



# Housing Facts and Affordability Index

## Maine - 2020

### Homeownership Affordability Index

Maine	Year	Index	Median	Median	Income Needed	Home Price
			Home Price <sup>1</sup>	Income <sup>2</sup>	to Afford Median Home Price	Affordable to Median Income
	2016	0.97	\$184,000	\$50,990	\$52,545	\$178,552
	2017	0.93	\$197,000	\$53,190	\$57,089	\$183,546
	2018	0.89	\$212,500	\$56,987	\$64,367	\$188,138
	2019	0.90	\$225,000	\$59,575	\$66,044	\$202,959
	2020	0.91	\$255,000	\$63,340	\$69,691	\$231,762
Androscoggin County		0.94	\$203,500	\$53,843	\$57,288	\$191,262
Aroostook County		1.54	\$106,000	\$46,527	\$30,171	\$163,465
Cumberland County		0.81	\$361,500	\$80,174	\$99,110	\$292,432
Franklin County		0.98	\$193,500	\$51,219	\$52,286	\$189,552
Hancock County		0.85	\$274,000	\$59,959	\$70,827	\$231,955
Kennebec County		1.08	\$194,000	\$57,610	\$53,543	\$208,733
Knox County		0.85	\$265,000	\$60,160	\$70,941	\$224,728
Lincoln County		0.77	\$305,000	\$61,390	\$79,891	\$234,368
Oxford County		0.97	\$197,450	\$51,501	\$53,245	\$190,981
Penobscot County		1.10	\$175,000	\$54,443	\$49,658	\$191,863
Piscataquis County		1.27	\$126,200	\$44,340	\$35,034	\$159,720
Sagadahoc County		0.94	\$271,000	\$68,406	\$72,716	\$254,936
Somerset County		1.13	\$144,500	\$45,791	\$40,523	\$163,283
Waldo County		0.92	\$223,750	\$57,373	\$62,695	\$204,757
Washington County		1.04	\$156,000	\$45,482	\$43,753	\$162,165
York County		0.86	\$330,000	\$75,612	\$88,076	\$283,301

The Homeownership Affordability Index is the ratio of Home Price Affordable at Median Income to Median Home Price. An index of less than 1 means the area is generally unaffordable - i.e., a household earning area median income could not cover the payment on a median priced home (30 year mortgage, taxes and insurance) using no more than 28% of gross income.

### Households Unable to Afford Median Home

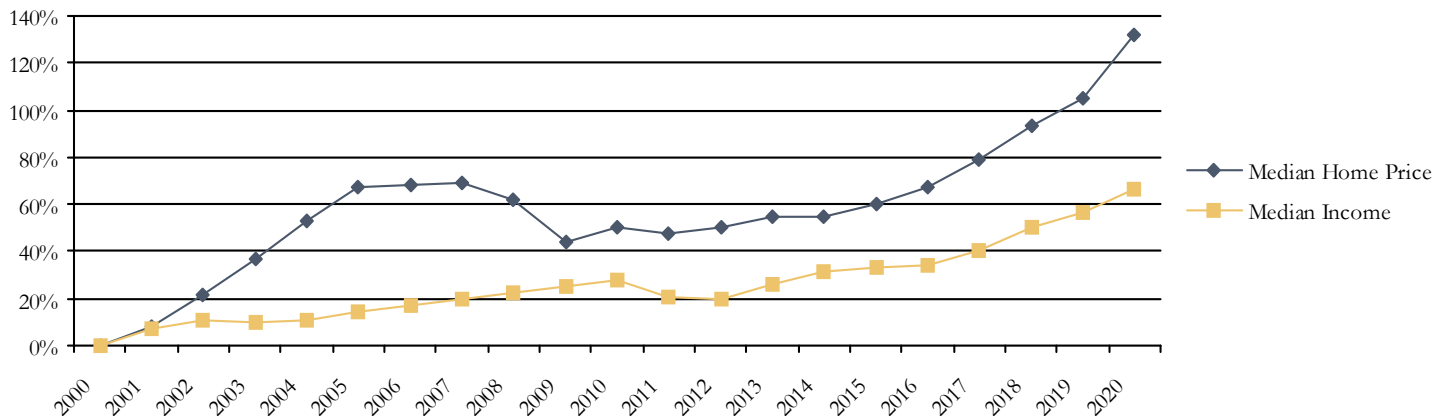
Maine	Year	Households Unable to Afford Median Home		Total Households	Median Home Price <sup>1</sup>	Income Needed to Afford Median Home	
		Percent	Number			Annual	Hourly
	2016	52.5%	296,967	565,157	\$184,000	\$52,545	\$25.26
	2017	54.1%	305,672	565,295	\$197,000	\$57,089	\$27.45
	2018	56.3%	319,595	567,491	\$212,500	\$64,367	\$30.95
	2019	55.7%	317,967	571,087	\$225,000	\$66,044	\$31.75
	2020	55.5%	317,611	572,753	\$255,000	\$69,691	\$33.51
Androscoggin County		53.0%	23,558	44,452	\$203,500	\$57,288	\$27.54
Aroostook County		34.4%	10,009	29,085	\$106,000	\$30,171	\$14.51
Cumberland County		61.4%	76,944	125,365	\$361,500	\$99,110	\$47.65
Franklin County		51.0%	6,547	12,841	\$193,500	\$52,286	\$25.14
Hancock County		57.9%	14,555	25,124	\$274,000	\$70,827	\$34.05
Kennebec County		47.6%	24,725	51,984	\$194,000	\$53,543	\$25.74
Knox County		58.8%	10,378	17,649	\$265,000	\$70,941	\$34.11

