



## WHERE IS THE NATIONAL MARKET NOW?

- National Association of Realtors:
  - November 2011 – November 2012
    - Total Sales: Up 14.5%
    - Median Price: Up 10.1%
    - Pending Sales: Up 9.8%
- S&P Case Schiller House Price Index:
  - 20 City Composite: Up 5% from 1 year ago.
  - Down 29% from peak of 2006.
  - Biggest Losers:
    - Chicago (-1.5%), New York (-2.3%)
  - Biggest Winners
    - Phoenix (+ 20.4%), Minneapolis (+ 8.8%)

## NEW ENGLAND MARKET

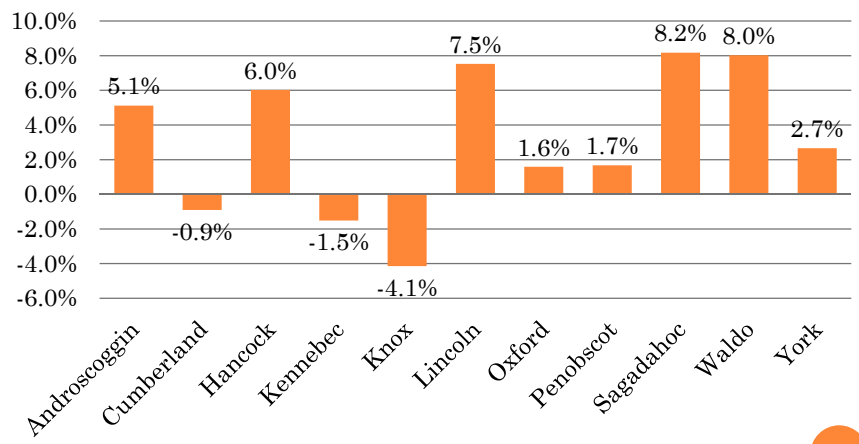
- National Association of Realtors
    - Existing Home Sales YTD 14.8% above 2011
    - Median Price \$232,900 YTD 2.0% down from 2011
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## MAINE MARKET

- Maine Association of Realtors
    - Latest 3-Month ending 11/30/12 vs. 2011
      - Units Sold up 18.64%
      - Median Price up 4.36%
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### COUNTY RESULTS

