



Multi-Family Forecast for Southern Maine

2023 MEREDA Real Estate Forecast Conference

Presented by Brit Vitalius



Vitalius Real Estate Group

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Top 3 Takeaways



2021 Was a Peak



Transition Year to
Normal?



Rise of Lewiston & Auburn

National Trends



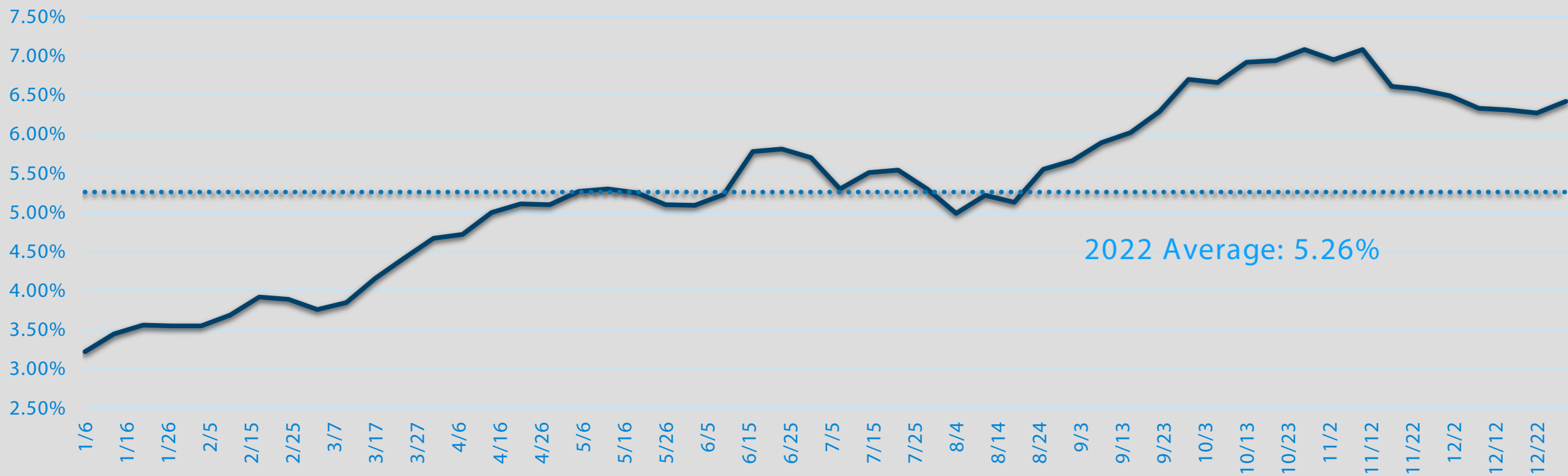
Rental
Increases
Slow to
below 10%



Tenants
move back to
urban centers

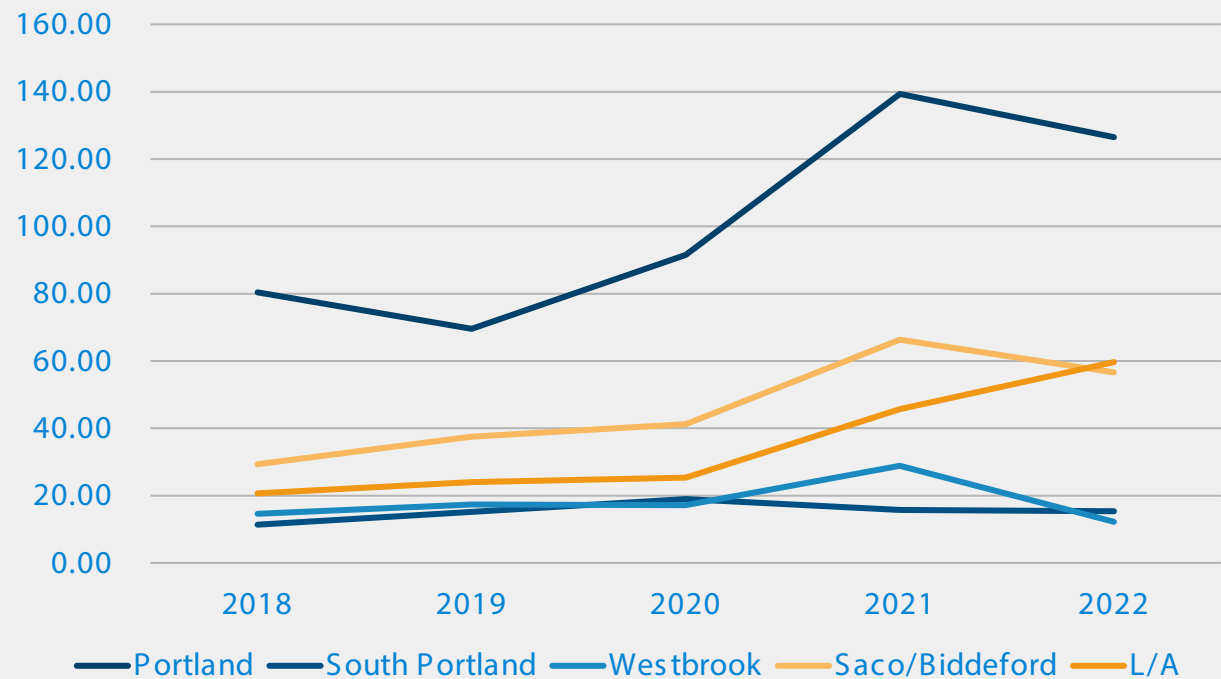
*“a favorable outlook for the national multifamily market, **but the record-high rent growth phase is over.**” - Yardi Matrix quoted in HMN, Sept 2022*

