

Housing

Outstanding Questions/Comments:

- Does the town have more accurate population projections that are different / more accurate than state projections? Are there alternative projections from other organizations?
- LD 2003 Update
- Active Short Term Rentals Registrations from Clerk
- Integrate overview of Local Zoning Ordinances

Highlights:

- Freeport housing stock is mostly comprised of single-family homes, but there has been a substantial increase in larger housing developments (10+ units) since 2010.
- Since 2010, there has been a slight decrease in rental units (4% decrease) and an increase in owner-occupied units (4% increase).
- The median home price in Freeport has increased from \$265,000 in 2010 to \$710,000 in 2023.
- According to the Maine State Housing Authority, homeowner affordability has gone down from 43% in 2017 to 3% in 2023.
- Rental costs are continuing to climb which has caused a higher burden to lower household income families paying rent.
- The Freeport Housing Trust has a total of 183 units across eight properties in Freeport. FHT operates 82 rental units for families on four of those properties.
- Housing in Freeport is becoming increasingly unaffordable and out-of-reach for many segments of the community.

Housing Stock

In 2010, Freeport had a total of 3,773 housing units, with over three-quarters of the housing stock comprising single-family homes (77.8%). By 2022, the total number of housing units increased to 4,003, representing a 6.1% increase (11% population increase between 2010 and 2020). While the total number of detached single-unit homes increased from 2,821 in 2010 to 2,979 in 2022, the percentage of total housing units remained relatively stable at 74.8% and 74.4% respectively. Housing stock for multi-family dwellings, including 2 units, 3 or 4 units, and 5 to 9 units, saw increases in both the number of units and their respective percentages of total housing units. The most notable change occurred in the 3 or 4 units category, which experienced a significant decrease in percentage from 5.5% in 2010 to 2.0% in 2022. Larger multi-unit structures (10 to 19 and 20+ units) saw notable increases in both the number of units and their percentage of total housing units. This indicates a shift towards larger residential developments over the last twelve years.

Housing Type	2010	%Total2010	2022	%Total2022	%Change
Total housing units	3,773	100.0%	4,003	100.0%	6.1%
1-unit, detached	2,821	74.8%	2,979	74.4%	5.6%
1-unit, attached	114	3.0%	131	3.3%	14.9%
2 units	154	4.1%	186	4.6%	20.8%
3 or 4 units	208	5.5%	80	2.0%	-61.5%
5 to 9 units	157	4.2%	141	3.5%	-10.2%
10 to 19 units	56	1.5%	138	3.4%	146.4%

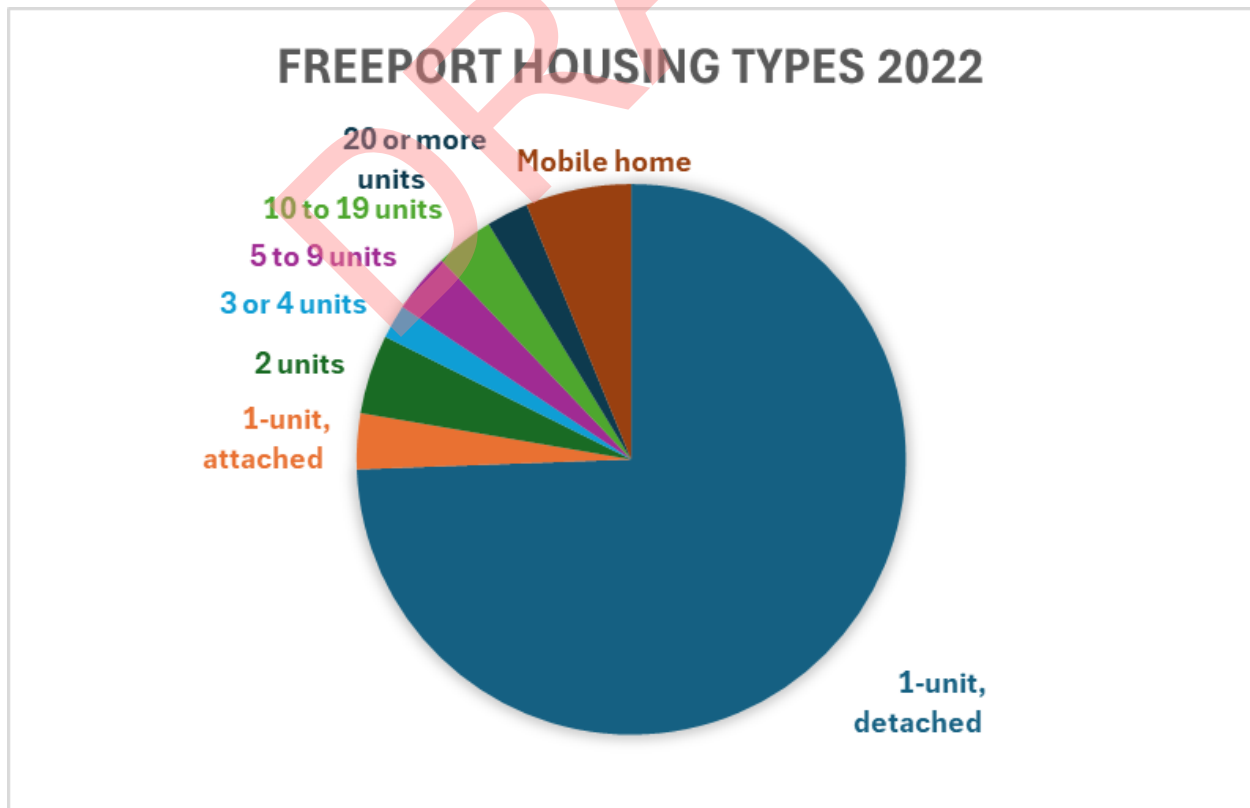
Freeport Comprehensive Plan Inventory DRAFT 1 – 3/21/24

