



PORTLAND CONDO REPORT







2022 MARKET REVIEW & 2023 FORECAST

In last year's Portland Condo Report, which reviewed sales from 2021, the price per square foot for existing condo sales rose a respectable 13%. In 2022, Portland condo values continued their upward trend with prices up all over the city. The number of condos sold is down considerably from the year before with fewer new construction projects completed during 2022. Citywide, existing condos saw a nearly 15% price increase per square foot, helped by low inventory and historically low interest rates through the first half of the year.

Downtown condos only saw a modest 3% increase in the sales price per square foot, as new development inventory appears to have sufficiently supplied buyer demand over the past 12 months. Off peninsula, the sale price per square foot increased 7% over 2021, as many first-time homebuyers raced to lock down properties as interest rates began to rise.

Interest in Portland living has not slowed as the city continues to receive accolades for our recreational, cultural and culinary offerings. We still have strong buyer demand and inventory remains ultra-low. New listings for existing condos are being snapped up within days, even with the rise in interest rates narrowing the first-time homebuyer pool considerably. Many "experts" predict a nationwide recession in the next 12 months – we will be keeping a close eye on the Portland condo market and will keep you posted!

STATISTICS

ON-PENINSULA		OFF-PENINSULA	
\$652,200 AVG SALES PRICE 2021	vs.	\$556,100 AVG SALES PRICE 2022	
 -15%*	CHANGE IN AVG SALE PRICE 2021 VS. 2022		
 \$517 AVG PRICE PER SQ FT 2021	vs.	\$531 AVG PRICE PER SQ FT 2022	
 +3%	CHANGE IN AVG PRICE PER SQ FT 2021 VS. 2022		
\$378,900 AVG SALES PRICE 2021	vs.	\$399,500 AVG SALES PRICE 2022	
 +5%	CHANGE IN AVG SALE PRICE 2021 VS. 2022		
 \$300 AVG PRICE PER SQ FT 2021	vs.	\$320 AVG PRICE PER SQ FT 2022	
 +7%	CHANGE IN AVG PRICE PER SQ FT 2021 VS. 2022		

CITYWIDE STATS	2021	2022
Median Days on Market	10	6
Number of Condos Sold	504	294
Avg Price per Sq Ft - Existing Condos	\$408	\$467
Avg Price per Sq Ft - New Construction	\$546	\$568

*While it is jarring to see a 15% decline in average sales price on-peninsula, it can be attributed to the "new condo effect." In 2021, nearly 150 of the 350 condos that sold on peninsula were new construction condos, which generally sell for over 20% more than existing condos. In 2022, out of 226 total sales, only 40 new construction condos were sold. Regardless, the average price per square foot held steady.

DEVELOPMENT REPORT

For the first time in years, we have a surplus of new construction condo units available in completed buildings in Portland.

In the past 5 years, most condo developments in Portland have sold out prior to completion. When the market began to slow in Fall 2022, some buyers terminated reservations and contracts, finding the premium pricing for new construction (on average over 20% more than an existing condo), coupled with a substantially higher interest rate too tight for their budgets. The new development landscape in 2022 saw only a small handful of new condo projects come to completion. Two larger projects did break ground, both in the second phase of existing developments (Stevens Square and Hobson's Landing). As regulations for new housing become more strict in Portland, developers continue to redirect their resources outside of the city. Sales have been brisk for townhouses in Scarborough at The Downs and Dunstan Crossing.