30-Year FR Mortgage Rates 2022

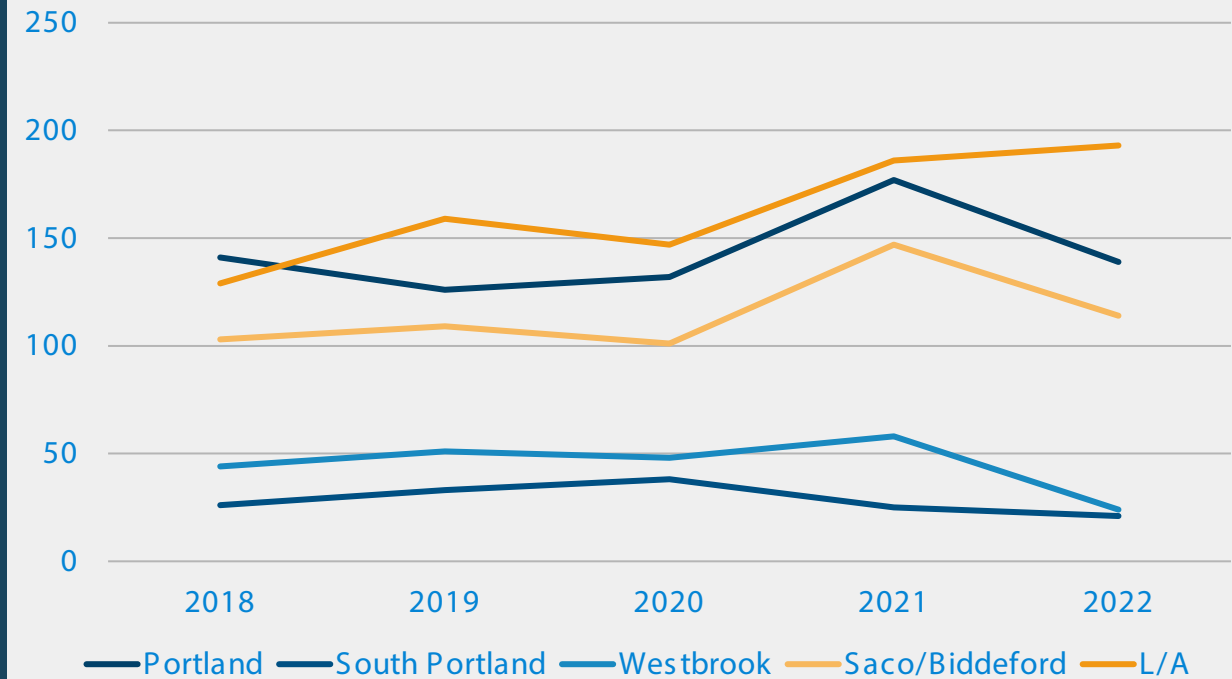


Source: Freddie Mac

Sales Volume

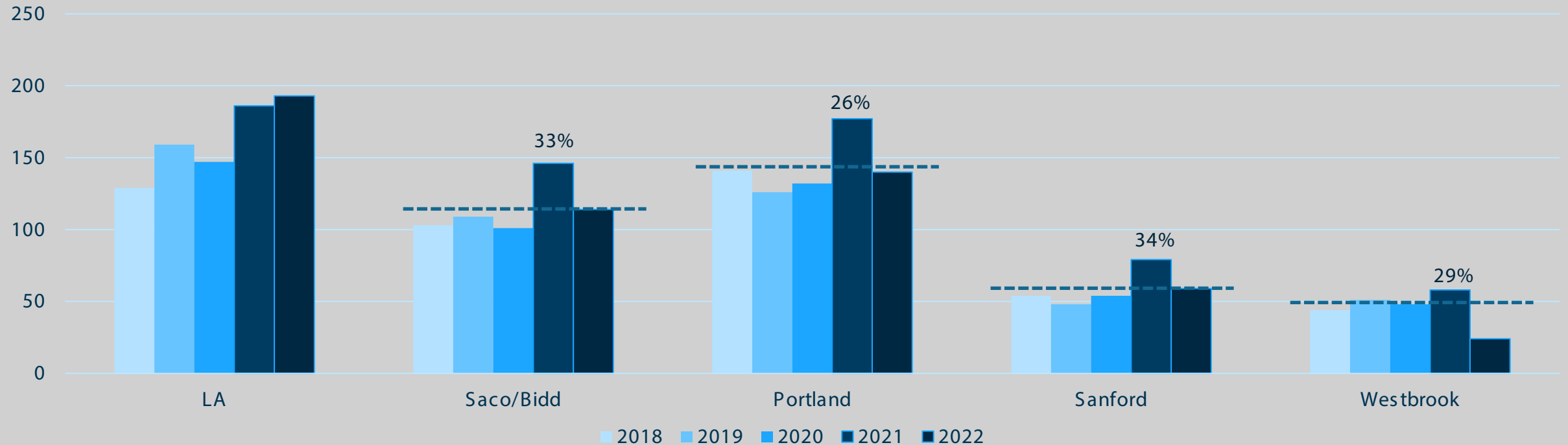


Sales by Region



	Portland	SoPo	Westbrook	Saco/ Biddeford	L/A
Sales	139	21	24	114	193
Volume (\$mm)	\$126m	\$15m	\$12m	\$56m	\$59m
Volume Δ 2021 > 2022	-6%	-2%	-58%	-15%	+31%

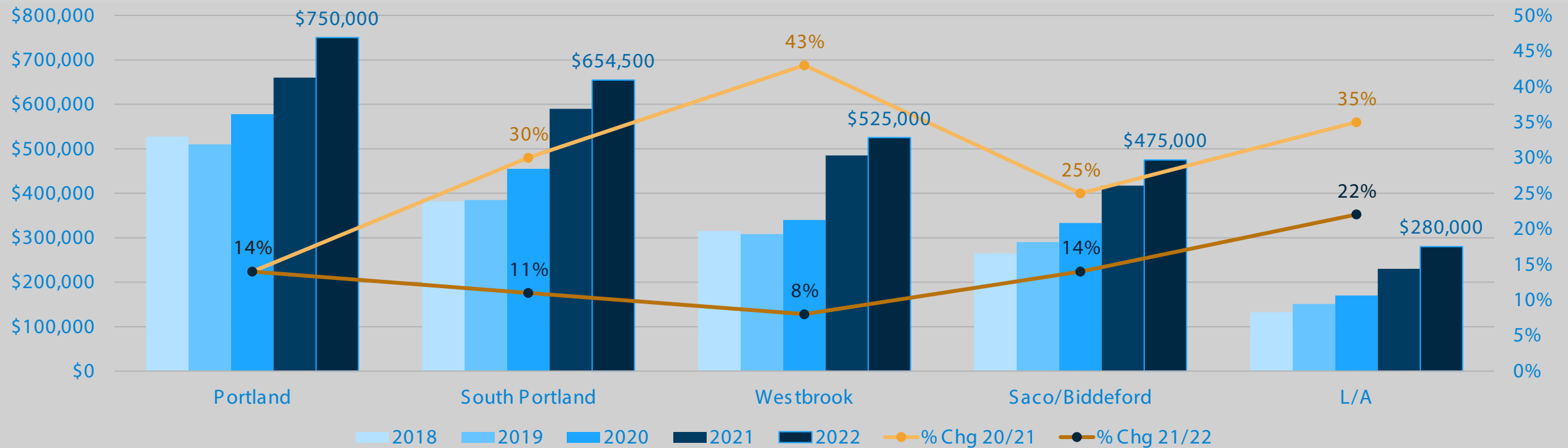
Number of Transactions by Region



Highlights

2022 returned to historic transaction levels. Only L/A continued to increase.