20 or more units	0	0.0%	99	2.5%	--
Mobile home	263	7.0%	249	6.2%	-5.3%
Totals	3,773	100.0%	4,003	100.0%	6.1%

*source ACS, 2010-2022

	2010	2012	2014	2016	2018	2020	2022
Total housing units	3,773	3,779	3,570	3,641	3,958	4,165	4,003
1-unit, detached	2,821	2,926	2,843	2,744	2,840	3,040	2,979
1-unit, attached	114	67	111	121	236	179	131
2 units	154	125	76	116	109	166	186
3 or 4 units	208	208	121	169	192	124	80
5 to 9 units	157	160	120	156	184	247	141
10 to 19 units	56	63	52	40	41	79	138
20 or more units	0	0	49	67	116	82	99
Mobile home	263	230	190	215	228	248	249
Boat, RV, van, etc.	0	0	8	13	12	0	0

*source ACS, 2010-2022



*source 2022 ACS

The table below shows the number of Building Permits approved by Freeport between 2010 and 2021. The numbers are compiled from the official permit log of the Freeport Codes Enforcement Department and the numbers indicate units permitted and do not take into consideration replacement units or whether or not the unit was actually built. The number of single-family units permitted fluctuated over the years ranging from a low of 21 units in 2011 to a high of 51 units in 2016 and 2021. Single-family units have typically been the most common permit granted and averaged 38 over the 11 year period. Duplex units were significantly less common with a peak of 6 units permitted in 2017, 2018, and 2019. Although there was only an average of 15.25 multi-family units approved, there was substantial multi-family development in 2021 (144 units).

Freeport Residential Building Permits 2010-2021													
Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	AVG
Single Family Units	24	21	30	45	44	46	51	38	38	34	38	48	38.08
Duplex Units	0	2	0	0	2	4	1	6	6	6	0	2	2.42
Multi Family Units	0	7	25	3	0	4	0	0	0	0	0	144	15.25
Mobile Homes	3	5	1	1	4	7	5	8	8	0	0	0	3.50
Accessory Apts	1	2	3	2	1	1	7	9	9	4	5	9	4.42
Total Residential Units	28	37	59	51	51	62	64	61	61	44	43	203	63.67

Overall, Freeport permitted a varied number of residential units each year with relatively little fluctuation between 2010 and 2020. However, substantial development in 2021 demonstrates how larger projects consisting of multi-family units significantly impact the number of residential units permitted.

