

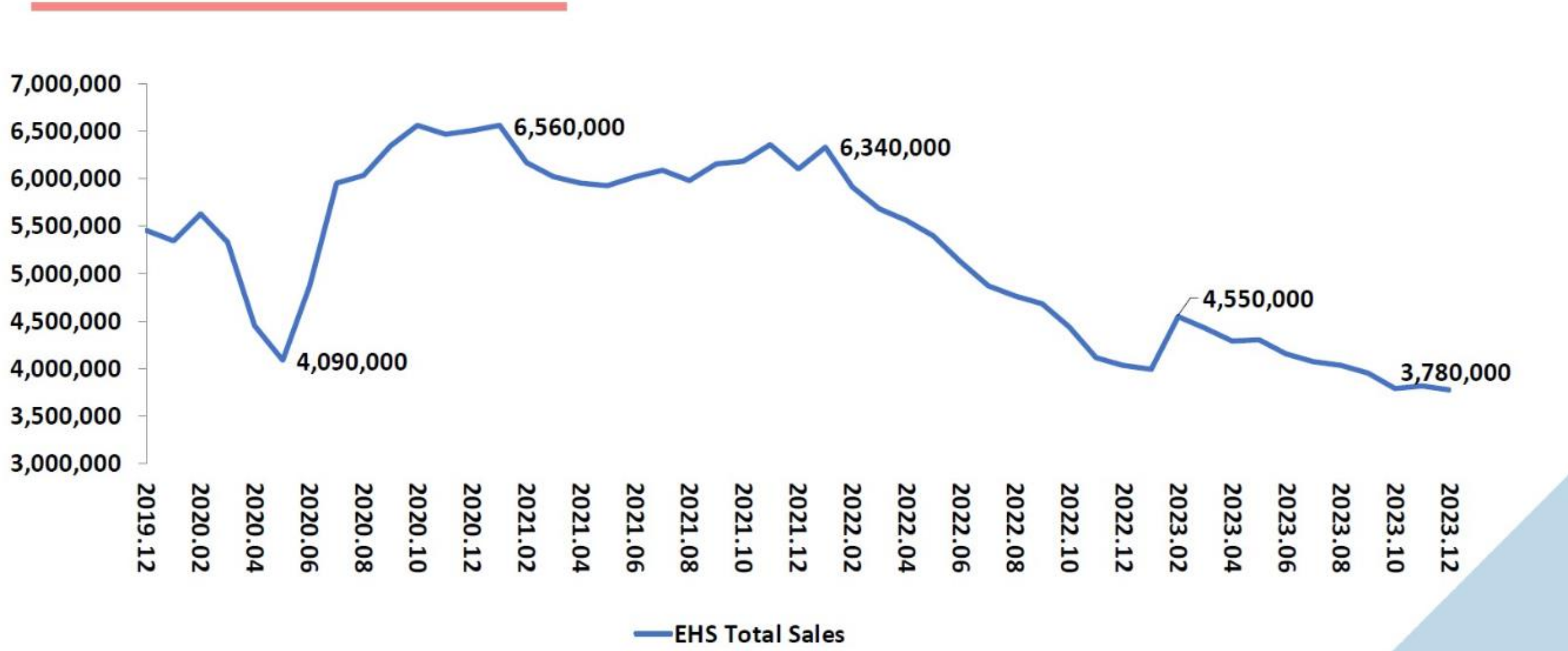
Housing Market

January 2024

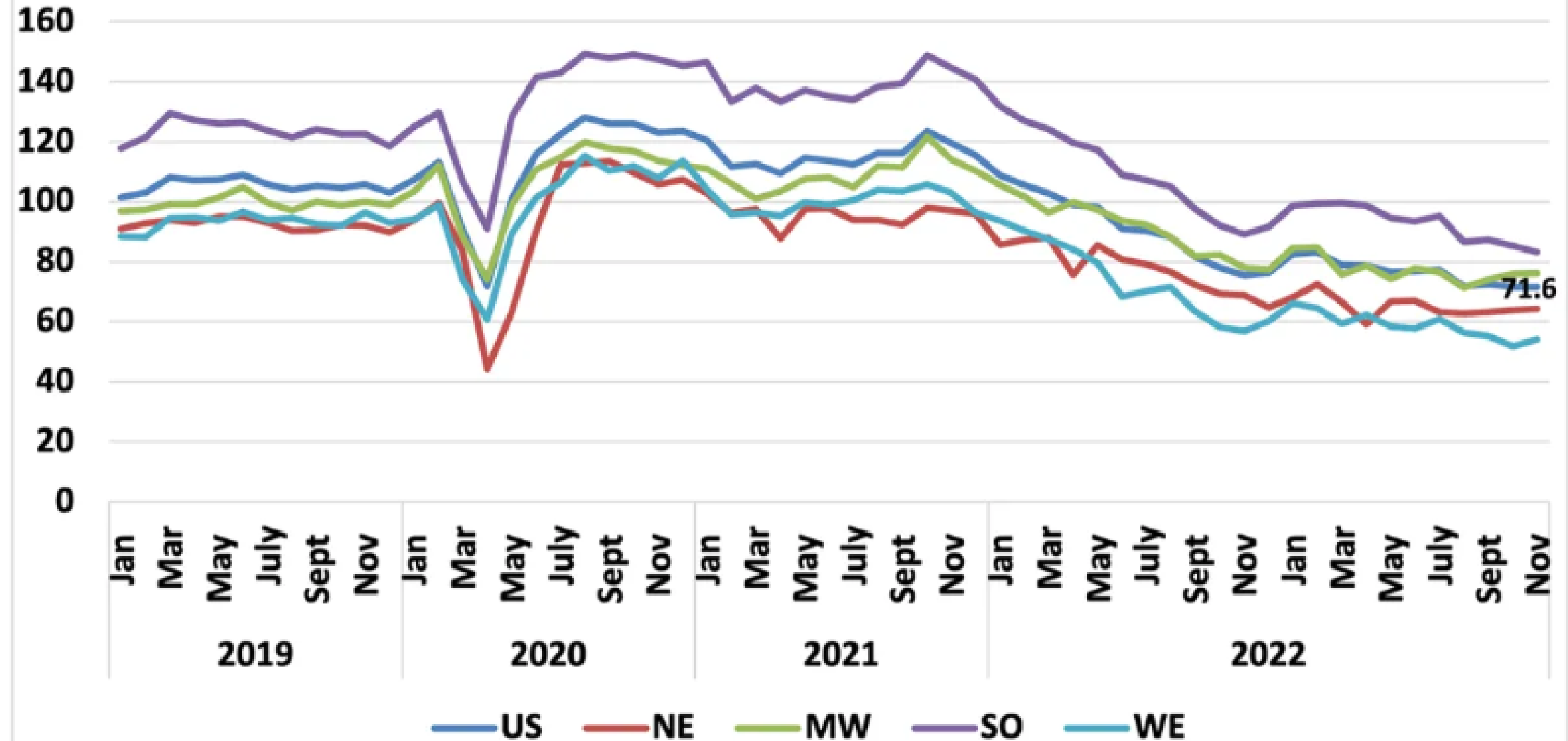
Leanne Barschdorf Nichols

Keller Williams Realty

Total Existing Home Sales, SA Annual Rate



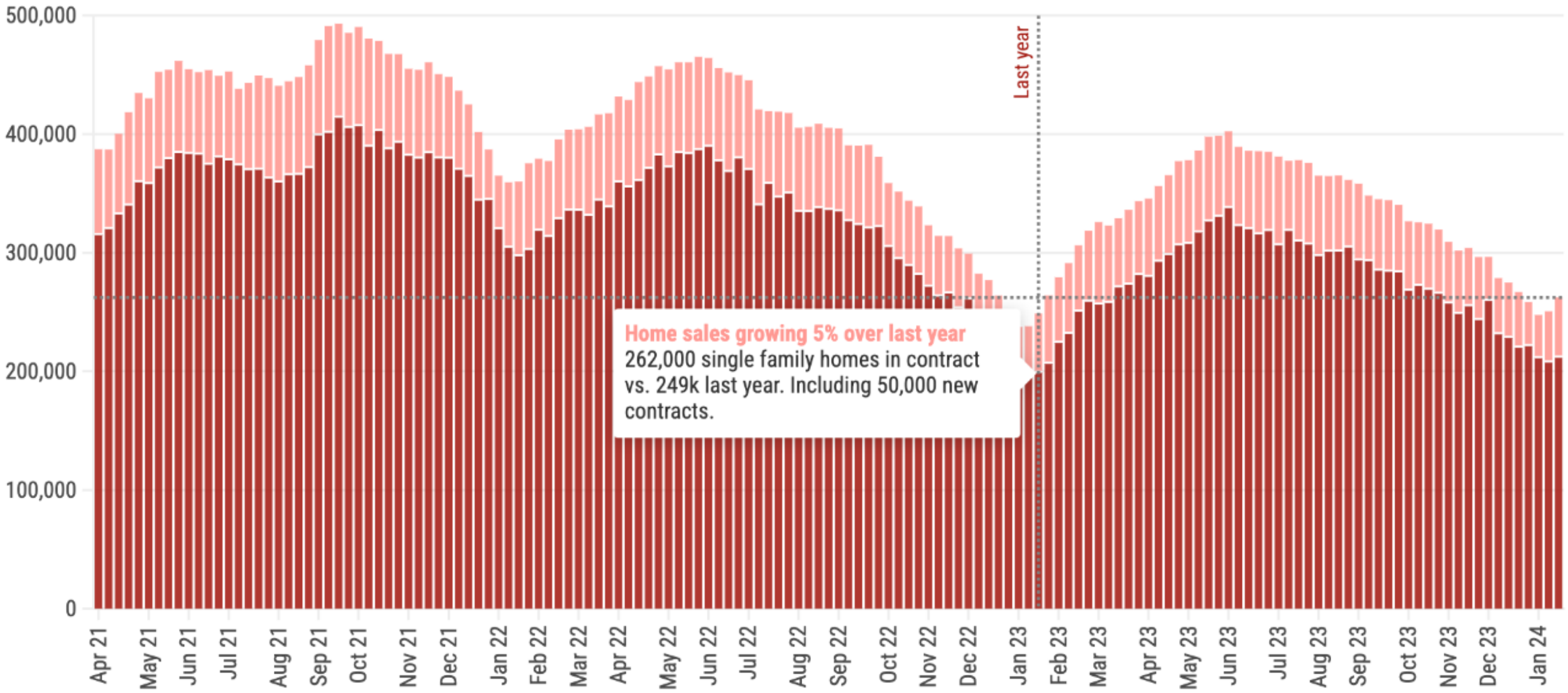
Pending Home Sales Index as of November 2023