Lincoln County	62.2%	9,646	15,496	\$305,000	\$79,891	\$38.41
Oxford County	51.5%	12,765	24,767	\$197,450	\$53,245	\$25.60
Penobscot County	46.3%	29,038	62,676	\$175,000	\$49,658	\$23.87
Piscataquis County	40.5%	3,082	7,613	\$126,200	\$35,034	\$16.84
Sagadahoc County	52.9%	8,277	15,658	\$271,000	\$72,716	\$34.96
Somerset County	45.1%	9,762	21,625	\$144,500	\$40,523	\$19.48
Waldo County	54.2%	9,333	17,211	\$223,750	\$62,695	\$30.14
Washington County	47.6%	6,658	13,973	\$156,000	\$43,753	\$21.03
York County	58.6%	51,077	87,234	\$330,000	\$88,076	\$42.34

### Unattainable Homes as a Percentage of Homes Sold

Maine	Percentage of Unattainable Homes	Affordable Homes Sold	Unattainable Homes Sold
2016	52.8%	9,555	10,689
2017	53.9%	9,513	11,139
2018	58.1%	7,534	10,440
2019	56.3%	8,015	10,321
2020	56.4%	8,792	11,370
Androscoggin County	56.4%	543	702
Aroostook County	24.7%	652	214
Cumberland County	72.2%	1,168	3,029
Franklin County	50.2%	282	284
Hancock County	60.4%	417	636
Kennebec County	46.1%	963	823
Knox County	64.1%	251	448
Lincoln County	69.7%	210	483
Oxford County	53.0%	464	523
Penobscot County	41.7%	1,130	807
Piscataquis County	39.2%	276	178
Sagadahoc County	58.1%	213	295
Somerset County	39.6%	448	294
Waldo County	55.4%	279	346
Washington County	46.2%	290	249
York County	66.4%	1,098	2,167