Housing Projections

According to the Maine Office of Policy and Management, Freeport’s population is projected to see continued growth at about 7% through 2040, with a projected increase from 8,737 to 9,341 (+604). The overall trend indicates a relatively steady growth rate that implies a consistent demand for housing units rather than erratic spikes or declines. However, the projected growth rates show a decreasing trend, with the highest growth rate occurring in the earlier years and gradually tapering off. This suggests that while the population is still growing, the rate of growth may slow down over the next twenty years.

As the population grows, there will likely be diverse housing needs, including single-family homes, multi-family units, and affordable housing options to accommodate various

demographics within the Freeport community. The demand for housing, both from Freeport and from regional needs, will continue to increase and more housing units will be needed. Based on demographic data, Freeport will need housing that allows elders to downsize while aging in place, housing that allows younger people access to start homes, and housing that allows workers to live in apartments adjacent to employment, goods, and services.

Housing Occupancy

The table below presents data on housing occupancy for the years 2010 and 2022 including occupied housing units and vacant housing units. As noted above, the total housing units increased between 2010 and 2022 with slight fluctuations along the way. The occupied housing units similarly increased while fluctuating. The percentage of owner-occupied units relative to total occupied units showed an increasing trend, reaching 80.4% in 2022 (from 76.6% in 2010). Renter-occupied units decreased between 2010 and 2022 from 23.4% in 2010 to 19.6% in 2022. The number of vacant housing units increased during this time period and the total vacant housing units, relative to the total number of housing units, increased to 14.7% in 2022. While the total number of housing units increased over the years, the occupancy rates fluctuated. The increase in owner-occupied units indicates a preference for homeownership, while the decrease in renter-occupied units suggests a shift in the housing market dynamics. The changing composition of owner-occupied and renter-occupied units reflects shifts in preferences, affordability, and market demand. The increasing trend in vacant housing units may indicate challenges in the housing market, such as oversupply or a mismatch between available housing and demographic need.

	2010	2022
Total housing units	3,773	4,003
Occupied housing units	3,356	3,413
Owner-occupied	2,572	2,743
% of occupied	76.6%	80.4%
Renter-occupied	784	670
% of occupied	23.4%	19.6%
Vacant housing units	417	590
% of total	11.1%	14.7%

*source ACS 2010,2022

The increase in vacant housing units between 2010 and 2022 can be broken down further. The table below shows a breakdown for vacant housing units between 2012-2016 and 2017-2021. In 2016, most of the vacant housing units were for seasonal housing – whether a second home or short-term rentals related to tourism. The introduction of units listed as vacant for sale and for rent in 2021 shows that the vacant units were either listed for sale or put up for rent. Seasonal vacant units remained steady at 8% which represents a consistent pattern in seasonal housing demand, whether for tourism, vacation rentals, or seasonal employment.

	2012-2016		2017-2021	
Vacant housing units	443	12% of total	679	17% of total
Vacant For Sale	0	0% Vacant	106	3.7% Vacant
Vacant For Rent	0	0% Vacant	53	7.3% Vacant

Vacant Seasonal	294	8% of total	320	8% of total
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*source Maine State Housing Authority

Seasonal Housing

There are almost 140 active short-term rental listings of entire housing units on platforms such as Airbnb or VRBO in Freeport. In addition, there are approximately 60 listings of bedrooms in housing units available via various short-term rental platforms. It's unclear how many of those short-term rentals are always rented short-term – however, in March 2023, Airbnb only listed 50 offerings while VRBO listed eleven (some of which may be listed on both platforms.)