#### Change in Median Price 2012 vs. 2011

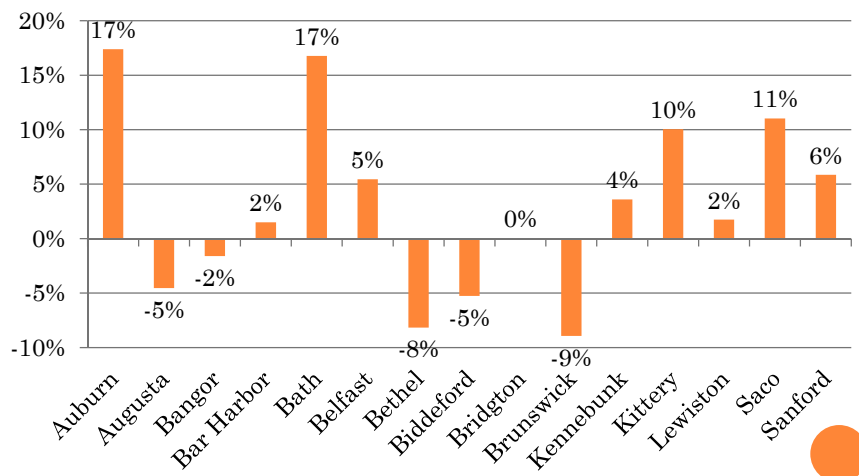


Source: MREIS



### CITY & TOWN RESULTS

#### Change in Median Price 2012 vs. 2011

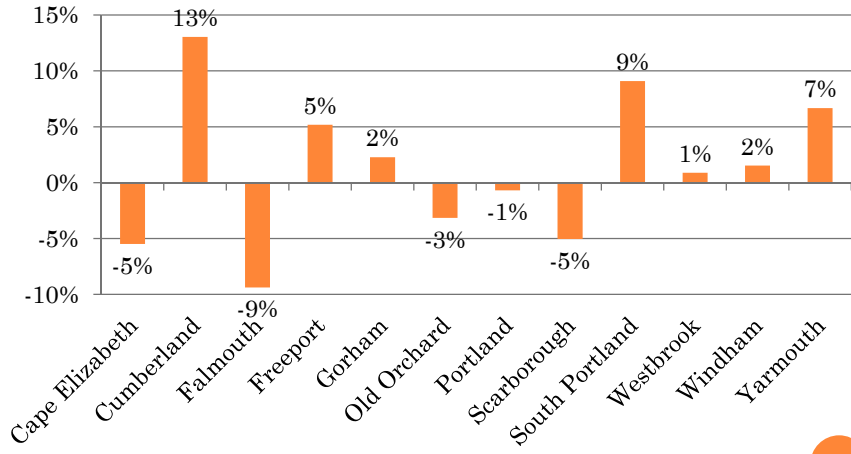


Source: MREIS



### GREATER PORTLAND

Change in Median Price 2012 vs. 2011

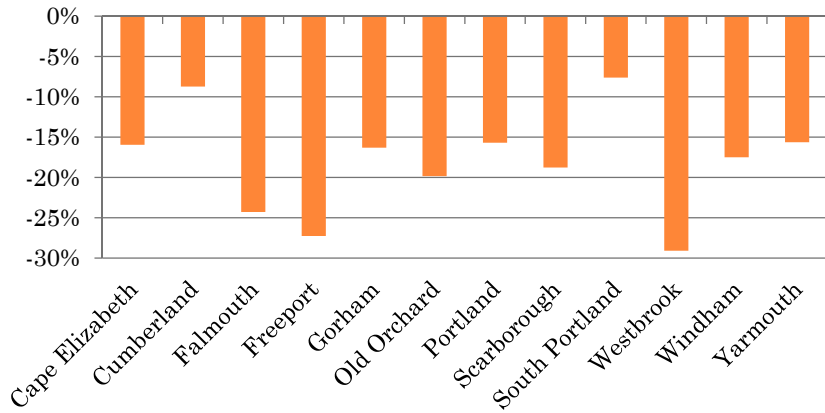


Source: MREIS



### GREATER PORTLAND

2012 Price Change from Peak Price (2006)

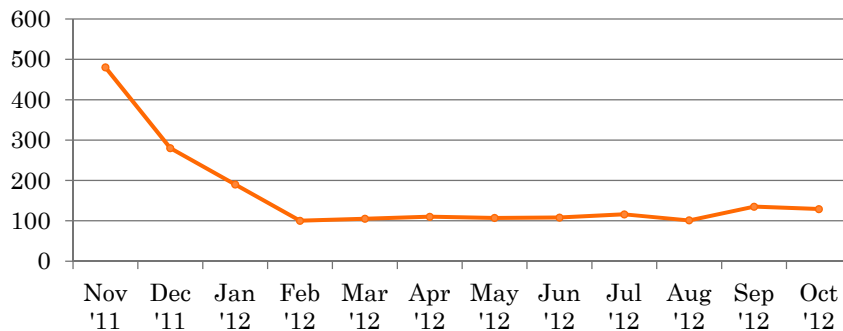


Source: MREIS



## MAINE FORECLOSURE ACTIVITY DECEMBER 2011 TO OCTOBER 2012

### Foreclosures



Source: Realtytrac.com

## PORTLAND CONDO MARKET

- 2012
  - 207 units sold
    - 149 units sold ≤ \$250,000
    - 38 units sold between \$251,000 - \$350,000
    - 20 units sold between \$351,000 - \$545,000
      - Highest price realized: \$545,000
  - Current Inventories highest in \$350,000 to \$550,000 price point.
  - Currently 71 units pending on MLX
    - 40 are units in projects that have not broken ground.

