places of residence, which are outside the scope of this study. Insofar as any buyers do reside on the islands and they roll up more closing costs into their mortgages, at today's average rates the monthly incremental cost of the average fee amount would be approximately \$176 in Martha's Vineyard and \$97 in Nantucket, amounts that are unlikely to cause changes in current consumption for buyers of non-exempt properties.<sup>54</sup> Therefore due to both the predominance of non-resident buyers and the proportionally small carrying cost of the fee, the analysis excludes this impact as well.

## Economic Impact Analysis

### *Overview*

As discussed in the methods section of this chapter, the proposed transfer fee will likely impose little costs on the residents, businesses, and local governments of the islands. As a result, the costs of any initiative to increase housing affordability funded by the revenue of the fee is largely expected to be borne by off-island residents. However, any benefits are expected to accrue to the local economy by virtue of the programs' goals, which are to retain year-round residents and/or reduce housing costs.

The islands' high housing costs affect residents, businesses, and the local governments in different ways. Many year-round residents are cost burdened, meaning they spend over 30 percent of their income on housing, which reduces their ability to spend money on all other consumption categories. Cost-burdened households have minimal savings rates, so the likely impact of a subsidy or other form of housing assistance is to increase their spending dollar-for-dollar on non-housing consumption. Furthermore, the housing and population trends on the islands suggest that households that can no longer afford their current home do not typically find less expensive accommodations on the island but rather leave. As a result, creating a unit of affordable housing is expected to retain a household that would have otherwise moved away, taking with them their entire annual spending.

Businesses and local governments face costs from insufficient labor supply, high attrition, and direct housing subsidies. Based on the survey findings, some businesses on Martha's Vineyard are spending nearly \$13,000 per year per employee to provide housing subsidies. That amount increases to \$18,000 in Nantucket. Only counting the employees of survey respondents put subsidy costs at a minimum of \$12 million per year. To put it another way, the annual costs of providing housing subsidies accruing only to the local employers that responded to the survey are very likely higher than the expected combined annual transfer fee revenue paid by buyers of high-value properties. Creating affordable housing and increasing the availability of public housing assistance will reduce the cost to businesses, nonprofits, and government of providing direct assistance to employees. At the same time, moving workers away from housing tied to their employer brings benefits to these households and stability to the community. This housing is precarious because it exists at the whim of the employer. It also reduces

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<sup>54</sup> Note that the transfer fees themselves cannot be rolled up into a mortgage. However, buyers may choose to roll up other closing costs in order to free up cash for the transfer fee resulting in effectively the same result.

worker mobility by tying workers to a specific job to maintain their homes, and frequently does not accommodate families.

In addition to direct subsidies and stipends, employers face costs from lost productivity and other issues connected to the difficulty of hiring and increased attrition. These costs include the time and money related to interviewing and hiring employees, training and certification, lost productivity of existing employees, reduced productivity of new employees compared to seasoned workers, overtime, unrealized revenues due to staff shortages, and more. While these costs are difficult to generalize and sum across the islands, the research team was provided with public-sector examples that illustrate these difficulties, which are likely to be similar across all employers. Over the past five years, the Town of Oak Bluffs has averaged 82 full-time employees, excluding schools. Over that same time, 63 departed, of which 14 percent, or one in seven, left due to housing concerns, leading to lost productivity, hiring and training costs, and increased overtime. Over that same time, the Dukes County Sheriff's Office lost 14 employees who cited housing as a factor in the decision to leave, leading to an estimated attrition cost of \$1.7 million.

**Table 8** shows projected transfer fee revenue through 2030 in the low scenario of \$62.7 million for Martha's Vineyard and \$21 million for Nantucket, or an average of roughly \$10 million and \$3.5 million per year, respectively. These funds can be spent as they come in or, alternatively, can be used to pay for a bond. While bonding will introduce interest costs, it comes with the benefit of a lump sum of money upfront, allowing the islands to make large investments faster. Furthermore, it opens more avenues for leveraging outside (private, state, and federal) money for housing development. Recent borrowing included terms of 5 percent at a 12-year maturity. At those terms, the future average annual transfer fee revenues would fund bonds of approximately \$88.7 million and \$31 million on the Vineyard and Nantucket, respectively.

Some of these bond funds would become part of the capital stack of housing development projects. Local funds are required to unlock additional funds from the Island Housing Trust, which in turn are required to unlock state funds. Together these funds help close financing gaps for new developments and "buy down" market rate units for households at varying levels of AMI. Recent examples on Martha's Vineyard show local money leverages roughly \$9.00 of outside money for every \$1.00 invested. In other words, local funds comprise roughly 10 percent of the total budgets for these projects.

## Impacts by Program

To summarize the discussion from the methods and overview sections, the economic impact of the transfer fee on the islands is primarily found in the different ways the money is spent and the number of households that benefit. The following section describes the various programs that could be used to increase the affordability and availability of year-round housing, describes how each is modeled, and provides a summary of their economic impacts per \$1 million of transfer fee revenue expenditures.

### ***Acquisition and Adaptive Reuse***

Acquisition and adaptive reuse involve the town buying existing properties and repurposing them for affordable housing. Therefore, this program has two parts: the purchase of a property and any required renovation and maintenance. The benefit is the creation of affordable units that are assumed to retain year-round residents. Compared to construction (discussed in the next section), acquisition and reuse is

likely to be the predominant way that transfer fee revenues are used to create affordable year-round housing. Because developable land, and crucially, wastewater capacity are limited on the islands, new construction comes with significant infrastructure costs beyond those required for the housing units themselves. These costs are avoided with existing structures targeted by acquisition and reuse programs making them comparatively cost effective and time efficient.