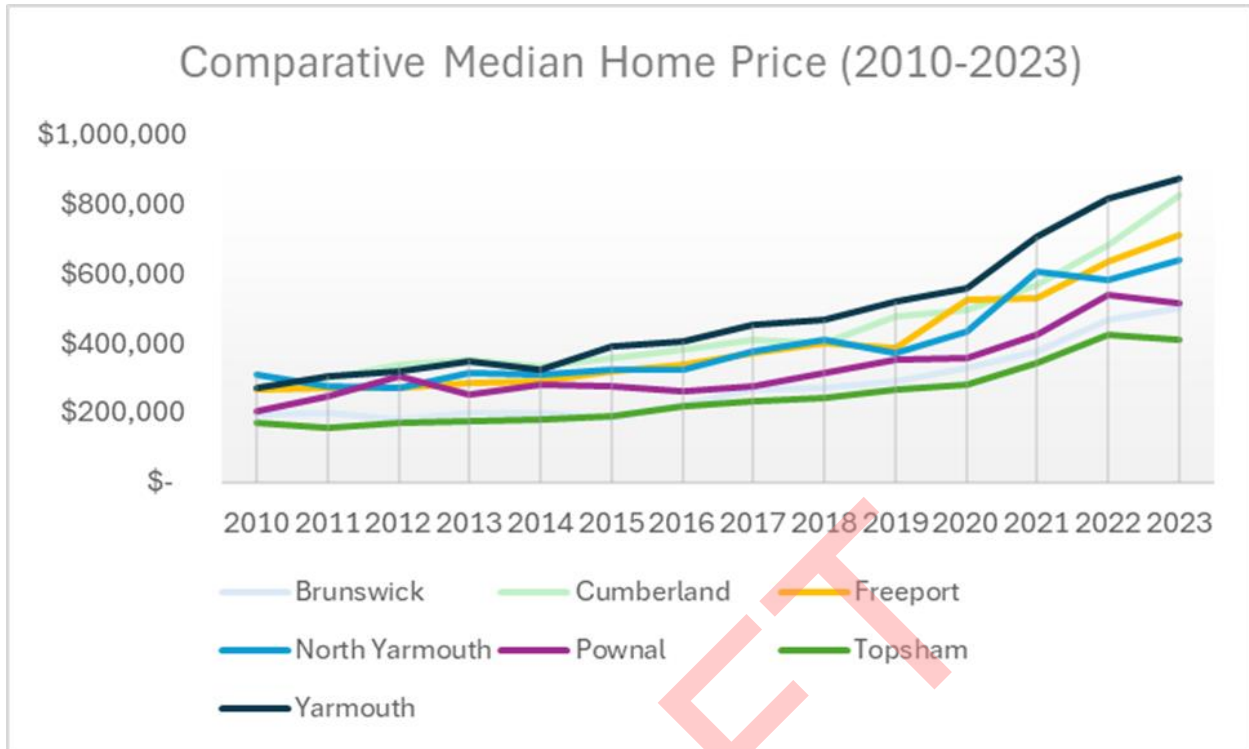
Median Home Price

In Freeport, the median home price has increased from \$265,000 in 2010 to \$710,000 in 2023 (+268%). Between 2010 and 2023, there were notable fluctuations in the rate of increase, with more modest gains in the earlier years followed by accelerated growth in recent years. The largest year-over-year increase occurred between 2021 and 2022, with the median home price jumping from \$529,500 to \$635,000.

2010	2011	2012	2013	2014	2015	2016
\$ 265,000	\$ 270,000.00	\$ 272,000	\$ 283,500	\$ 289,500	\$ 319,000	\$ 339,950
2017	2018	2019	2020	2021	2022	2023
\$ 372,250	\$ 400,450	\$ 387,000	\$ 522,000	\$ 529,500	\$ 635,000	\$ 710,000

*source Maine State Housing Authority

Regionally, the median home price has increased gradually from 2010 to around 2018. After 2019, Freeport and surrounding communities saw sharp increases in median home prices. Compared to Freeport's neighboring communities, Freeport has the third highest median home value as of 2023.



*source Maine State Housing Authority

Real Estate Value and Demand

While the median home price shows the overall trend and uptick in home value, the most recent real estate data (from 2022 and 2023) shows an even greater appreciation of real estate costs across the board. In 2022, single family residences had the highest number of sales (81) and an average closing price of \$724,698 with the median price at closing around \$600,000. 2023 saw only 10 fewer single family residence sales but the average cost of a single-family residence at closing was \$861,089 and the median price at closing \$715,000 – a 19% increase from 2022 to 2023. Condominium prices saw a similar increase in average closing price between 2022 and 2023 (19%) but the median price increased by over 50% from \$259,000 to \$398,000 respectively. Both single family residence sales and condominium prices are consistent with regional trends.

