University of Maine Shawn Walsh Hockey Center and Harold Alfond Sports Arena Renovations and Additions
Photo Credit: Ryan Bent

THE MEREDA 2026 INDEX

Wedgewood
Photo Credit: Avesta Housing and Christian Phillips Photography

MEREDA INDEX

MEREDA

Maine Real Estate & Development Association

Supporting Responsible Development

Pictured on Front and Back Covers:
Recipients of MEREDA's 2025 Notable Project Award

MEREDA INDEX

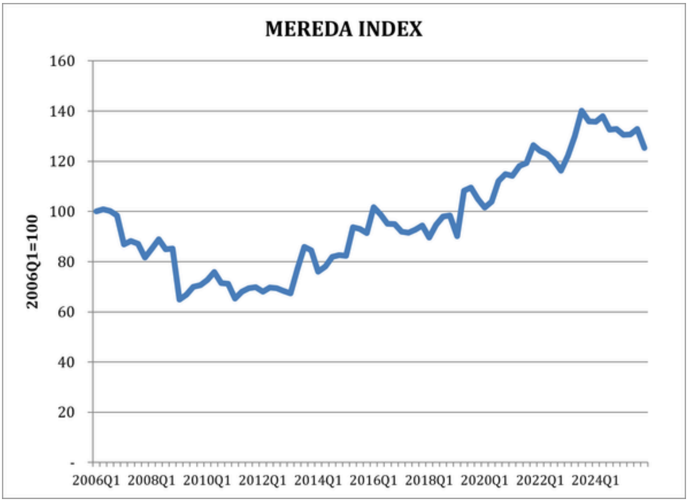
2026 EDITION

WHAT IS THE MEREDA INDEX?

The MEREDA Index is a measure of real estate activity designed to track changes in Maine's real estate markets. The Index is a composite of nine measures reflecting both new development and transactions involving existing properties and it covers both the commercial and residential markets statewide. The Index is measured quarterly beginning in the first quarter of 2006. This report covers the Index through the fourth quarter of 2025. The Technical Note at the end provides more details, including several changes in the data comprising the index.

THE MEREDA INDEX FOR 2025: ↓ 3.7%[1]

The story of real estate in Maine in 2025 was mixed, but overall downward trending. There downturn was primarily in the commercial real estate index, although this is the most volatile part of index. The residential real estate showed modest growth, while construction employment was largely unchanged.



1 Compared with annual average 2025.

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MEREDA 41st ANNIVERSARY 1985 – 2026

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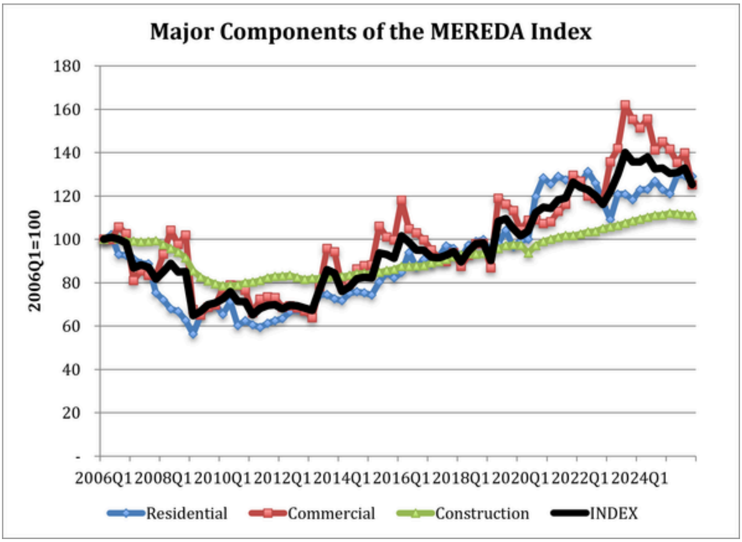
INTRODUCTION

In 2012, MEREDA decided to invest in an annual study to measure various components of the real estate industry in Maine, and to combine the results into one number. We call that number the "**MEREDA Index**." We understood that the Index was information that would become more meaningful over time, as a way to compare and chart the progress of the real estate industry in Maine. The first Index included information going back to 2006, which we treated as the benchmark for the Index. The first several years of computing the Index were marked by the impact of the Great Recession. Now in our 14th year of preparing the Index, we have new historic events shaping our economy and industry. The information and analysis provided by the Index is proving to be extremely useful and informative – not only by showing the relative performance of various sectors of the real estate industry, but also as a way of tracking the trends for each component of the Index.