This program begins with a property purchase, which is excluded from the analysis. However, at prevailing prices for the median occupied unit, \$1 million dollars could purchase 0.91 units in Martha’s Vineyard (\$1.1 million per property) and 0.72 units in Nantucket (\$1.4 million per property), adding a similar share of annual household spending to the islands. In addition, each \$1 million of maintenance would also create economic impacts.

The amount spent to renovate each property is not known in advance. However, using the economic model, the research team found the impact of \$1 million of residential maintenance for each island. This amount can be scaled up or down to estimate the impact of any future maintenance spending. **Table 9** shows that \$1 million of maintenance creates \$1.49 million of new economic activity in Martha’s Vineyard and \$1.42 million in Nantucket, or \$1.49 per dollar and \$1.42 per dollar, respectively.

**Table 9: Annual economic impact per \$1 million of residential maintenance**

Maintenance	Expenditures	Annual Impact
MV	\$1,000,000	\$1,488,000
Nantucket	\$1,000,000	\$1,420,000

Source: IMPLAN, UMDI calculations

Each housing unit brought onto the market through acquisition and adaptive reuse becomes home to a retained household. Because that household, and all its associated spending, would have been lost without this new unit of housing, retaining the household is tantamount to adding the spending back into the economy. For this program, \$1 million of spending obtains less than one unit of housing at prevailing prices. Each fractional household adds \$73,000 and \$68,000 of consumer demand back into the economy of Martha’s Vineyard and Nantucket annually. Because islands import many of the goods and services households consume, the total local economic impact is less than the total household demand: \$65,000 per year and \$54,000 per year.

**Table 10: Annual economic impact of consumption from property acquisition**

Household Spending	Properties Obtained per \$1M	Household Spending Retained Annually	Annual Impact	10-Year Impact
MV	0.91	\$73,000	\$65,000	\$650,000
Nantucket	0.72	\$68,000	\$54,000	\$540,000

Source: IMPLAN, Bureau of Economic Analysis, UMDI calculations

Crucial to understanding these impacts is differentiating between one-time and ongoing impacts. Though the cost to acquire a property is high, that money is only spent once. Similarly, any rehab and renovation work also only need to happen once. On the other hand, the benefits from a retained household accrue to the local economies every year. For example, \$1 million spent on acquiring properties has a total cost of \$1 million over ten years whereas it creates \$650,000 and \$540,000 of

economic impacts through household spending over that time in the Vineyard and Nantucket, respectively. To put another way, at prevailing prices, \$1 million invested to acquire a property creates a cumulative \$1 million of economic activity after roughly 15 years on the Vineyard and 18 years on Nantucket and continues to grow for every subsequent year that the households remain residents.

As shown in the table above, maintenance spending creates over \$1.40 of economic activity for each dollar spent so it has immediate net positive economic both on its own and when combined with household spending.

**Purchase of Year-Round Deed Restrictions**

Deed restrictions are a mechanism whereby the town creates year-round housing by paying existing homeowners or new homeowners to add a restriction to a property’s deed limiting its current use and future sale to only year-round residents. In effect, deed restrictions remove a property from the pool of possible second homes or whole home short-term rentals. Again, the asset transfer itself creates no economic impact. However, based on data from Nantucket’s deed acquisition pilot program, deed restrictions create year-round housing at an average cost of \$250,000 per restriction, or four per \$1 million.

Deed restrictions transform existing properties to year-round housing at between a quarter to a fifth of the cost of acquisition and adaptive reuse, though at the cost of time for some units. Some programs are designed such that they function as downpayment assistance to local purchasers entering the market and thus eliminate waiting until the owner of a deed-restricted unit decides to sell the property. Whether at the time of sale of currently marketed homes or sometime in the future for restricted but off-market homes, the islands regain the spending of retained households.<sup>55</sup> **Table 11** shows the annual impact per \$1 million of expenditures on deed restrictions alongside the impact per deed restriction. The table shows annual impacts of \$288,000 and \$299,000 per \$1 million of purchased deed restrictions in the Vineyard and Nantucket. These values imply that the cost of the deed restriction is matched by new economic activity in about three and half years once the unit is reoccupied. Like with acquisition and reuse, this program leverages existing units and thus avoids added infrastructure costs while also only paying the cost to acquire the restriction rather than the whole property.

**Table 11: Annual economic impact of consumption from purchasing deed restrictions acquisition**

Household Spending	Restrictions Obtained per \$1M	Household Spending Retained	Annual Impact	10-Year Impact
MV	4.00	\$321,000	\$288,000	\$2,880,000
Nantucket	4.00	\$375,000	\$299,000	\$2,990,000

Source: IMPLAN, Bureau of Economic Analysis, UMDI calculations

<sup>55</sup> “Vail, Colorado: The Vail InDEED Program Provides Deed-Restricted Workforce Housing in a Resort Market,” HUD USER: Office of Policy Development and Research, August 11, 2021, <https://www.huduser.gov/portal/casestudies/study-081121.html>.

## New Construction of Affordable Housing

Perhaps the most straight-forward of the programs, new construction is building new affordable and attainable units for year-round residents. Based on the best estimates from each island, the average new unit costs \$830,000 to build on the Vineyard and \$875,000 on Nantucket, or 1.20 homes per million and 1.14 homes per million. Each unit is assumed to retain a year-round household. However, the islands' local governments are not expected to fund the construction of new units in their entirety but will rather contribute land and funds as part of the capital stack for private developments. Based on data from Nantucket, the average restricted unit costs the local government roughly \$313,000 allowing for almost three times more units of housing per \$1 million than would be the case if the town built directly (3.19 per \$1M). The analysis that follows uses the same value for both islands, which is likely slightly conservative for the Vineyard due to its lower per-unit construction costs.