### Relative Increases in Income and Home Price <sup>3</sup>



## Rental Affordability Index

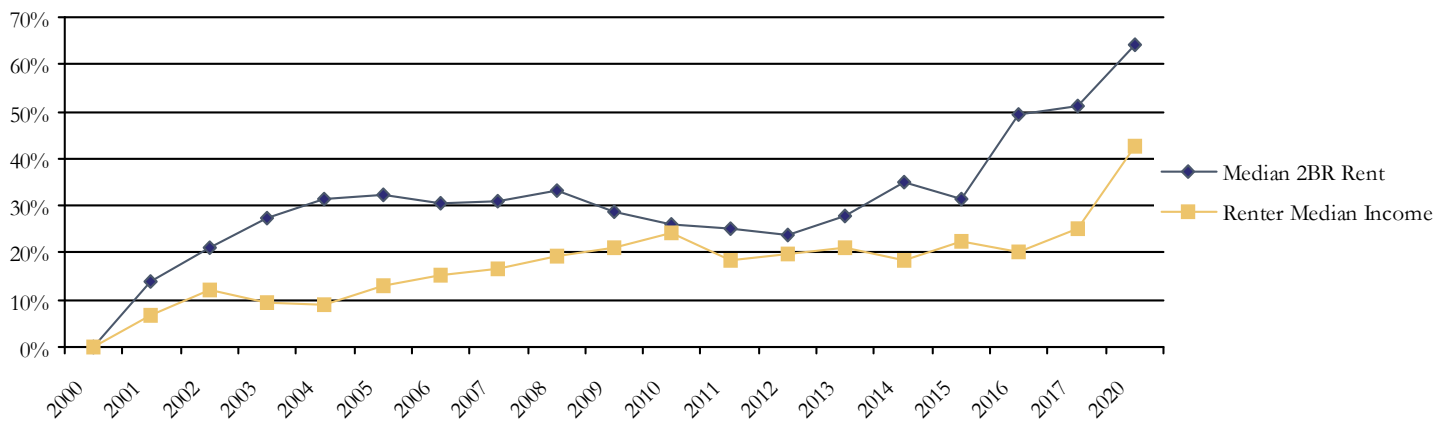
Maine	Year	Index	Median	Renter	Income Needed	2 BR Rent
			2 BR Rent (with utilities) <sup>1</sup>	Household Median Income <sup>2</sup>	to Afford Median 2 BR Rent	Affordable to Median Income
	2016	0.77	\$966	\$29,588	\$38,640	\$740
	2017	0.79	\$977	\$30,804	\$39,093	\$770
	2020	0.83	\$1,062	\$35,098	\$42,489	\$877
Androscoggin County		0.84	\$1,029	\$34,541	\$41,177	\$864
Aroostook County		0.84	\$824	\$27,545	\$32,976	\$689
Cumberland County		0.68	\$1,650	\$44,804	\$66,000	\$1,120
Franklin County		1.00	\$729	\$29,220	\$29,159	\$730
Hancock County		0.58	\$1,379	\$32,225	\$55,177	\$806
Kennebec County		0.80	\$986	\$31,533	\$39,423	\$788
Knox County		0.77	\$1,195	\$36,685	\$47,800	\$917
Lincoln County		0.78	\$1,029	\$32,306	\$41,177	\$808
Oxford County		0.75	\$932	\$27,944	\$37,297	\$699
Penobscot County		0.76	\$1,015	\$30,876	\$40,584	\$772
Piscataquis County		0.83	\$808	\$26,710	\$32,325	\$668
Sagadahoc County		0.93	\$1,011	\$37,763	\$40,423	\$944
Somerset County		0.73	\$920	\$26,754	\$36,812	\$669
Waldo County		0.70	\$1,069	\$30,008	\$42,777	\$750
Washington County		0.99	\$701	\$27,629	\$28,040	\$691
York County		0.61	\$1,704	\$41,681	\$68,177	\$1,042

The Rental Affordability Index is the ratio of 2-Bedroom Rent Affordable at Median Renter Income to Median 2-Bedroom Rent. An index of less than 1 means the area is generally unaffordable – i.e., a renter household earning area median renter income could not cover the cost of the median 2-bedroom apartment (including utilities) using no more than 30% of gross income. Note that prior to 2020, average rents were used rather than median rents.

## Renter Households Unable to Afford Median 2 Bedroom Rent

Maine	Year	Households		Total Renter Households	Median 2 BR Rent (with utilities) <sup>1</sup>	Income Needed to Afford Median 2 BR Rent	
		Unable to Afford Average 2 BR Rent Percent	Number			Annual	Hourly
	2016	61.2%	98,851	161,601	\$966	\$38,640	\$18.58
	2017	59.6%	96,448	161,746	\$977	\$39,093	\$18.79
	2020	57.2%	93,292	162,967	\$1,062	\$42,489	\$20.43
Androscoggin County		58.1%	9,143	15,746	\$1,029	\$41,177	\$19.80
Aroostook County		56.6%	4,769	8,420	\$824	\$32,976	\$15.85
Cumberland County		66.0%	27,109	41,093	\$1,650	\$66,000	\$31.73
Franklin County		49.9%	1,562	3,129	\$729	\$29,159	\$14.02
Hancock County		70.4%	4,493	6,384	\$1,379	\$55,177	\$26.53
Kennebec County		58.7%	8,661	14,746	\$986	\$39,423	\$18.95
Knox County		61.9%	2,831	4,575	\$1,195	\$47,800	\$22.98
Lincoln County		59.6%	1,758	2,948	\$1,029	\$41,177	\$19.80
Oxford County		62.5%	3,558	5,692	\$932	\$37,297	\$17.93
Penobscot County		60.7%	12,022	19,818	\$1,015	\$40,584	\$19.51
Piscataquis County		60.0%	1,027	1,712	\$808	\$32,325	\$15.54
Sagadahoc County		52.8%	2,024	3,836	\$1,011	\$40,423	\$19.43
Somerset County		63.4%	3,188	5,028	\$920	\$36,812	\$17.70
Waldo County		64.7%	2,400	3,712	\$1,069	\$42,777	\$20.57
Washington County		50.6%	1,733	3,428	\$701	\$28,040	\$13.48
York County		73.0%	16,577	22,700	\$1,704	\$68,177	\$32.78

