

Testimony of Avesta Housing before the Maine Legislature Taxation Committee
In Support of LD 1082 – An Act to Invest in Maine's Families and Workforce
by Amending the Real Estate Transfer Tax
April 3, 2025

Senator Grohoski, Representative Cloutier, and Members of the Joint Standing Committee on Taxation,

My name is Patrick Hess, and I am the Director of Real Estate Development at Avesta Housing. Thank you for the opportunity to provide testimony in support of LD 1082, a bill that takes crucial steps toward addressing Maine's housing crisis by amending the Real Estate Transfer Tax.

Avesta Housing has been dedicated to developing safe, quality, affordable housing for Maine's low-income individuals and families for 53 years. We see firsthand the challenges that Mainers face due to a lack of affordable housing options. Maine needs approximately 84,000 additional homes by 2030 to meet demand, and the rate of housing production must double to achieve this goal. Meanwhile, home prices have soared by more than 50% since 2020, making homeownership increasingly out of reach for many Mainers.

LD 1082 proposes to increase the real estate transfer tax on high-value property sales—those over \$1 million. This policy will generate much-needed revenue for critical housing initiatives, including:

- The Housing First Fund to support housing solutions for Maine's most vulnerable populations.
- The Housing Opportunities for Maine (HOME) Fund, which expands affordable housing options statewide.
- A new Housing Production Fund to directly support the construction of multifamily and single-family homes.
- Ensuring continued funding for Maine's Energy, Housing, and Economic Recovery Program.

Equally important, this bill eliminates the real estate transfer tax for homebuyers utilizing MaineHousing's Advantage Program or First Generation Program, making first-time homeownership more accessible and competitive.

With Maine's housing vacancy rate at just 2%, both current residents and those looking to relocate struggle to find affordable housing. Without bold action, our workforce, older adults, and families will continue to bear the burden of this crisis. LD 1082 is a smart, sustainable approach to expanding Maine's affordable housing supply and supporting economic growth.

Avesta Housing strongly urges the committee to support this bill. Thank you for your time and consideration.

Patrick Hess
Director of Real Estate Development
Avesta Housing