**Table 12** shows that \$1 million of residential construction creates \$1.48 million of new economic activity in Martha's Vineyard and \$1.41 million in Nantucket, or \$1.48 per dollar and \$1.41 per dollar, respectively. These amounts are largely the same as the results of residential maintenance shown in the above section on Acquisition and Adaptive Reuse, reflecting their similar underlying economic structure.

**Table 12: Annual economic impact per \$1 million of residential construction**

Construction	Expenditures	Annual Impact	Impact per \$
MV	\$1,000,000	\$1,475,000	1.48
Nantucket	\$1,000,000	\$1,411,000	1.41

Source: IMPLAN, UMDI calculations

Each housing unit brought onto the market through construction is assumed to be affordable and attainable year-round housing and therefore home to a retained household. These households add \$256,000 and \$300,000 of consumer demand back into the economy of Martha's Vineyard and Nantucket. Like with the acquisition and reuse program, because islands import many of the goods and services households consume, the total local economic impact is less than the total household demand: a still-significant \$230,000 per year and \$239,000 per year.

**Table 13: Annual economic impact of consumption from property construction**

Household Spending	Properties Built per \$1M	Household Spending Retained	Annual Impact	10-Year Impact
MV	3.19	\$256,000	\$230,000	\$2,300,000
Nantucket	3.19	\$300,000	\$239,000	\$2,390,000

Source: IMPLAN, Bureau of Economic Analysis, UMDI calculations

Differentiating between one-time and ongoing impacts is again necessary. The cost of building is only borne once while the benefits from a retained household accrue to the local economies every year. The \$1 million spent on building creates \$2.3 million and \$2.4 million of economic impacts through household spending over ten years in the Vineyard and Nantucket, respectively, resulting in a period of less than five years for the economic activity supported by consumption to total \$1 million. However, unlike with acquisitions, which have no direct economic impacts, construction spending does. Therefore,

the payback period in terms of economic activity differs. Construction spending itself creates over \$1.40 of economic activity for each dollar spent so it has immediate net positive economic impact, which is in addition to the economic activity supported by consumption.

### **Public Employee Assistance**

Local governments in Seasonal Communities may provide assistance to employees toward homeownership via down payment assistance and closing cost assistance programs and/or via the creation of deed restricted units through new construction or buying-down the unit into affordability. These local governments may also provide rental assistance or access to subsidized units for renters. As discussed earlier, public employers also face costs from labor shortages and attrition. In both cases, addressing these costs with transfer fee revenue frees up government funds for other activities. This scenario does not include any savings to households because it is assumed that the existing savings received will be continued but with a different funding source.

With the creation of more affordable and attainable year-round housing, the pressures on the local governments' general fund revenues from housing assistance should decrease while they also reap savings from attrition-related labor costs. At this stage, it is not known when and by how much those costs will change though examples were provided earlier in this chapter. To provide some information, the research team modeled the impacts of \$1 million of savings to local governments general funds, which readers can scale up and down as desired. As noted above, these savings are modeled as new spending because a dollar going to housing assistance is now freed to be spent on other local government priorities. The spending is modeled as a combination of local government expenditures on education, health care, investment, and all other spending proportional to the existing mix as found in the IMPLAN model. Like with consumption, a portion of local government demand is satisfied by off-island goods and services and is thus outside of the scope of this analysis. However, because a significant component of government spending is salaries paid to local workers, which then creates further impacts through household spending, the total impact exceeds total demand by a small margin.

**Table 14: Annual economic impact per \$1 million of local government spending**

Local Gov't Spending	Expenditures	Annual Impact	Impact per \$
MV	\$1,000,000	\$1,077,000	1.08
Nantucket	\$1,000,000	\$1,038,000	1.04

Source: IMPLAN, UMDI calculations

### **Lease to Locals**

Lease to Locals is a program that is designed to incentivize the owners of short-term or seasonal rental units to offer their homes to year-round residents instead. Essentially, the program aims to bridge the income difference to landlords between affordable year-round leases compared to tourist use, resulting in stable income to lessors and access to attainable year-round units for lessees. Based on data from the existing programs currently running on both islands, the average cost per unit is \$20,000 on Martha's Vineyard and \$22,700 on Nantucket, or 50 units per \$1 million and 44 units per \$1 million.

The modeling assumption for this program centers around the concept that the money provided by the Lease to Locals program is economically a dollar-for-dollar subsidy, which means it is modeled as a

dollar-for-dollar increase in household spending. As seen in other programs, each dollar of household demand yields less than a dollar of economic activity on the islands due to imports. More precisely, the economic impact of household consumption is approximately 90 percent of total consumption in Martha’s Vineyard and 80 percent in Nantucket. These amounts are not unexpected or unusual for small regions, and especially so for islands.

**Table 15: Annual economic impact of housing cost savings to existing residents per \$1 million of Lease to Locals spending**

Lease to Locals	Expenditures	Annual Impact	Impact per \$
MV	\$1,000,000	\$900,000	0.90
Nantucket	\$1,000,000	\$796,000	0.80

Source: IMPLAN, UMDI calculations

The table above shows the impacts of an existing household obtaining lower-cost housing through the support of the Lease to Locals program. Another effect of this program is to reduce the number of households leaving the islands due to housing concerns. In this case, the impact of the program would be the retention of those households and their associated consumption. Because at prevailing costs \$1 million can buy down leases for 44-50 households, the impacts per \$1 million are significant. The consumption of retained households is over \$4 million per year on each island, with total impacts after imports of \$3.6 million and \$3.7 million on Martha’s Vineyard and Nantucket, respectively.