2022 Freeport Sales	Average of Closed Price	# of Sales	Median Price
Condominium	\$358,372.73	11	\$259,000.00
General Commercial	\$431,400.00	1	\$575,000.00
Land	\$357,354.17	24	\$272,500.00
Manufactured Home	\$178,000.00	3	\$199,000.00
Mixed Use	\$875,000.00	1	\$850,000.00
Single Family Residence	\$724,698.77	81	\$599,000.00
Grand Total	\$603,798.35	121	\$525,000.00

2023 Freeport Sales	Average of Closed Price	Count of Closed Price	Median Price
Condominium	\$425,911	11	\$398,000.00

General Commercial	\$1,250,000	1	\$1,250,000.00
Land	\$325,588.00	17	\$250,000.00
Manufactured Home	\$175,000	3	\$110,000.00
Single Family Residence	\$861,089	71	\$715,000.00
Grand Total	\$710,022	103	\$596,500.00

*source MLS via The Vitalius Group

Affordability

The Housing section underscores the critical importance of accessible and sustainable housing for all members of our community. Ensuring that individuals and families can afford suitable housing is essential for fostering a thriving and inclusive community. The concept of housing affordability encompasses various factors, including income levels, housing market dynamics, and policy interventions. For homeowners, affordability pertains to the ability to manage mortgage payments, property taxes, and maintenance costs without undue financial strain. Meanwhile, renters must contend with rental costs that align with their income levels, as well as issues such as limited housing options and rent burden. Below is a breakdown of owner-occupied units and renter-occupied units. As noted above, most of Freeport’s housing remains single-family homes.



Created with Datawrapper

*source ACS 2010-2022

Homeowner Affordability

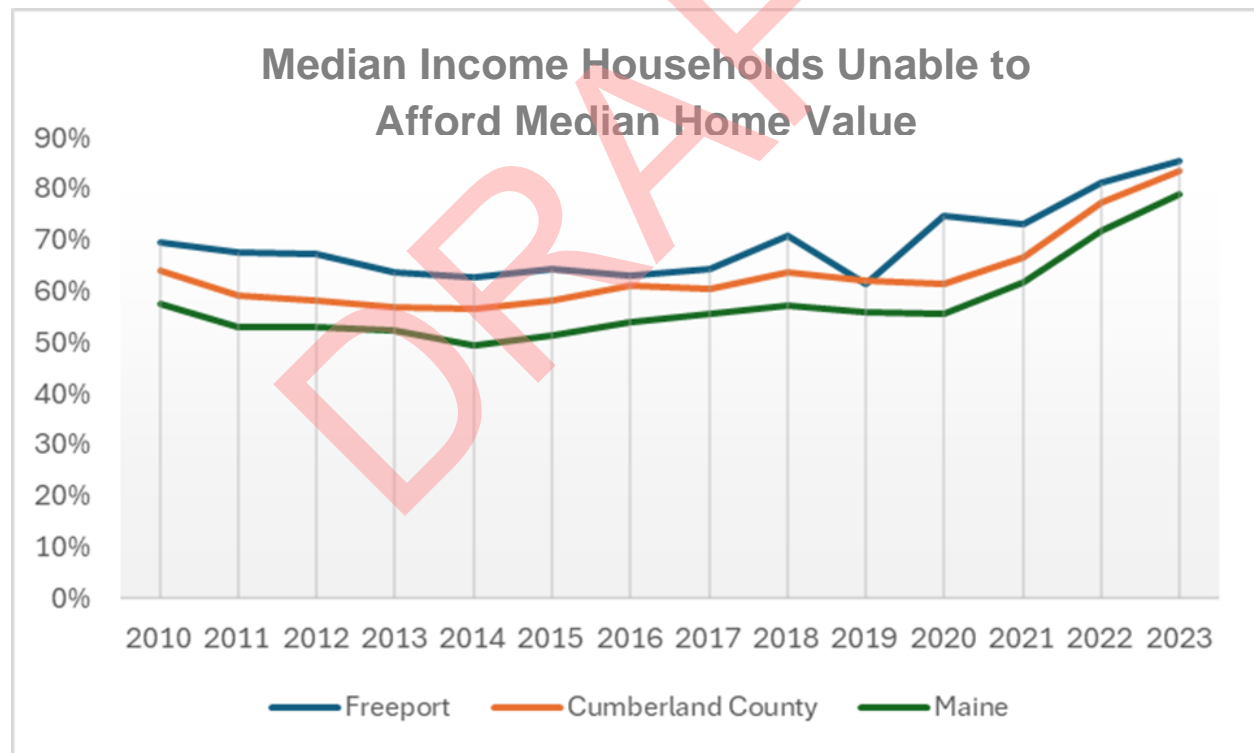
The Maine State Housing Authority (MSHA) collects housing affordability data through the 'Homeownership Affordability Index' which provides a local breakdown of home buying and rental affordability. The affordability calculation is based on the ratio of area median home prices to area median household. A ratio of 1 or above indicates affordability.