The 2026 Index contains a report from Dr. Charles Colgan with a measurement and presentation of the real estate market in Maine and its various components for all of 2025.



MEREDA INDEX

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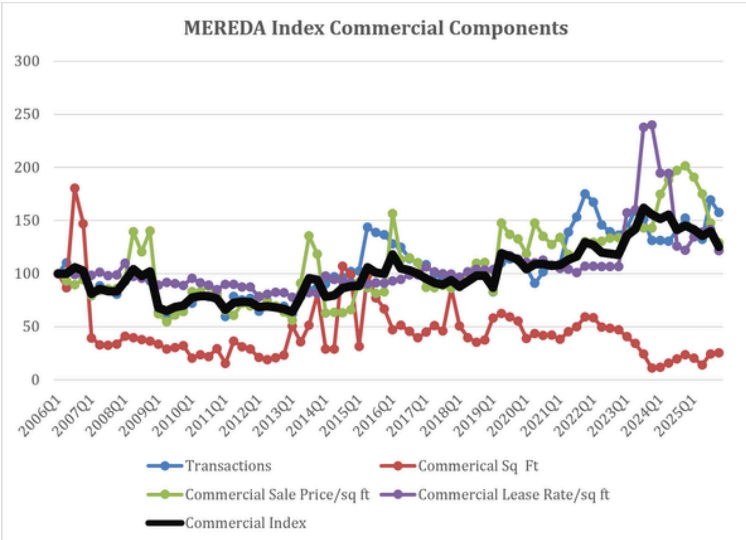
THE COMMERCIAL COMPONENT: -8.6%

The story of the commercial index is of falling sales prices and rental rates as the number of transactions.The price indexes each fell by more than 10%, leading the overall index down. There was a small drop in the number of transactions, but the total square footage in transactions increased by nearly 20%.



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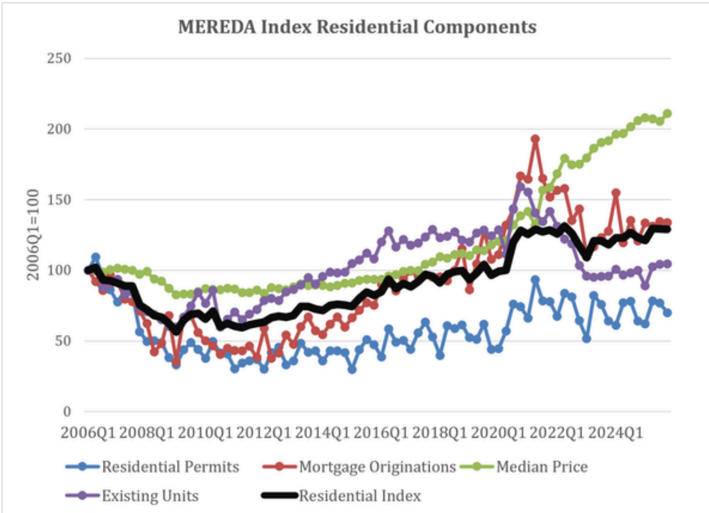
THE RESIDENTIAL COMPONENT: 2.6%

Home prices continued their strong growth in 2025, though the sales of existing units was essentially unchanged. The number of permits for new housing fell by just 10% and mortgage originations declined slightly. These trends were similar to national forces keeping housing expensive, though median prices in Maine are below national median prices.



