

Market Analysis for Village Parcel

Town of Kennebunkport, ME



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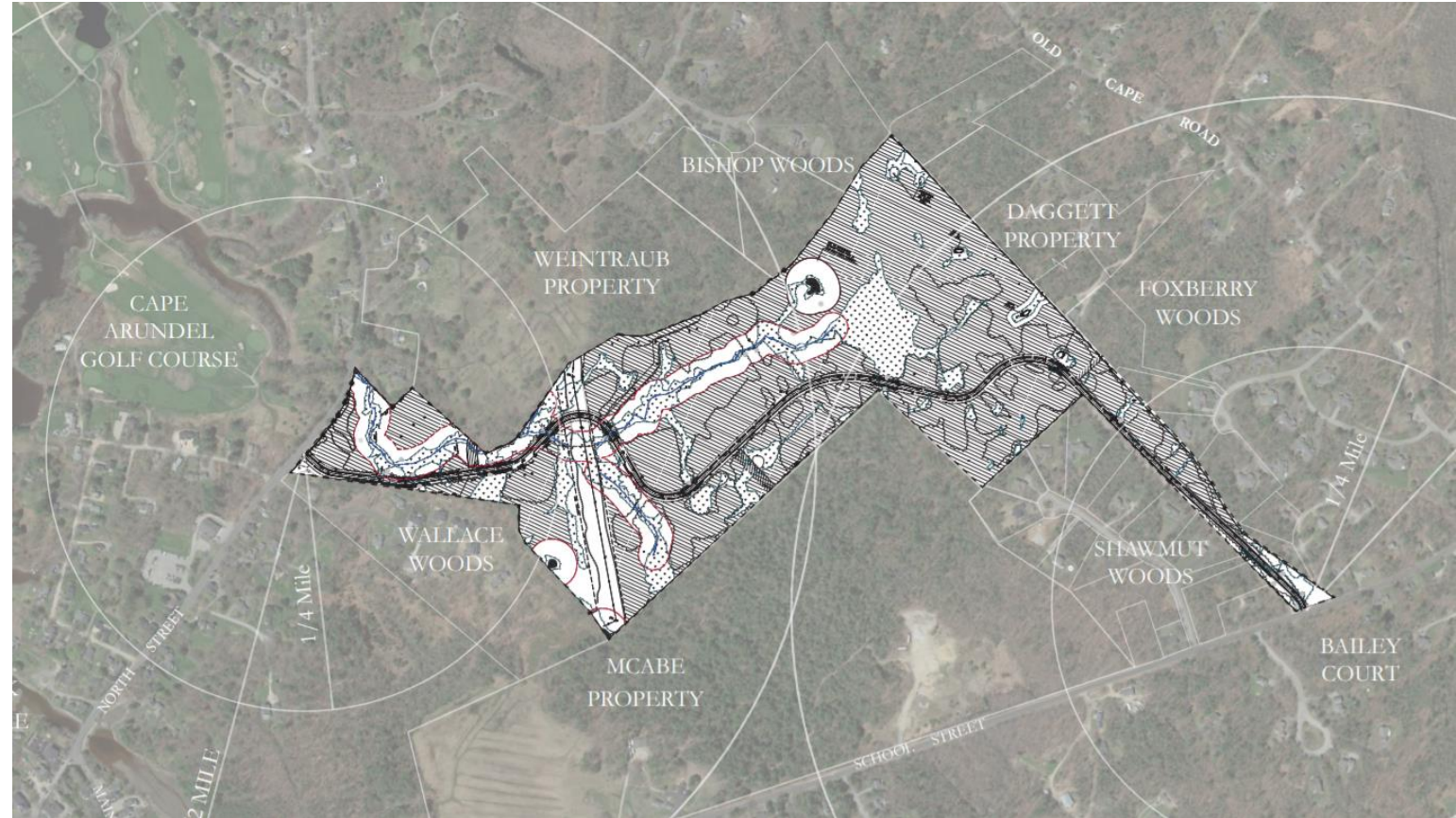


Presentation Agenda

- ▶ Purpose of a Market Analysis
- ▶ Economic & Demographic Trends
- ▶ Housing Market Trends
- ▶ Residential Potential
- ▶ Retail Potential
- ▶ Q&A