Year	Median Income	Median Home Price	Home Price Affordable to Median Income	Homeowner Affordability Index	Affordable Homes Sold	Total Homes Sold	% Affordable
2010	62,747	265,000	183,715.74	0.69	20	89	22%
2011	59,056	270,000	197,773.36	0.73	27	93	29%
2012	58,897	272,000	200,880.38	0.74	28	98	29%
2013	63,764	283,500	215,746.12	0.76	30	114	26%
2014	62,137	289,500	215,514.84	0.74	36	125	29%

2015	64,907	319,000	226,989.98	0.71	41	146	28%
2016	70,714	339,950	245,930.00	0.72	50	156	32%
2017	79,819	372,250	271,420.23	0.73	60	138	43%
2018	82,515	400,450	272,222.97	0.68	29	121	24%
2019	89,978	387,000	310,857.65	0.80	32	108	30%
2020	92,782	522,000	344,635.33	0.66	31	114	27%
2021	92,753	529,500	355,646.83	0.67	24	116	21%
2022	103,244	635,000	333,914.96	0.53	8	81	10%
2023	106,689	710,000	302,636.58	0.43	2	71	3%

*source Maine State Housing Authority

Despite fluctuations in median income, the median home price consistently outpaced income growth, resulting in a decrease in affordability over time. For example, in 2010, 22% of homes sold were affordable whereas in 2023 this percentage decreased to 3%. The affordability index also fluctuated since 2010 but has taken a steep decline since 2020. Overall, the Homeownership Affordability Index reflects the growing affordability gap between median incomes and median home prices over the years, posing significant challenges for access to homeownership for many households in the area.



*source Maine State Housing Authority

The Department of Housing and Urban Development (HUD) notes that if a household pays more than 30% of their income to housing costs, the household is considered 'cost-burdened.' Between 2010 and 2019, households unable to afford median income hovered just below 70% whereas Cumberland County and the State of Maine hovered around 60% and 55%

respectively. Since 2019, the percentage of households unable to afford median income has increased to above 80% in 2023.