Median Sale Price by Region 2021 vs 2022

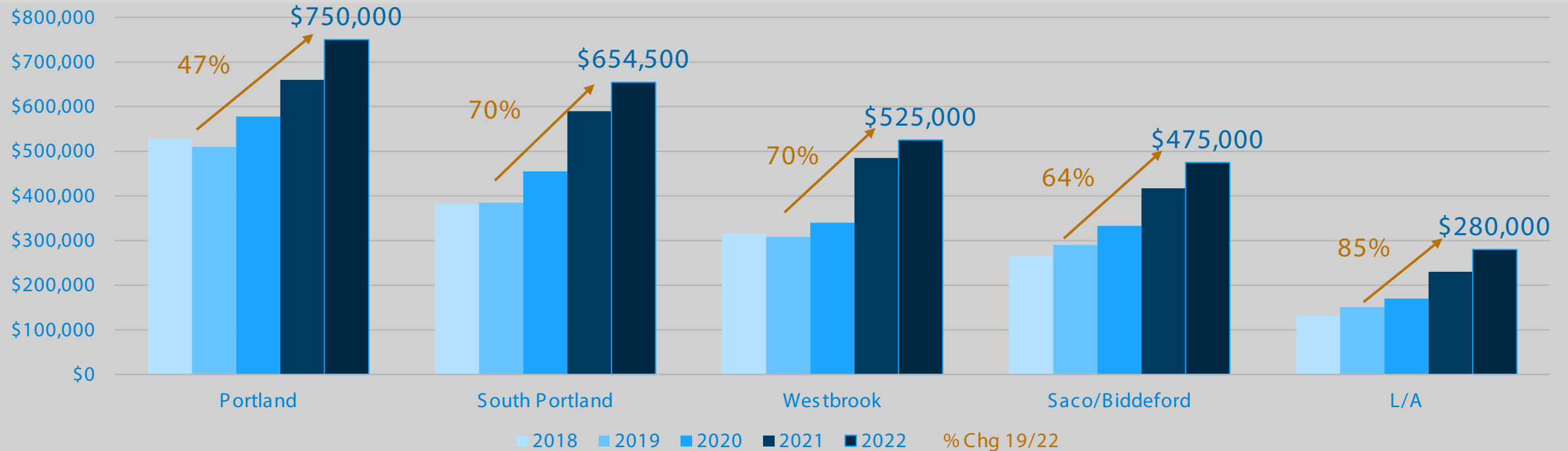


Highlights

2021: 25% - 43% increases outside Portland

2022: More moderate increases

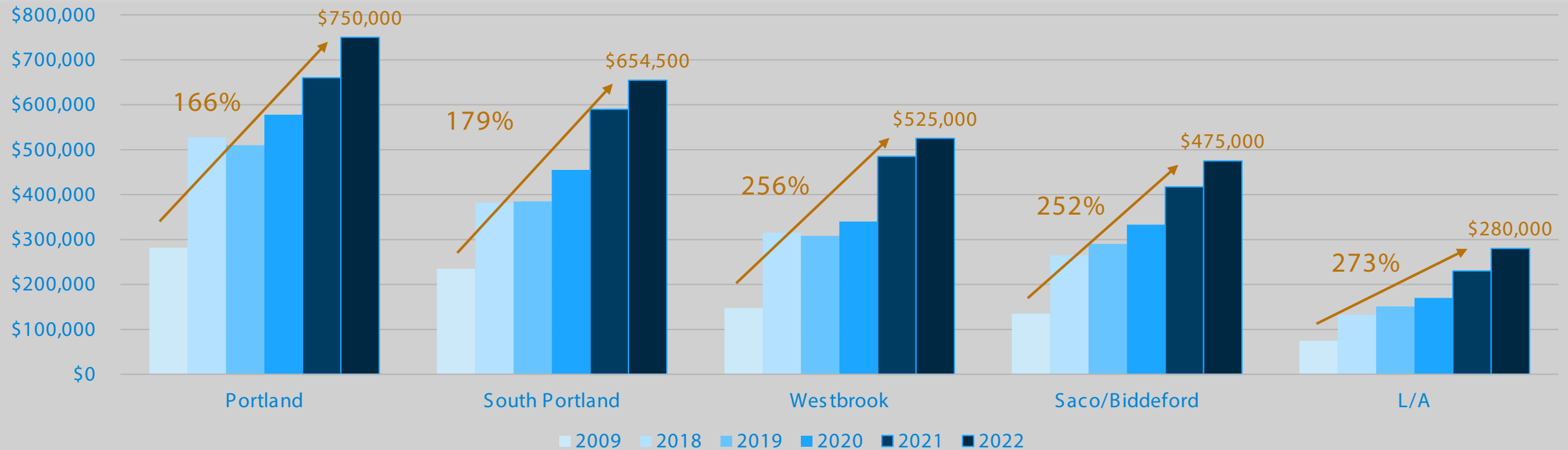
Median Sale Price by Region 2019 vs 2022



Highlights

Price increases from COVID were dramatic and are holding

Median Sale Price by Region From 2009 - 2022



Highlights

Huge gains from the last market bottom

Portland Overview

- Fewer Buyers & Multiple Offers
- First Time Buyers Back!
- Owner Occupants Drive
2 – 4 Unit Sales
- Short-term Rentals Survived
Referendum Threat

Portland

Rent Control V1.2

- Passed November 2022
- Stagnated Rental Market

Rent Increases Limited to:

- 70% of CPI
- No Property Tax Increases
- No Capital Improvements
- No Application Fees
- 90 Day Notice to Vacate

Rental Market Portland

Strong Demand

Slowing High End

Saturated Furnished

Lack of Affordable

House Choice Vouchers (Section 8)