Weekly Total Home Sales Contracts Pending

U.S. Single Family

Existing Pending Sales New Pending Sales

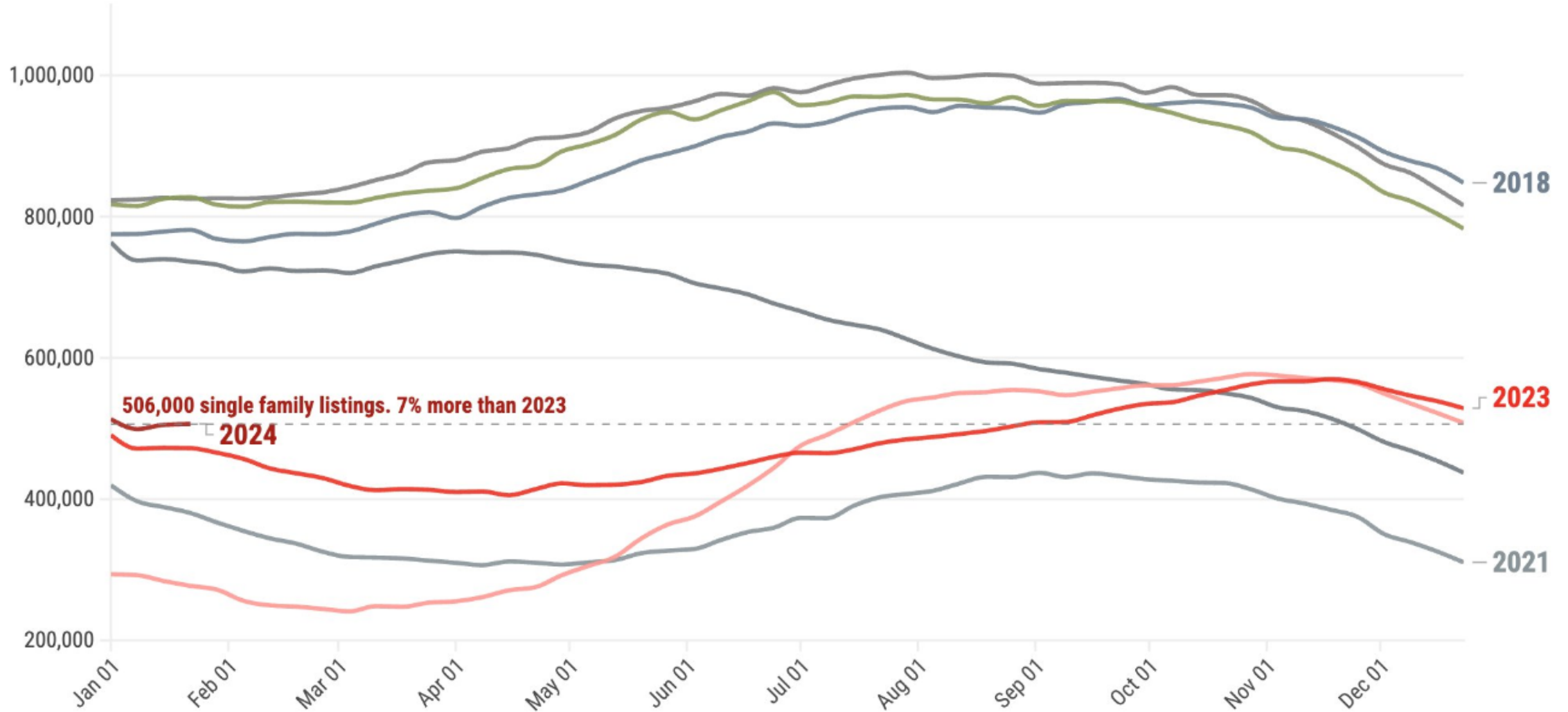


Source: Altos Research

Weekly Available Inventory

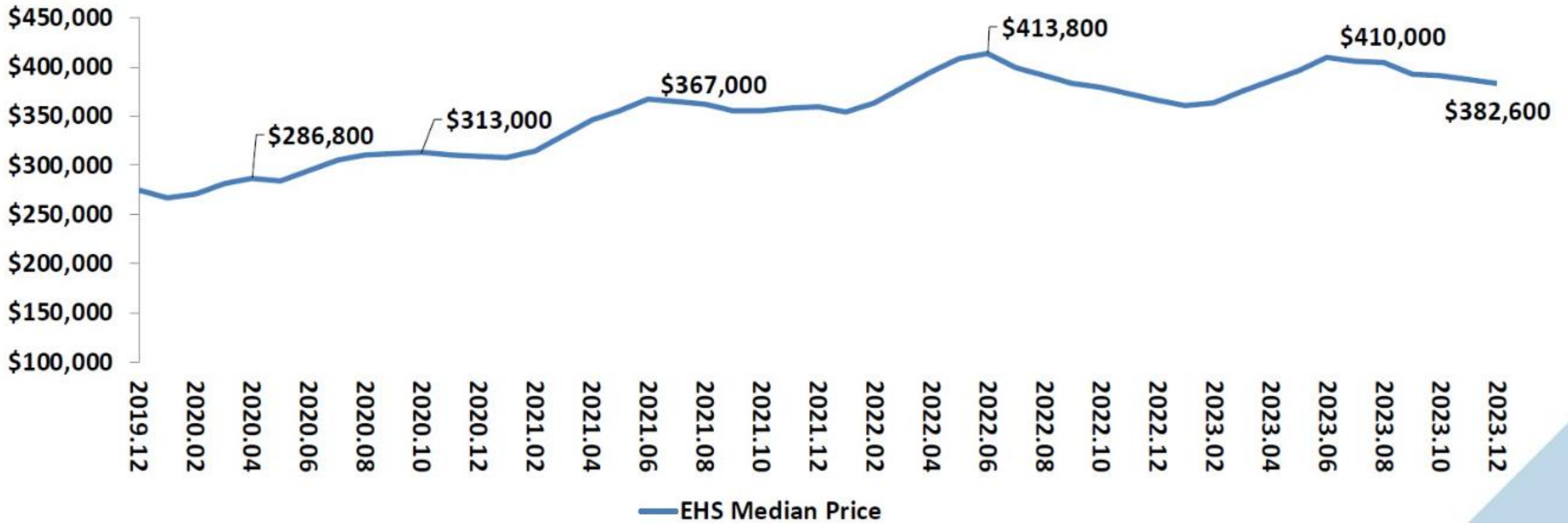
U.S. Single Family

HOUSINGWIRE



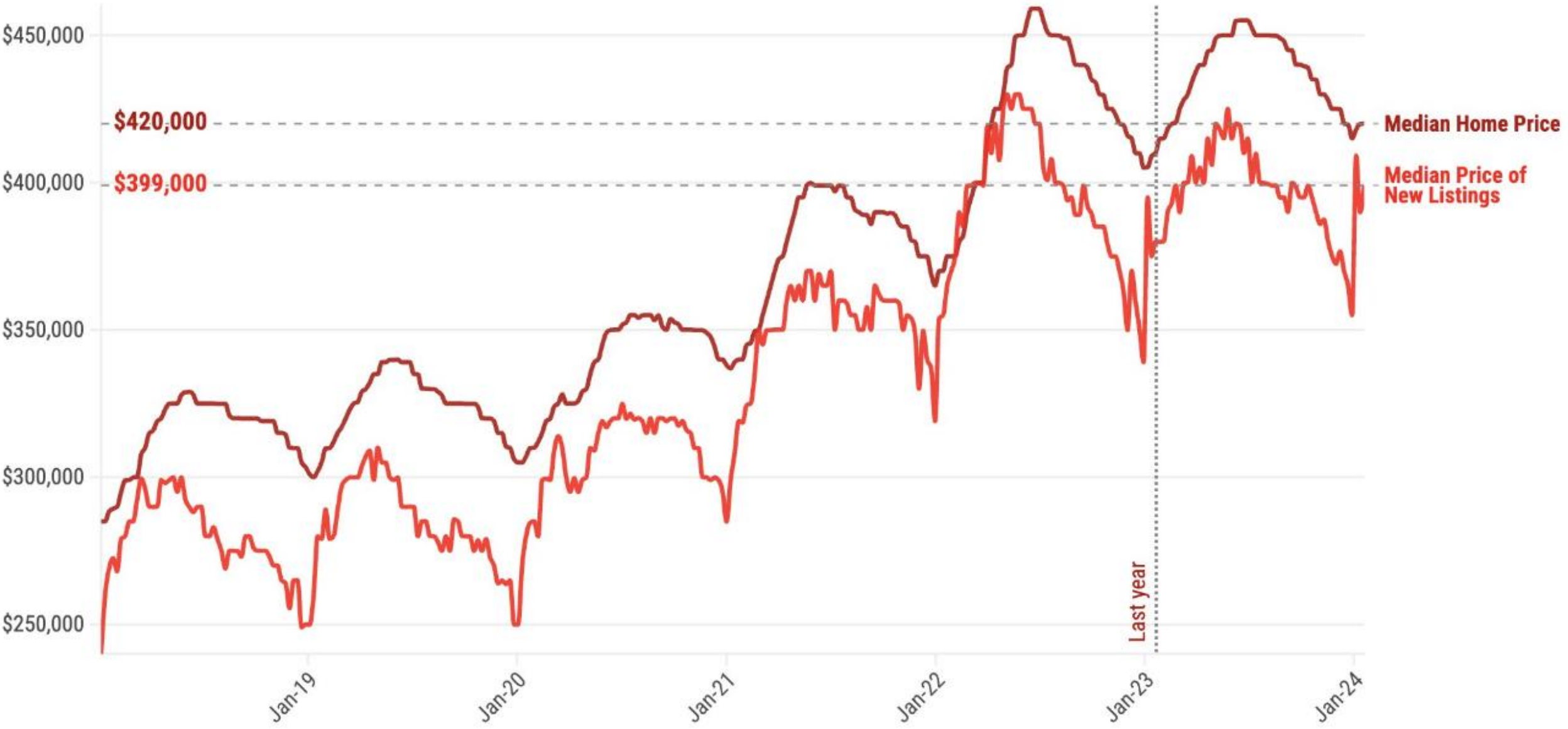
Source: Altos Research

Median Price of Existing Home Sales



Median Home List Price

U.S. Single Family

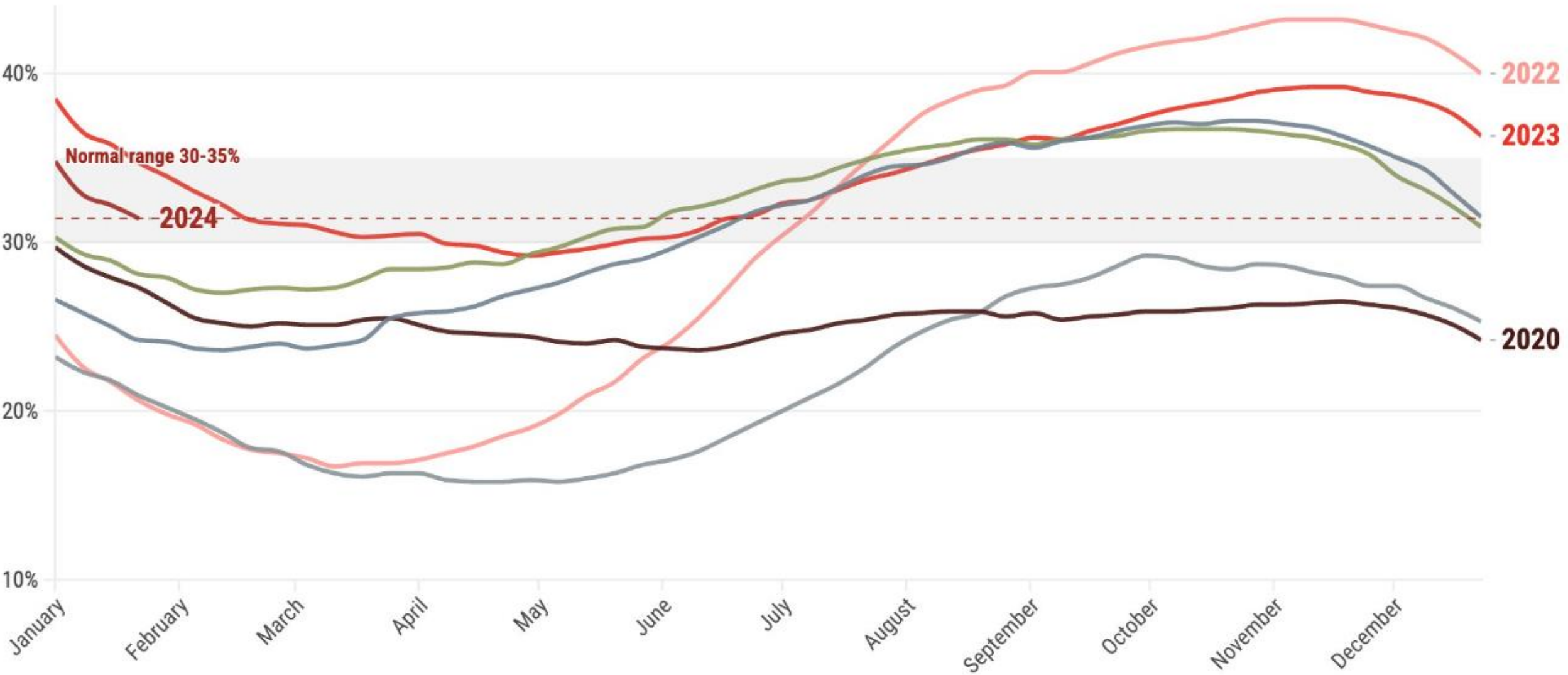


Source: Altos Research

Percent of Properties with Recent Price Reductions

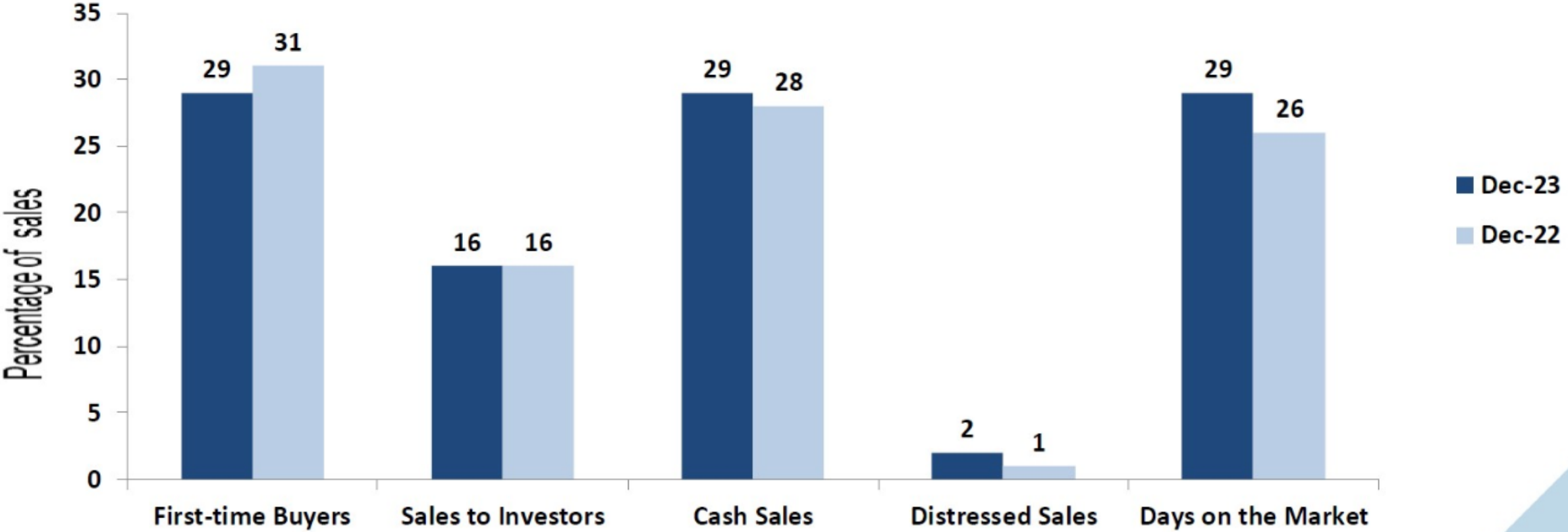
U.S. Single Family

2024 2023 2022 2021 2020 2019 2018



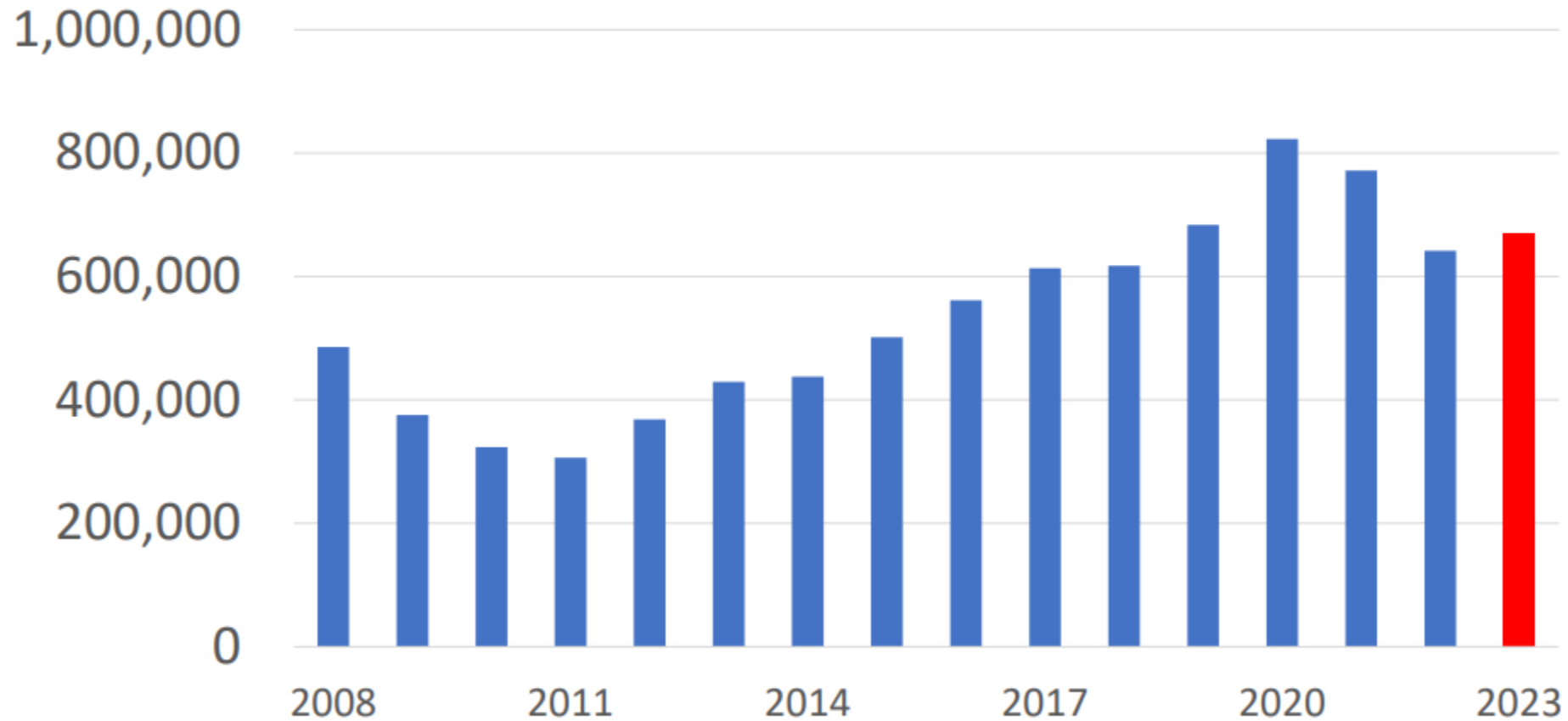
Source: Altos Research

Realtors Confidence Index Survey



New Home Sales Up 4.5% year-to-date to October

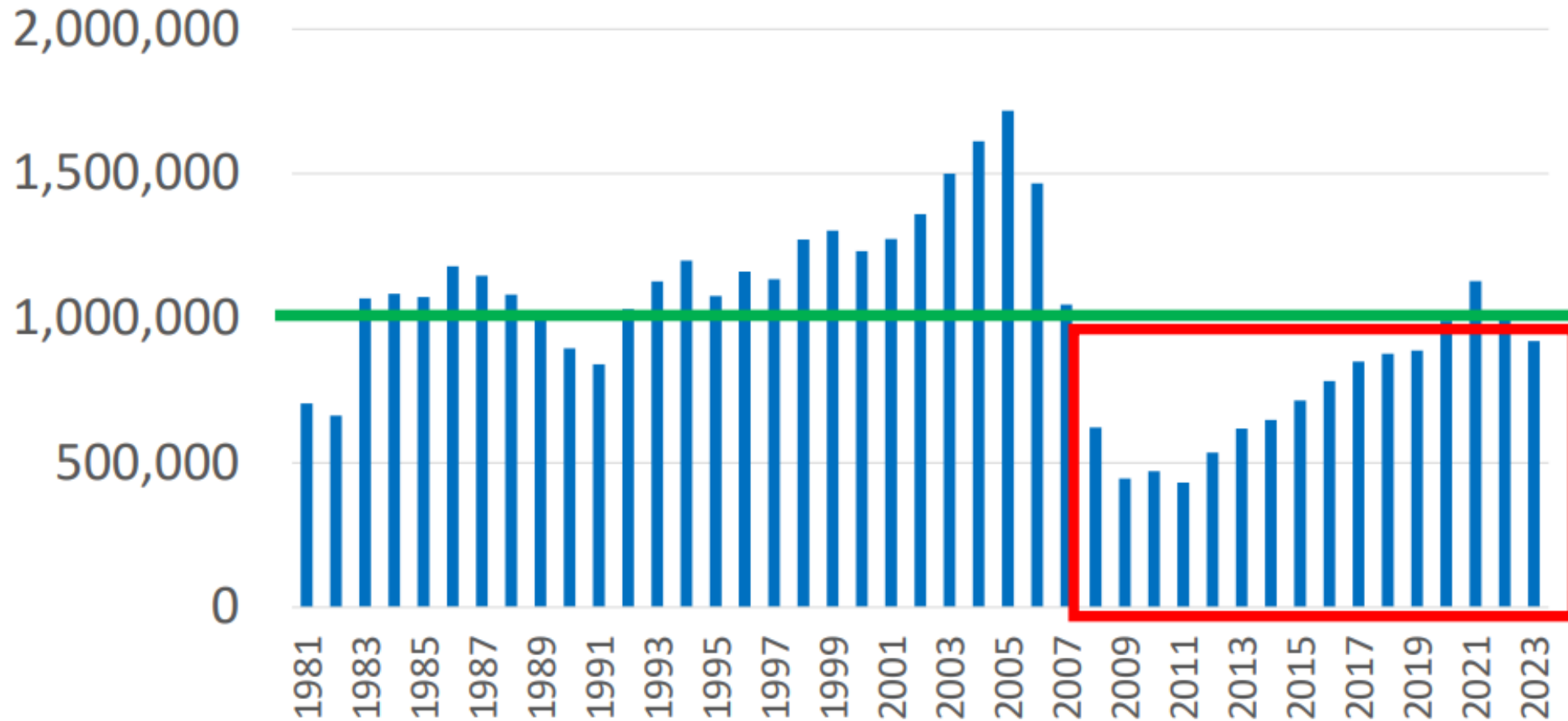
On track for the 3rd or 4th best year since 2008 foreclosure year



Source: NAR forecast and HUD

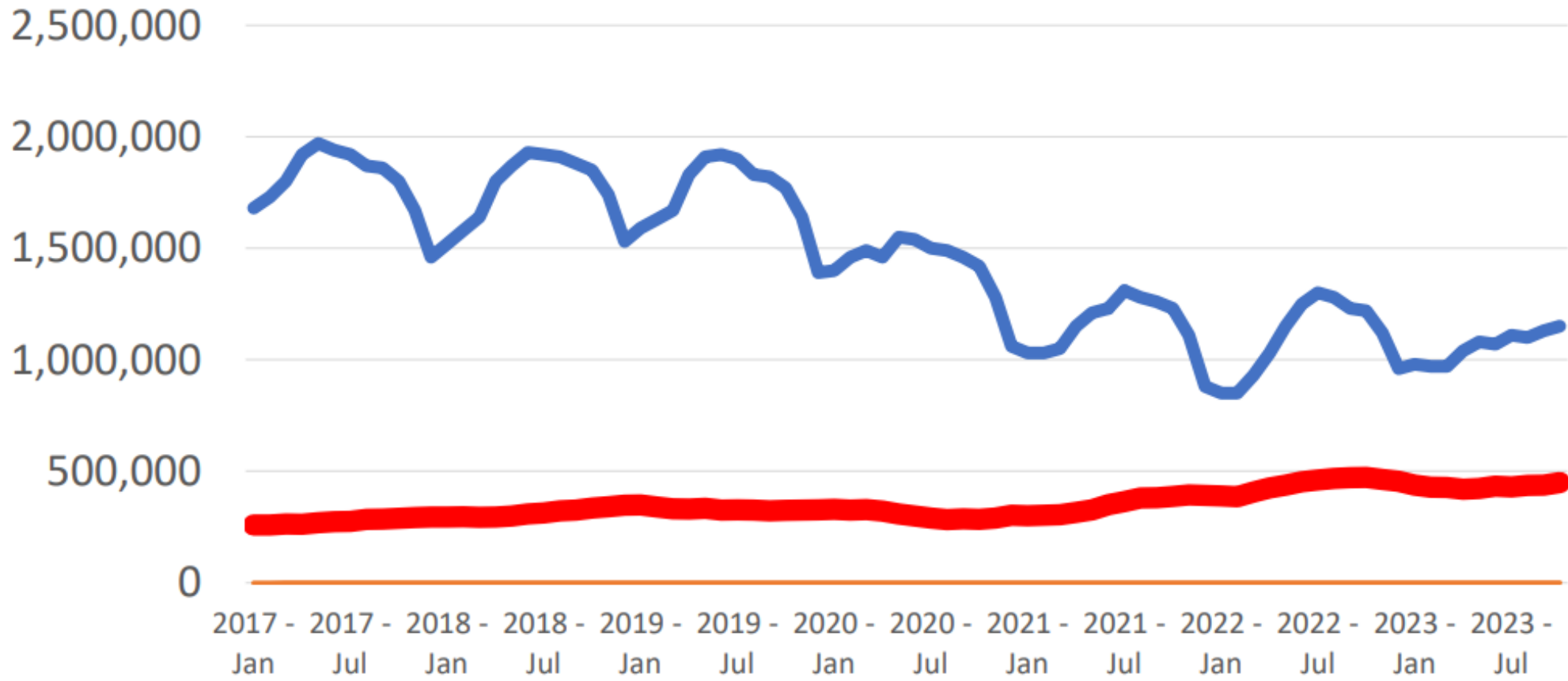
Single-family Housing Starts

Trying to return to normal after a decade of underproduction



Source: NAR forecast and HUD

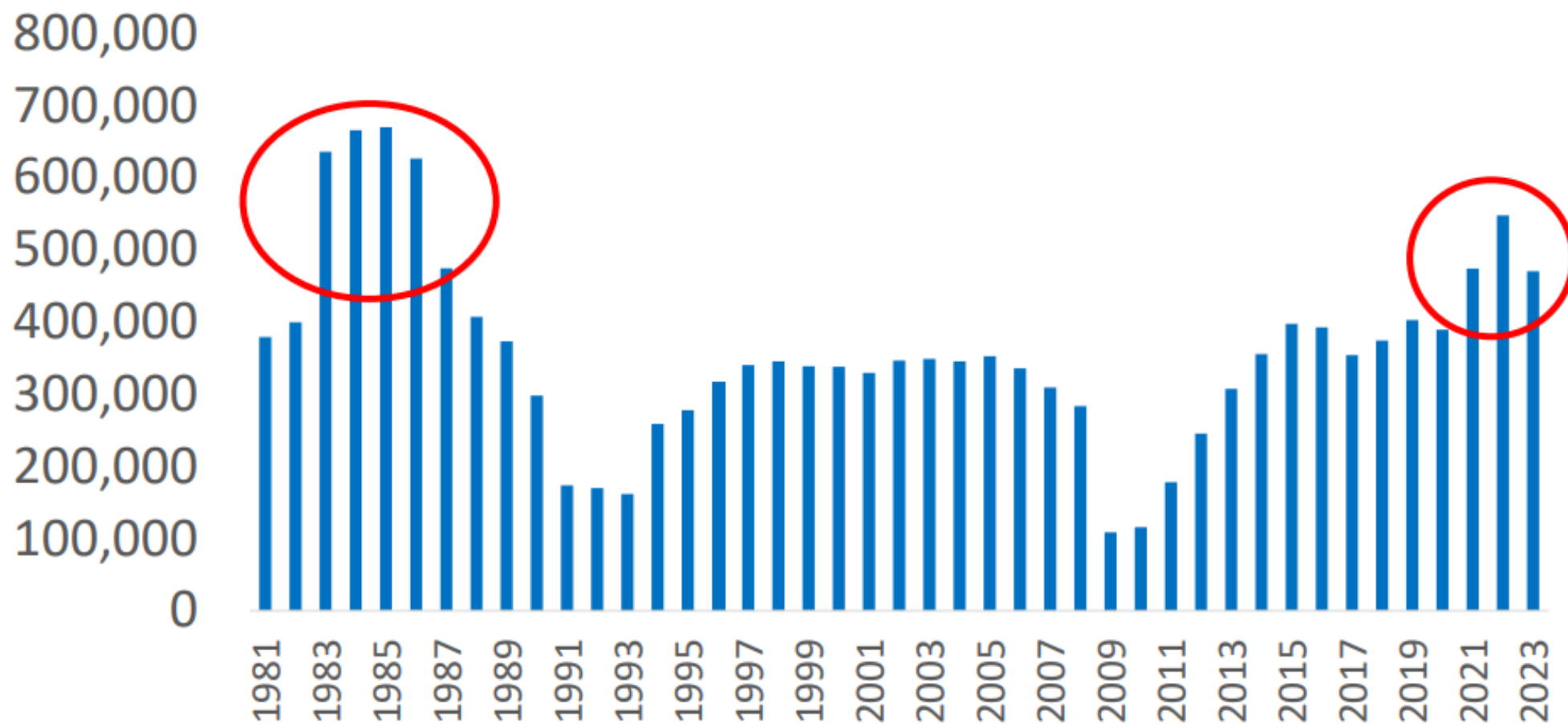
Existing-Home Inventory and **New Home Inventory**