Source: MREIS

## WALKABLE NEIGHBORHOOD

- Has a Center
- Has People
- Promotes Mixed Income and Mixed Use
- Has Parks and Public Spaces
- Has Good Pedestrian Design
- Close to Schools and Workplaces
- Has Complete Streets

Source: [www.walkscore.com](http://www.walkscore.com), MERDA Spring Conference

## PORTLAND CONDO MARKET

- 169 Newbury Street (Newbury Street Lofts)
  - 24 Residential units, 3 Commercial units. Plan to break ground January 2013. 13 of 24 units reserved.
- 40 India Street (India Street Condos)
  - 18 Luxury Condos. Construction planned Fall 2013, occupancy 2015. 11 non-binding reservations.
- 15 Middle Street (The Bay House)
  - 42 Residential units under construction. 10 under contract with 10% non-refundable deposits.


## PORTLAND CONDO MARKET (CONTINUED)

- 121 York Street (Harborview Townhomes)
  - 7 Energy Efficient Town houses. 4 under contract.
- 727 Congress Street (Longfellow Place)
  - 8 Residential units. Complete rehab of existing 1900's.
- Adams School, Munjoy Hill
  - 16 Residential units of affordable housing with parking.


## MORTGAGE MARKETS

- USDA Rural Housing Program
  - 100% financing program from mainstream lenders.
- FHA
  - Most popular with 1<sup>st</sup> time buyers.
  - 3.5% down payment.
  - Loan limit \$337,500 for Cumberland County.
  - Single, 2-4 units if owner occupied.
- Conventional Financing
  - Max LTV = 97%, Max Loan Amount \$417,000 on single family property.
- VA
  - 100% financing for military service members and those honorably discharged from military.

## OPPORTUNITIES FOR BUYERS

- Buyers – Time to get off the fence!
    - Low Interest Rates & Low Pricing
    - Trading Up pays off – Amount lost on sale < Amount gained on new purchase.
  - Where do you want to be 10 years from now?
    - New Condo?
    - Waterfront Home
    - Ski Chalet
    - Miami
  - The Savvy Investor is Taking Advantage of the here and now.
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## OPPORTUNITIES FOR SELLERS

- Sellers – Better Times are Coming!
    - Price your property correctly
    - Know your market. Get expert advice. Trust that advice.
    - Presentation is key.
    - Know which projects pay off.
      - Vinyl window replacements – 76% return.
      - Siding, Vinyl – 75%, Fiber-Cement – 80%.
      - Decks, mid-range wood – 76%.
      - Kitchen remodel – 63-73%.
      - Bath remodel – 60-71%.
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Source: Realtor Magazine, Annual Cost vs. Value Report.




## OPPORTUNITIES

- Investors
    - Real Estate is an attractive investment vs. other alternatives.
    - Foreclosure market still yields opportunistic buys.
  
  - Developers
    - Last Call for stalled projects and time to lock up land for future developments.
    - Work with local expert to determine where long term, “Best Buys” are located.
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## OPPORTUNITIES

- Developing Condo Projects
    - Walkability to in-town amenities is a must.
    - Single floor living, 1000-2200 sq ft is the sweet spot.
    - Elevator access.
    - Modern amenities, appliances, and energy efficient systems.
    - Covered parking.
    - Outdoor spaces – decks, rooftops or small yards.
    - Door person or concierge service in 30+ unit projects.
    - Customization.
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## FORECASTS

- Prices will rise 10% by end of 2014
  - Inflationary pressures will rise, taking mortgage rates along with them.
  - Single family housing starts projections:
    - 500,000 in 2012
    - 660,000 in 2013
    - 800,000 in 2014
  - Foreclosures will drop to 15% of total sales, down from the current 20-24%.
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## FORECAST

- Impediments or Risk Factors
    - Overhang of foreclosed properties pouring into market.
    - Homeowners tempted to resort to “strategic default”.
    - Europe’s debt crisis and carryover into our economy.
    - Fiscal Cliff – tipping off a new recession.
    - Rising inflation pressures – taking mortgage rates with them.
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## HARPER LEE COLLINS, REALTOR®

- 8 year Real Estate veteran, extensive background in residential property brokerage.
- Multi-million dollar producer at RE/MAX Heritage.
- Assisting clients with residential and investment needs in the Greater Portland market.
  
- For further information, or a copy of this report, contact Harper Lee at: 207-653-7224 or [harper.collins@rheritage.com](mailto:harper.collins@rheritage.com)



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