

Statement by GreenMars Real Estate Services
Appropriations Committed
2/9/2023

Thank you, Madam Chairs Senator Margaret Rotundo and Representative Melanie Sachs.
Thank you also to Co-Chairs Representative Traci Gere and Senator Theresa Pierce.

My Name is Nate Green and this is Chris Marshall, together we own a private real estate development company based out of Portland, ME called GreenMars Real Estate Services.

Over the last 10 years our company has developed over 100 affordable apartments using conventional private financing. The feasibility of this model has disappeared and now only allows for high-end construction. As you know this is due to substantially increased construction and capital costs.

We believe the housing shortage is a significant bottle neck on the growth of Maine's economy and its businesses. Organizations frequently reach out asking about affordable units for would-be staff for which we rarely have vacancies.

In our recent project planning we are looking for ways to reduce per unit cost due to the earlier mentioned economic conditions. We've considered a combination of higher density, smaller units, and other cost cutting finish strategies. Even with these strategies in place, the economics are infeasible. We know several other developers facing these same challenges in Maine.

The Governor's budget recommendation identifies funding the Rural Rental Affordable Housing Program. We strongly support the refunding of this program and others that allow for the development of affordable housing.

We have shovel ready projects in Freeport, Springvale, and Falmouth that could be started with the funding of these programs. These projects could utilize both the Rural Rental Affordable Housing Program and the 4% Low Income Housing Tax Credit Program.

In conclusion, market conditions have shifted so significantly in the last two years that we do not believe standard market construction will add affordable units to the state without programs like these.

Thank you to the committee for the chance to speak on this topic and your dedication to this effort.