- 1 BR = \$1,592
- 2 BR = \$2,044
- 3 BR = \$2,578

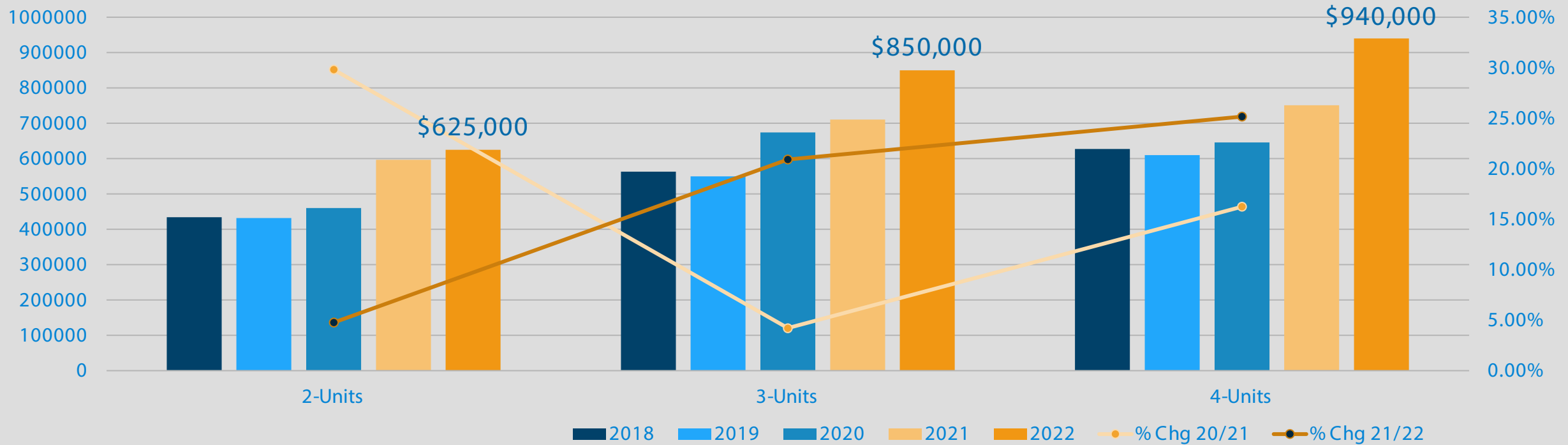
Existing Market Rate

- 1 BR = \$1,200 - \$1,500
- 2 BR = \$1,600 - \$2,000

New Construction Market

- 1 BR = \$1,500 - \$2,200
- 2 BR = \$2,000, \$2,800

Portland Median Price 2-4 Units



Highlights

Owner-occupant prices

2-Units
Median Price

2021: \$596,500
2022: \$625,000

+5%

3-Units
Median Price

2021: \$702,950
2022: \$850,000

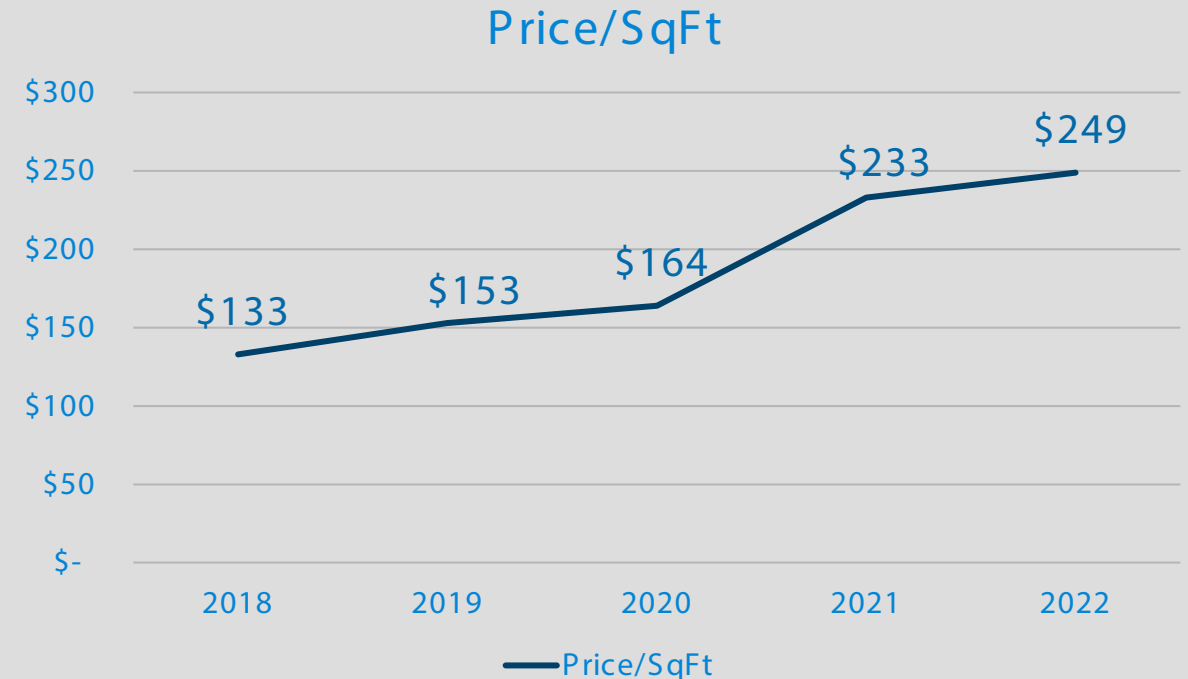
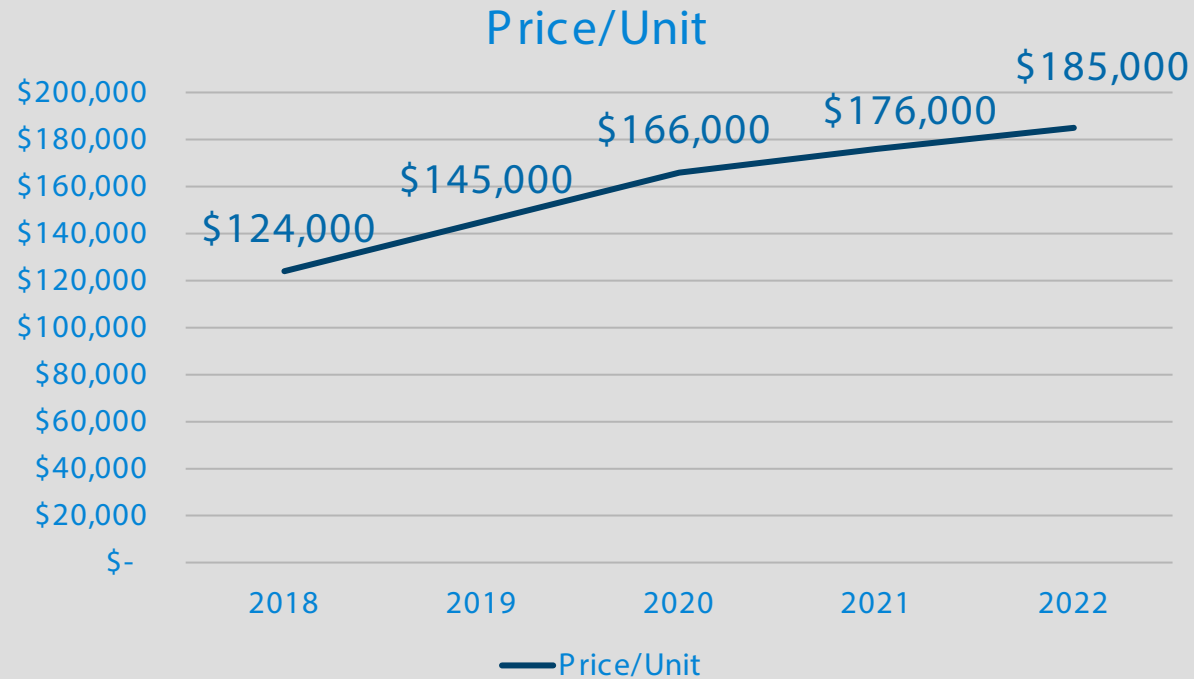
+21%