## Relative Increases in Renter Income and Average 2BR Rent



## Demographics

	% Change 1990-2020	1990	2016	2017	2018	2019	2020
Population	9.3%	1,227,460	1,330,968	1,329,063	1,332,247	1,339,380	1,341,155
Households	23.1%	465,142	564,989	565,115	567,316	570,917	572,586

## Endnotes

<sup>1</sup>This data is derived from Maine Real Estate Information System ("MREIS") and MREIS reserves all rights including all proprietary rights in the data set forth herein and any use or publication of this data or any portion thereof without the express written consent of MREIS is prohibited. Any reproduction, sale or exchange of this data, in whole or in part, is likewise prohibited. All rights to the data remain the exclusive property of MREIS to the extent owned by MREIS.

<sup>2</sup>Source: Claritas Current Year Household Income

<sup>3</sup>The Y axis is an index defined as the ratio of the annual value to the year 2000 value.

# Housing in Maine

Presented to the Commission to Increase Housing Opportunities by Studying  
Zoning and Land Use Restriction  
August 12, 2021

## Maine's Housing Market

- Maine is largely rural, sparsely populated, with modestly sized urban centers, and has an aging population. Unlike the United States, population growth in Maine, as in New England, has been flat since 2000.
- The fastest growing age cohort are those over 65, and older adults will likely comprise 30% of the population by 2030.
- A larger share of older adults own their homes, have lower incomes, and a higher rate of need likely to increase as this segment of the population grows

The Census indicates a slow continued shift toward non-family, small family households. The higher than average number of homes occupied by older adults partially explains Maine's small overall household size of 2.3 compared to 2.6 nationally.

- The average household size for owned homes is 2.4 and 2.1 for rented units.
- Maine Homeowners percentage: 72.3%
- Maine Renters percentage: 27.7%
- On any given day, Maine has approximately 1,000 people who are homeless.

## Homeownership

- The median home price in Maine was \$256,000 in 2020, a 14% increase over 2019. The number of housing unit sold was 19,921, a 10% increase.
- The median house price in Maine is unaffordable for the median income household in all Maine counties except Aroostook, Kennebec, Penobscot, Piscataquis, Somerset and Washington counties.
- MaineHousing First Home Loan Program (2020): 930 loans

## Rental

- The median rental 2 bedroom in Maine costs \$1,062 per month.
- The median rental is unaffordable for the median income household in all Maine counties except Franklin.
- Nearly 15% of households with at least one person over 75 have extremely low incomes. Nearly 15% of households with at least one person over 75 have extremely low incomes.
- And 36% of households with one or more children aged 6 or under have extremely low incomes or low incomes.

## Affordable Housing

In order to address the changes in Maine's housing market, MaineHousing is working with other state and federal agencies to provide more affordable housing. Below is a summary of existing affordable housing in Maine in 2020.

- USDA Rural Development: 324 properties / 7,810 units
- MaineHousing Development: 761 properties / 19,850 units
- HUD properties: 8,050 units (plus 3,964 public housing units)
- Supportive Housing: 265 properties / 1,384 units
- Housing Choice Vouchers (HCV): 12,000 households per month / 25,283 on the waitlist
- First Home Loans: 930 home purchases

## Housing Quality

Maine has the 8<sup>th</sup> oldest housing stock in the nation.

- Maine's housing stock consists of 750,964 housing units
  - Housing units built before 1939 represent 24% (179,613) of the housing stock.
  - Housing units built between 1940 and 1979 represent 33% (244,104) of the housing stock.
  - 54% of the housing units was built before 1980 (rank 19<sup>th</sup> in the U.S.).
  - 87% of children with lead poisoning live in housing built before 1950.