RECENT CONDO DEVELOPMENT

RECENTLY COMPLETED



DAYMARK

54 Units - 13 Remaining - Bayside

- **Priced:** \$399,000 - \$1.1 million
- **Square Footage:** 660 - 1,692
- **Price Per Sq Ft:** \$422 - \$937

Represented by Portside Real Estate



THE GOODWIN

23 Units - SOLD OUT - Parkside

- **Priced:** \$213,000 - \$425,000
- **Square Footage:** 492 - 795
- **Price Per Sq Ft:** \$345 - \$566

Represented by The Bean Group



RIFUGIO

6 Units - SOLD OUT - Munjoy Hill

- **Priced:** undisclosed
- **Square Footage:** 672 - 2,289

One unit represented by Town & Shore Real Estate, the remainder were private sales

RECENTLY COMPLETED



148 NEWBURY ST

3 Units - SOLD OUT - East End

- **Priced:** \$595,000 - \$1,765,000
- **Square Footage:** 915-2,221
- **Price Per Sq Ft:** \$650 - \$795

Represented by Town & Shore Real Estate

UNDER CONSTRUCTION



STEVENS SQUARE - Phase Two

28 Units - 2 Remaining - Deering Center

- **Priced:** \$583,000 - \$845,000
- **Square Footage:** 1,197 - 1,645
- **Price Per Sq Ft:** \$472 - \$539
- **Occupancy:** January 2024

Represented by Gardner Real Estate



HOBSON'S LANDING - Phase Two

64 Units - 14 Remaining - Old Port

- **Priced:** \$460,000 - \$2,995,000
- **Square Footage:** 614 - 2,315
- **Price Per Sq Ft:** \$440 - \$1,614
- **Occupancy:** Fall 2023

Represented by Town & Shore Real Estate

UNDER CONSTRUCTION



218 WASHINGTON AVE

45 Units - 23 Remaining - East Bayside

- **Priced:** \$445,000 - \$1,625,000
- **Square Footage:** 627 - 1,996
- **Price Per Sq Ft:** \$526 - \$1,095
- **Occupancy:** Spring 2023

Represented by Keller Williams

PLANNED FOR 2023-2024



WINTER STREET TOWNHOMES

12 Units - West End - Former Mercy Hospital

- **Priced:** \$1,825,000 - \$1,900,000
- **Square Footage:** 2,848 - 2,927
- **Price Per Square Foot:** \$623 - \$654
- **Occupancy:** Mid-2024

Represented by Vitalius Real Estate Group



PORTLAND FORESIDE

Mixed Use Development - 158 Fore Street

- 600+ housing units - condos, townhouses, and apartments
- Hotel, offices, restaurants, and a public market in various stages of construction
- Awaiting permits, housing expected to break ground in 2023

MUNICIPAL NEWS

Portland voters were asked to consider 5 citizens' initiatives in the Fall 2022 election.