MEREDA INDEX

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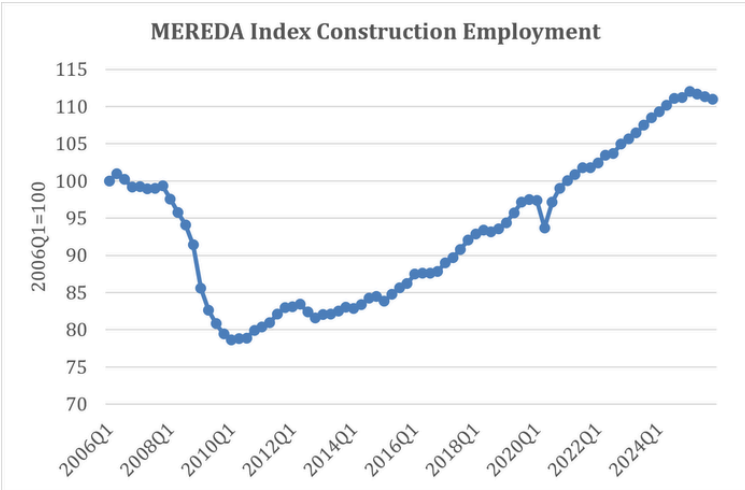
THE CONSTRUCTION COMPONENT: 1.0%

The construction employment index was up modestly at 1% on an annual average basis. But the quarterly trend over 2025 in construction employment was down on a seasonally adjusted basis, suggesting continued tight supply into 2026.



ABOUT MEREDA

The Maine Real Estate & Development Association (MEREDA) is an organization whose mission is to promote an environment for responsible development and ownership of real estate throughout the state. MEREDA accomplishes its mission through legislative advocacy, regulatory oversight, sponsorship of programs and conferences, and by serving as a unified and proactive representative for real estate and economic development interests.

MEREDA is the state's leading organization of commercial real estate owners, developers and related service providers. Founded in 1985, we now have over 360 members who employ thousands of Maine citizens and invest millions of dollars in the Maine economy each year. The only voice for the real estate development industry in Maine, our success is dependent upon bringing together many different trades that are vitally interested in promoting positive growth in our great state.

MEREDA advocates for fair, consistent, predictable regulations to create a healthy economic climate. Our efforts to promote responsible growth through fair and predictable legislation and regulation are vital for a return to a healthy, thriving economy.

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TECHNICAL NOTES:

All data is either quarterly or monthly, converted to quarterly and then either seasonally adjusted or trended using moving averages and then compared to the value of each variable in the first quarter of 2006 (2006Q1=100). Data sources for the index include: the Maine Association of Realtors, The Boulos Company, Maine Department of Labor, Mortgage Bankers Association, U.S. Census, and Moody’s Analytics.

The relatively small volumes of real estate transactions in Maine and regular seasonal changes in the residential market mean that the raw numbers comprising the Index can be very volatile from month to month and quarter to quarter. The index is constructed using methods that adjust for seasonal changes and better capture underlying trends in the real estate market.

The source of all data for the commercial index has been commercial real estate information maintained by The Boulos Company, which has generously made the data available for purposes of the Index.

Charles S. Colgan PhD

The MEREDA Index is prepared by **Charles S. Colgan,** Professor Emeritus of Public Policy & Planning in the Muskie School of Public Service at the University of Southern Maine, where he chaired the Graduate Program in Community Planning & Development. He served 12 years in the Maine State Planning Office including positions as Maine State Economist and director of the Maine Coastal Program. He served as Director of Research at the Center for the Blue Economy in the Middlebury Institute of International Studies at Monterey in Monterey, CA. He is currently Principal of the consulting firm Ocean Economics LLC. He received his BA from Colby College and his PhD in Economic History from the University of Maine.

Estabrook's Pownal Production Facility
Photo Credit: Jonathan Kinsman

THE MEREDA 2026 INDEX

The Downs
Photo Credit: M&R Development

UNE Harold & Bibby Alfond Center for Health Sciences
Photo Credit: Ryan Bent Photography

Boyd Block (178 Middle Street)
Photo Credit: East Brown Cow

Gehring House
Photo Credit: Trent Bell Photography

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