## COVID-19 Emergency Rental Assistance

During the pandemic,

- More than 9,500 households received help paying their rent and utilities
- \$48.5 million invested in rent relief

The data cited in this fact sheet are from the US Census or data collected by MaineHousing

Housing in Maine: An Overview  
By Peter Merrill, MaineHousing Deputy Director  
August 12, 2021

Commission to Increase Housing Opportunities by Studying  
Zoning & Land Use Restrictions

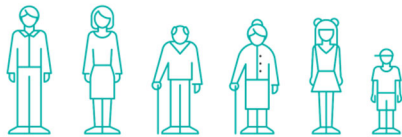
## PANDEMIC & FALLOUT

The unprecedented events of 2020 both exposed and amplified the impacts of unequal access to decent, affordable housing. For households with secure employment and good-quality housing, their homes provided a safe haven from the pandemic. However, for the thousands of households that lost income and are still struggling to cover their housing costs, their situations are anything but secure.

These disparities are likely to persist even as the economy recovers, with many lower-income households slow to regain their financial footing and facing possible eviction or foreclosure. (Harvard Center for Housing Policy, adjusted for Maine). Of course, we still have not seen the last of pandemic-related impacts, because the pandemic is not over.

## SLOW TO NO GROWTH

Maine is largely rural, sparsely populated, with modestly sized urban or service centers. Population in US is growing, but population in Maine and New England has been flat since 2000.



Most areas in Maine: population is getting older/  
declining.

But not everywhere: southern/coastal counties are  
growing - some are even getting younger.

Maine cities  
& towns: **100** growing  
population **400+**  
declining  
population

The scale of community in Maine, historically, influences our vision of community in the future. Maine is largely a collection of small towns, even our urban centers are small compared to other places. This sense of scale affects our development decisions.

The fastest growing age cohort are those over 65, and older adults will likely comprise 30% of the population by 2030.

## SMALLER HOUSEHOLD SIZE

Per the US Census:

- Slow continued shift toward non-family, small family households. Maine is third lowest in average household size and second lowest among owned units in the U.S.
- Higher than average number of homes occupied by older adults partially explains Maine's small overall household size of 2.3. The average household size for owned homes is 2.4 and 2.06 for rented units.

Smaller households and the preference for smaller housing is consumptive of land using traditional development patterns. However, smaller units offer opportunities to increase density more efficiently.

## **HOMEOWNERS & RENTERS**

- 72% of occupied housing units are owned.
- 28% are rented. Prior to the pandemic, growth in rental units outpaced those that are owned.

COVID-19 has affected housing preference with a sharp increase in home buying. It is not clear if this is a temporary shift or a permanent trend. Median home and rental prices have returned to and exceeded pre-recession levels. Affordable rental and owned units are declining, and so are vacancy rates. Tight inventories of both are increasing prices and cost burden. Unless we can reduce the cost of housing, more and more Mainers will be cost burdened.

## **AFFORDABILITY**

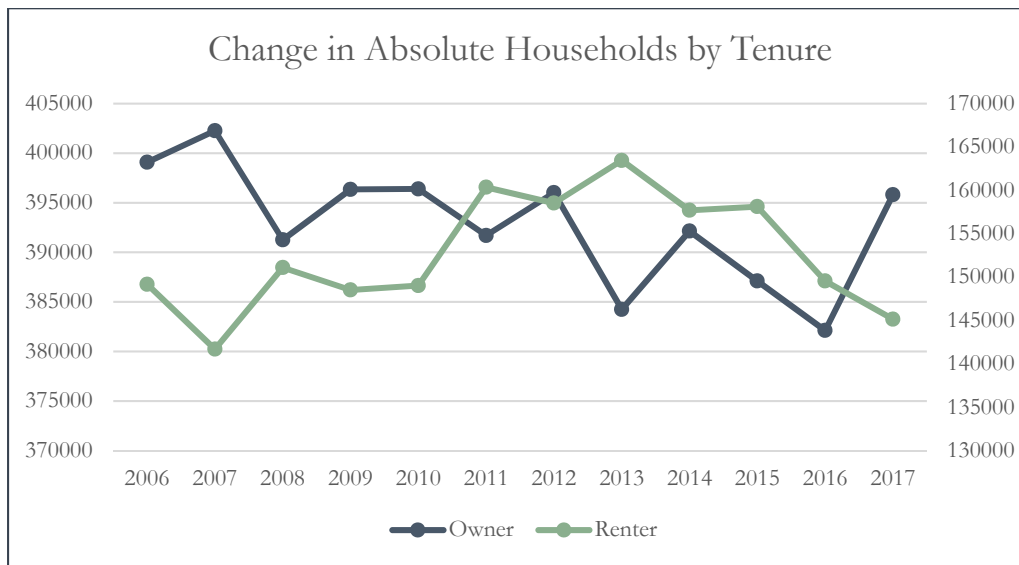
Affordability and the cost of housing is increasingly burdening Maine residents:

- Maine's poverty rate has dropped to 12%; income has not kept pace with the cost of housing.
- 24% of households earn 50% or less of area median income.
- Renter median income \$29,350 vs. \$64,679 for homeowners: explains the greater need for rental housing assistance.
- 39.3% of homeowners without a mortgage were cost burdened, paying in excess of 30% of income on housing.
- A larger share of older adults own their homes, have lower incomes, and a higher rate of need likely to increase as this segment of the population grows.