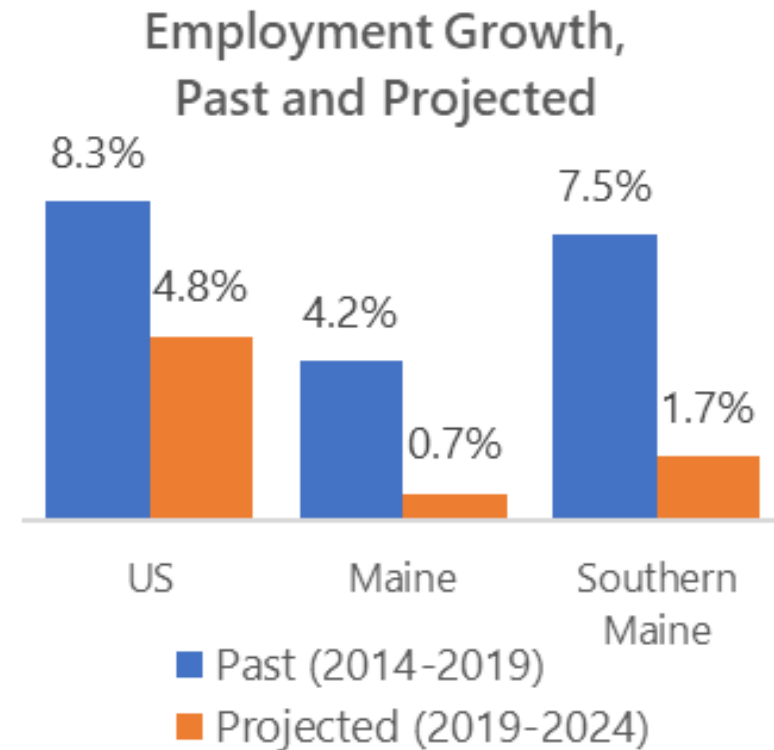
Purpose of a Market Analysis

- Informs the community about the type and amount of development that can be supported in the market.
- Ensures the Master Plan is in line with what is financially feasible.
- Does not recommend what *should* be done, only what *can* be done.



Southern Maine Regional Economy

- Decade of strong job growth
- Strong housing market
- Economy projected to slow
- Most sectors will continue to grow
- Steady demand for housing at the right price points

