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## Public Comments for the Commission to Increase Housing Opportunities in Maine by Studying Land Use Regulations and Short-term Rentals

**J. Andrew Cashman on behalf of the Maine Association of REALTORS®**

**October 3, 2022**

Senator Hickman, Representative Roeder and members of the Commission to Increase Housing Opportunities in Maine by Studying Land Use Regulations and Short-term Rentals, my name is Andy Cashman. I am the Founder of Resolve Government Relations and I am here on behalf of my client, the Maine Association of REALTORS®, a professional trade association with over 6,200 members statewide. Our members represent both buyers and sellers and are involved in both residential and commercial real estate transactions. Our membership also includes affiliates, which are those professionals involved in real estate transactions, such as bankers, closing agents, title agents, appraisers, building inspectors, surveyors, etc. The Maine Association is chartered by the National Association of REALTORS® (NAR) which is the largest trade association in the country.

The lack of affordable housing in Maine is a serious problem that warrants wide-ranging policies. There are many ways to approach the problem, but we believe any effective approach must take a holistic look at the barriers to increasing supply and physically building more affordable housing.

The fundamental cause of the affordable housing problem is a lack of supply. We simply do not have enough affordable homes in Maine and we need to build more – either through entirely new homes or by modifying existing structures.

We strongly oppose any state-wide prohibitions, restrictions, taxes, or fees on the use of a property as a short-term rental. Such actions are detrimental to private property rights and defer attention from the core problem of our housing crisis, which is the need for additional housing.

Restricting a person's ability to use their own private property as a short-term rental disproportionately targets Maine people – not wealthy people “from away.” Historically, 75% of Maine real estate purchases are from Maine zip codes – during



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the pandemic it has still been around 67% (second homes are included in this figure). Maine residents should not be financially penalized for how they choose to use their real estate in Maine. Many Mainers need to rent out their camp or family home to afford to keep it. And those Mainers are already paying their fair share of taxes to the State of Maine and to local governments: they are paying their property taxes and, property owners who rent their vacant units (or their second homes) must pay taxes (9%) on that rental income. In addition, these Maine residents who own second properties are unable to participate in municipal voting where that second property is located. In turn, they are often negatively impacted by local ordinances because they do not have a voice or a vote that can be heard in that municipality.

Furthermore, short-term rentals meet a variety of needs for the community; housing itinerant workers such as traveling health care professionals, college professors, construction personnel and tradespeople, seasonal employees for Maine's recreational and hospitality industries, and families in transition between selling and buying their permanent homes. Short-term rentals support one of Maine's largest industries – tourism and the economic ripple effect to affiliated industries.

The core question is, where is the disconnect for the development of all types of housing including ADU's, single family homes, subdivisions, small scale developments, larger complexes and the rehabilitation of substandard units or conversion of vacant commercial space to housing units? How do we develop the workforce to build Maine housing? How do we incentivize Maine communities to accept development and ease the zoning barriers to accept incremental growth?

The Maine Association of REALTORS® strongly advocates for affordable housing: it is a priority in our Public Policy Statement, and we operate a small non-profit, the Maine Association of REALTORS® Foundation, which has provided \$3.5 million dollars to affordable housing efforts in our state over the past 30 years, around \$120,000 annually for housing programs or households not served by other funding sources. We were strong supporters of LD 2003 last session and look forward to engaging in this Commission's work as well.

Thank you for your time and consideration.