The term **highest and best use** is frequently encountered in real estate and appraisal contexts. It refers to the most probable use of a property that results in the highest value. This concept is governed by four key criteria: it must be legally permissible, physically possible, financially feasible, and maximally productive. Understanding these factors helps clarify how property value is determined beyond market perceptions.

It is important to distinguish between the highest and best use and the market value of a property. Market value is influenced by factors such as location, condition, seller motivation, and price. Of these, location is immutable—often summarized as "location, location, location"—and cannot be changed. Conversely, the other three factors are adaptable. For example, a property in poor condition can be renovated or repaired, provided there is sufficient time and financial resources. Seller motivation varies widely, often driven by personal circumstances such as death, divorce, financial needs, or lifestyle changes. These motivations influence how quickly a property might sell and at what price.

The price is the most flexible factor among the four. It can be adjusted relatively easily to match market conditions. Currently, on Nantucket, the average time to sell a property has increased to nine months, up from five months over the past five years. This shift is partly due to aspirational pricing—where sellers set prices based on past or anticipated future markets rather than current realities—and "seller math," where owners aim to recover their investment plus a profit, or will only sell if they get enough to buy the next property, regardless of market demand. Interestingly, buyers tend not to consider these subjective calculations, focusing instead on fair market value.

For property owners contemplating listing, it is advisable to interview multiple real estate brokers. Avoid choosing an agent solely based on optimistic pricing estimates. A realistic listing should include a well-founded timeline for sale, grounded in factual market data. Failure to do so can result in a property remaining unsold for extended periods, becoming stale or stigmatized as overpriced. While such properties may eventually sell when market conditions align with the asking price, this process can take years, emphasizing the importance of accurate pricing and strategic planning in real estate transactions.