Source: NAR and HUD

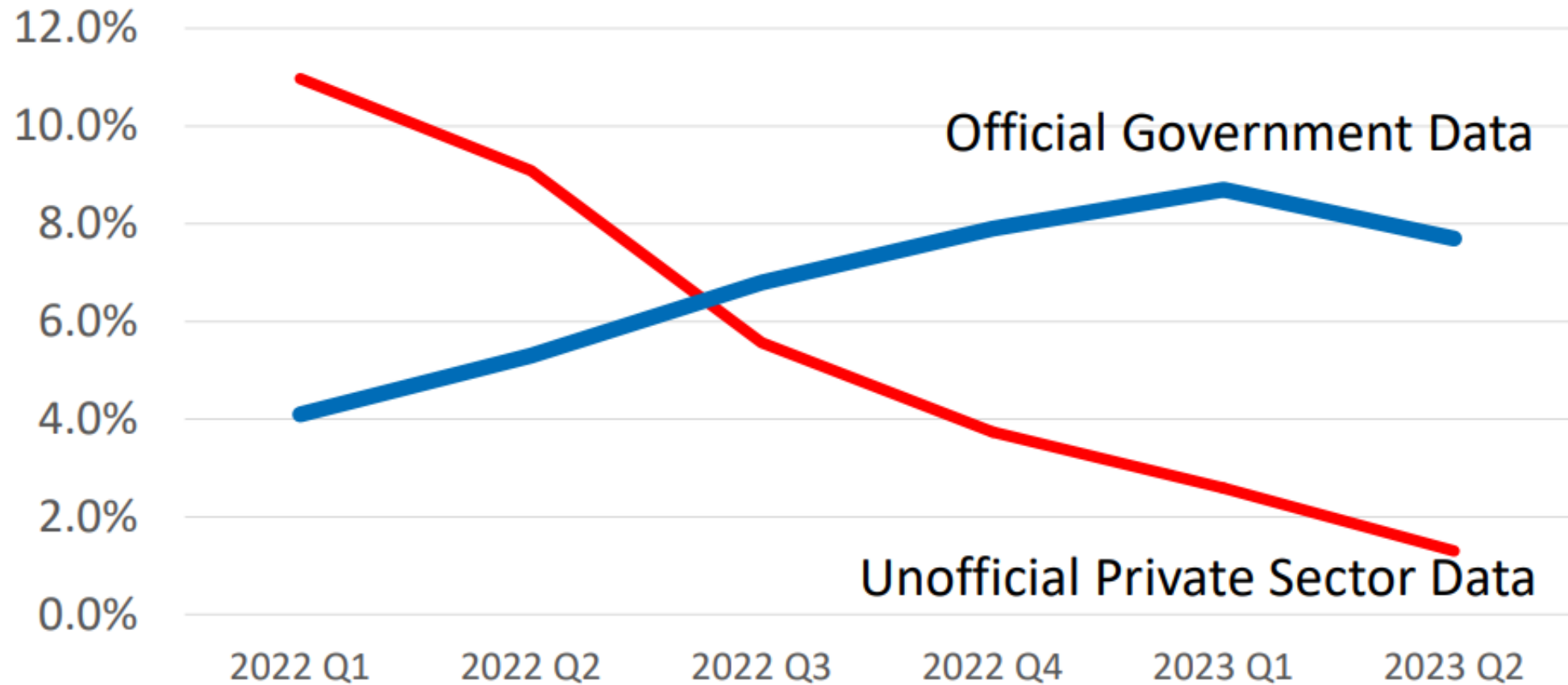
Multifamily Housing Starts

3 years of cyclical highs



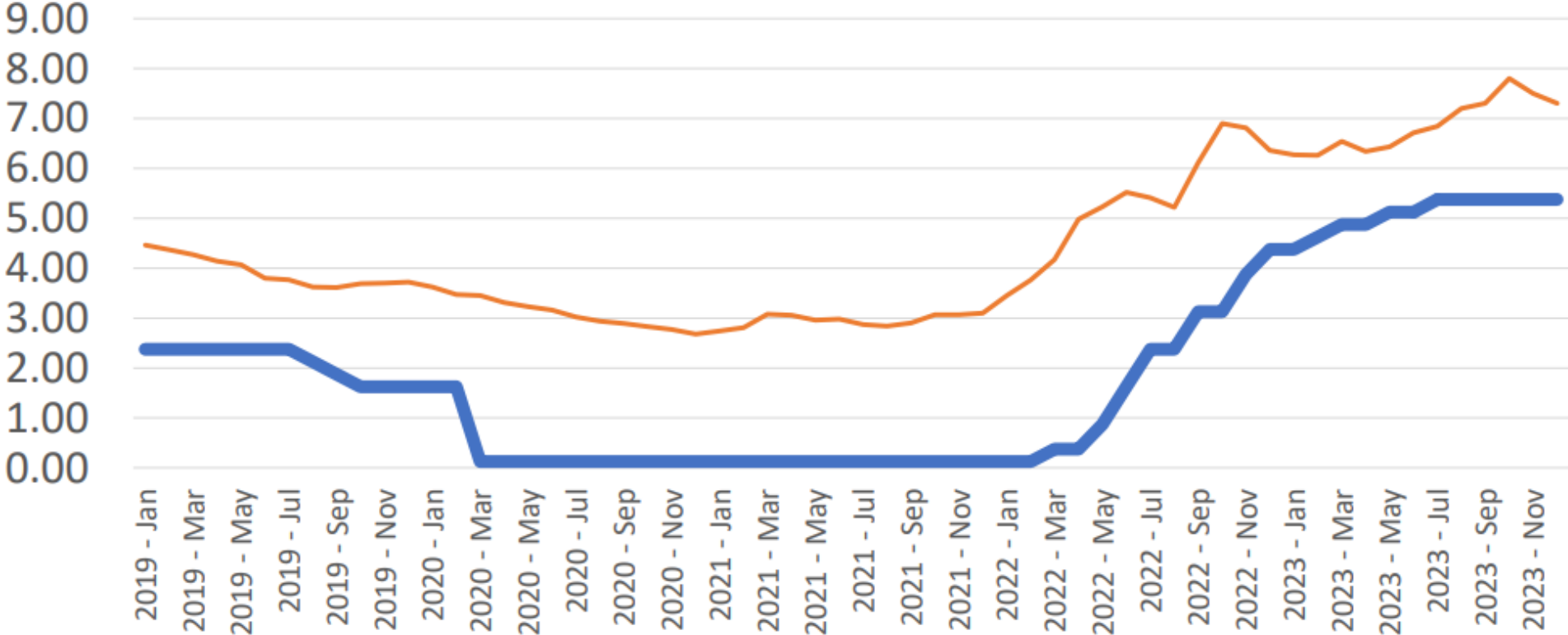
Source: NAR forecast and HUD

Rent Growth Softening?



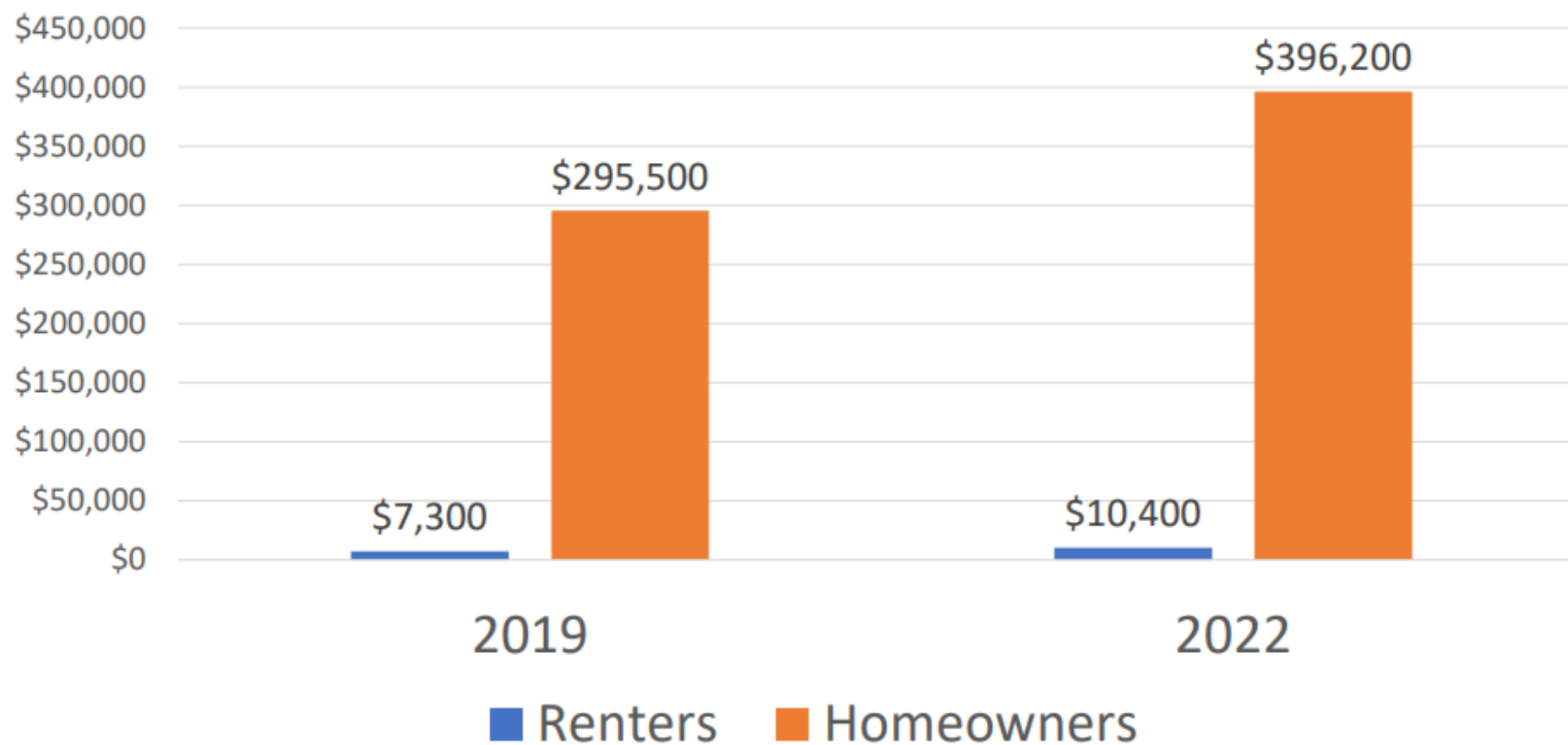
Source: BLS and CoStar

30-year Mortgage and Fed Funds Rate: Likely Peaked



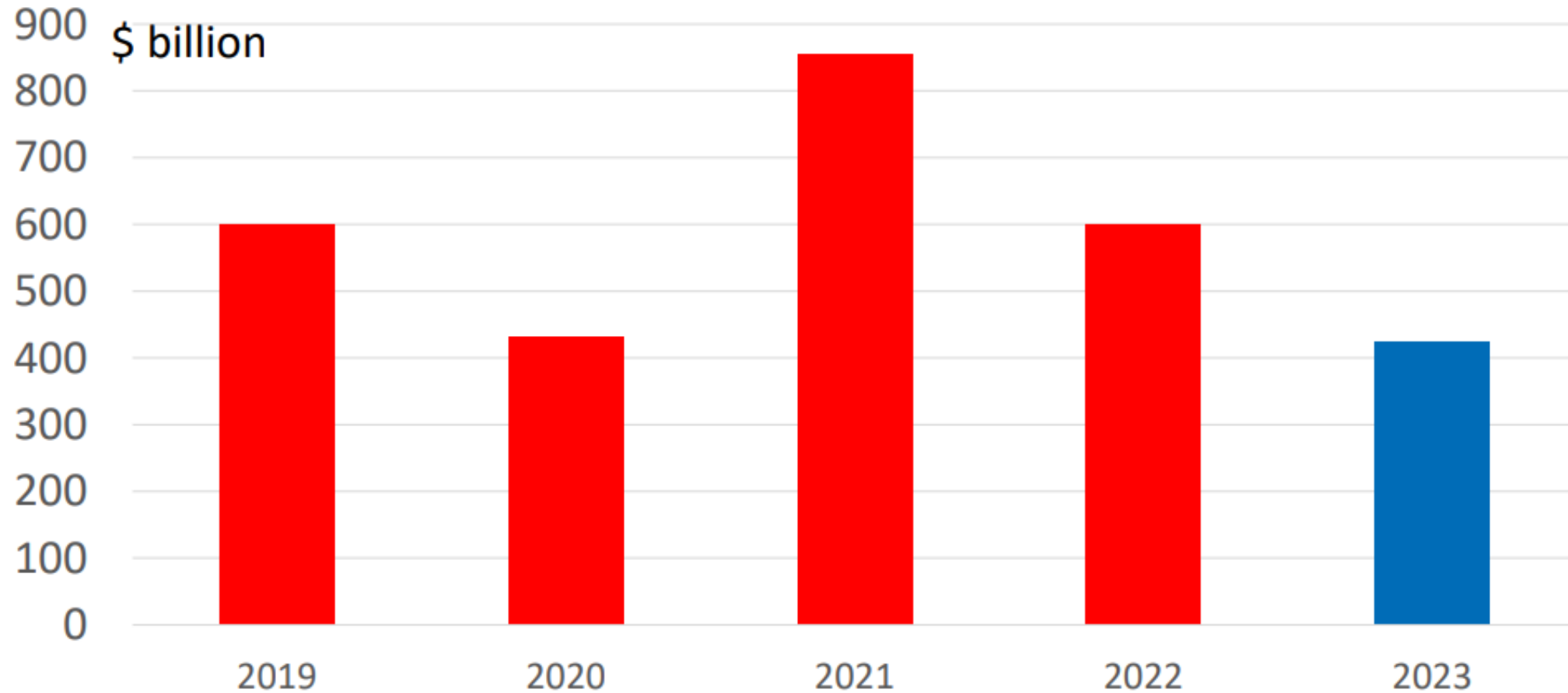
Source: U.S. Treasury and Federal Reserve

Wealth Comparison Between Owners and Renters



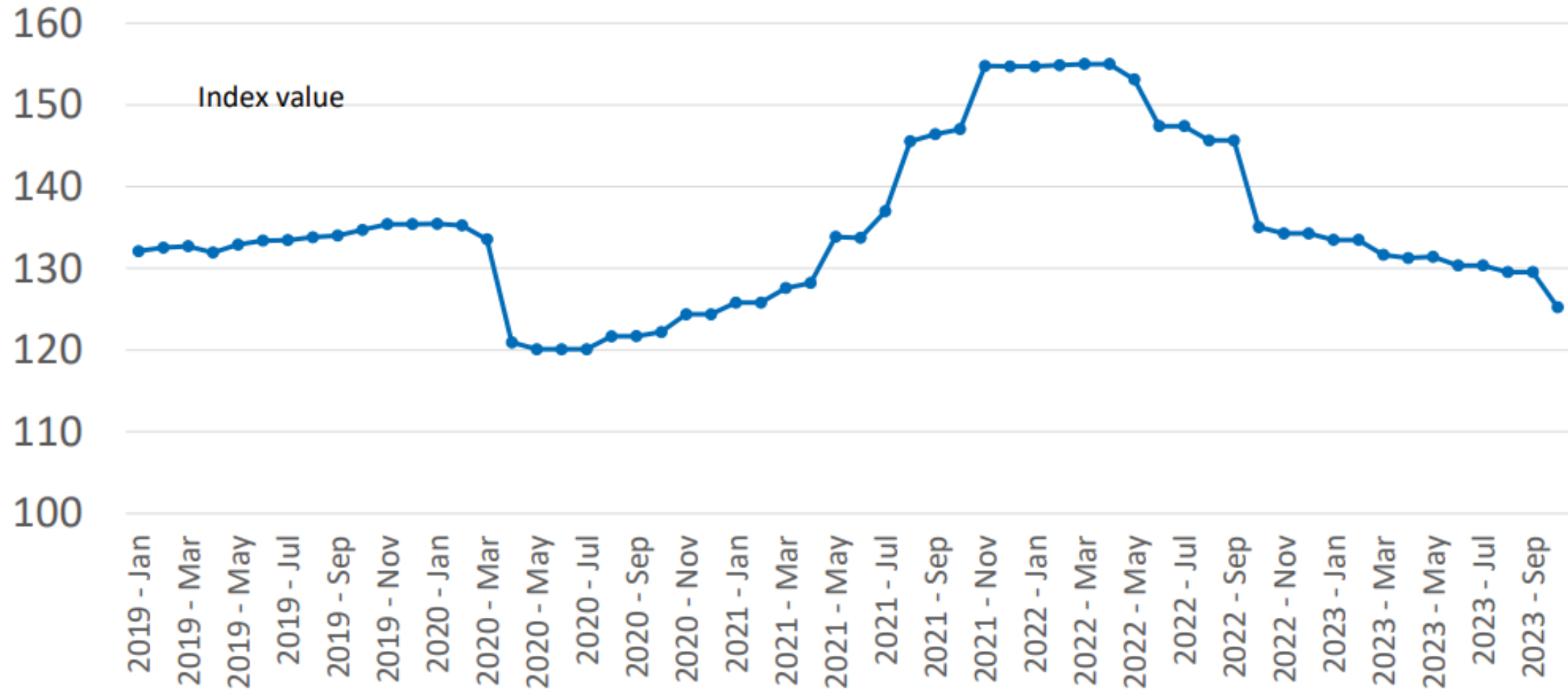
Source: Median Net Worth from Federal Reserve Survey of Consumer Finance