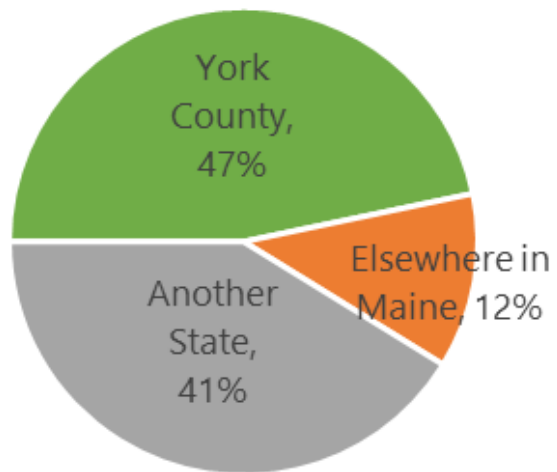


Source: EMSI

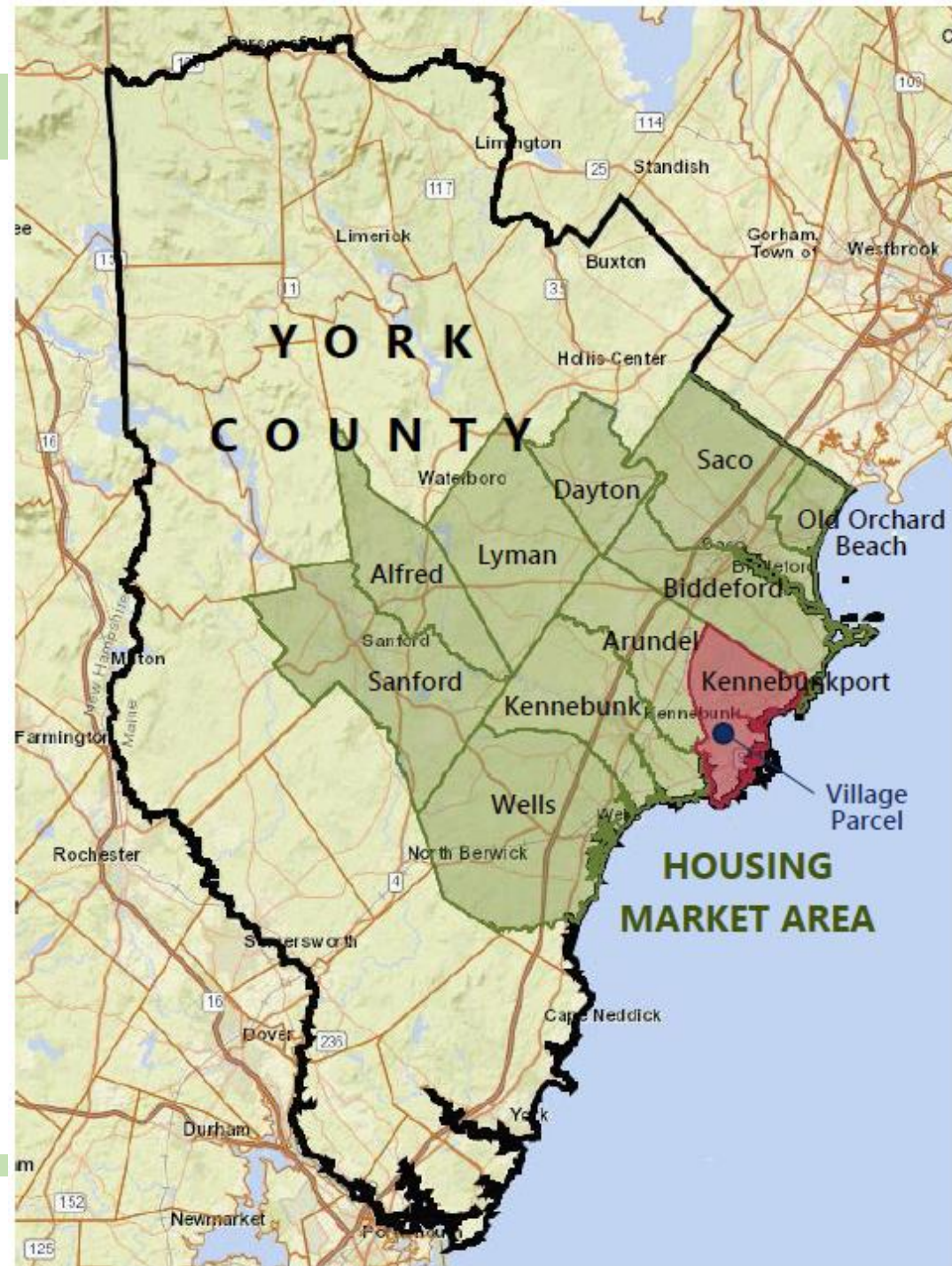
Housing Market Area (HMA)

- Where new year-round residents are likely to move from
- 11 towns and cities
- Drawn based on labor shed and geographic mobility patterns