## **HOMEOWNERSHIP AFFORDABILITY**

The 2008 mortgage crisis resulted in a reduction in the home ownership rate and a shift to renting. The return to homeownership has been gradual as low interest rates and a supply of homes stimulated purchasing.





The average house price in Maine is unaffordable to the average income household in all Maine counties except Aroostook, Kennebec, Penobscot, Piscataquis, Somerset, and Washington counties. Low interest rates and the recent surge in home buying have significantly reduced the supply of affordable homes pricing many first time homebuyers out of the market. We are seeing a slight decline in our first home loan program reflective of the tightening market and higher purchase prices.

Although the supply of existing homes for sale is at a record low, the subsiding pandemic and resumption of more normal activity could encourage more owners to put their homes on the market. However, COVID variants of course could also change that calculus. An expanded supply of for-sale homes would help to slow the meteoric rise in house prices, but new construction also has to pick up substantially to keep homeownership relatively affordable.

### RENTER AFFORDABILITY

Renting is affordable in only one county in Maine – Franklin County.

- 49.1% of renters are cost-burdened, paying more than 30% of their income on housing. Low income renters are of course hit hardest by cost burden.
- Approximately 37,245 renter households are extremely low income.
- Extremely low-income renters paying over 50% of their income on housing comprise 16% of all renters.
- Small family renter household comprise the largest share of extremely low-income households.
- 54% of extremely low-income renters have substandard housing (defined as lacking complete plumbing or kitchen facilities).

- Small single parent and older adult renters face the greatest housing challenges and greatest need. Nearly 15% of households with at least one person over 75 have extremely low incomes. 36% of households with one or more children aged 6 or under have extremely low incomes or low incomes.

The income limits for MaineHousing financed affordable housing for a one person household is \$42,400. Entry-level earnings for many professions are below the low-income threshold, including:

- Firefighters: \$27,490
- Elementary school teachers: \$38,080
- Construction and extraction occupations: \$33,040
- Farming, fishing, and forestry occupations: \$28,940

## **HOUSING QUALITY**

Maine has the eighth oldest housing stock. Maine's housing stock consists of 750,964 houses, of which:

- Houses built before 1939 represent 24% (179,613) of the housing stock.
- Houses built between 1940 and 1979 represent 33% (244,104) of the housing stock.

## **HOUSING PREFERENCE**

We are seeing a move toward Maine people preferring smaller, more energy efficient homes. This preference may be reflective of smaller household sizes.

Pre-pandemic: Maine people showed a preference for living near urban areas, coastal counties, and the I-95 corridor.

Post-pandemic: Access to broadband and more accepting views on telecommuting means that where one lives may not be as strong a factor. However, how COVID influences settlement patterns remains to be seen. Certain impacts of the pandemic on housing markets are potentially temporary – most notably, the drop in high-end urban rental demand. Indeed, early signs suggest that the reopening of offices, universities, restaurants, and other amenities is already bringing renter households back to city centers.

However, the growing demand for suburban and exurban living may be a more enduring shift, particularly if working from home becomes common practice. If freed from the requirement to commute every day, many more households (including those from out of state) will seek out lower-cost housing away from employment centers.

## **MAINEHOUSING'S ROLE IN ADDRESSING AFFORDABILITY**

Our programs help families afford heating, maintaining, and repairing the home they own (or in the case of heating, the home they rent), which also support housing affordability efforts.

Of course, we are known for supporting homeownership opportunities for first home purchasers with an estimated 1,000 loans a year. We are also known for financing affordable multifamily rental housing developments.

### Existing Multifamily Housing and Rental Assistance

- USDA Rural Development: 324 properties / 7,810 units
- MaineHousing Financed Development: 761 properties / 19,850 Units
- HUD properties: 8,050 Units
- Supportive Housing (2020): 265 properties / 1,384 units
- Housing Choice Vouchers (HCV): 12,000 households per month statewide, 3,816 served by MaineHousing (25,283 households on the waitlist).