Commercial Transaction Volume Cut in Half in Two Years



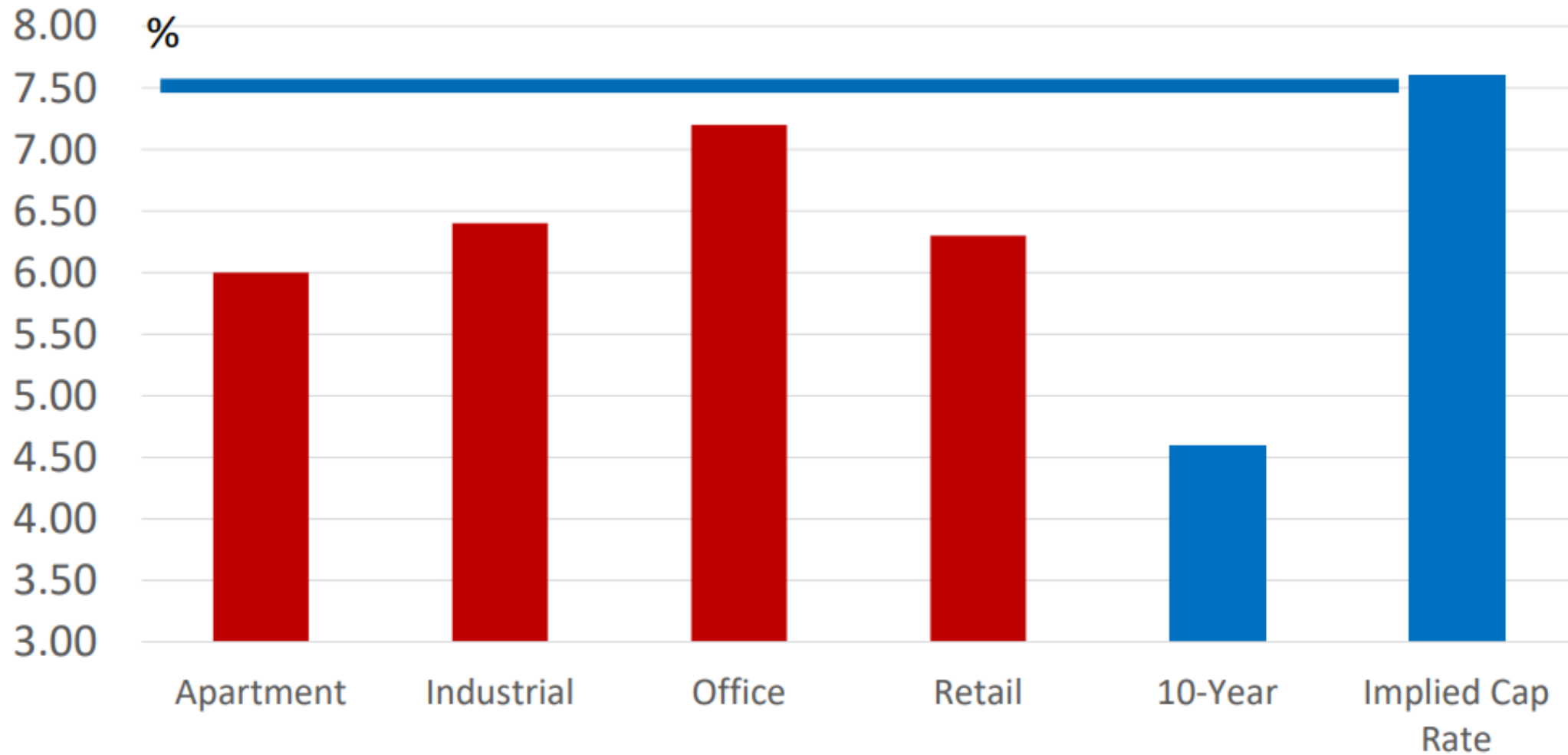
Source: MSCI, Real Capital Analytics

Commercial Property Prices Falling ... Below Pre-COVID



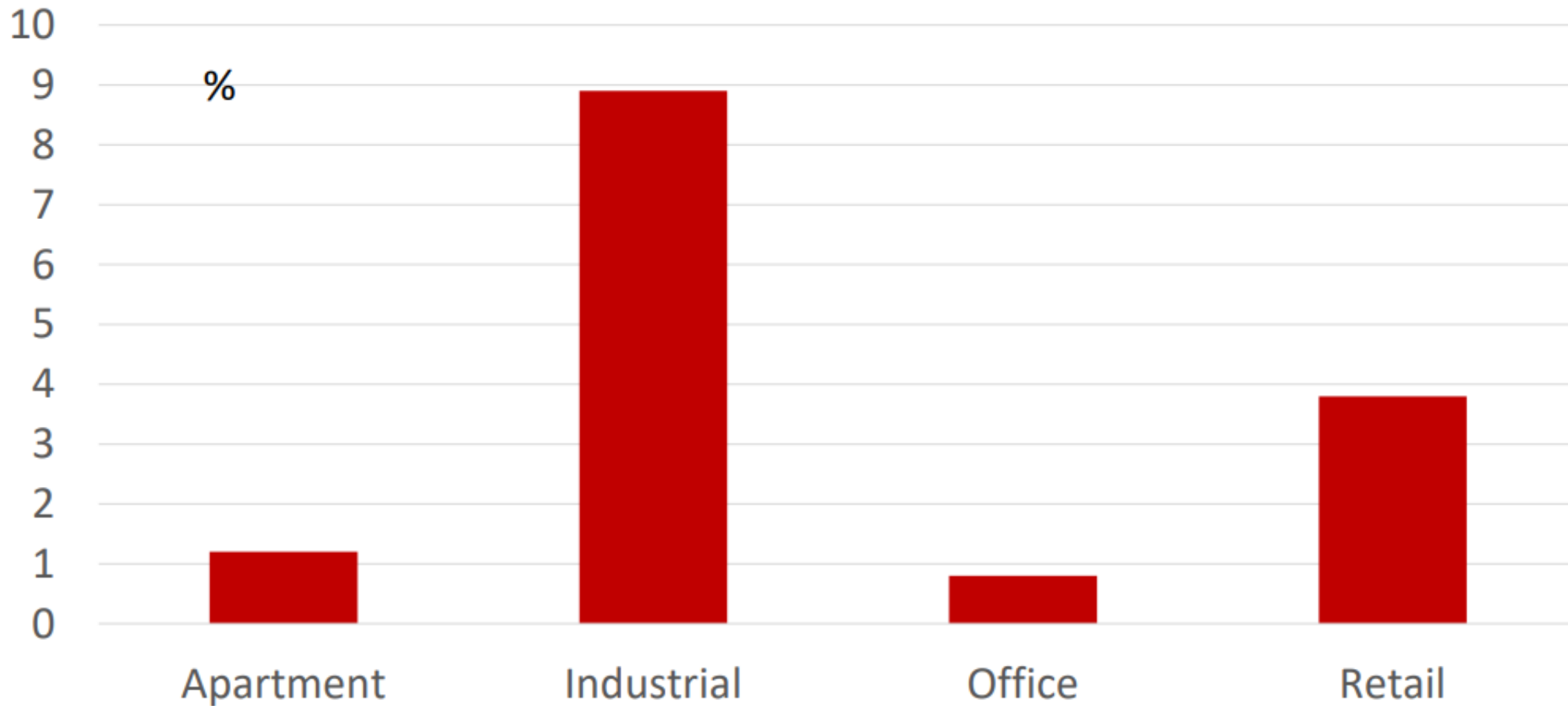
Source: Green Street

Cap Rates Rising but Still too Low? ... Further Price Reduction



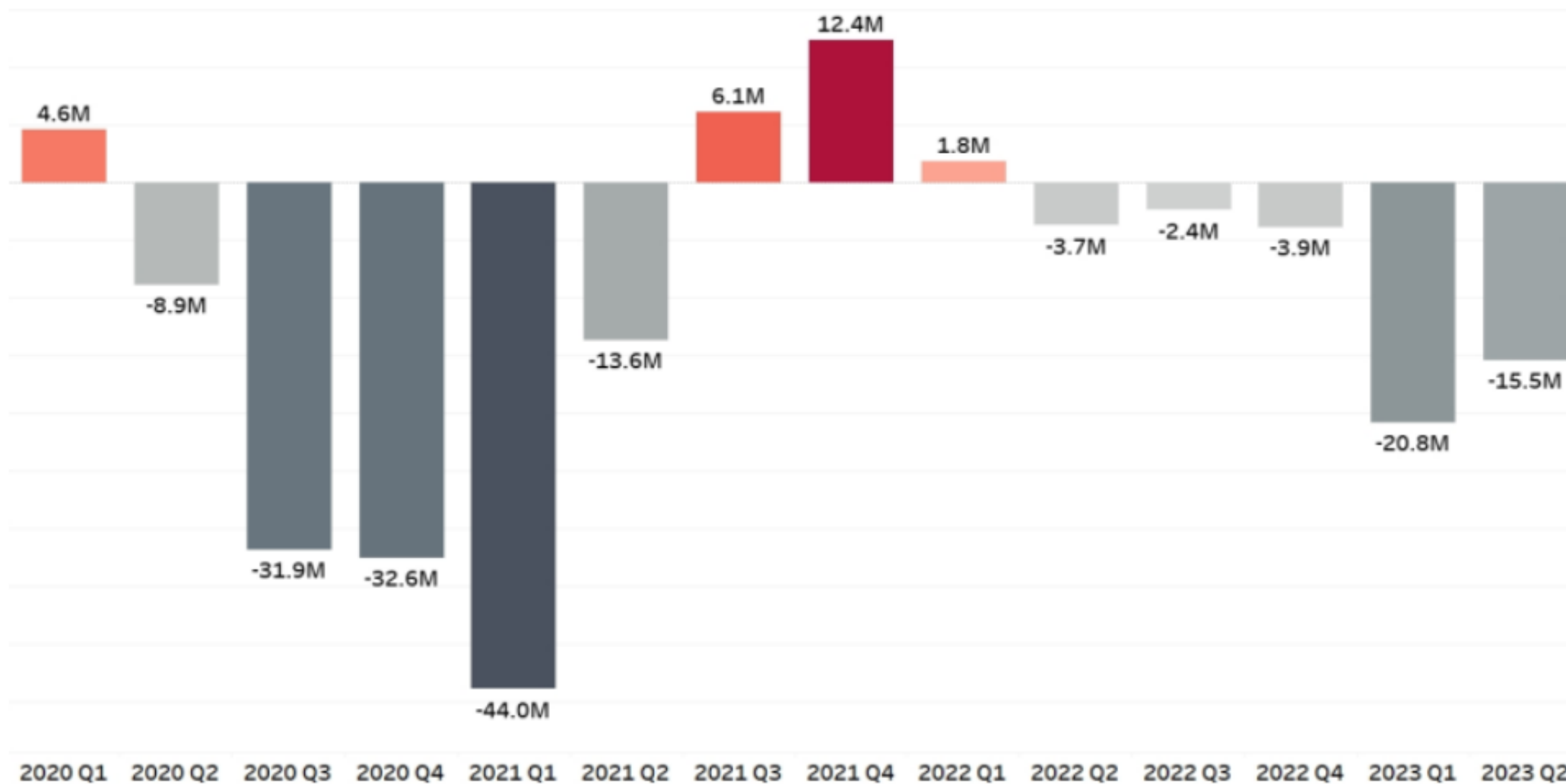
Source: CoStar and U.S. Treasury

Rent Growth Strongest in Industrial and Weakest in Office



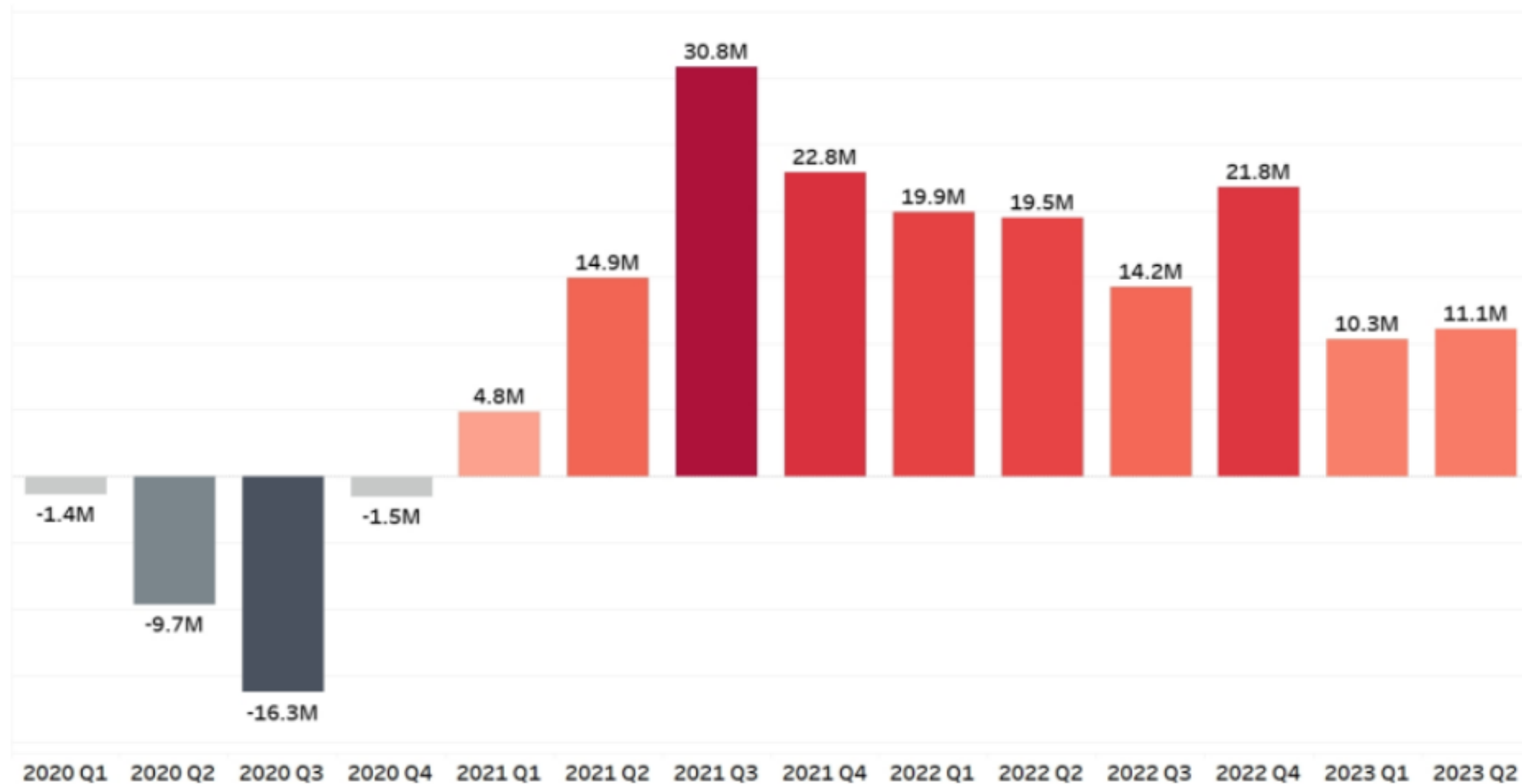
Source: NAR analysis of CoStar data

Office Net Leasing .. Negative



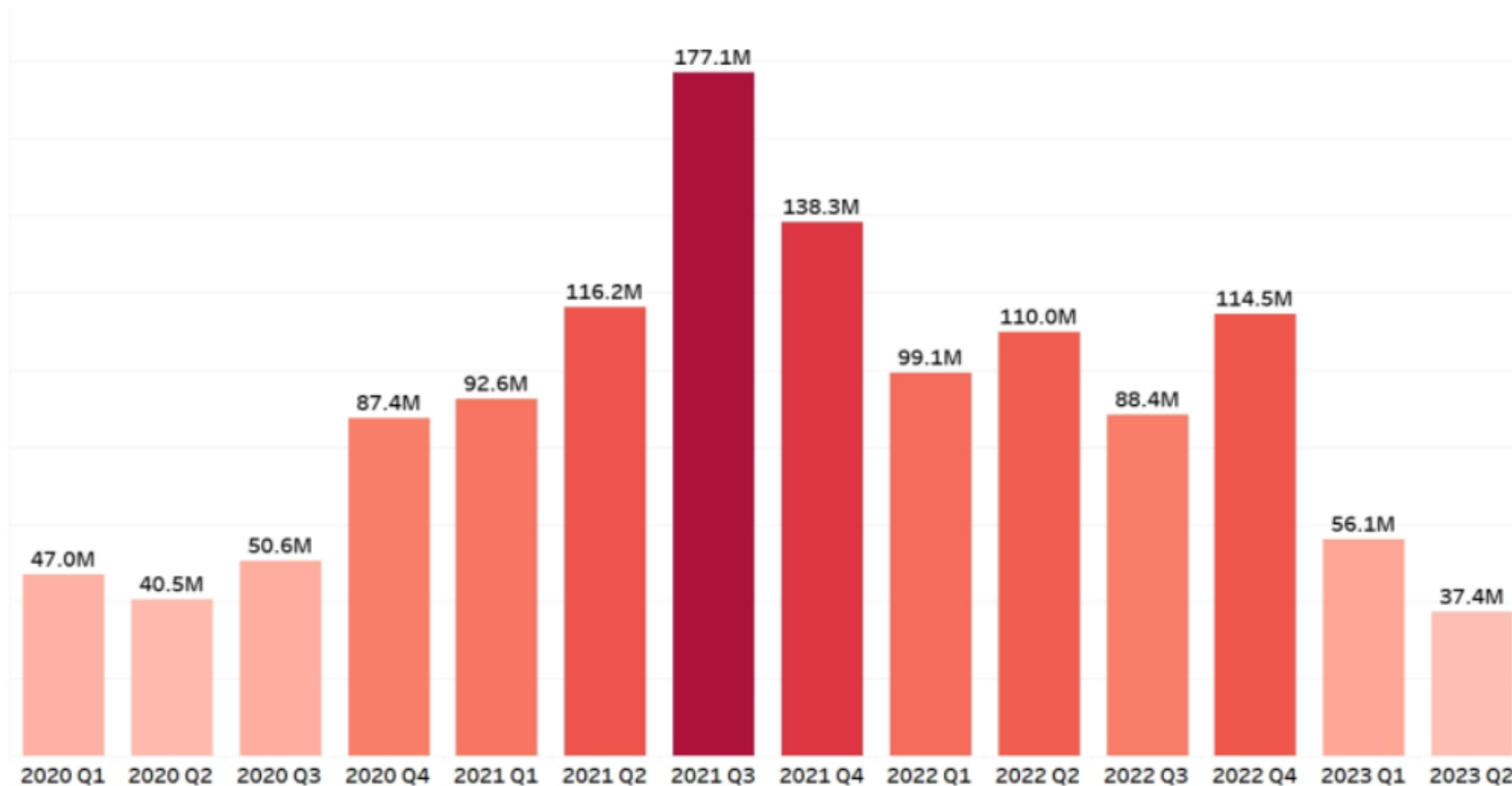
Source: NAR analysis of CoStar data

Retail Leasing ... Fizzling Out



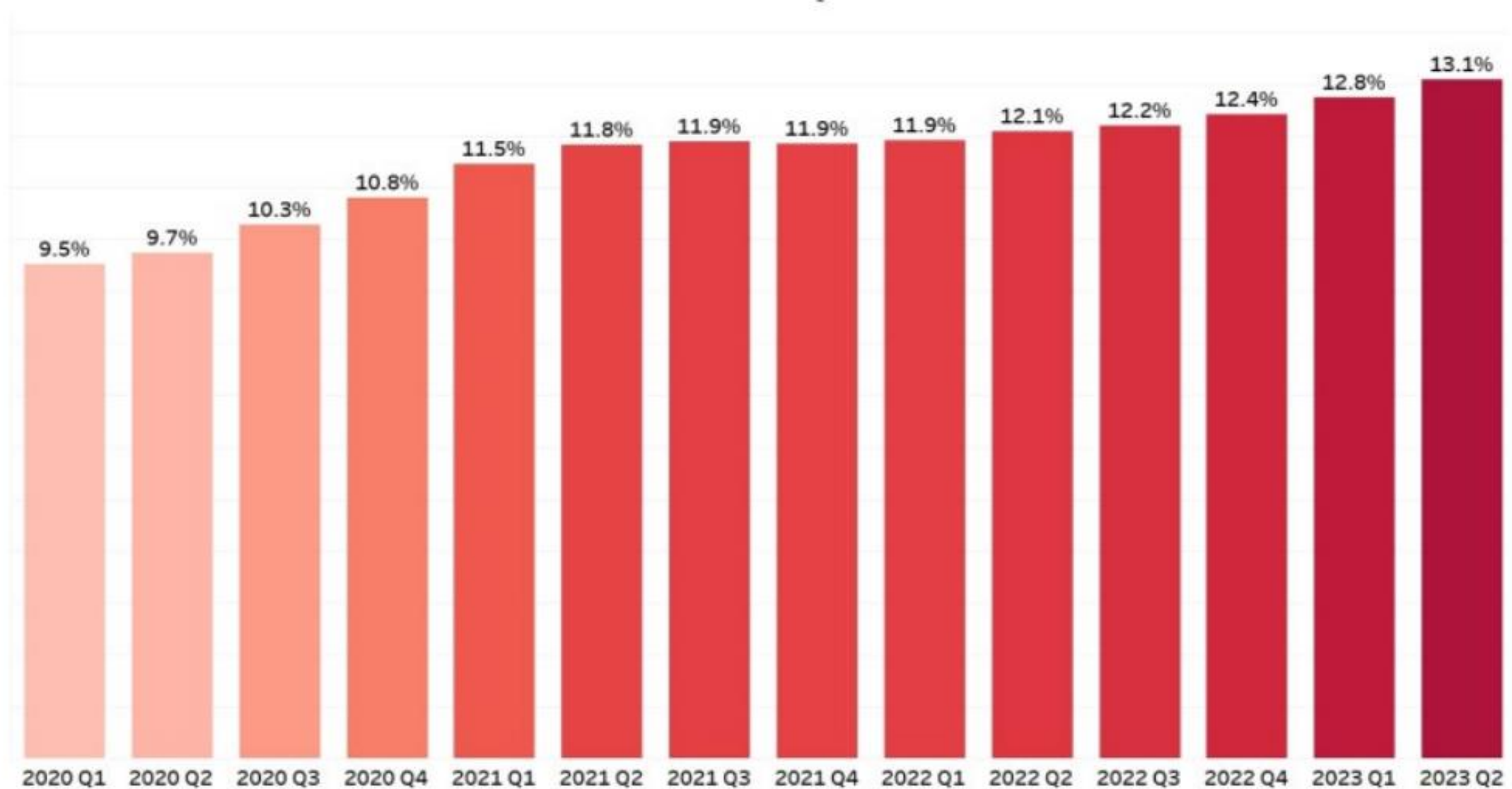
Source: NAR analysis of CoStar data

Even Warehouse/Industrial Space Leasing ... No



Source: NAR analysis of CoStar data

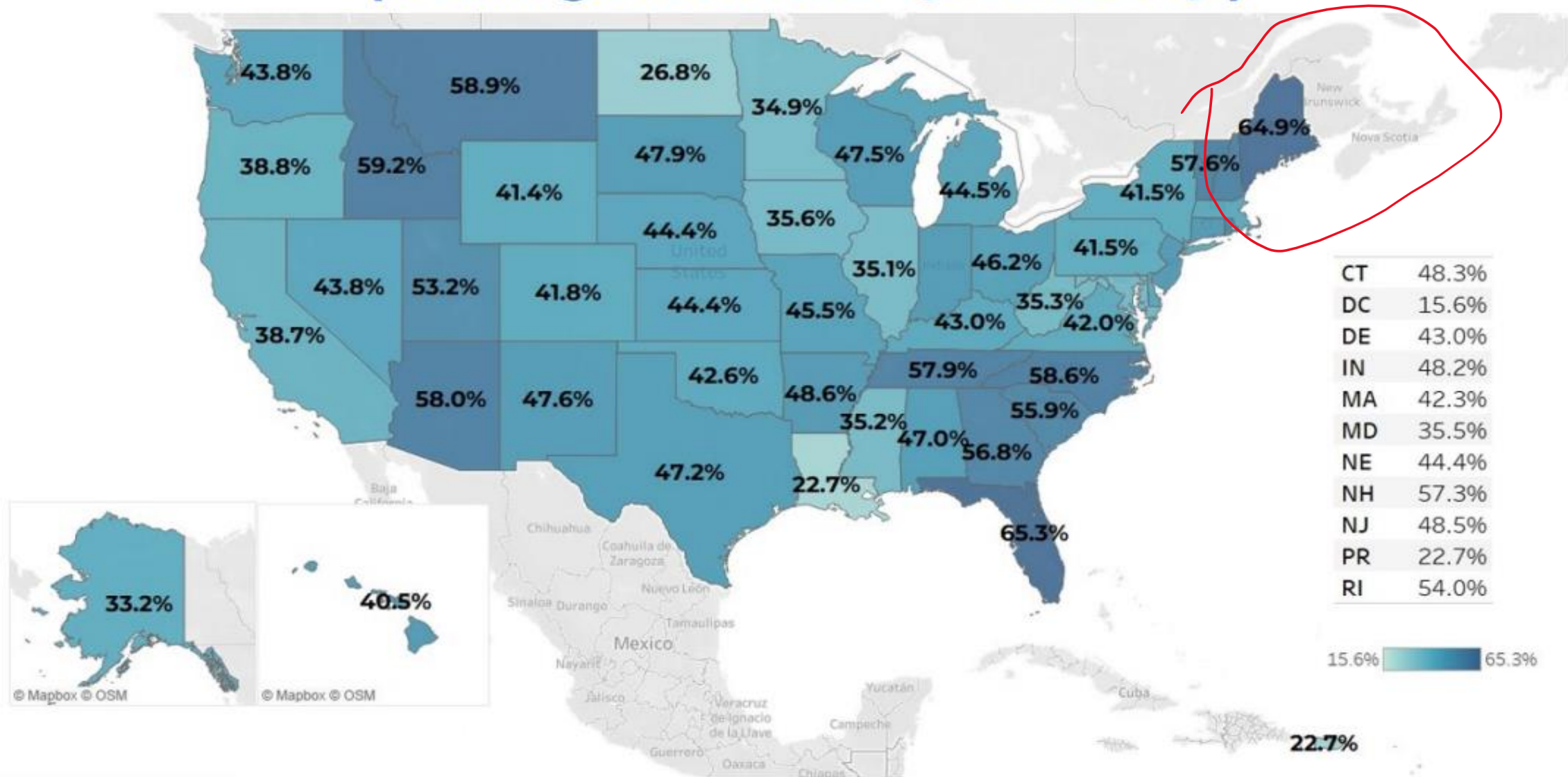
Office Vacancy Rate Rising and to Rise Further