4-Units
Median Price

2021: \$751,000
2022: \$940,000

+25%

Portland Commercial (5+) Median Price Per Unit & SqFt



Highlights

Rent Control and rising interest rates
flatten price increases

2021

Price Per Unit: \$177,000

+5%

2022

Price Per Unit: \$185,000

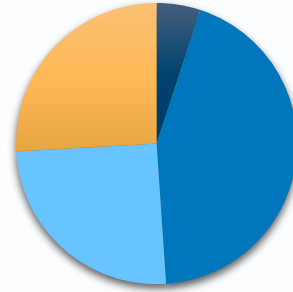
Price Per SqFt: \$233/ft²

+7%

Price Per SqFt: \$249/ft²

Portland Overview

2022 Closing Price

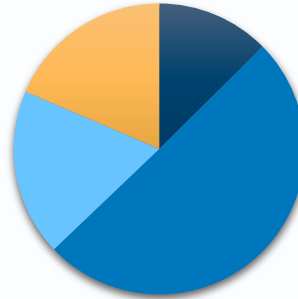


■ <\$500k ■ \$500k-\$749k
■ \$749k-\$1M ■ >\$1M

139 Sold in 2022



2021 Closing Price



■ <\$500k ■ \$500k-\$749k
■ \$749k-\$1M ■ >\$1M

167 Sold in 2021



A Sample of Portland Sales



56 Congress St
\$1,128,000

3-Units

Listed by Brit Vitalius of
Vitalius Real Estate Group;
Sold by Robert Rankin of
Portside Real Estate Group



80 & 128 Grant St
\$3,350,000

19-Units

6.3% Cap Rate \$176k/Unit
Listed by Vince Ciampi &
Anthony Struzziero of Porto &
Co; Sold by Tom Gadbois of
F.O Bailey



11 Grant St
\$1,750,000

11-Units

6.2% \$159k/Unit
Listed and Sold by Chris
Sullivan of Vitalius Real
Estate Group



100 Park St
\$2,200,000

8-units

\$275,000/Unit
Listed by Dan Lucas of Lucas
Real Estate; Sold by David
Marsden of Bean Group