**Table 16: Annual economic impact of retained households per \$1 million of Lease to Locals spending**

Household Spending	Expenditures	Properties Obtained per \$1M	Household Spending Retained	Annual Impact
MV	\$1,000,000	50	\$4,009,000	\$3,570,000
Nantucket	\$1,000,000	44	\$4,128,000	\$3,676,000

Source: IMPLAN, UMDI calculations

The preceding tables present the results of \$1 million in Lease to Locals funding as the two extremes of the possible outcomes: either no change in retention or full retention of benefiting households. In reality, the year-to-year outcomes of this program will lie somewhere in between. At the lower end, every \$10 of subsidy creates between \$8.00 and \$9.00 of economic activity so any increase in retention of top of this would push the multiplier higher. For example, if the Lease to Locals program retained about 20 percent of the benefiting households, the impacts per dollar would resemble those of construction or residential maintenance.

### **Summary and Conclusions**

The analysis of transfer fee revenue allocation highlights housing programs that differ significantly in both the scale and timing of their economic impacts but in combination create a balanced portfolio of complementary solutions. Programs that involve direct construction or renovation, such as new affordable housing development and residential maintenance, deliver the most immediate and substantial economic benefits. For every \$1.00 spent, these activities generate over \$1.40 in economic activity on the islands, reflecting good local economic linkages and the labor-intensive nature of

construction. These programs also create long-term benefits by retaining year-round households, whose ongoing spending further supports local businesses and services. On the other hand, choosing construction over other methods of adding to housing stock is costly on a per-unit basis due to land and wastewater constraints, and does not directly address the ongoing loss of naturally occurring year-round housing into the vacation market.

In contrast, strategies like acquisition and adaptive reuse and deed restrictions primarily yield delayed but sustained economic impacts. While acquisition requires high upfront costs and offers limited short-term economic stimulus, it secures housing units that prevent household displacement, adding consumer spending back into the economy over time. Deed restrictions are more cost-effective, though slower to materialize, creating year-round housing at roughly one-quarter the cost of acquisition and achieving total economic activity equal to the investment within three years once properties turn over. Both these programs also benefit from reusing and repurposing existing units within the built environment and thus minimize the cost of related infrastructure expansion to the locality.

Other approaches, such as Lease to Locals and public employee assistance, also address affordability and workforce stability concerns on the islands. Lease to Locals quickly increases housing access for residents, yet its impact on local economic activity from household savings alone is modest (0.80–0.90 per dollar) due to the leakages from the local economy from imported goods and services. But this program has also shown that it retains some number of households immediately, which creates much larger impacts (3.5–3.7 per dollar). Public employee assistance programs redirect government spending, generating a slight net gain (1.04–1.08 per dollar) while alleviating fiscal pressures tied to labor shortages.

Overall, the findings suggest that using transfer fee revenues to support a balanced portfolio of programs—combining high-impact construction and renovation with cost-efficient mechanisms like deed restrictions and other forms of repurposing existing stock—offers the greatest potential to strengthen both the housing market and the local economy on the islands. This mix ensures immediate economic stimulus while securing long-term community resilience through the retention of year-round households.

## Conclusion

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This report focused on estimating the potential revenue and economic impacts from the implementation of local real estate transfer fees on the islands for the purpose of addressing acute and long-term housing needs. The housing and workforce challenges that the islands are facing are driven by the fact that six of ten housing units are second homes or short-term rentals. The unique dynamics of the Islands' housing market means that these fees may be particularly effective at generating revenue and having positive economic impacts through building and preserving housing for year-round residents. While opponents of these policies in Massachusetts have argued that transfer fees will reduce the number of transactions, drive down prices, and in some instances economic activity, these predictions are based on economic research in markets that do not reflect the unique dynamics of seasonal communities and should not be generalized to the islands and other tourism driven housing markets, such as Cape Cod. Furthermore, they have not considered the positive economic impacts that addressing the housing crisis in high-cost resort markets can have.<sup>56,57,58</sup>

We find evidence from the Hamptons case that real estate transfer fees to fund affordable housing are effective at generating new revenue sources and have minimal impact on the number of transactions and prices. If Martha's Vineyard and Nantucket are granted permission by the state legislature to implement a real estate transfer fee, the projected \$13 million in annual funds for affordable and attainable housing will help the islands reach their housing goals and retain the workforce necessary to remain sought after destinations for tourists and a livable community for residents.

The housing market on the islands impacts residents and businesses on many levels. The local labor force is increasingly unable to afford a year-round residence. To purchase the median Nantucket home, a household would need to earn over \$800,000 annually. The survey of employers on the islands, conducted as part of this study, found that 53 percent had lost employees due to housing costs, 60 percent had increased wages beyond cost-of-living adjustments to retain staff, and 55 percent had seen prospective hires decline offers due to housing unavailability. These conditions are mirrored on the Cape and other seasonal communities in Massachusetts and beyond.