Source: NAR analysis of CoStar data

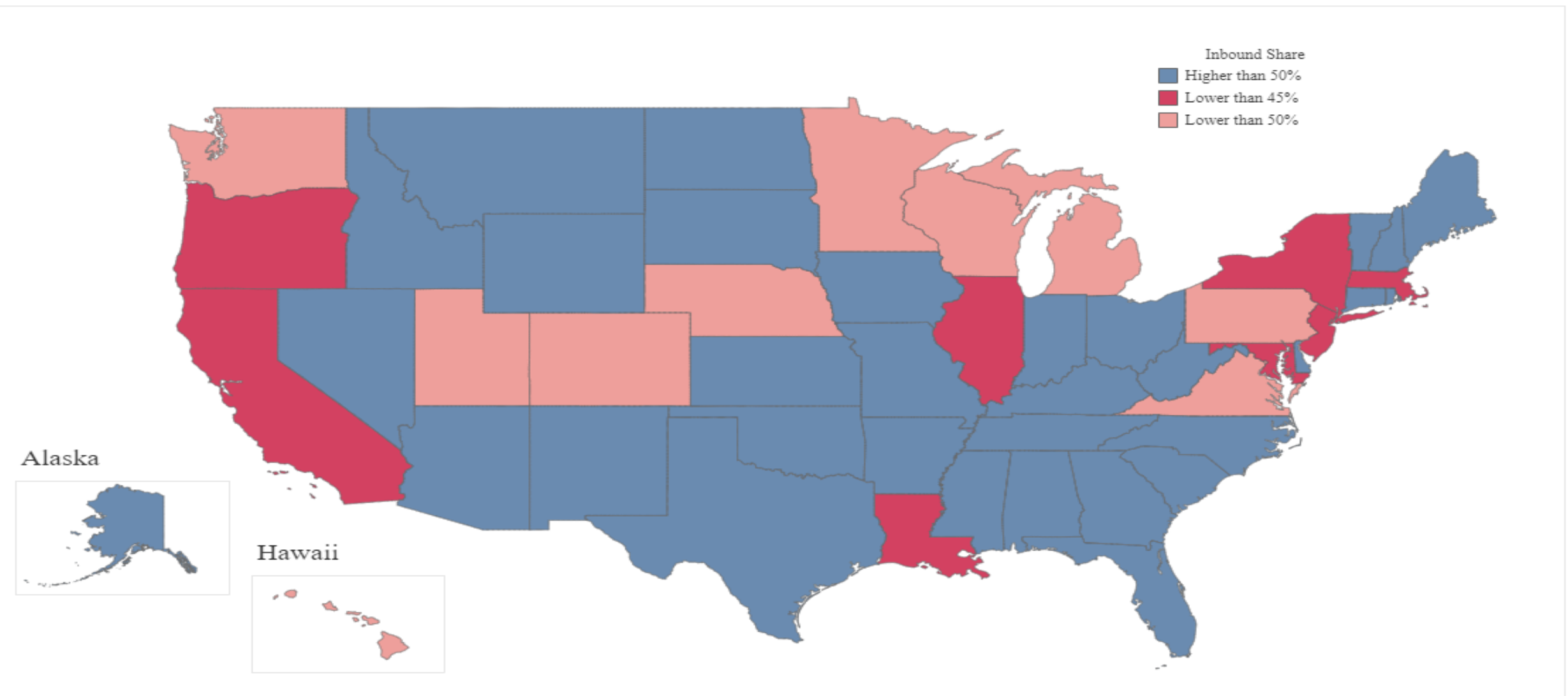
Home Price Appreciation Since COVID Arrival

(% change from 2020 Q1 to 2023 Q3)



Source: NAR Analysis of FHFA Home Price Index

Inbound Share of Moves by State, 2022



Sources: U.S. Census Bureau, NAR Calculations



T
H

C
F
S
A
O
D
A
T
N
G

T
H

N
C
N
I
M
L
M
C
H
U

Lower Rates: More Buyers and Potential for More Sellers



Source: NAR

Top Pent-Up Demand Markets

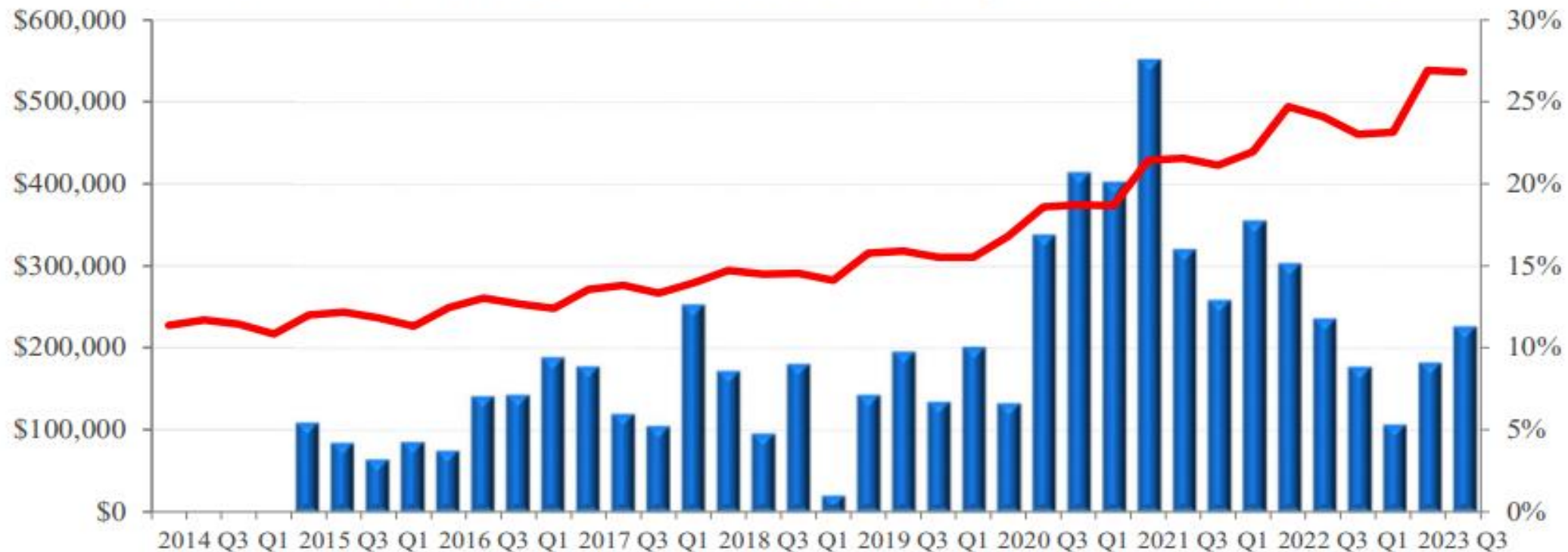
Metros in Midwest/South	Metros in East
Austin-Round Rock-Georgetown	Durham-Chapel Hill
Dallas-Ft. Worth-Arlington	Harrisburg-Carlisle
Houston-Woodlands-Sugar Land	Philadelphia-Camden-Wilmington
Nashville	Portland, ME
Dayton-Kettering	Washington-Arlington-Alexandria

Portland-South Portland-Biddeford Area

Local Market Report, Third Quarter 2023

Today's Market...

Median Price (Red Line) and One-year Price Growth



Local Price Trends			
Price Activity	Portland	U.S.	Local Trend
Current Median Home Price (2023 Q3)	\$482,000	\$400,867	Prices continue to grow relative to last year
1-year (4-quarter) Appreciation (2023 Q3)	11.3%	2.4%	
3-year (12-quarter) Appreciation (2023 Q3)	44.4%	29.7%	
3-year (12-quarter) Housing Equity Gain*	\$164,900	\$91,700	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$275,700	\$161,400	
9-year (36 quarters) Housing Equity Gain*	\$305,000	\$184,500	
*Note: Equity gain reflects price appreciation only			

	Portland	U.S.	
Conforming Loan Limit**	\$726,200	\$1,089,300	Most buyers in this market have access to government-backed financing
FHA Loan Limit	\$506,000	\$1,089,300	
Local Median to Conforming Limit Ratio	66%	not comparable	

Note: limits are current and include the changes made on January 1st 2023.

Total Equity Gained** through 2023 Q3 from quarter in which home was of purchased

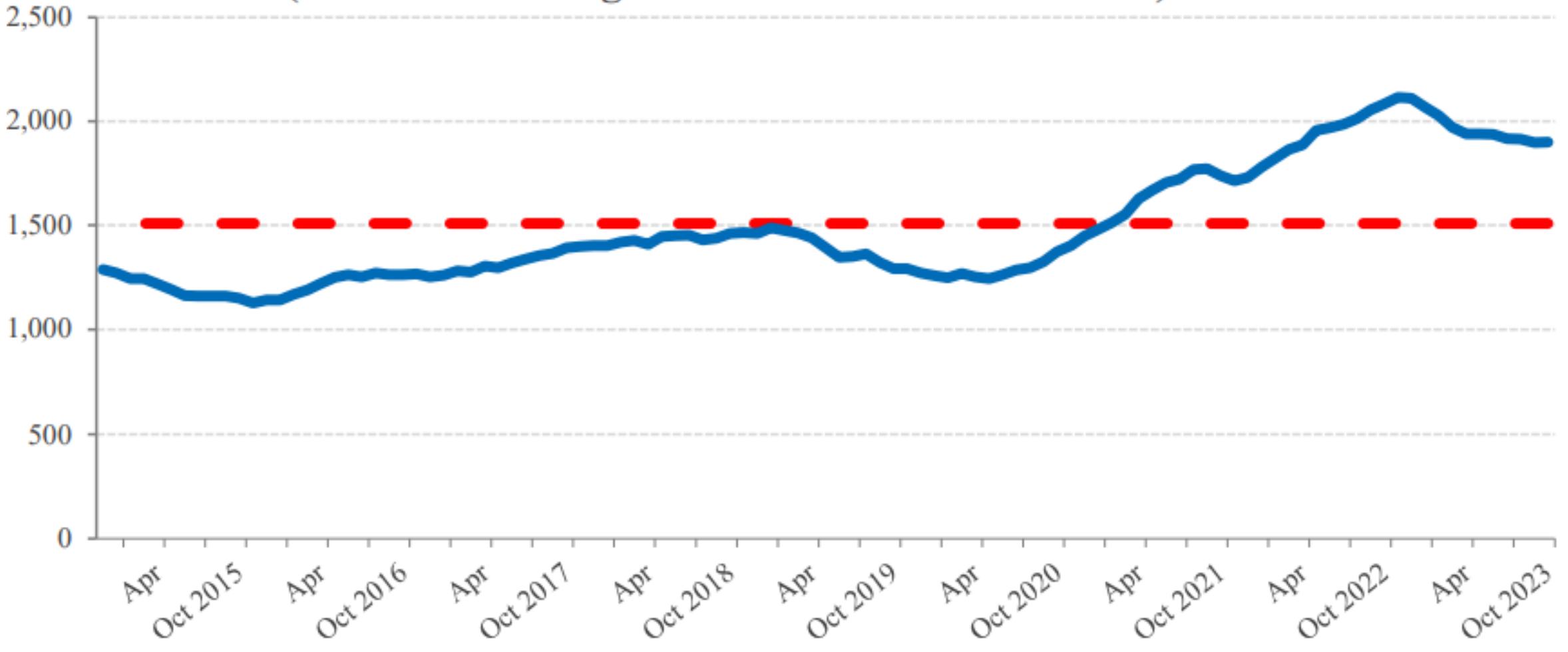
Price Activity	Portland	U.S.	Local Trend
1-year (4-quarter)	\$60,406	\$14,262	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$186,794	\$109,915	
5-year (20-quarter)*	\$270,029	\$158,012	
7-year (28 quarters)*	\$311,326	\$194,111	
9-year (36 quarters)*	\$341,808	\$220,615	

*Note: Equity gain reflects price and principle payments since purchase, prevailing 30-year fixed rate mortgage at time of purchase and a 10% downpayment. Downpayment is not included in total equity

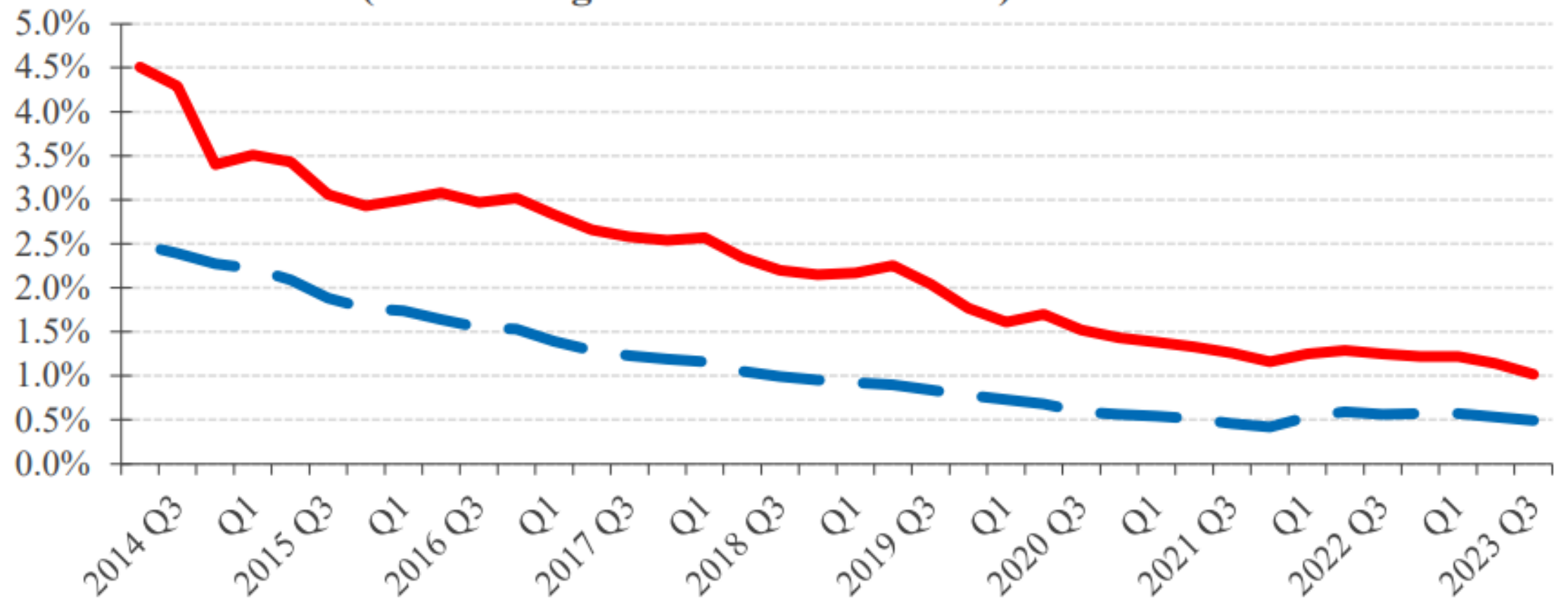
New Housing Construction

Local Fundamentals	Portland	U.S.	
12-month Sum of 1-unit Building Permits through Oct 2023	1,899	not comparable	The current level of construction is 25.8% above the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	1,509	not comparable	Production above trend for an extended period of time could cause prices to moderate as inventory is built up.
Single-Family Housing Permits (Oct 2023) 12-month sum vs. a year ago	-8.9%	-14.1%	Construction continues to decline from last year

Construction: 12-month Sum of Local Housing Permits (Historical Average Shown in Red Dashed Line)



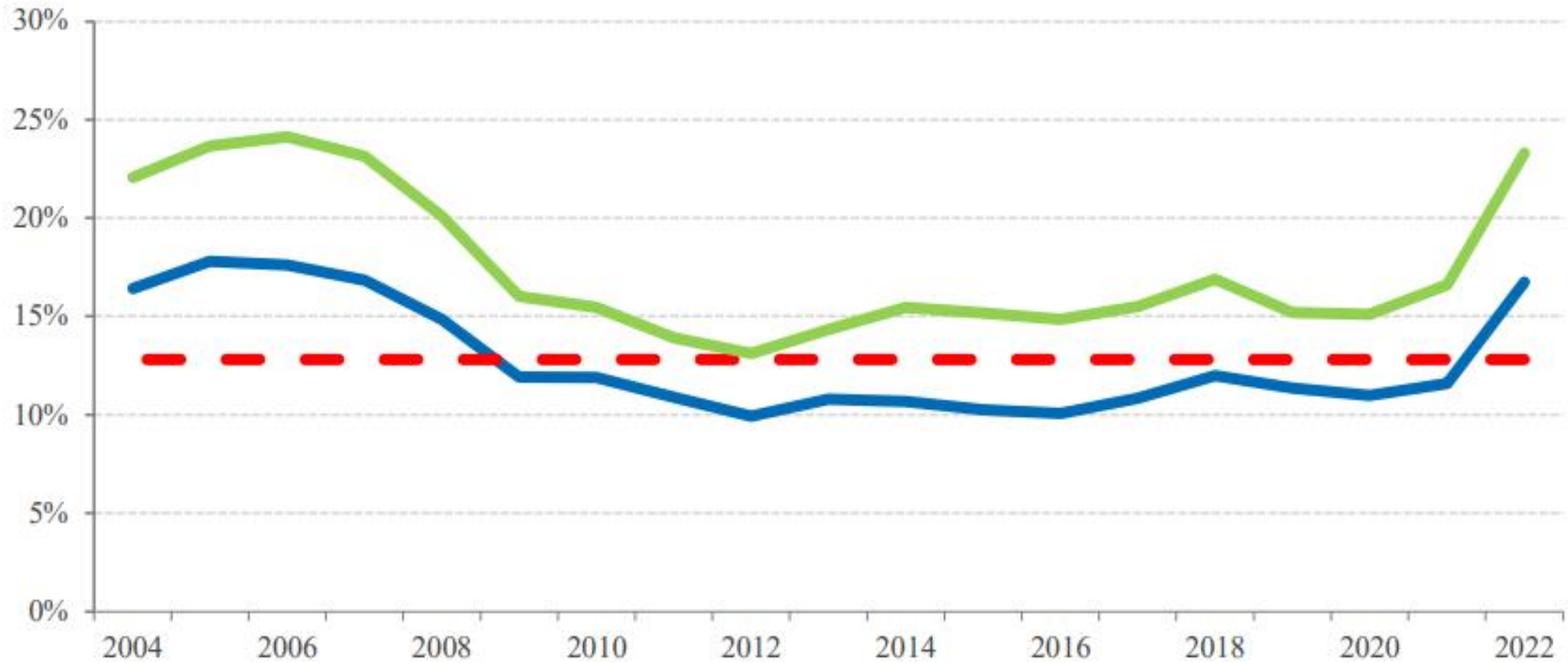
State Total Foreclosure Rate vs. U.S. Average (U.S. Average in Blue Dashed Line)