Portland

New Development 2023

263 Units
Downtown, Maine's
Tallest Building
Redfern Properties



48 Units
Off Peninsula

171 Units
Bayside
Port Property



Saco & Biddeford

Continued Energy &
Investment



Prices Increases
Slowing



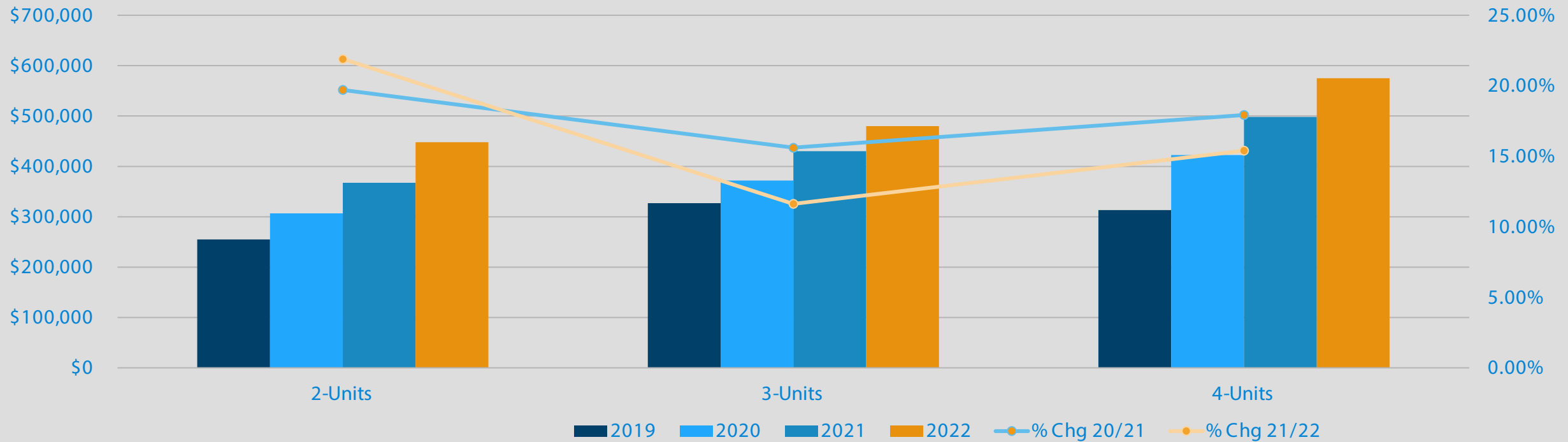
Saco & Biddeford Mills

2022: The Lincoln
147 Lofts
\$1,350 - \$2,700/mo

2023: The Levee
96 Lofts
\$1,835- \$2,800/mo



Saco & Biddeford Median Price 2-4 Units



Highlights

Price increases decline slightly

2-Units
Median Price

2021: \$367,500
2022: \$448,000
+22%

3-Units
Median Price

2021: \$430,000
2022: \$480,000
+12%

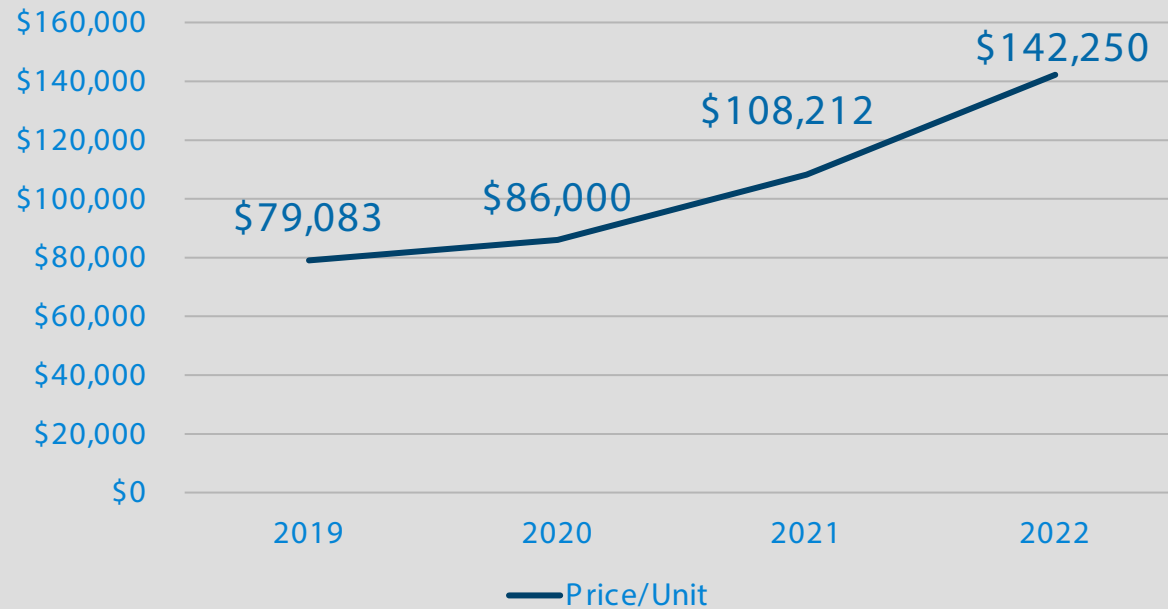
4-Units
Median Price

2021: \$498,250
2022: \$575,000
+15%

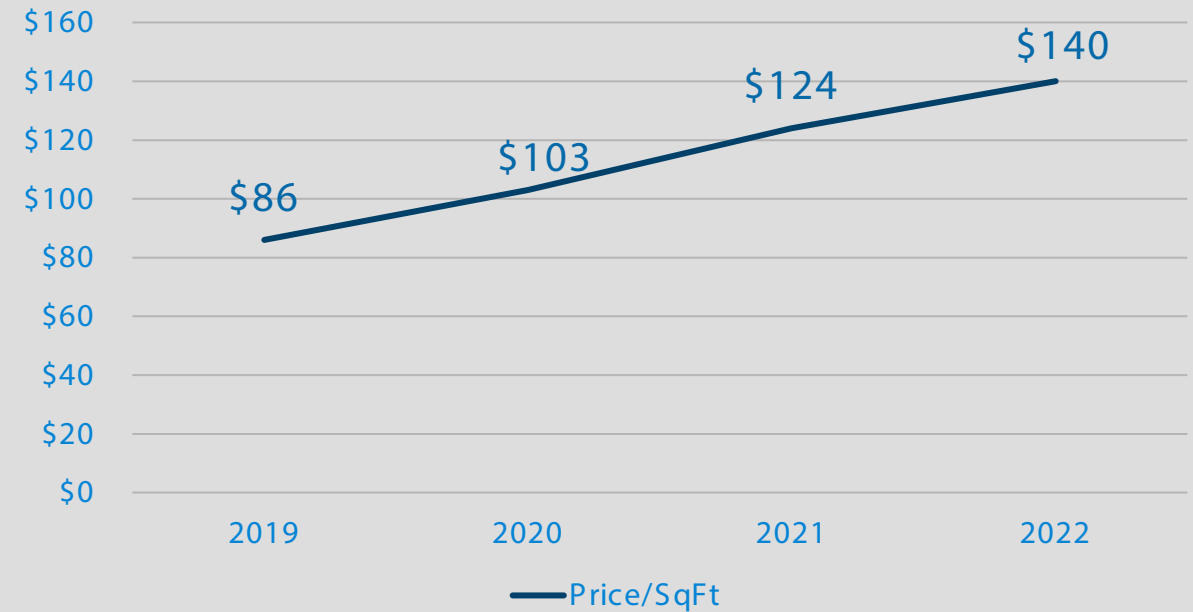
Saco & Biddeford Commercial (5+)

Median Price Per Unit & SqFt

Price/Unit



Price/SqFt



Highlights

Strong increases!

2021

Price Per Unit: \$108,212

+32%

2022

Price Per Unit: \$142,250

Price Per SqFt: \$233/ft²

+13%

Price Per SqFt: \$249/ft²

A Sample of Biddeford Sales



3 Building Portfolio

\$2,000,000

23-Units

\$87k/Unit

Listed and Sold by Brandon Mitchell of
Malone Commercial Brokers



3 Building Portfolio

\$3,300,000

27-units

\$122k/Unit

Listed by Brit Vitalius & Chris Sullivan
of Vitalius Real Estate Group; Sold by
Tom Gadbois of F.O. Bailey Real
Estate



30 Gove Street

\$644,000

3-Units

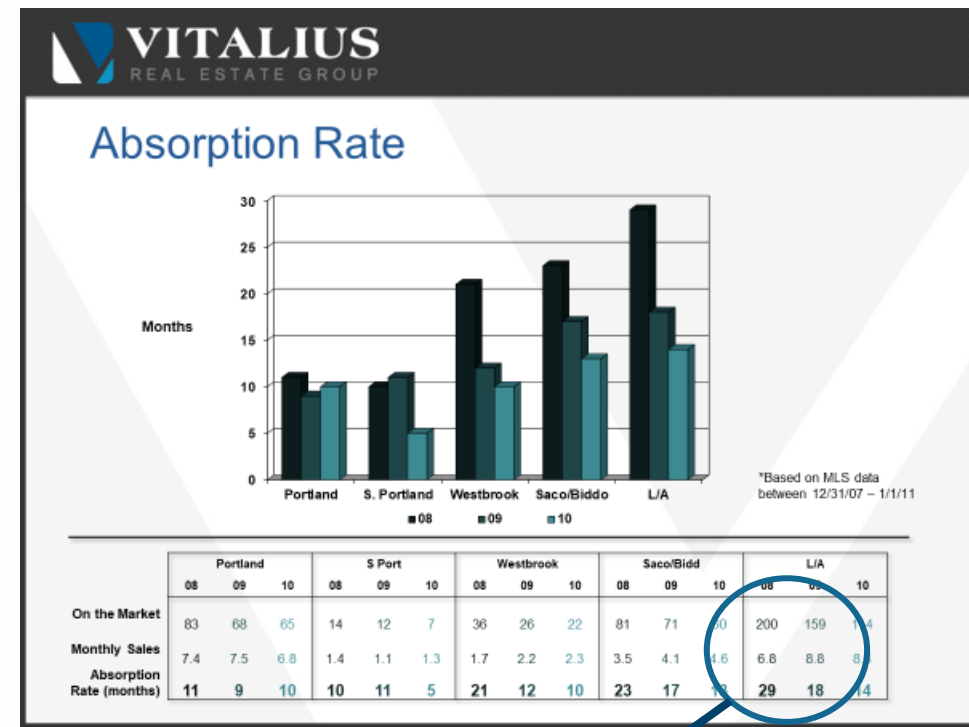
Sold over asking price of
\$575,000

Listed by Kathleen McCallum of Bean
Group; Sold by Jonny and Kathie Carr
of Bean Group

Lewiston & Auburn

The Only Cities to
Grow in Sales Activity

How Far We've Come!