Investing revenues from a RETF in housing may help to address these challenges and have significant and long-lasting impacts. We found that acquisition and adaptive reuse carry higher per-unit cost but avoid the costly infrastructure investments required for new construction. One million dollars invested to acquire a property creates a cumulative \$1 million of economic activity after roughly 15 years on the Vineyard and 18 years on Nantucket and continues to grow for every subsequent year that the households remain residents. Deed restrictions, which cost roughly \$250,000 per unit, create year-round housing at approximately one-quarter the cost of property acquisition and produce additional economic activity equal to the investment within about three and a half years of unit turnover. New construction

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<sup>56</sup> Fishkind, *Economic Impact of a Real Estate Transfer Tax for the City of Boston*.

<sup>57</sup> Gilles Duranton et al., *The Negative Impact of a Massachusetts Real Estate Transfer Tax on Fiscal Revenue and Household Mobility* (Massachusetts Real Estate Community Alliance, 2024).

<sup>58</sup> The Greater Boston Real Estate Board, *Empowering Cities and Towns to Tackle the Housing Shortage* (2024), <https://mahousingsolutions.com/transfer-taxes/>.

generates immediate multiplier effects of over \$1.40 per dollar spent, while each retained year-round household contributes between \$250,000 and \$300,000 in annual local economic activity. \$1 million spent on building creates \$2.3 million and \$2.4 million of economic impacts through household spending over ten years in Martha's Vineyard and Nantucket, respectively. The Lease to Locals programs, costing roughly \$20,000–\$22,700 per unit, could expand attainable housing access by transitioning short-term rentals to year-round rentals. Economic impacts range from \$0.80 per \$1 invested to \$3.60 per \$1, with impacts rising with greater numbers of retained households.

The evidence presented in this report supports the conclusion that local-option real estate transfer fees would generate meaningful, stable revenue for year-round housing on Martha's Vineyard and Nantucket without materially reducing transaction volume or suppressing prices.

## Appendix A: Survey Summary Tables

**Table 17: Number of Employers Surveyed by Location**

Is your organization located on Martha's Vineyard and/or Nantucket or does it provide services on Martha's Vineyard and/or Nantucket?	Total	
	No.	%
Martha's Vineyard	242	83%
Nantucket	45	15%
MV & Nantucket	4	1%
Total	291	100%

Source: UMDI Survey

**Table 18: Business Type**

What best describes the business, non-profit, or public sector employer you are?	Location served							
	Martha's Vineyard		Nantucket		MV & Nantucket		Total	
	No.	%	No.	%	No.	%	No.	%
Government/Public Sector	26	11%	1	3%	0	0%	27	10%
Private-for-profit company	70	31%	13	33%	1	25%	84	31%
Non-profit organization including tax exempt and charitable organizations	62	27%	19	48%	3	75%	84	31%
Self-employed	71	31%	7	18%	0	0%	78	29%
Total	229	100%	40	100%	4	100%	273	100%

Source: UMDI Survey

**Table 19: Industry**

Select the option that best describes the primary business of your organization.	Location served							
	Martha's Vineyard		Nantucket		MV & Nantucket		Total	
	No.	%	No.	%	No.	%	No.	%
Provide entertainment, lodging, or food (like at theaters, hotels, or restaurants, includes arts-related business activities)	35	17%	10	28%	0	0%	45	18%
Providing healthcare in hospitals, clinics, nursing homes	12	6%	1	3%	1	33%	14	6%
Providing education in schools, colleges, or other educational settings	19	9%	5	14%	0	0%	24	10%
Sell products directly to people (like in stores, online, or at markets)	15	7%	1	3%	0	0%	16	6%
Construction or repair of residential and commercial buildings, roads, or other infrastructure projects (like construction contractors, or electricians)	18	9%	3	8%	0	0%	21	8%
State, local, county, regional or federal government administration or services	16	8%	3	8%	1	33%	20	8%
Work with plants, animals, forests, or minerals (like farming, fishing, mining)	22	10%	0	0%	0	0%	22	9%
Sell products in bulk, usually to other businesses	1	0%	0	0%	0	0%	1	0%
Transport people or goods, or provide utilities (like electricity or water)	5	2%	1	3%	0	0%	6	2%
Produce or maintain media, technology, or process data (like TV, software, data management and IT)	3	1%	1	3%	0	0%	4	2%
Banking, investing, insuring, or buying and selling real estate	16	8%	0	0%	0	0%	16	6%
Legal services, consulting, marketing, designing, management of companies/enterprises or other specialized professional work (includes veterinary services)	10	5%	1	3%	0	0%	11	4%
Making or assembling cars, electronics, food products, clothes, and other goods	1	0%	0	0%	0	0%	1	0%
Non-construction property maintenance like landscaping, custodial/cleaning services, or arborists	11	5%	1	3%	0	0%	12	5%
Other services (like auto/boat repair, hair/nail care, funeral services, laundry services, religious, civic and social advocacy organizations)	27	13%	9	25%	1	33%	37	15%
<b>Total</b>	<b>211</b>	<b>100%</b>	<b>36</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>250</b>	<b>100%</b>

Source: UMDI Survey

**Table 20: Survey Respondent Roles**

Select the option that best describes your role at the organization.	Location served							
	Martha's Vineyard		Nantucket		MV & Nantucket		Total	
	No.	%	No.	%	No.	%	No.	%
Owner	100	47%	13	37%	0	0%	113	45%
Manager/CEO	27	13%	2	6%	2	67%	31	12%
Executive Director	28	13%	13	37%	0	0%	41	16%
Staff	42	20%	2	6%	0	0%	44	18%
Other	16	8%	5	14%	1	33%	22	9%
Total	213	100%	35	100%	3	100%	251	100%