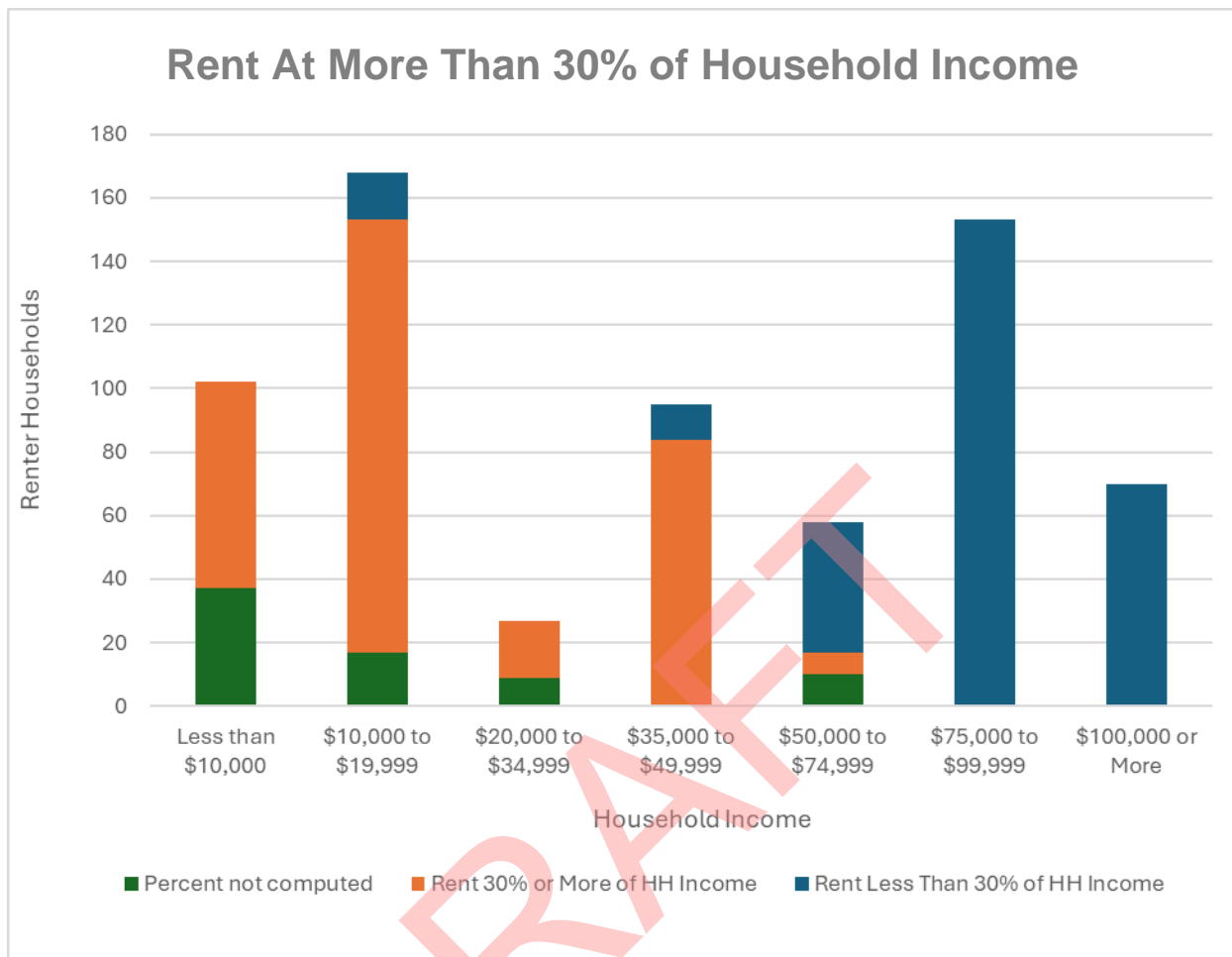
Renter Affordability

The table below provides insights into the changing landscape of rental affordability in Freeport, reflecting how housing costs impact renters at different income levels. Since 2016, the median cost of rental housing has increased from \$1,076 to \$1,548 (+70%). There are fluctuations in the number of rental units with various cost ranges, indicating changes in price and availability. As rental units costing \$3,000 decreased, there was a sharp increase in rental units costing between \$1,500 and \$1,999 – especially between 2020 and 2022. This coincides with a decline in units cost between \$500 to \$1,499.

Rental Cost Range	2016	2018	2020	2022
Less than \$500	55	30	29	60
\$500-\$999	246	254	146	102
\$1,000-\$1,499	158	182	337	125
\$1,500-\$1,999	115	163	98	293
\$2,000-\$2,499	14	11	13	22
\$2,500-\$2,999	0	0	18	8
\$3,000 or more	96	97	31	20
Median (dollars)	\$1,076	\$1,168	\$1,358	\$1,548

*source Maine State Housing Authority

In Freeport, households in the '\$50,000 to \$74,999' bracket and above allocate less than 30% of their income towards rent. For the lower income brackets, however, the data underscores a concerning trend where a significant majority of households surpass the threshold of 30% of household income; lower-income households in Freeport typically spend a substantial portion of their income on housing costs.



*source ACS 2021

The analysis of rent in relation to household income, particularly noting the concerning trend of gross rent overpayment among lower-income households, provides insight into the broader issue of rising rental costs. As rental costs continue to climb, lower-income households face heightened financial strain. The data suggests that while households with higher incomes may still manage to keep rent within the recommended 30% threshold of their income, those with lower incomes are increasingly burdened by rising rental costs, resulting in a disproportionate allocation of income towards housing expenses. This exacerbates existing inequalities in housing affordability, as lower-income households struggle to keep pace with escalating rental prices, leading to greater housing instability and financial hardship.

Deed-Restricted Housing

Almost all the housing that is limited to low- or moderate-income households is owner occupied or operated by the Freeport Housing Trust. The Trust is a community-based non-profit with a mission to “provide safe, decent and affordable housing opportunities to the lower and moderate-income households of Freeport, Maine.” It was created in the 1980’s when over one hundred housing units were lost downtown and concerns were raised about the ability for Freeport families to remain in town.