	2008	2022
Active Listings	200	16
Absorption Rate	29 Months	1.2 Months

Auburn's Year in the Spotlight

DISCOURSE

Discourse Magazine:
"The YIMBYest City in
America: Why a town
in Maine you've never
heard of may be the
future of politics and
policy"

CATO
INSTITUTE

Cato Institute
Podcast: "The Low-
Key Housing
Turnaround in
Auburn, Maine"

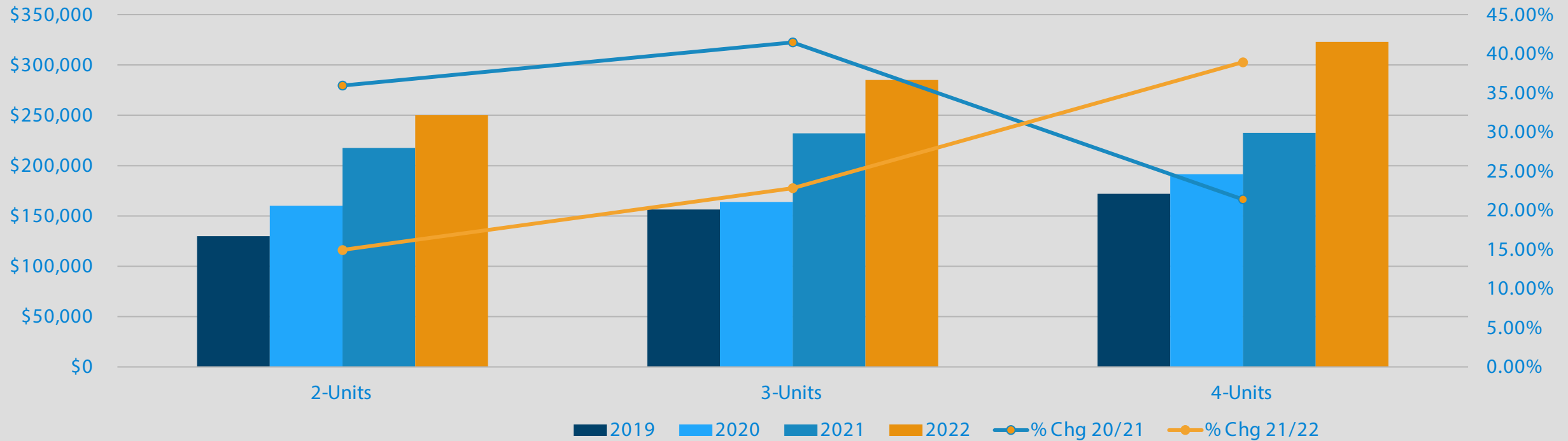
"[a developer] and officials in
both cities agreed that
changes to workforce housing
requirements in Portland may
be a factor in growing interest
by market-rate developers in
other communities."

August 4th, 2022, Spectrum News

BCP BETTER
CITIES
PROJECT

Better Cities Project
"Case Study: Auburn,
Maine; Incremental
Victories with Zoning
Reform" August, 2022

Lewiston & Auburn Median Price 2-4 Units



Highlights

Big Increases!