Source: UMDI Survey

**Table 21: Seasonality**

Does this business or non-profit operate seasonally or year-round?	Location served							
	Martha's Vineyard		Nantucket		MV & Nantucket		Total	
	No.	%	No.	%	No.	%	No.	%
Seasonally	28	13%	5	14%	0	0%	33	13%
Year-round	186	87%	30	86%	3	100%	219	87%
Total	214	100%	35	100%	3	100%	252	100%

**Table 22: Ability to Fully Staff**

Have you been able to fully staff your business or non-profit in 2025?	Location served							
	Martha's Vineyard		Nantucket		MV & Nantucket		Total	
	No.	%	No.	%	No.	%	No.	%
Yes	101	62%	19	61%	1	33%	121	61%
No	56	34%	12	39%	2	67%	70	35%
Unsure	7	4%	0	0%	0	0%	7	4%
Total	164	100%	31	100%	3	100%	198	100%

Source: UMDI Survey

**Table 23: Employee Work Location**

Are your employees required to work in-person, remote, or a mix of both?	Location served					
	Martha's Vineyard		MV & Nantucket		Total	
	No.	%	No.	%	No.	%
Mostly in person	113	71%	1	33%	114	74%
Mostly remote or work from home	9	6%	0	0%	9	5%
A mix of both in person and remote	37	23%	2	67%	39	21%
Total	159	100%	3	100%	162	100%

Source: UMDI Survey

**Table 24: Assistance to Employees with Secure Housing**

Do you offer assistance to any of your employees with securing housing?	Location served							
	Martha's Vineyard		Nantucket		MV & Nantucket		Total	
	No.	%	No.	%	No.	%	No.	%
No	91	50%	10	32%	2	67%	103	48%
Yes	63	35%	18	58%	1	33%	82	38%
Not Applicable	28	15%	3	10%	0	0%	31	14%
Total	182	100%	31	100%	3	100%	216	100%

Source: UMDI Survey

**Table 25: Type of housing assistance offered to employees**

What type of housing assistance do you offer employees? Select all that apply.	All Locations	
	No.	%
Assistance with accessing capital	8	10%
Finding housing through networks	29	35%
Provide or rent housing	65	79%
Subsidize housing costs	27	33%
Other	6	7%

Note does not add to 100 percent because employers may offer multiple forms of assistance.

**Table 26: Housing Provided by Employers**

What best describes the housing you provide?	Location served							
	Martha's Vineyard		Nantucket		MV & Nantucket		Total	
	No.	%	No.	%	No.	%	No.	%
Company housing rented to employees	22	51%	11	73%	0	0%	33	56%
Employees provided company housing	14	33%	2	13%	1	100%	17	29%
Other (please describe)	7	16%	2	13%	0	0%	9	15%
<b>Total</b>	<b>43</b>	<b>100%</b>	<b>15</b>	<b>100%</b>	<b>1</b>	<b>100%</b>	<b>59</b>	<b>100%</b>

Source: UMDI Survey

Note: this question was only displayed to respondents who indicated that they provide or rent housing to their employees.

**Table 27: Loss of Employees Due to Cost of Housing (2024-2025)**

In the past 2 years (2024 and 2025 to date), have you lost employees because of housing costs?	Location served							
	Martha's Vineyard		Nantucket		MV & Nantucket		Total	
	No.	%	No.	%	No.	%	No.	%
Yes	74	51%	16	55%	3	100%	93	53%
No	55	38%	11	38%	0	0%	66	37%
Unsure	16	11%	2	7%	0	0%	18	10%
<b>Total</b>	<b>145</b>	<b>100%</b>	<b>29</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>177</b>	<b>100%</b>

Source: UMDI Survey

**Table 28: Need for Wage Increase 2024-2025**

In the past 2 years (2024 and 2025 to date), have you increased wages or salaries beyond normal cost of living increases to retain employees?	Location served							
	Martha's Vineyard		Nantucket		MV & Nantucket		Total	
	No.	%	No.	%	No.	%	No.	%
Yes	84	59%	17	63%	3	100%	104	60%
No	47	33%	8	30%	0	0%	55	32%
Unsure	12	8%	2	7%	0	0%	14	8%
<b>Total</b>	<b>143</b>	<b>100%</b>	<b>27</b>	<b>100%</b>	<b>3</b>	<b>100%</b>	<b>173</b>	<b>100%</b>

Source: UMDI Survey

**Table 29: Declined Offers of Employment Due to Housing**

In the past 2 years have potential employees declined offers of employment because of the availability or cost of housing?	Location served							
	Martha's Vineyard		Nantucket		MV & Nantucket		Total	
	No.	%	No.	%	No.	%	No.	%
Yes	75	55%	13	54%	2	67%	90	55%
No	42	31%	9	38%	1	33%	52	32%
Unsure	19	14%	2	8%	0	0%	21	13%
Total	136	100%	24	100%	3	100%	163	100%

Source: UMDI Survey

# Appendix B: Business Survey

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## Intro

The UMass Donahue Institute (UMDI) is conducting a study on behalf of the Regional Planning Agencies (RPA's) for Martha's Vineyard (Martha's Vineyard Commission) and Nantucket (Nantucket Planning & Economic Development Commission) on the potential impacts of a local option real estate transfer fee for the purpose of funding affordable and attainable year-round housing efforts on the islands. As part of this analysis, we are seeking information from business owners (including self-employed individuals), nonprofit organizations, and public sector employers on the impacts they face from a shortage of affordable and attainable year-round housing.

We invite you to complete a short, web-based survey. The survey will take about 5-10 minutes and will ask questions about your seasonal and year-round workforce. By sharing your experiences, you will help us understand how the lack of affordable and attainable year-round housing effects the labor supply in Martha's Vineyard and Nantucket. The survey is completely voluntary, confidential, and designed to be quick and easy to complete.