The Trust is managed by a part-time Executive Director. The rest of their work, including property management, is operated via contracts. The Trust is also certified as a Community

Housing Development Corporation (CHDC,) which makes it eligible for certain federal funding sources.

Since its creation, the Trust has created 224 housing units that are restricted in the long-term to low- and moderate-income residents. While independent of the town, it works closely with Town officials and staff on housing development and preservation issues. The town has provided two Affordable Housing Tax Credit districts to support Trust projects and is considering a third. Currently the Trust owns 183 housing units, of which 171 are affordable to households below the Area Median Income. It is also currently working to develop a new 42-unit building on Barney Road that would be funded using Low Income Housing Tax Credits.

Summary of Freeport Housing Trust Properties

Property Name	Address	Total Number of Units	1BR	2BR	3BR	Target Population
50 Bow St	50 Bow St	4	3	1		
Brookside	12 Summer St	16	13	3		62+ or disabled
Maplewood	182 Lwr Main St	18	18			
Oakleaf 2	24 South St	25	15	10		55+
Oakleaf Terrace	24 South St	26	24	2		62+ or disabled
Quarry Ridge	60 Bow St	34	15	19		
Varney Square	Chase Ct	30	10	10	10	
Village View	2 Village View	30	1	9	20	
Total		183	99	54	30	

*source Freeport Housing Trust

Rental Properties

The Trust operates 82 rental units for families, in four different properties. These units have rents set to be affordable at between 50% and 60% of Area Median Income (currently \$59,150 to \$70,980 annually for a family of four.) The Trust also operates 67 units of senior housing in three properties. Two of these properties, Brookside Village and Oak Leaf Terrace, have Section 8 property-based rental subsidies. These are restricted to seniors aged 62 or greater who have incomes at or below 50% of Area Median Income (currently \$41,405 for an individual or \$47,320 for a couple.) Income-eligible persons with disabilities may also apply. In Section 8 properties, residents pay 30% of their income towards their rent and utilities, with income reevaluated annually. Oak Leaf 2 is targeted to Seniors aged 55 and above whose household incomes are at or below 50% or 60% of median. While the rents in Oak Leaf 2 are restricted to be affordable at those income levels but are not set based on individual tenant’s income.

Affordable Home Ownership

The Trust has also worked on several home ownership projects. They purchased Wardtown Park, a mobile home property, which they then sold to a residents’ cooperative that allowed residents to have more control over their housing costs. The Trust has also sold nine condominium units at affordable prices and holds resale restrictions on the units, so they remain affordable. The Trust has also worked with Habitat for Humanity of Greater Portland on ownership projects. With the help of the town, the Trust has created two house lots on tax-acquired land and donated the lots to Habitat for construction of two homes.

Local Housing Regulations

In 2021, the Greater Portland Council of Governments completed the second part of a study of multifamily housing and land use regulation in the region. That second part included an analysis of the land use regulations in six communities, including Freeport, slightly farther from Portland. This study made several findings about the communities' approach to multifamily development. Some key findings were:

- These communities have a lot of land that allows multifamily housing in theory, but much of that land remains effectively off-limit to multifamily development due to the significant restrictions
- Some communities in this six-municipality region have been proactive in creating growth centers to allow for multifamily housing development
- The zoning along potential transit corridors in these six communities is slightly more permissive than in the rest of the study area but is likely too restrictive to generally support transit-oriented development.

In Freeport specifically, the study found that, while less than six percent of the town's land explicitly prohibited multifamily housing, 93.8% of the land has "many limits" to multifamily development, meaning three or more of seven restrictive zoning clauses applied to land in those areas. Of the remaining land, only 0.5%, or 113 acres, allowed multifamily housing with two or fewer limits.

In 2024, Freeport adopted several changes following the passage of LD2003 in Maine. LD2003 mandated some allowances for multifamily development in all communities across the state. Freeport adopted changes that are more permissive than the state's requirements. Freeport amended the Accessory Dwelling Unit (ADU) standards and removed many restrictions. Additionally, Freeport now allows up to three dwelling units in any district that can meet density and other requirement (with up to four dwelling units in growth areas) with an affordable housing density bonus following state standards (2.5 times the base density allowed if the project meets the state definition of an affordable housing project).