Source: Mortgage Bankers' Association

Affordability

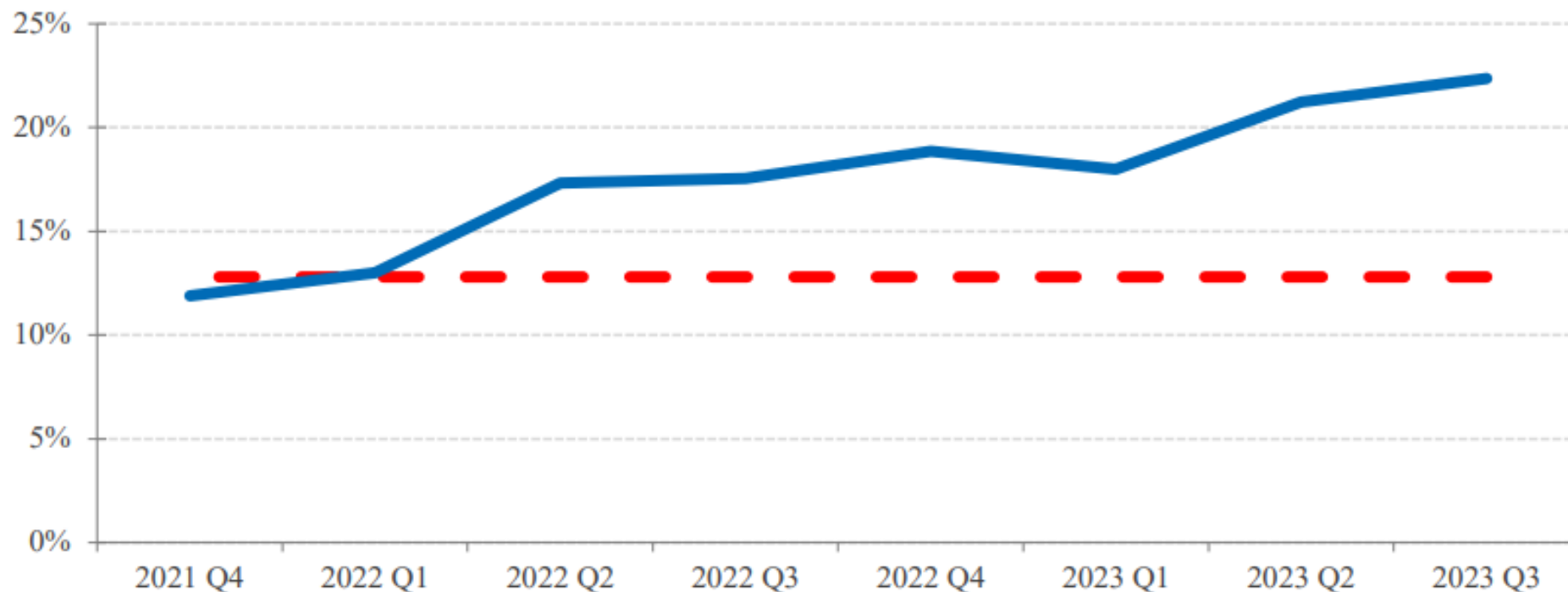
Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income
(Local Historical Average Shown in Red, U.S. Average in Green)



Monthly Mortgage Payment to Income	Portland	U.S.	
Ratio for 2022	16.7%	23.3%	Weak by local standards and could weigh on demand
Ratio for 2023 Q3	22.4%	27.3%	
Historical Average	12.8%	17.8%	More affordable than most markets

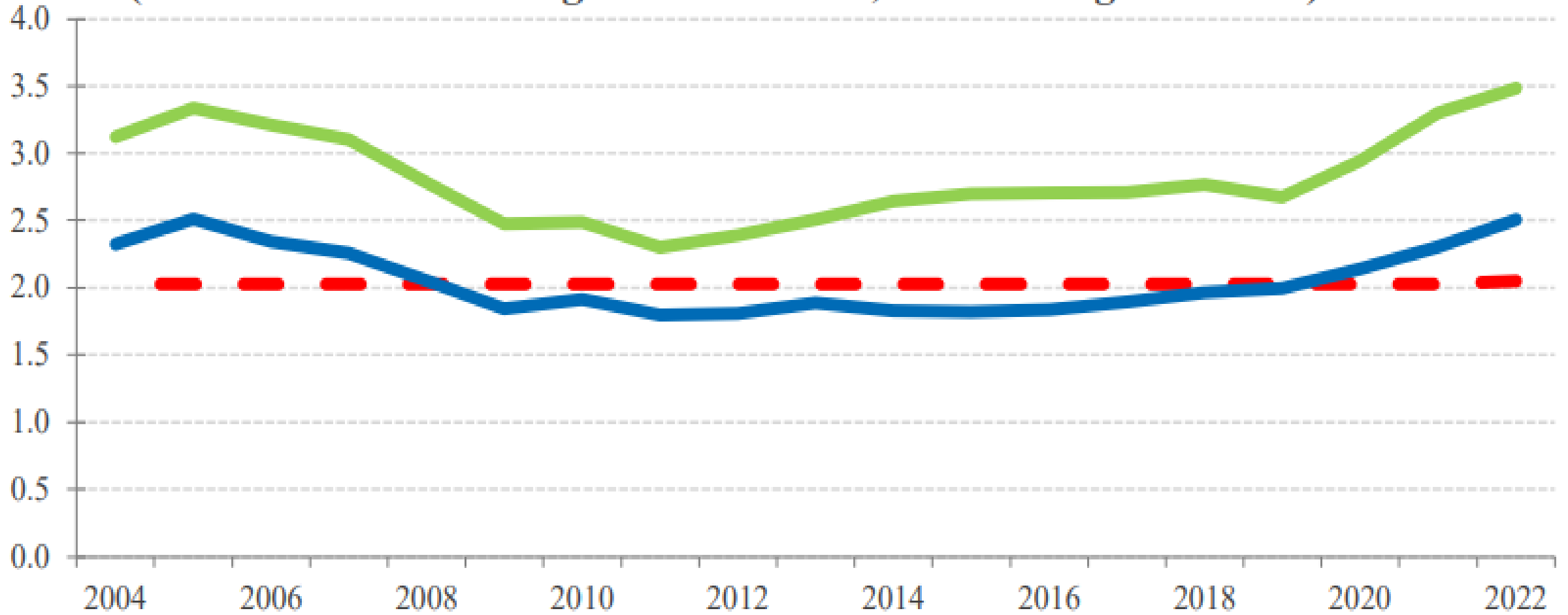
Recent Trend - Local Mortgage Servicing Cost to Income

(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	Portland	U.S.	
Ratio for 2022	2.5	3.5	The price-to-income ratio is high by historic standards and getting worse
Ratio for 2023 Q3	2.8	3.4	
Historical Average	2.1	2.8	Affordable compared to most markets

**Ratio of Local Median Home Price to Local Average Income
(Local Historical Average Shown in Red, U.S. Average in Green)**

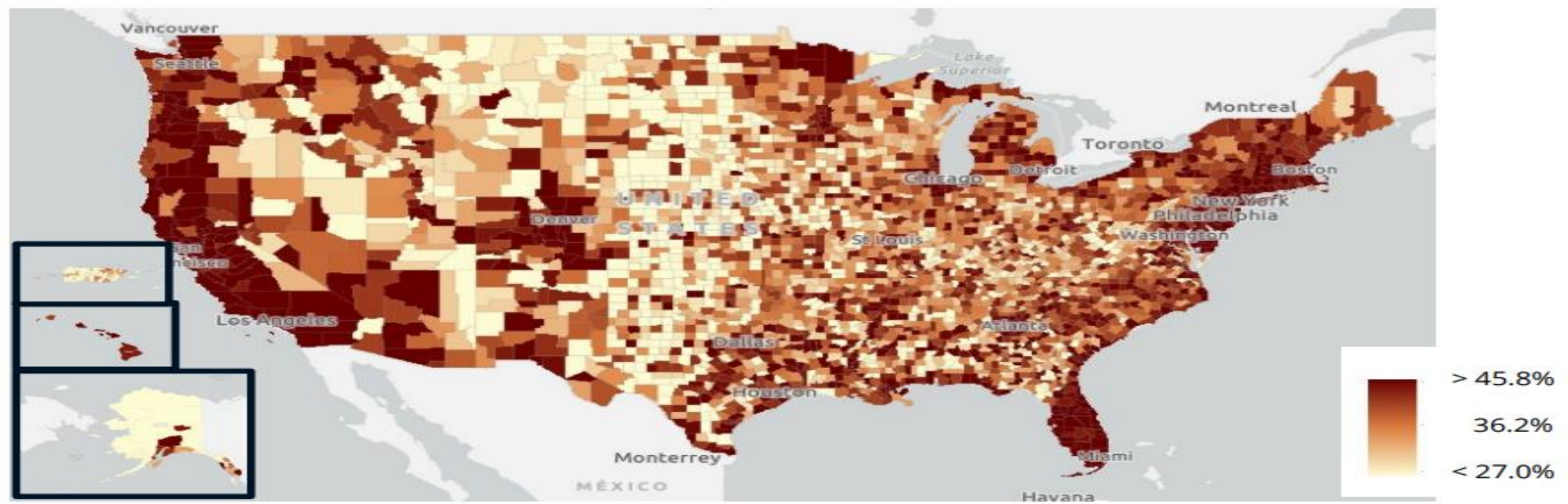


State of Maine Housing Production Needs Study

Homes to support Mainers and Maine businesses, now and in the future.

Executive Summary
October 2023

Figure 1: Percentage of Cost Burdened Renters by County



Source: American Community Survey 5-Year 2021

Measuring Housing Need

To address these needs and meet the State's policy priorities, Maine needs approximately 38,500 homes to remedy historic underproduction and will need an additional 37,900 to 45,800 homes to meet expected population growth and household change by 2030 (Table 1). Maine can meet this goal both through the production of new homes and reinvestment in existing homes that are vacant or unavailable due to disrepair or foreclosure.

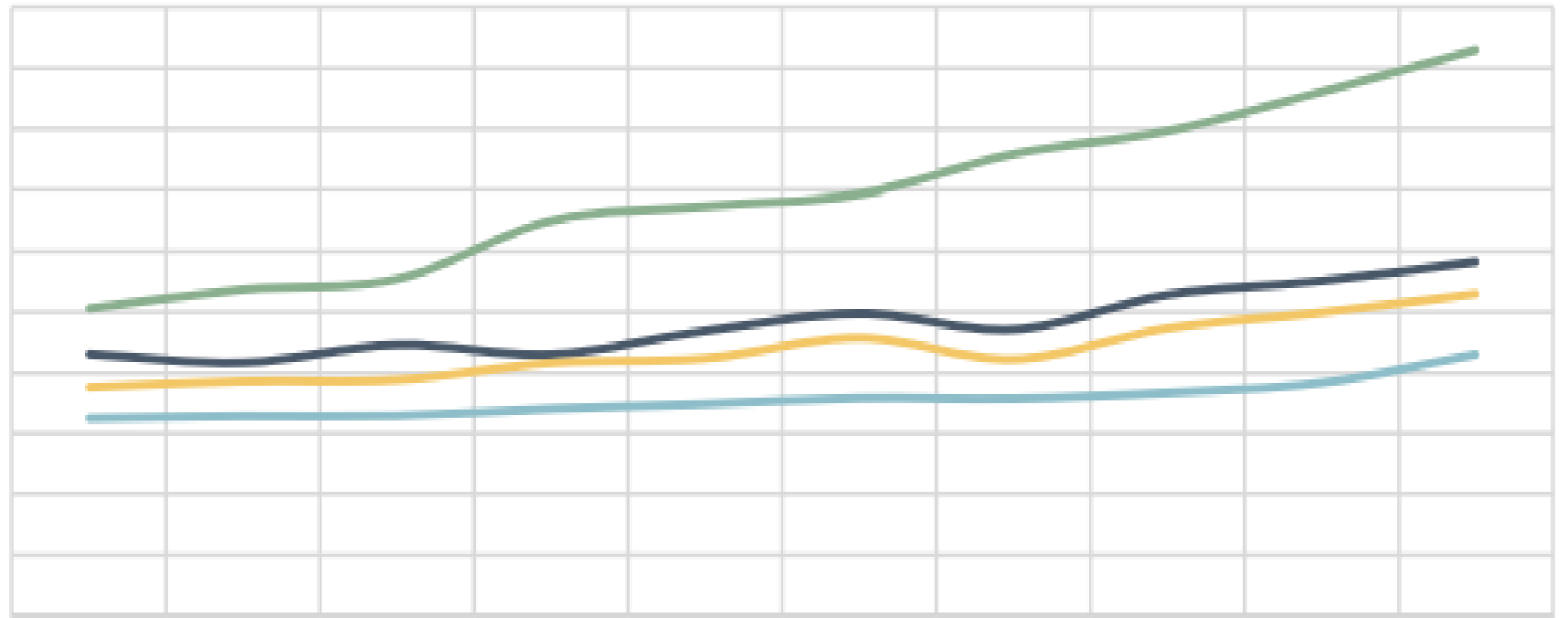
Table 1: Historic Underproduction and Future Need by Region

<i>Region</i>	<i>Historic Underproduction</i>	<i>Future Need (2021 - 2030)</i>	<i>Total</i>
<i>Coastal</i>	21,200	24,200 - 28,000	45,400 - 49,200
<i>Central Western</i>	13,000	9,700 - 11,700	22,700 - 24,700
<i>Northeastern</i>	4,300	4,000 - 6,100	8,300 - 10,400
Maine	38,500	37,900 - 45,800	76,400 - 84,300

Table 2: Annualized Production Needs Compared to Annual Building Permits by Region

	<i>Total Annual Production Need</i>	<i>5-year average (2016 - 2021)</i>	<i>% Change in Permits</i>	<i>Net Change in permits</i>
<i>Coastal</i>	5,100 – 5,500	3,400	50% - 62%	1,700 – 2,100
<i>Central Western</i>	2,500 – 2,700	1,000	150% - 170%	1,500 – 1,700
<i>Northeastern</i>	900 – 1,100	400	128% - 175%	510 - 700
<i>Maine</i>	8,500 – 9,300	4,800	77% - 94%	3,700 – 4,500

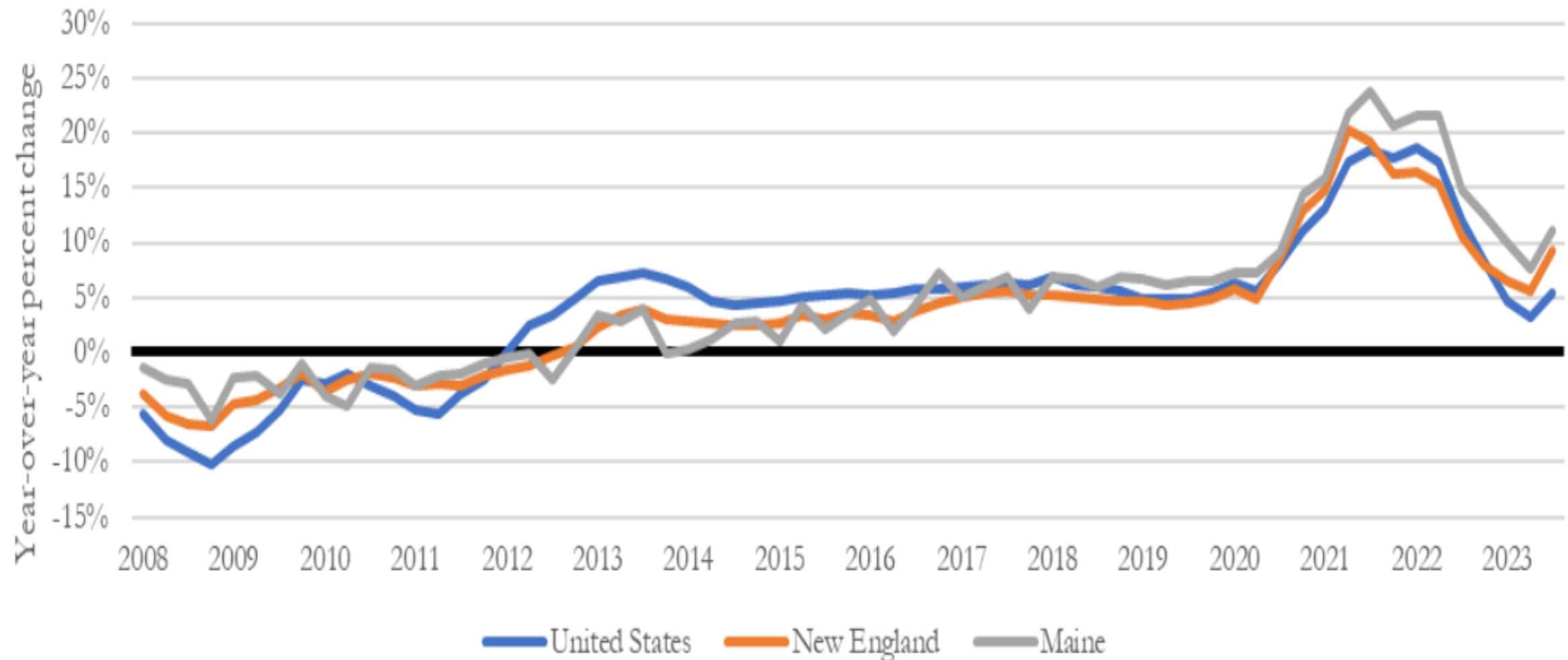
HUD Fair Market Rents Selected Maine Geographies



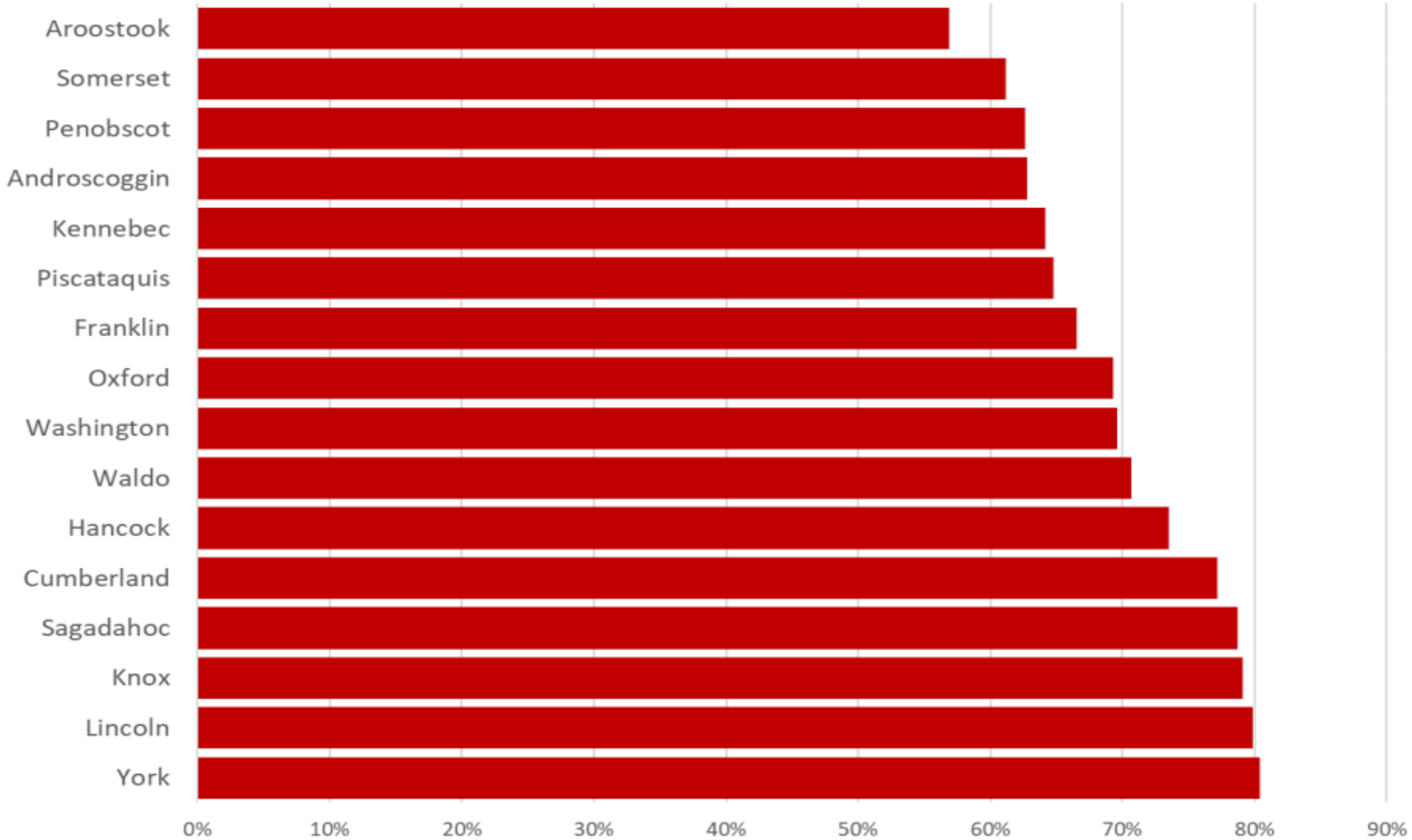
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
— Bangor HUD Metro	\$861	\$833	\$892	\$860	\$938	\$996	\$943	\$1,057	\$1,103	\$1,166
— Portland HUD Metro	\$1,012	\$1,074	\$1,109	\$1,301	\$1,348	\$1,387	\$1,516	\$1,592	\$1,721	\$1,859
— Lewiston-Auburn HUD Metro	\$752	\$772	\$777	\$832	\$847	\$915	\$844	\$947	\$999	\$1,060
— Piscataquis County	\$650	\$657	\$658	\$681	\$697	\$716	\$714	\$734	\$767	\$860