The survey will close at midnight on October 5th, 2025.

If you have any questions, comments, or concerns, please contact Kerry Spitzer, Senior Research Manager at UMDI at (413) 545-1568 or [kspitzer@umass.edu](mailto:kspitzer@umass.edu).

Thank you!

Laura Silber, Island Housing Planner, MVC

Megan Trudel, Deputy Director of Planning, NP & EDC



**NP&EDC**

NANTUCKET PLANNING AND ECONOMIC DEVELOPMENT COMMISSION



## Employment

The following questions concern your organization that operates in Nantucket or Martha's Vineyard.

Is your organization located on Martha's Vineyard and/or Nantucket or does it provide services on Martha's Vineyard and/or Nantucket (Select all that apply.)

- Yes, on Martha's Vineyard
- Yes, on Nantucket
- No.

What best describes the business, non-profit, or public sector employer you are completing this survey for?

Note: if you would like to report on multiple organizations, please complete this survey once for each organization.

- Government/Public Sector
- Private-for-profit company
- Non-profit organization including tax exempt and charitable organizations
- Self-employed

Select the option that best describes the primary business of your organization.

- Provide entertainment, lodging, or food (like at theaters, hotels, or restaurants, includes arts-related business activities)
- Providing healthcare in hospitals, clinics, nursing homes
- Providing education in schools, colleges, or other educational settings
- Sell products directly to people (like in stores, online, or at markets)
- Construction or repair of residential and commercial buildings, roads, or other infrastructure projects (like construction contractors, or electricians)
- State, local, county, regional or federal government administration or services
- Work with plants, animals, forests, or minerals (like farming, fishing, mining)
- Sell products in bulk, usually to other businesses
- Transport people or goods, or provide utilities (like electricity or water)
- Produce or maintain media, technology, or process data (like TV, software, data management and IT)
- Banking, investing, insuring, or buying and selling real estate
- Legal services, consulting, marketing, designing, management of companies/enterprises or other specialized professional work (includes veterinary services)
- Making or assembling cars, electronics, food products, clothes, and other goods
- Non-construction property maintenance like landscaping, custodial/cleaning services, or arborists
- Other services (like auto/boat repair, hair/nail care, funeral services, laundry services, religious, civic and social advocacy organizations)

Select the option that best describes your role at the organization.

- Owner
- Manager/CEO
- Executive Director
- Staff
- Other

### Questions for Business Owners Regarding their Business

Does this business or non-profit operate seasonally or year-round?

- Seasonally
- Year-round

How many employees (other than yourself) does your business or non-profit or governmental entity/service employ **year-round**?

Full-Time, 35 hrs or more per week

Part-Time, fewer than 35 hrs fewer per week

How many employees (other than yourself) does your business or non-profit or governmental entity/service employ **seasonally in 2025**?

Full-Time, 35 hrs or more per week

Part-Time, fewer than 35 hrs fewer per week

Have you been able to fully staff your business or non-profit in 2025?

- Yes
- No
- Unsure
- Not applicable

If unable to fully staff, why were you unable to fully staff your business or non-profit?

Are your employees required to work in-person, remote, or a mix of both?

- Mostly in person
- Mostly remote or work from home
- A mix of both in person and remote
- Not Applicable

### Final\_Biz

Do you offer assistance to any of your employees with securing housing?

- No
- Yes
- Not Applicable

What type of housing assistance do you offer employees? Select all that apply.

- Assistance with accessing capital to buy a home, such as down-payment assistance
- Assistance finding housing through local networks
- We provide or rent housing to our employees
- We subsidize employees' housing costs
- Other

How many units of housing do you provide or rent to employees?

Units of housing

Number of individuals housed (estimate is fine)

Roughly how many employees do you provide a housing subsidy to and how much subsidy do you provide?

Average number of employees assisted per month (estimate is fine)

Average dollars per month per employee (estimate is fine)

What best describes the housing your provide?

- I or my company own housing (house, condo, apartments, etc.) that I rent primarily to my employees
- Employees are provided with room and board in housing that I or my company owns or rents
- Other (please describe)

Please share anything else you'd like the research team to know about the housing assistance you provide to employees.

In the past 2 years (2024 and 2025 to date), have you lost employees because of the cost of housing?

- Yes
- No
- Unsure
- Not Applicable

How many employees did you lose due to housing in the past 2 years (2024 and 2025 to date)?

In the past 2 years (2024 and 2025 to date), have you increased wages or salaries beyond normal cost of living increases to retain employees ?

- Yes
- No
- Unsure
- Not Applicable

In the past 2 years (2024 and 2025 to date), have potential employees declined offers of employment because of the availability or cost of housing on Nantucket or Martha's Vineyard?

- Yes
- No
- Unsure
- Not Applicable

### **Biz Open**

Please use this space to share anything else you would like us to know about the impact of the high cost of housing on Martha's Vineyard and Nantucket on your organization.

## Appendix C: The IMPLAN Economic Impact Model

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### IMPLAN

UMDI used the widely used IMPLAN input-output model to estimate the economic impacts of the proposed transfer fees. IMPLAN is a platform that combines a set of extensive databases, economic factors, multipliers, and demographic statistics with a highly refined modeling system that is fully customizable. Together, software and data can help gain insights into an industry's contributions to a region, quantify the impact of a shock to an economy, examine the effects of a new or existing business, model the impacts of expected growth or changes, or study any other event specific to the economy of a particular region.