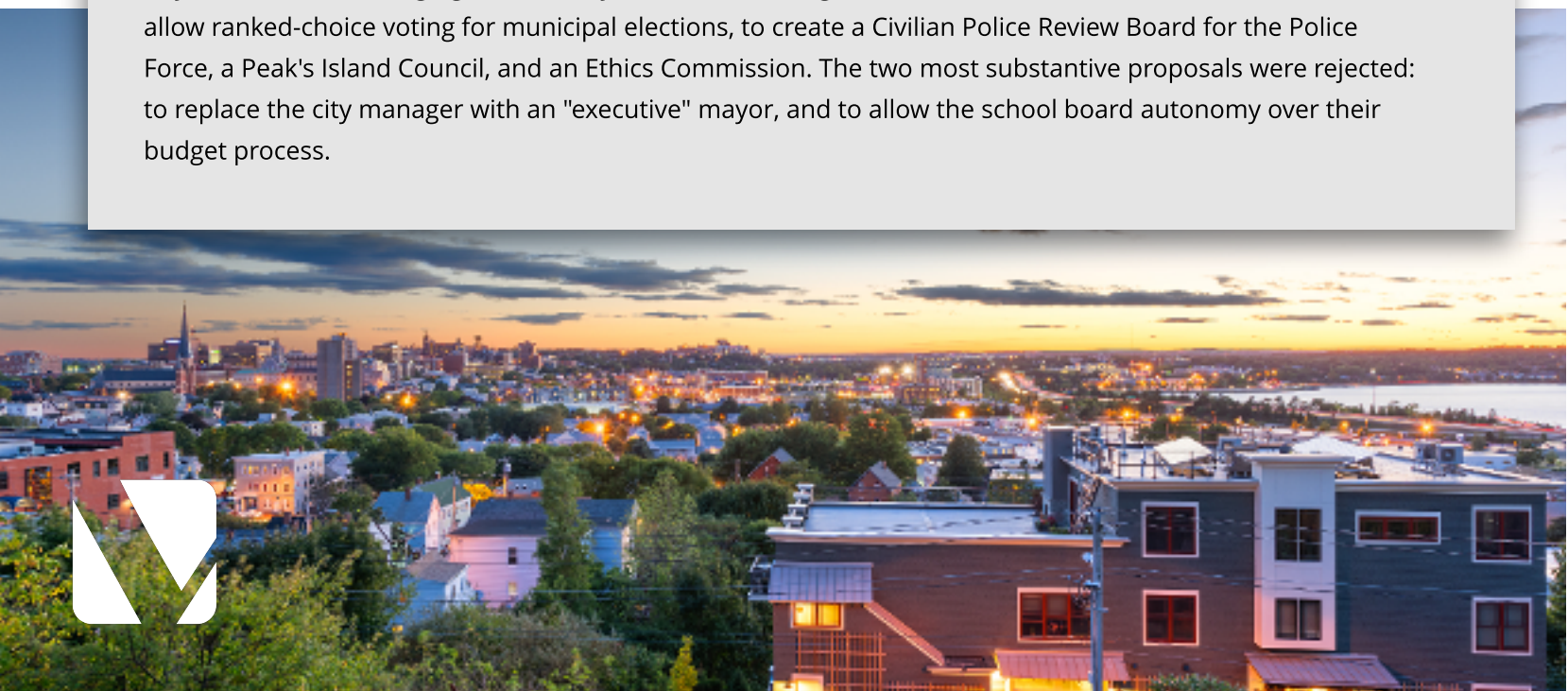
Most of these initiatives failed due to the confusion and frustration of voters who felt that the ballot questions were too lengthy and complicated to evaluate in the voting booth. One question was passed that affects condo development: as part of a new package of rental regulations, the fee to convert a multi-family apartment building to condos was increased to \$25,000 per unit.

Reports in 2022 were that the City of Portland construction permits were down 82%.

This has been tied directly to many of the new requirements of the "Green New Deal" (a citizen's referendum passed in late 2021). We are aware of very few new, major condo projects in the pipeline for Portland that had not already been in the works prior to the Green New Deal.

The City Charter Commission has completed its work.

In November, Portland voters approved six of the Commission's eight proposals: to place language in the City Charter acknowledging that the City is located on indigenous land, to create a Clean Elections Fund and allow ranked-choice voting for municipal elections, to create a Civilian Police Review Board for the Police Force, a Peak's Island Council, and an Ethics Commission. The two most substantive proposals were rejected: to replace the city manager with an "executive" mayor, and to allow the school board autonomy over their budget process.



PREDICTIONS FOR THE 2023 SALES MARKET

- **Condo values may plateau or even continue to modestly increase due to low inventory.** A recent economic report from TD Bank to the Maine Real Estate and Development Association (MEREDA) indicated that real estate prices appeared to have peaked in Maine in mid-2022. Consumer spending has been resilient and personal wealth is still significantly higher than it was pre-pandemic, so we expect demand for Portland condos to stay steady.
 - **We will see few new condo projects announced this year in the city of Portland, which will help maintain top of the market pricing for existing condo units.** Buyers who would normally be seeking new construction units will be competing with buyers with lower budgets looking for condos in vintage buildings.
 - **Distressed or otherwise unusual properties may spend significant time on the market instead of being snapped up in the first week of listing.** Ongoing difficulties procuring contractors and supplies, coupled with hefty mortgage payments cutting into available renovation funds, may mean that buyers are no longer willing to pay a premium for condos that are not move-in ready.
- **Bidding wars will continue for the most attractive and well priced properties.** Sellers will avoid moving, which will continue to suppress inventory. A majority of homeowners have sub-4% mortgage rates and are not willing to give up that rate unless absolutely necessary due to job relocation, divorce, or other mitigating factors.
 - **More investors will seek to purchase condos as rental units,** diverting funds that may have originally been invested in this fairly stagnant stock market.
 - **Most believe (or hope) the Fed will begin lowering rates toward the end of the year,** which will fuel new buyer demand, especially from first time homebuyers.