Where New Kennebunkport Residents Have Moved From



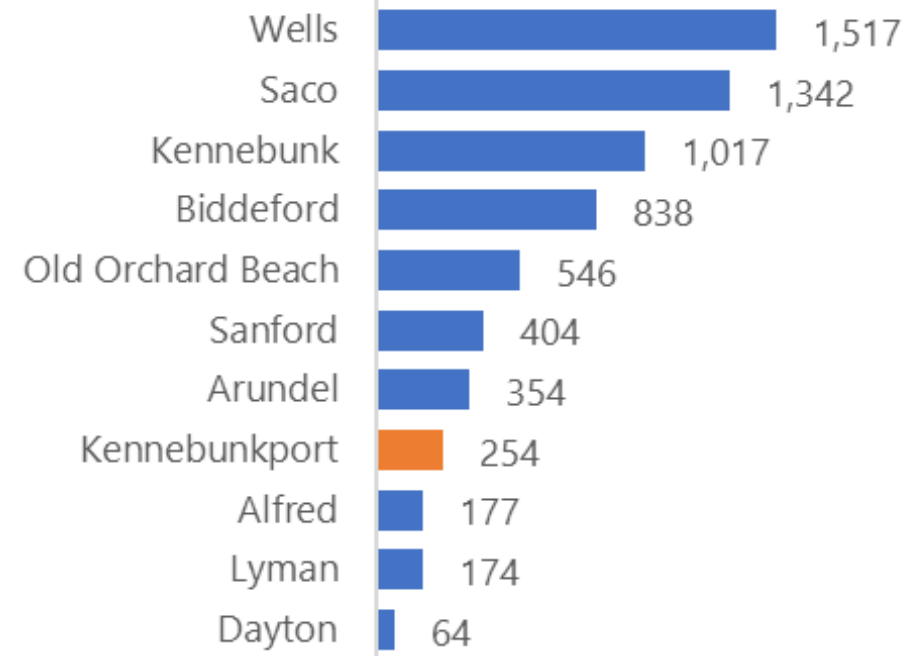
Source: ACS 5-year 2017



Population Growth

- HMA has added 13,400 residents since 2010
- Wells, Saco, and Kennebunk have contributed the most new residents
- Kennebunkport grew slightly faster than the HMA and much faster than Maine.

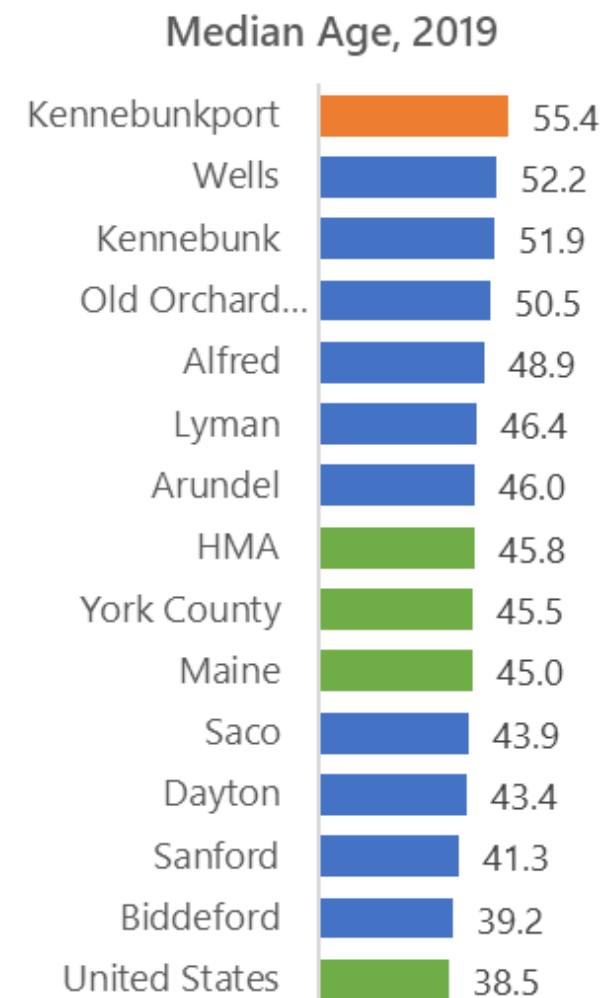
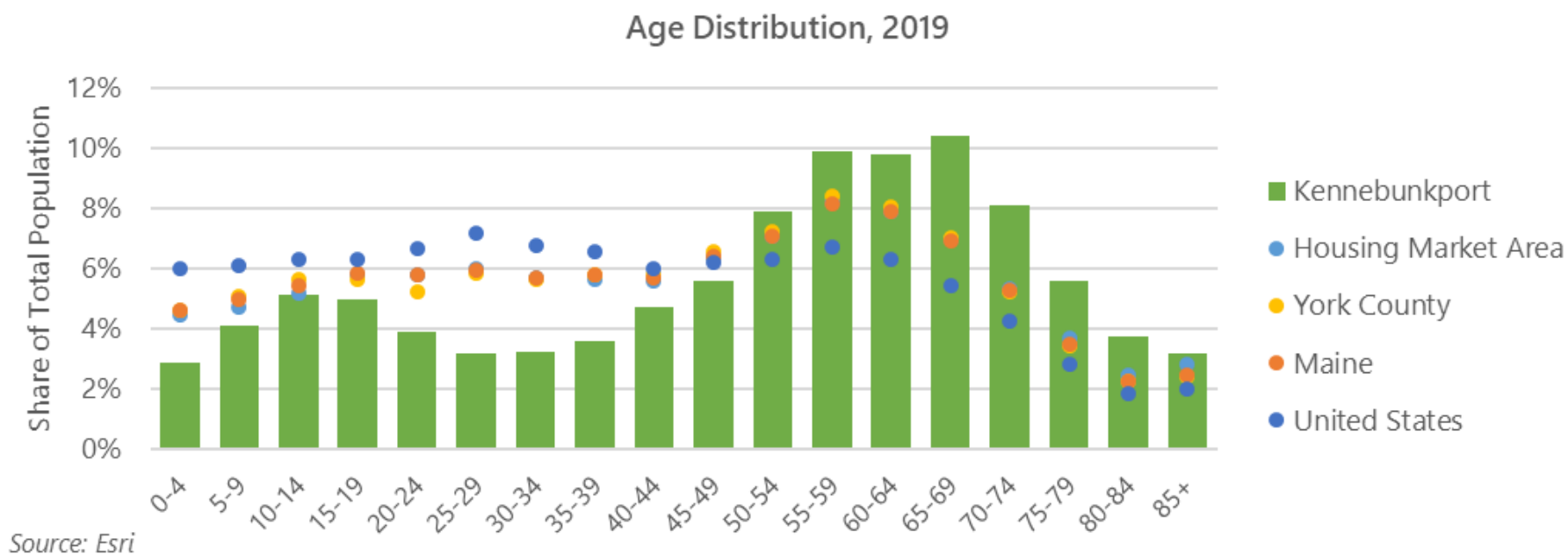
Estimated Year-Round Population Added,
2010-2019