2-Units
Median Price

2021: \$217,500
2022: \$250,000

+15%

3-Units
Median Price

2021: \$232,000
2022: \$285,000

+23%

4-Units
Median Price

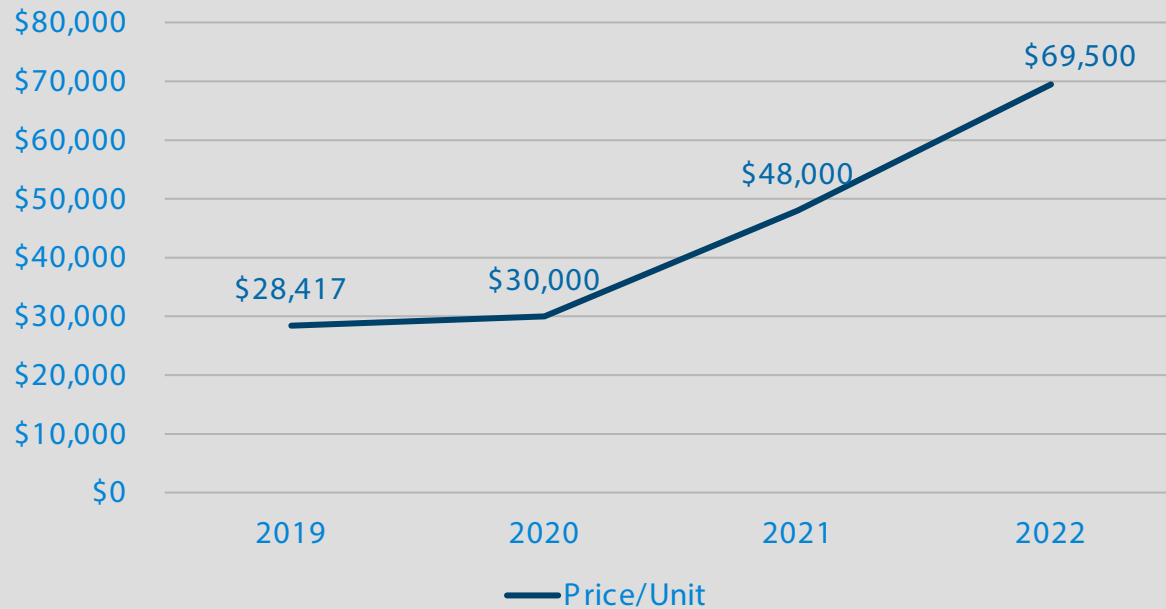
2021: \$232,500
2022: \$323,000

+39%

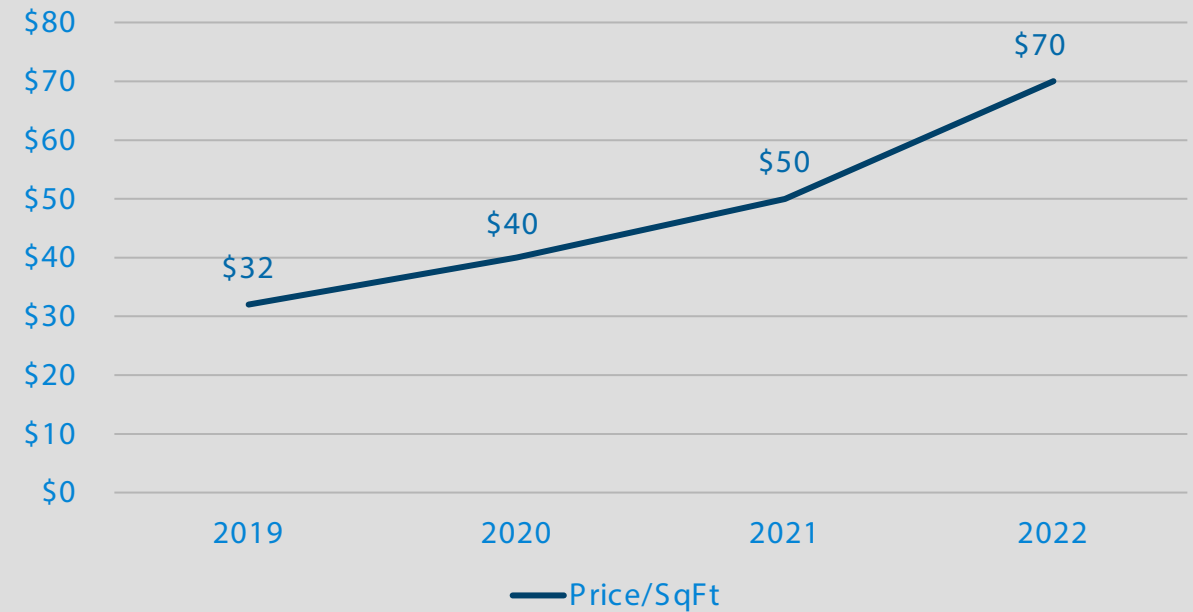
Lewiston & Auburn Commercial (5+)

Median Price Per Unit & SqFt

Price/Unit



Price/SqFt



Highlights

Big Increases!

2021

Price Per Unit: \$48,000

Price Per SqFt: \$50/ft²

+72%

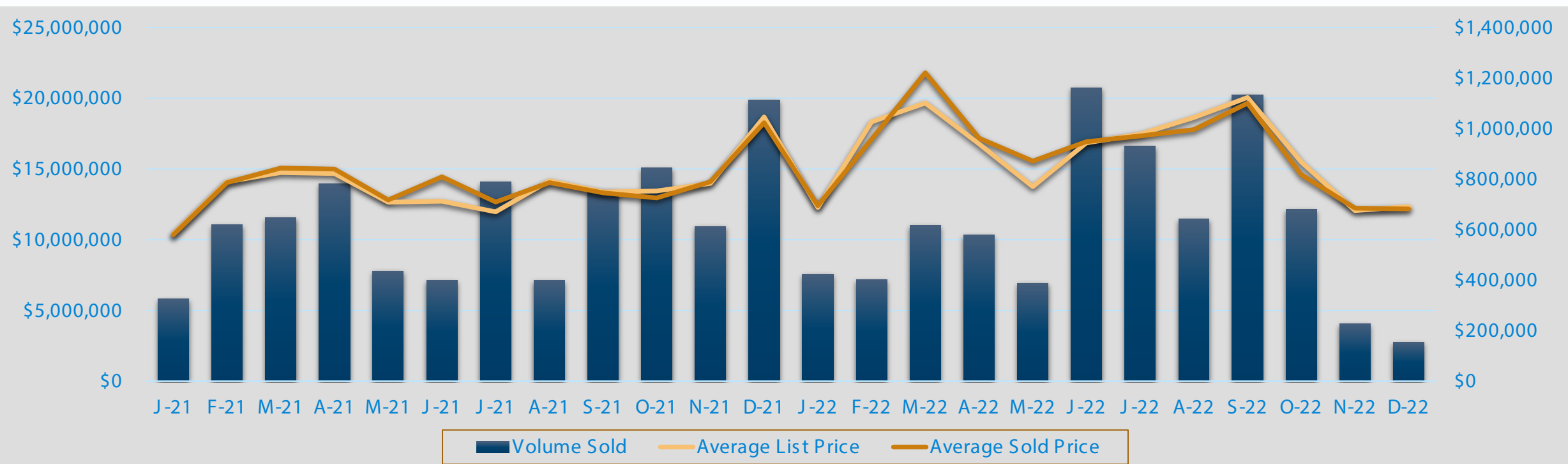
+40%

2022

Price Per Unit: \$69,500

Price Per SqFt: \$70/ft²

Portland Volumes & Average Prices



Forecast

2023

General

- Seller vs. Buyer stand-off will slow transactions
- More First Time Buyers & FHA Financing
- Investors most active outside of Portland

Portland

- Cap rates move to 7%+
- Investors are “current-cash-flow” sensitive
- Owner-occupied units maintain high-value

Saco & Biddeford

- Rents continue to increase; mill units fill quickly with continued growth of the area
- Price increases slow to 10%

Lewiston & Auburn

- Some downtown units begin to move up market as investors look to expand growth
- Prices increases fall below 20%

Brit Vitalius



Brit Vitalius has made a career selling multi-family properties in Greater Portland since he got into real estate in 2004. He founded Vitalius Real Estate Group in 2011 so that he could continue to focus on the multi-family market while assembling a group of specialized agents to provide a full complement of brokerage services to clients. Brit is serving his 2nd decade as President of the Southern Maine Landlord Association. He was a founding member of the Quality Housing Coalition, which focuses on opening-up market rate apartments to challenged tenant populations. Brit is also currently serving as President of the Portland Community Chamber of Commerce. He personally owns and manages multi-unit investments in Portland and Yarmouth.

Brit grew up in Yarmouth, Maine before he graduated from Harvard University in 1995. He worked in technology as a programmer and team manager at BBN, the company that developed the forerunner of the internet. Brit currently lives in Yarmouth with his wife, Yasmin, 13-year-old son, Coltrane and 10-year-old-daughter, Allegra. In his copious spare time, Brit enjoys mountain biking, skiing, and single malt scotch.

Vitalius Real Estate Group is a boutique real estate brokerage based in downtown Portland. We believe that our clients benefit from working with a diverse team of intelligent professionals who are dedicated to effectively negotiating the myriad needs of a real estate transaction.

Our group is comprised of associates who have complementary areas of market specializations - multi-family, commercial, condos and residential. Instead of one broker attempting to be all things to all people, we put together a team, which brings the needed area of expertise to a given client and situation. And we have a lot of fun along the way.

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