ELISE LOSCHIAVO

Partner / Broker, Vitalius Real Estate Group



Elise is the premier condo broker in the city of Portland. What does this mean for you? A condo sold with Elise will net you top dollar and a smooth, low-stress transaction with the most experienced condo broker in the business. Her success and expertise are built on knowing the ins and outs of Portland's condo associations, her strong relationships with management companies, and her familiarity and appreciation of the city's neighborhoods and amenities. Elise has become the "go-to" broker for condo projects and resales throughout the city and is often invited to speak to industry groups about the condo market. Elise has lived on Munjoy Hill for 18 years and has represented buyers and sellers of Portland real estate since 2013.

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Wondering where your condo is valued in the current market? For a no-cost, no-obligation opinion of value for your property, call or email me today!

ABOUT THE REPORT

The Portland Condo Report is an annual review of the past year in Portland condo sales produced annually since 2014.

This report highlights condo inventory, the pace of the marketplace, what's selling, new development, and forecasts where condo sales are headed in the coming year.

Vitalius Real Estate Group is a boutique real estate brokerage based in downtown Portland. We believe that our clients benefit from working with a diverse team of intelligent professionals who are dedicated to effectively negotiating the myriad needs of a real estate transaction. We do not hesitate to share our opinions, suggestions, and experiences and our clients benefit from our team members' wide breadth of market knowledge. We will sell your condo, house, or multi-family property with speed and the utmost professionalism, while making sure everyone has fun along the way. We work together because we like and respect each other – and we think you will feel the same way.



RECENT SALES ACTIVITY

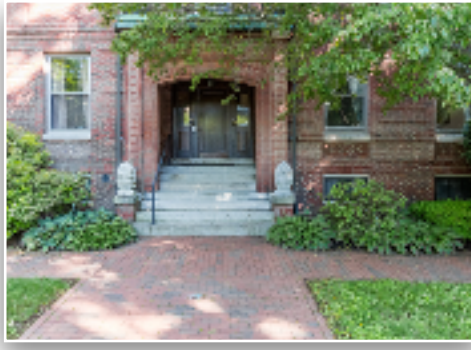
Elise Loschiavo of Vitalius Real Estate represented the seller in each of these sales.



60 PARRIS STREET #102

Bayside | 1 bed / 1 bath

PENDING: Listed at \$295,000



15 CLIFFORD STREET #2E

West End | 3 bed / 2 bath

SOLD: \$965,000



290 BAXTER BOULEVARD #A2

Back Cove | 3 bed / 2 bath

SOLD: \$510,000



98 GRAY STREET #1,2,3

Back Cove | 3-unit Condo Project

SOLD: \$525,000 - \$535,000



65 MUNJOY STREET #4

Munjoy Hill | 1 bed / 1 bath

SOLD: \$399,000



11 MELLEEN STREET #1

Downtown | 4 bed / 3 bath

SOLD: \$1,290,000



40 NORWOOD UNIT C

Deering Center | 2 bed / 2 bath

SOLD: \$555,000



22 PINE STREET #6

West End | 1 bed / 1 bath

SOLD: \$392,000



18 STONELEDGE DRIVE

The Ledges | 3 bed / 2 bath

SOLD: \$457,000



WE KNOW CONDOS.

VITALIUS PORTLAND CONDO REPORT

Read inside for an update on the Portland condo market.



Get in Touch

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