— Bangor HUD Metro
— Portland HUD Metro
— Lewiston-Auburn HUD Metro
— Piscataquis County

Percent Changes, Year-over-year in FHFA House Price Index (Seasonally Adjusted)



Percent of Households Unable to Afford Median Home, 2022



All Listings Market Statistics, December 2023



Single Family

Condominium

Manufactured Home

Multi-Family

Land

Median Sales Price

Closed Sales

Sold \$/SqFt or Acre

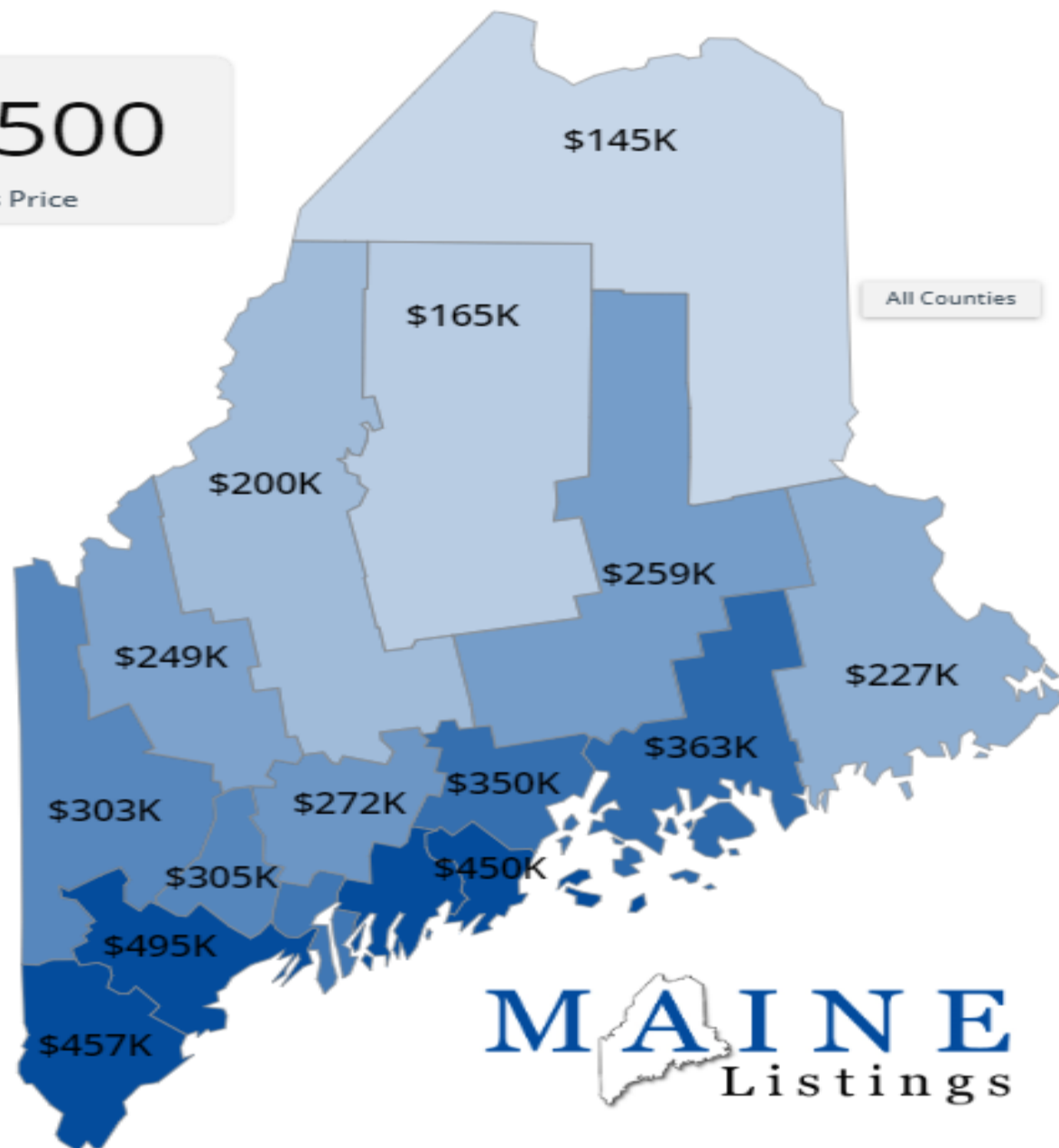
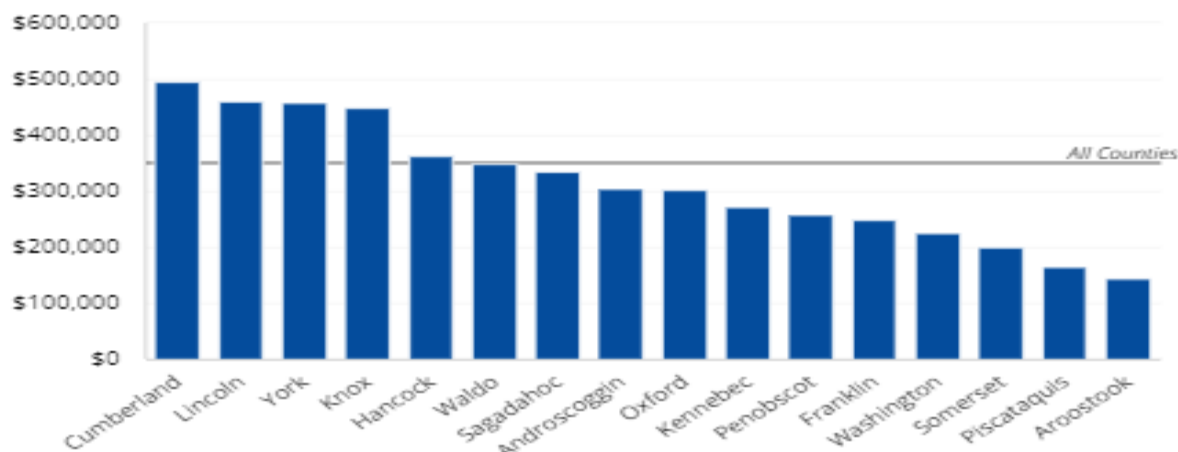
New Listings

Median Days on Market

End of Month Inventory

\$350,500

Median Sales Price



MAINE
Listings



All Listings Market Statistics, December 2023

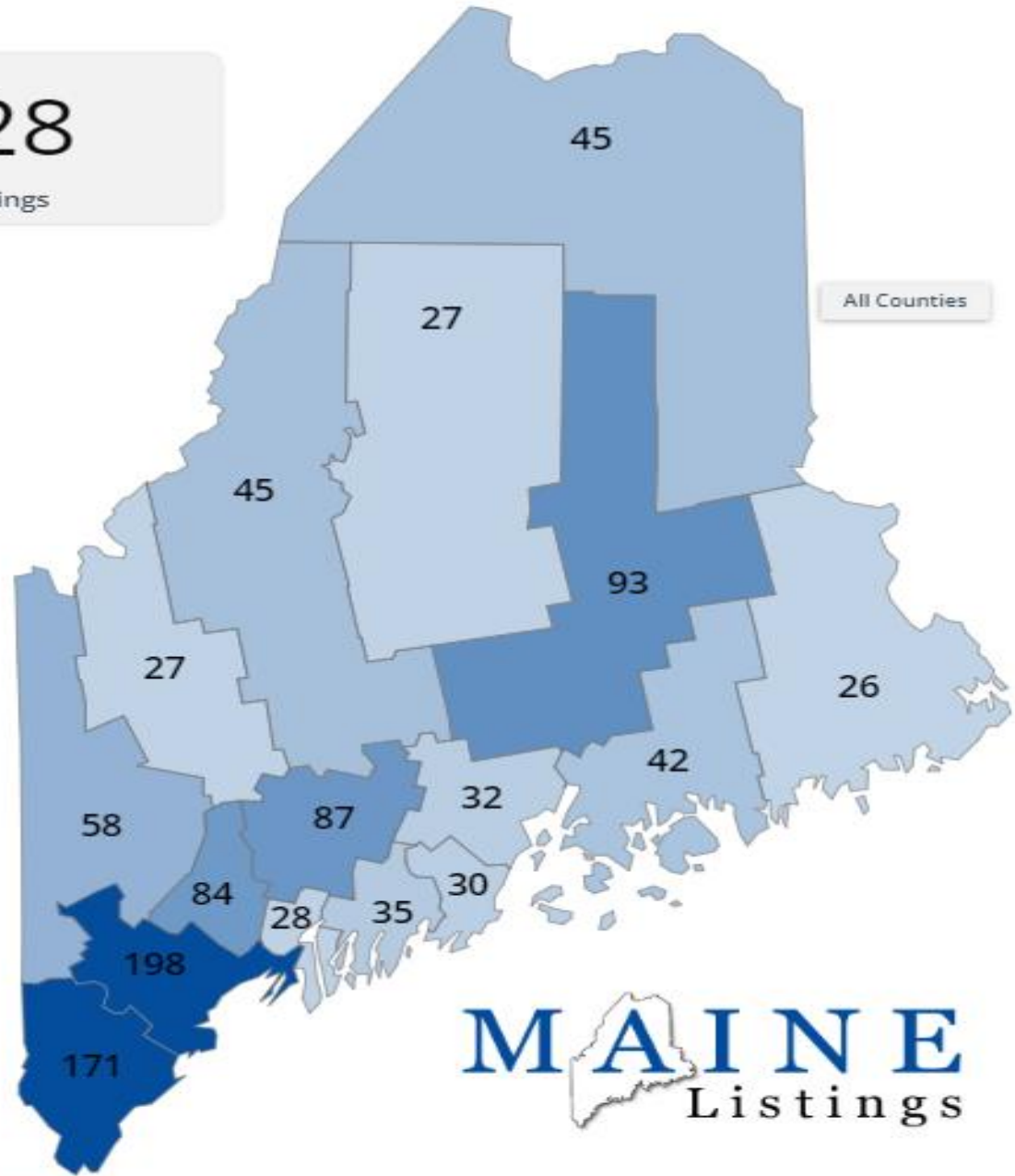
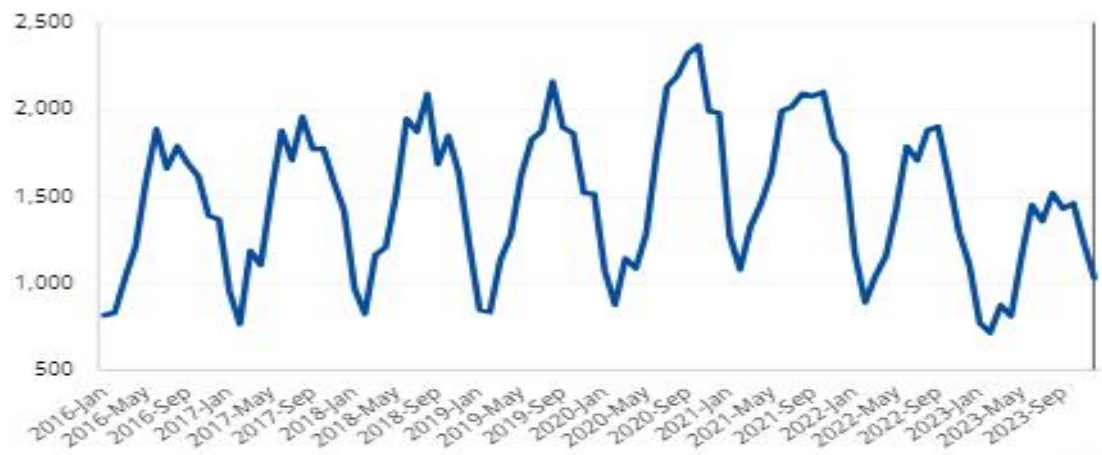
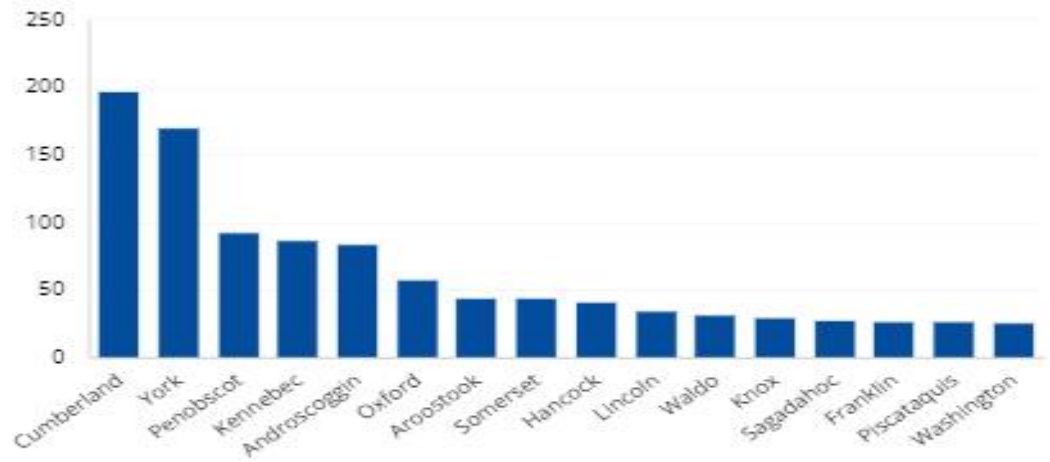


- Single Family
- Condominium
- Manufactured Home
- Multi-Family
- Land

- Median Sales Price
- Closed Sales**
- Sold \$/SqFt or Acre
- New Listings
- Median Days on Market
- End of Month Inventory

1,028

Closed Listings



MAINE
Listings



All Listings Market Statistics, December 2023



Single Family

Condominium

Manufactured Home

Multi-Family

Land

Median Sales Price

Closed Sales

Sold \$/SqFt or Acre

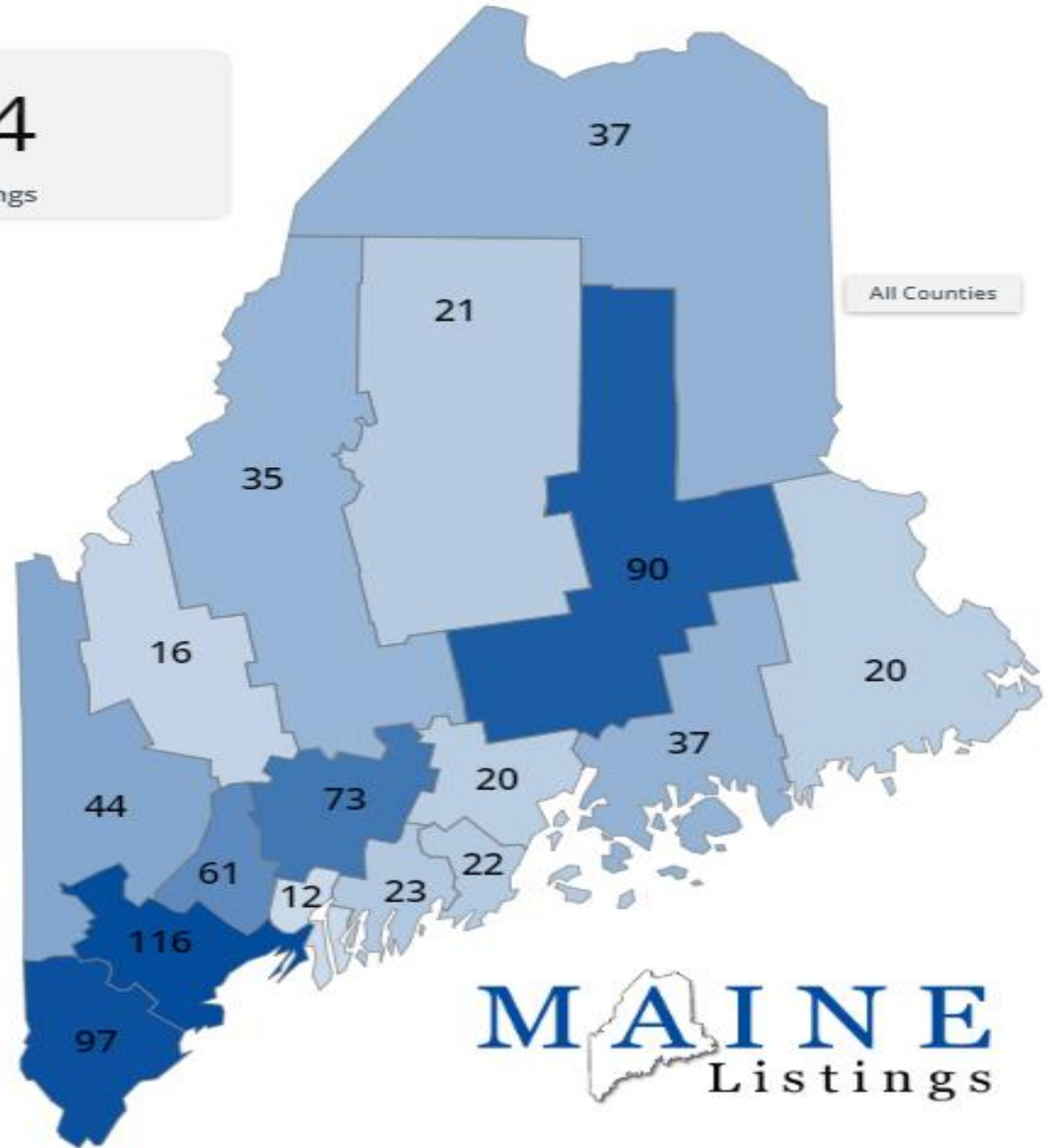
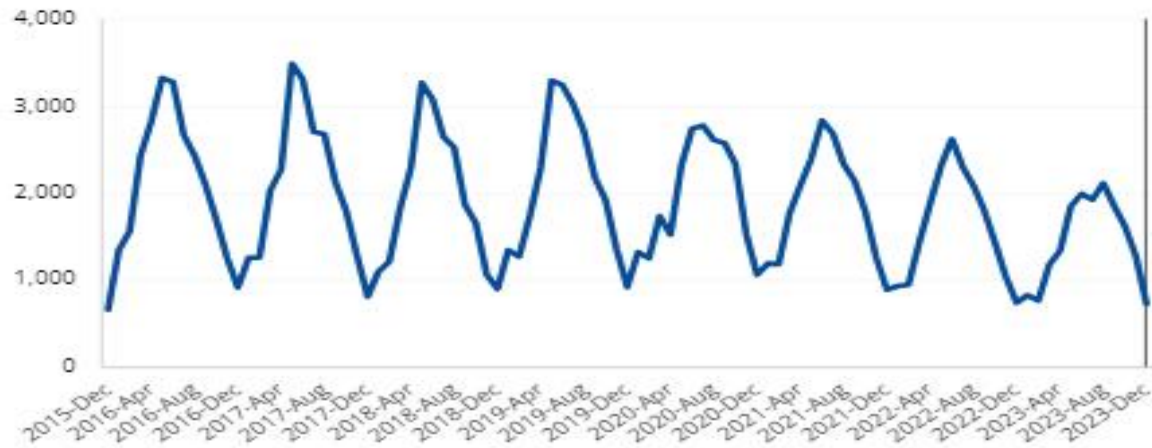
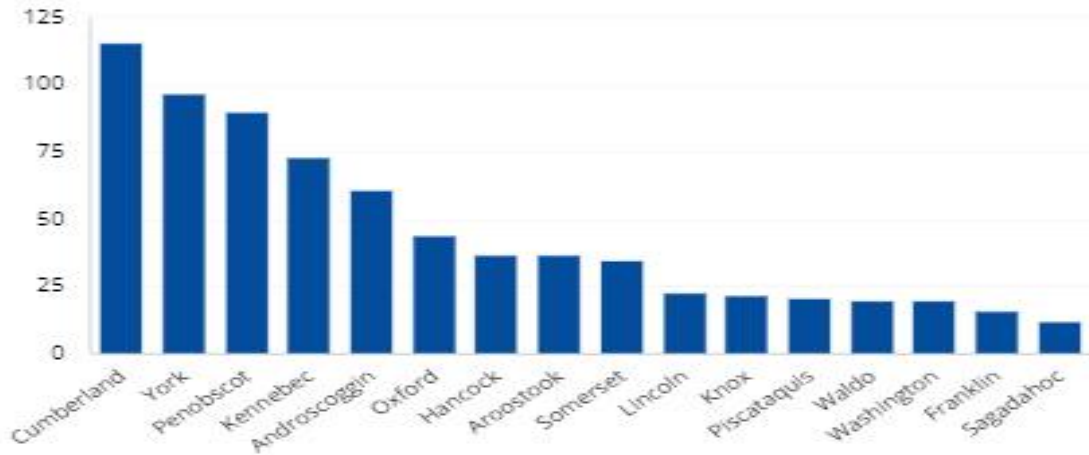
New Listings

