



The deck and backyard of a four-bedroom home, that was available to rent for \$11,000 a week on Nantucket. (Sanford & Sanford Real Estate)

HOUSING / OPINION

Help us address the Cape, Islands housing crisis

Residents seek transfer fee on high-end real estate transactions

 BROOKE MOHR and  DAN O'CONNELL Apr 8, 2023

MORE THAN 250 residents of Martha's Vineyard and Nantucket, from high school students to law enforcement to healthcare workers, marched on Beacon Hill last month because their communities, their businesses, and their way of life are all threatened by the soaring cost of housing.

Wampanoag tribal members talked about the devastation of no longer being able to afford to continue living in their ancestral homeland. Healthcare and public safety leaders said staff is dangerously depleted, and openings are almost impossible to fill. With summer looming, the chambers of commerce directors for each island worried about another season without enough retail and restaurant workers.

Day after day brings a new story: Veterinarians with ranks too depleted to care for the island's animals. Police without the staff to cover last-call bar closings. The last dry cleaner in Vineyard Haven closes, Martha's Vineyard Hospital is turned down 19 times by promising candidates offered jobs, and a young couple on Nantucket – dedicated to the community, active in town, residents for years – packs up to leave. All these stories are about the same thing: The impossibility of working people finding a place to live, or staying in the place they love.

The numbers are stark: The average home price on Martha's Vineyard is now \$2.2 million, up 3 percent from 2021, and the median home price of \$1.5 million is up 17 percent. Only three year-round homes on the island are for sale at less than \$1 million.

On Nantucket the problem is even worse, with the average home price up 24 percent in the last year to a staggering \$4.4 million. The median price? \$3.1 million.

The housing problem is most severe on the islands, but across Cape Cod retailers and restaurants, hospitals, nursing homes, police and fire departments, and public schools are all suffering the same thing. Just like on Martha's Vineyard and Nantucket, it is the middle- and working-classes who are being pushed from their communities: Nearly 1,000 families earning less than \$100,000 annually are leaving the Cape every year.

Summer is coming. All of these understaffed services and business will be, once again, overrun with patients and customers. And the current mechanisms we have in Massachusetts to deal with housing, voucher programs, and subsidies are overwhelmed and insufficient to the scale of the problem – a Band-Aid on an open wound.

The families, healthcare workers, teachers, and public safety officers who came to the State House are demanding the right to adopt a mechanism to raise the kinds of funds commensurate with the problem they face: A transfer fee on high-end real estate transactions. The creation of a transfer fee on real estate transactions of 0.5 percent to 2 percent – with an exemption for lower-cost properties – would create millions of dollars for each community that opts in to creatively address its own specific problems. Adoption of the transfer fee is *by local option only* – you won't have the fee if you don't see a need and choose to pursue it. The details, too, are up to each city or town: How much the fee would be, what would be exempt, how the funds would be used.

The money raised would be significant – and could go far beyond just building more affordable homes or apartment buildings. The local option to impose transfer fees would allow a community to pursue its own best means of dealing with housing issues, whether that is purchasing deed restrictions for affordability, buying

existing residences from the short-term rental market and converting them into year-round homes, providing support to keep homes livable by fixing polluting septic systems, expanding down-payment programs, or crafting aggressive disincentives for real estate flips.

Each town can determine what portion of the funds can go to helping first-time buyers, creating workforce rentals, or keeping seniors in the community after they sell the empty nest.

Gov. Maura Healey has already said she supports local choices to deal with the housing crisis – and Nantucket, Martha’s Vineyard, Provincetown, Chatham, and many other communities, including Boston, have chosen.

The Cape and the Islands have a healthcare crisis, a public safety crisis, a small-business crisis, and a community crisis. They are all a housing crisis. This year we need to give them the tool they need to fix it.

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