

Maine Real Estate Market Talking Points – August 2010

- As anticipated, home sales in Maine have experienced a decrease in unit sales (comparing July 2010 to July 2009), reflective of the end of the federal tax credit which had created an accelerated demand to go under contract by a specific date. Unit sales decreased 30% statewide.
- National Association of REALTORS economists predicted at least July and August 2010 would be difficult months for home sales nationwide due to the end of the tax credit creating a “pause”. The tax credit did have a large positive impact on the ability for many to purchase a home and provided important economic stimulus throughout the nation and Maine
- The median sales price for homes in Maine increased by 4.23% to \$172,500 for that same time period (July 2010 compared with July 2009) showing sales of higher priced homes are on the rise and a greater stabilization of home prices in many areas. Median indicates half the homes sold for more and half for less
- The first six months of 2010 compared with 2009 showed a 27% increase in unit sales in Maine, and a median sales price of \$167,000. While July unit sales are not pacing with earlier months in 2010, the median sales price continues to improve which is encouraging
- In addition to the end of the tax credit, the good weather in Maine in July 2010 contributes to slowed home sales as people spend their time enjoying the weather instead of considering a first or second home search
- With so many first time buyers taking advantage of the tax credit, there was a decrease in the quality of inventory at some of the lower price ranges in Maine, which is presently being replenished with newly listed inventory
- Other notable market conditions impacting sales include the time it presently takes to close due to the number of listings that are short sale; foreclosure; or subject to some of the financing challenges with mortgages that happened recently - including funding for the Rural Housing program, which was only recently reauthorized by Congress
- Interest rates are at the lowest level since rates have been tracked (1971) which should encourage the public to take advantage of either lower monthly mortgage payments on a home purchase or to be able to buy a larger home than in the past. The Maine Association of REALTORS is planning a campaign to explain to the public how they benefit from lower mortgage rates
- Maine lenders are reporting an increase in pre-approvals showing that there is an increase in those who know they can qualify for a mortgage and are likely engaged in a home search
- Now is a great time to buy when considering historically low interest rates, increasing quality of inventory and good home prices

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MAINE REAL ESTATE SALES DECLINE IN JULY: TAX CREDIT EXPIRATION CITED AS FACTOR

SOUTH PORTLAND (August 24, 2010) - The expiration of the federal home buyer tax credit had the expected impact on Maine single-family existing home sales during the month of July 2010. According to statistics from the Maine Real Estate Information System, Inc. (MREIS), Realtors reported 807 sales in Maine in July 2010, a drop of 30.07 percent when compared to July 2009.

However, Maine median home sales prices are still increasing. The median sales price rose 4.23 percent in July 2010 to \$172,500, compared with July 2009. The median sales price (MSP) indicates that half of the homes were sold for more and half sold for less.

Nationally, home sales declined 25.6 percent in July 2010 compared with 2009. The National Association of Realtors (NAR) reports a 0.9 percent national uptick in sales prices to a MSP of \$183,400 in July 2010. In the Northeast, median sales prices increased 4.8 percent to \$263,800 while unit sales decreased 30.3 percent.

Marc Chadbourne, President of the Maine Association of Realtors, relays, "It was expected we'd see a decrease in sales in the third quarter due to the wildly successful tax credits that buyers cashed in during the first half of 2010. With a healthy housing inventory, historically low interest rates and banks eager to lend, now is an extraordinary opportunity to buy real estate in Maine."

For more talking points on the Maine real estate market, go to MaineRealtors.com.

Below are two charts showing statistics for Maine and its 16 counties. The first chart lists statistics for the month of July only, statewide. The second chart compares the number of existing, single-family homes sold (units) and volume (MSP) during May, June and July of 2009 and 2010.

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JULY ONLY CHART

July 1-31, 2009 – July 1-31, 2010

County	# Units Sold 2009	# Units Sold 2010	% Change	MSP 2009	MSP 2010	% Change
STATEWIDE	1154	807	-30.07%	\$165,500	\$172,500	4.23%

ROLLING QUARTER CHART

From May 1, 2009 – July 31, 2009 and May 1, 2010 – July 31, 2010

County	# Units Sold 2009	# Units Sold 2010	% Change	MSP 2009	MSP 2010	% Change
STATEWIDE	3164	3150	-0.44%	\$165,000	\$171,275	3.80%
Androscoggin	213	224	5.16%	\$134,000	\$138,250	3.17%
Aroostook	100	111	11.00%	\$87,500	\$85,000	-2.86%
Cumberland	800	859	7.38%	\$227,450	\$235,000	3.32%
Franklin	55	68	23.64%	\$117,000	\$128,500	9.83%
Hancock	105	107	1.90%	\$175,000	\$177,000	1.14%
Kennebec	327	312	-4.59%	\$134,000	\$136,750	2.05%
Knox	93	109	17.20%	\$178,000	\$176,000	-1.12%
Lincoln	88	83	-5.68%	\$172,500	\$168,700	-2.20%
Oxford	135	140	3.70%	\$139,900	\$131,250	-6.18%
Penobscot	397	347	-12.59%	\$135,000	\$138,500	2.59%
Piscataquis	58	35	-39.66%	\$75,750	\$85,100	12.34%
Sagadahoc	83	110	32.53%	\$176,000	\$172,500	-1.99%
Somerset	95	90	-5.26%	\$98,500	\$86,000	-12.69%
Waldo	85	68	-20.00%	\$140,000	\$144,000	2.86%
Washington	18	16	-11.11%	\$72,750	\$110,000	51.20%
York	512	471	-8.01%	\$195,000	\$208,500	6.92%

Source: Maine Real Estate Information System, Inc. Note: MREIS, a subsidiary of the Maine Association of REALTORS, is a statewide Multiple Listing Service with over 4,600 licensees inputting active and sold property listing data. Statistics reflect properties reported as sold in the System within the time periods indicated.

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For more talking points: mainerealtors.com

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