Median Days on Market

End of Month Inventory

724

New Listings



MAINE
Listings



All Listings Market Statistics, December 2023

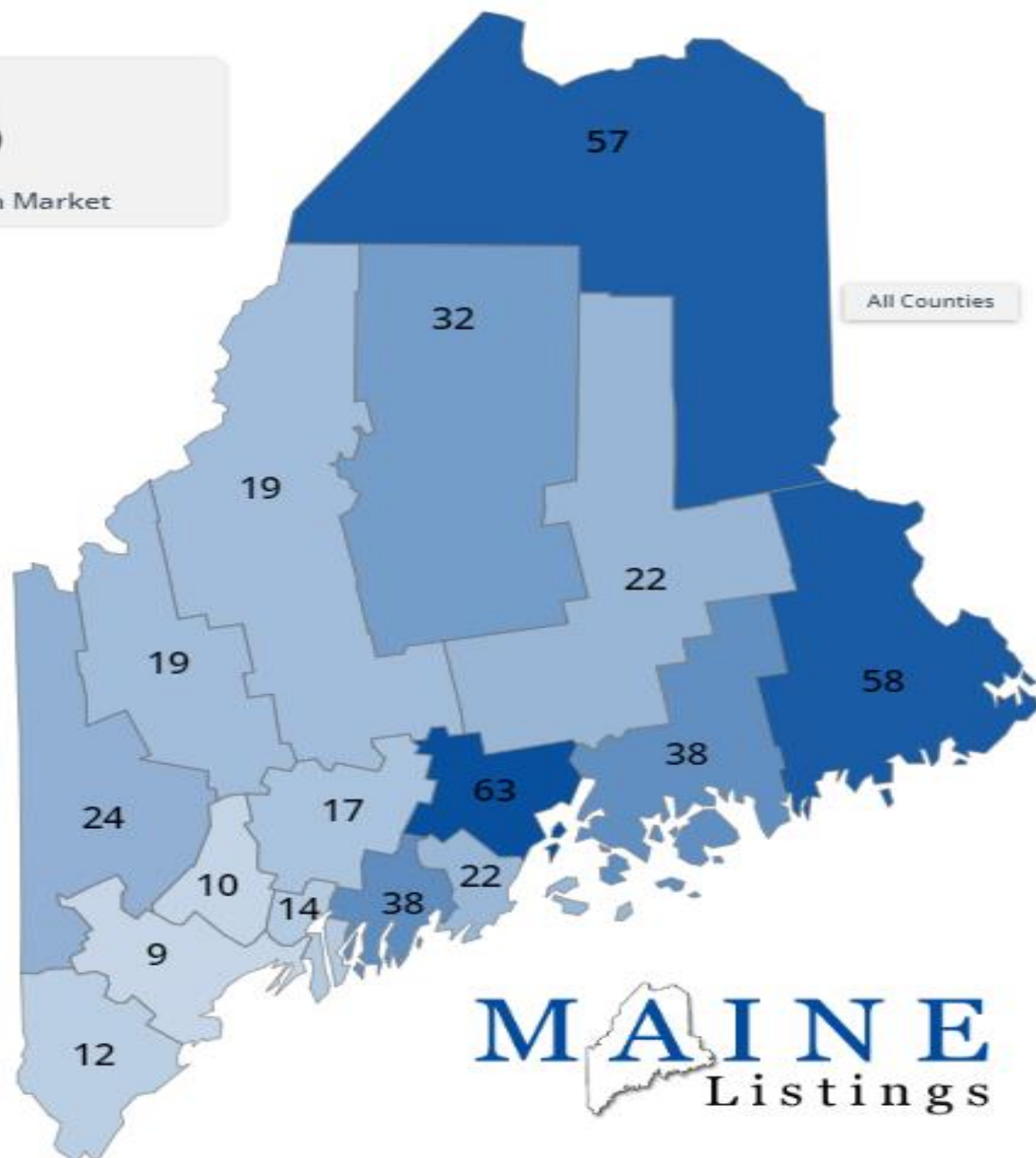
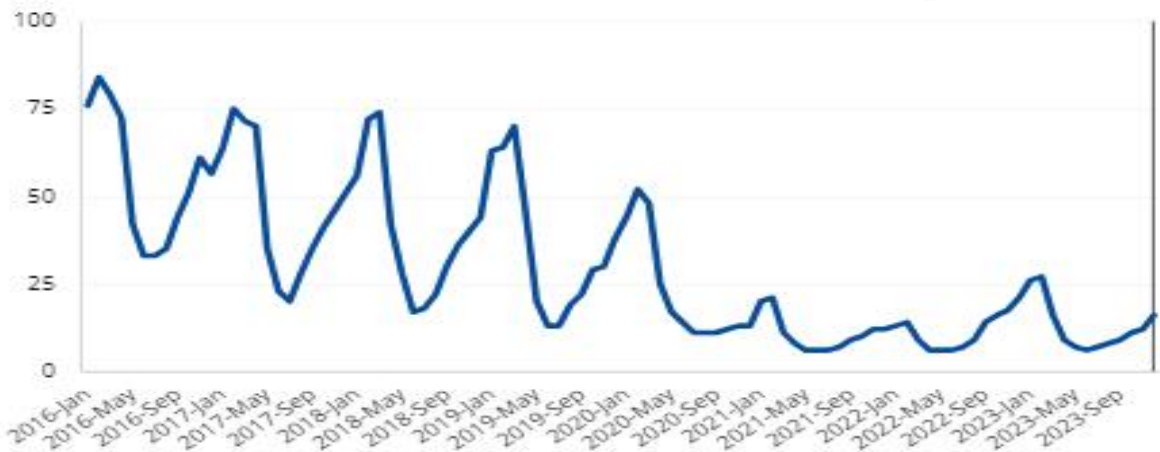
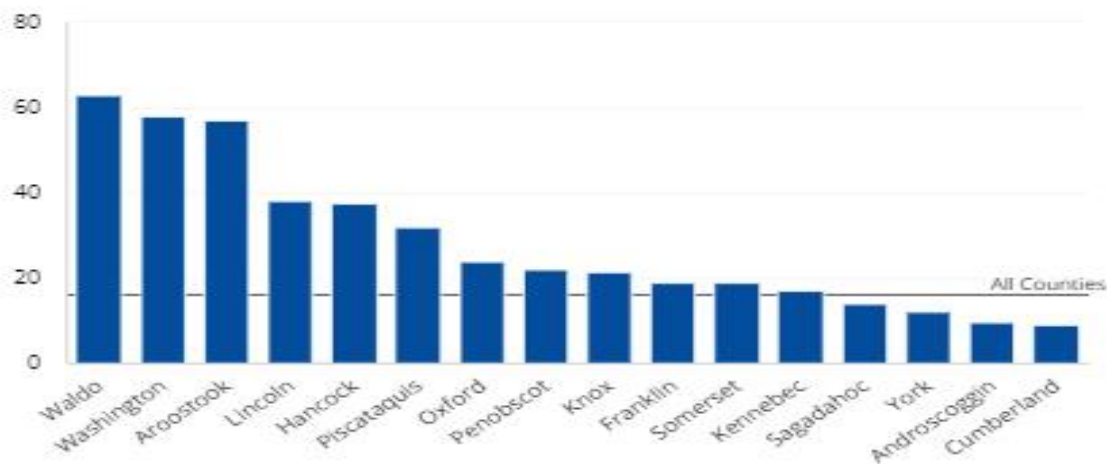


- Single Family**
- Condominium
- Manufactured Home
- Multi-Family
- Land

- Median Sales Price
- Closed Sales
- Sold \$/SqFt or Acre
- New Listings
- Median Days on Market**
- End of Month Inventory

16

Median Days on Market



MAINE

Listings



All Listings Market Statistics, December 2023

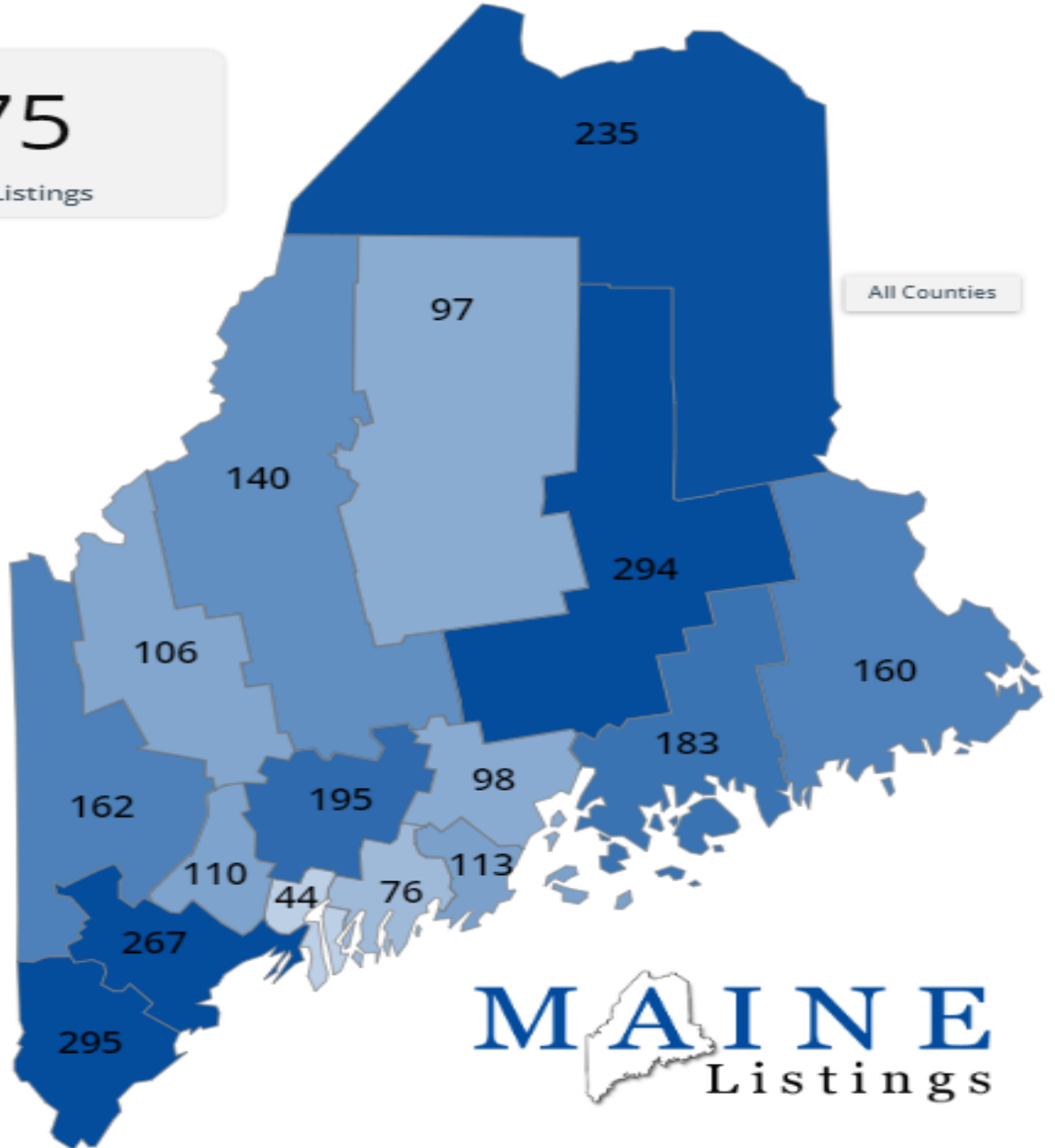
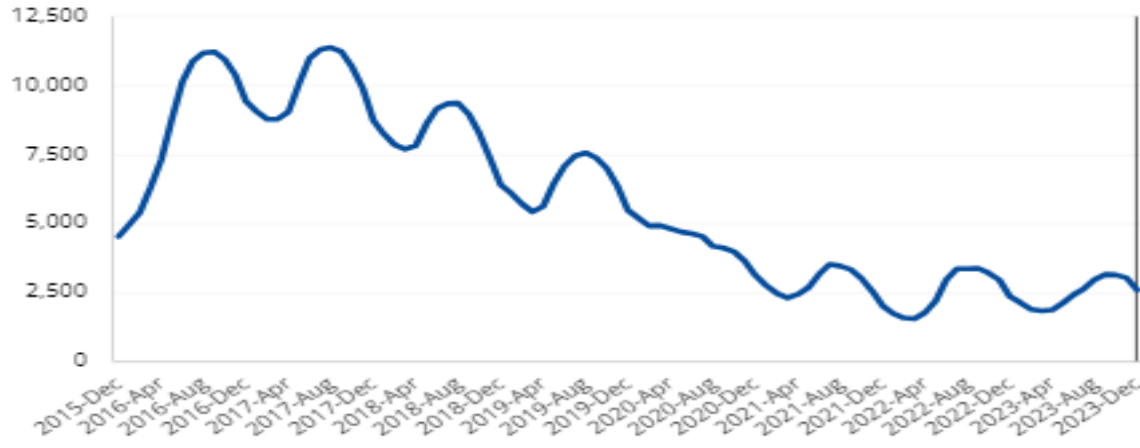
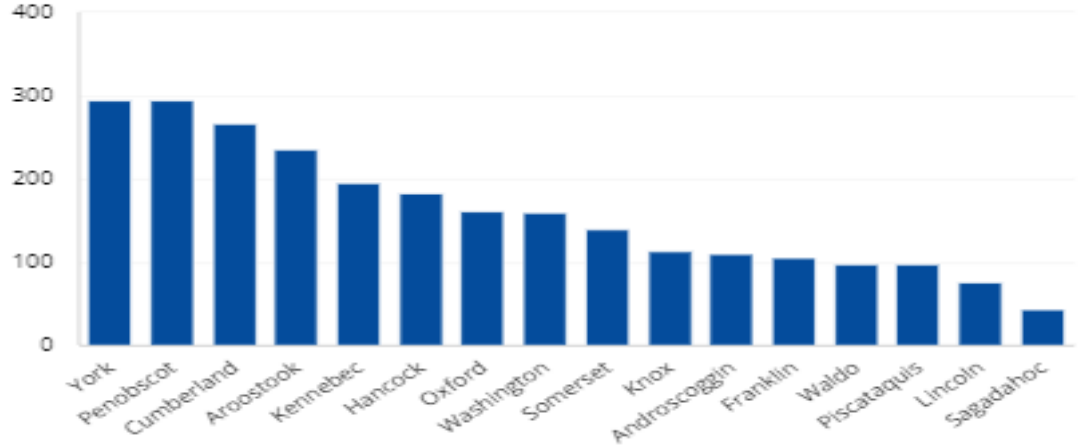


- Single Family**
- Condominium
- Manufactured Home
- Multi-Family
- Land

- Median Sales Price
- Closed Sales
- Sold \$/SqFt or Acre
- New Listings
- Median Days on Market
- End of Month Inventory**

2,575

End of Month Listings



MAINE
Listings

Based on information from the Maine Real Estate Information System, Inc. (d/b/a Maine Listings). ©2024 Maine Listings & Domus Analytics



December Single Family Housing Report

December 1-31 2022 -

December 1-31 2023

	Dec-22	Dec-23	% Change	Dec-22	Dec-23	% Change
Baldwin	0	0	0.00%	\$0	\$0	0.00%
Bridgton	10	6	-40.00%	\$377,000	\$277,000	-26.53%
Brunswick	14	14	0.00%	\$552,500	\$455,075	-17.63%
Cape Elizabeth	6	6	0.00%	\$735,000	\$1,037,500	41.16%
Casco	4	4	0.00%	\$617,250	\$418,370	-32.22%
Chebeague Island	0	0	0.00%	\$0	\$0	0.00%
Cumberland	9	9	0.00%	\$1,425,348	\$785,000	-44.93%
Falmouth	6	9	50.00%	\$887,500	\$800,000	-9.86%
Freeport	9	8	-11.11%	\$584,500	\$825,000	41.15%
Frye Island	0	0	0.00%	\$0	\$0	0.00%
Gorham	10	11	10.00%	\$415,601	\$577,000	38.84%
Gray	5	6	20.00%	\$355,000	\$583,750	64.44%
Harpwell	4	5	25.00%	\$744,000	\$490,000	-34.14%
Harrison	3	2	-33.33%	\$436,200	\$391,500	-10.25%
Long Island	0	0	0.00%	\$0	\$0	0.00%
Naples	7	6	-14.29%	\$330,000	\$393,000	19.09%
New Gloucester	5	1	-80.00%	\$400,000	\$399,000	-0.25%
North Yarmouth	4	2	-50.00%	\$739,930	\$635,000	-14.18%
Portland	42	49	16.67%	\$428,000	\$475,000	10.98%
Pownal	2	3	50.00%	\$355,000	\$605,000	70.42%
Raymond	3	6	100.00%	\$355,000	\$738,750	108.10%
Scarborough	12	10	-16.67%	\$640,000	\$630,000	-1.56%
Sebago	1	1	0.00%	\$335,000	\$375,000	11.94%
South Portland	14	22	57.14%	\$444,000	\$445,000	0.23%
Standish	13	10	-23.08%	\$410,000	\$415,000	1.22%
Westbrook	9	10	11.11%	\$390,000	\$470,000	20.51%
Windham	21	15	-28.57%	\$390,000	\$431,000	10.51%
Yarmouth	11	7	-36.36%	\$1,050,000	\$650,000	-38.10%
CUMBERLAND COUNTY	224	222	-0.89%	\$412,801	\$462,538	12.05%

4th Quarter Single Family Housing Report
October/November/December 2022

vs.

October/November/December 2023

	Q4-2022	Q4-2023	% Change	Q4-2022	Q4-2023	% Change
Baldwin	3	6	100.00%	\$369,000	\$299,999	-18.70%
Bridgton	29	25	-13.79%	\$377,000	\$351,367	-6.80%
Brunswick	50	58	16.00%	\$430,000	\$493,500	14.77%
Cape Elizabeth	23	22	-4.35%	\$1,010,000	\$770,000	-23.76%
Casco	14	16	14.29%	\$492,450	\$418,370	-15.04%
Chebeague Island	2	4	100.00%	\$179,000	\$280,000	56.42%
Cumberland	25	24	-4.00%	\$1,087,500	\$785,000	-27.82%
Falmouth	32	31	-3.13%	\$887,500	\$880,000	-0.85%
Freeport	22	20	-9.09%	\$584,500	\$825,000	41.15%
Frye Island	6	0	-100.00%	\$435,000	\$0	-100.00%
Gorham	31	38	22.58%	\$415,601	\$577,000	38.84%
Gray	26	22	-15.38%	\$405,000	\$380,000	-6.17%
Harpswell	21	23	9.52%	\$744,000	\$750,000	0.81%
Harrison	13	11	-15.38%	\$436,200	\$345,000	-20.91%
Long Island	0	0	0.00%	\$0	\$0	0.00%
Naples	17	26	52.94%	\$330,000	\$359,950	9.08%
New Gloucester	18	18	0.00%	\$400,000	\$399,000	-0.25%
North Yarmouth	11	13	18.18%	\$677,000	\$705,000	4.14%
Portland	140	160	14.29%	\$428,000	\$530,000	23.83%
Pownal	6	7	16.67%	\$649,000	\$605,000	-6.78%
Raymond	12	20	66.67%	\$386,000	\$418,000	8.29%
Scarborough	65	54	-16.92%	\$640,000	\$743,750	16.21%
Sebago	12	8	-33.33%	\$329,500	\$375,000	13.81%
South Portland	53	65	22.64%	\$444,000	\$517,000	16.44%
Standish	40	35	-12.50%	\$380,000	\$415,000	9.21%
Westbrook	42	34	-19.05%	\$396,500	\$453,825	14.46%
Windham	65	40	-38.46%	\$397,500	\$460,000	15.72%
Yarmouth	34	33	-2.94%	\$902,500	\$750,000	-16.90%
CUMBERLAND COUNTY	812	813	0.12%	\$429,000	\$456,913	6.51%

FREEPORT

HOMES SOLD - 8 UNITS

-11.11% FROM 2022

MED. SALE PRICE - \$825,000

+41.15% FROM 2022

Play (k)



Forecast: 30-year Fixed Rate to average 6.3% in 2024

- 1. Rents will calm down further, which holds down CPI and will make the Fed cut rates 4 times**
- 2. Community banks are suffering from high interest rates ... Special credit line ending in March 2024**
- 3. Spread with government bond will return to normal**