The model identifies direct impacts by sector, then develops a set of indirect and induced impacts by sector.

- **Direct Effects:** Direct effects are the immediate result of direct spending. Applying these initial changes to the multipliers in an IMPLAN model will then display how the region will respond economically to these purchases.
- **Indirect Effects:** Indirect impacts stem from local industries' purchases of inputs (goods and services) from other local industries. These purchases are also known as intermediate expenditures.
- **Induced Effects:** Induced effects are caused by household spending on consumption.

For example, say transfer fee revenue is directly spent on building a home for addition to the islands affordable housing stock. The contractor will purchase materials and hire new employees or expand the hours of existing employees. These are direct effects of spending on the new home. That same contractor would buy some of their materials from a local supplier such as a hardware store. That direct spending at a local store would allow the store to hire more staff or expand their business. These are indirect effects. Finally, those involved in the project take their wages home and buy goods and services. That spending reflects induced effects. This cycle of spending continues to work its way backward through the supply chain, with each round of impacts getting smaller and smaller, until all money leaks from the local economy by way of imports, taxes, and profits, which do not generate additional impacts locally.

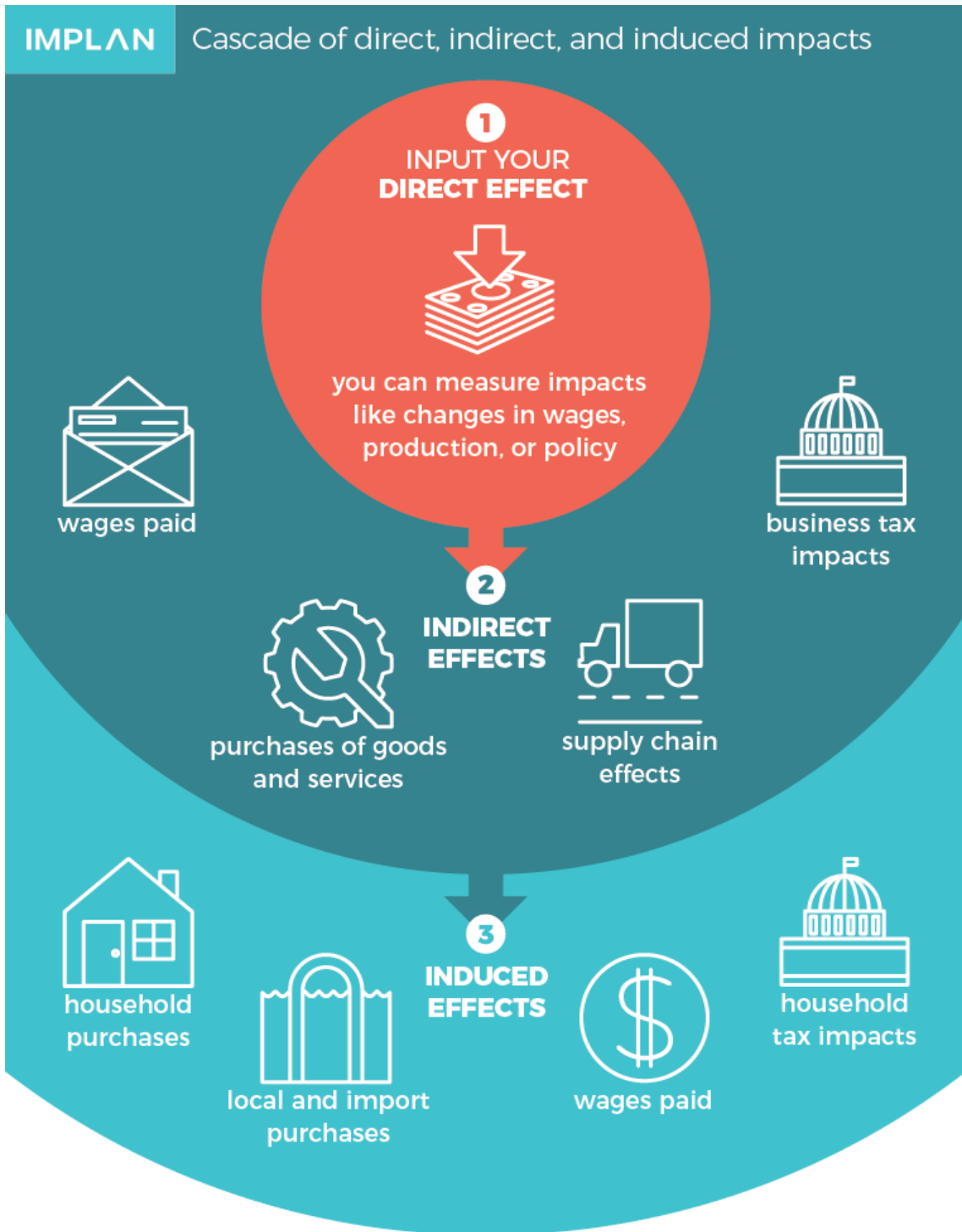
IMPLAN does not assume that all input purchases are made from local businesses. The proportion of local vs. non-local purchases varies by commodity and is built into the IMPLAN system.

The IMPLAN models account for commuting patterns. Therefore, induced impacts will only reflect the spending of wages from residents. IMPLAN removes payroll taxes, personal taxes, and savings before allowing the remainder to be spent on goods and services. IMPLAN also accounts for imports and does not assume that all purchases of goods and services are made within the study area.

**Figure 11** on the following page visually depicts how the IMPLAN model works.

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Figure 11: Depiction of IMPLAN Model



Source: IMPLAN

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