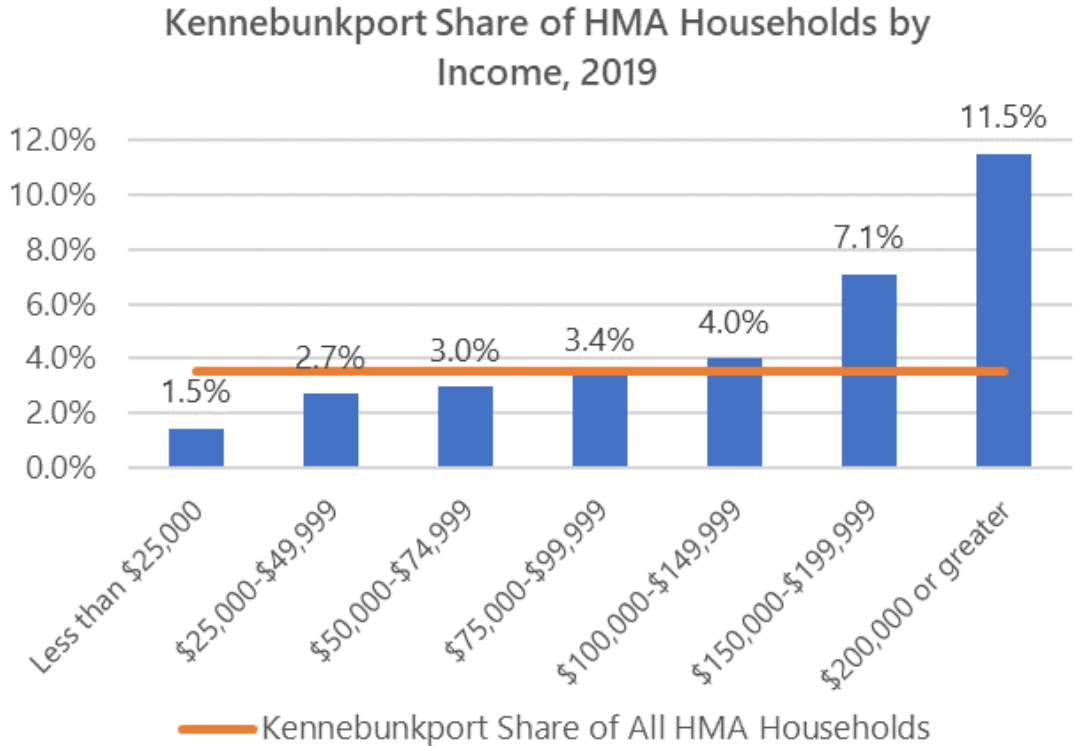
Source: Camoin 310, Esri, State of Maine

Age

- Kennebunkport has the highest median age in the HMA: 55.4 years
- 10 years older than the state and region; 17 years older than the US
- 42% of households are senior households (65+) (US: 32%)
- 14% of households are family-age (25-44) (US: 27%)

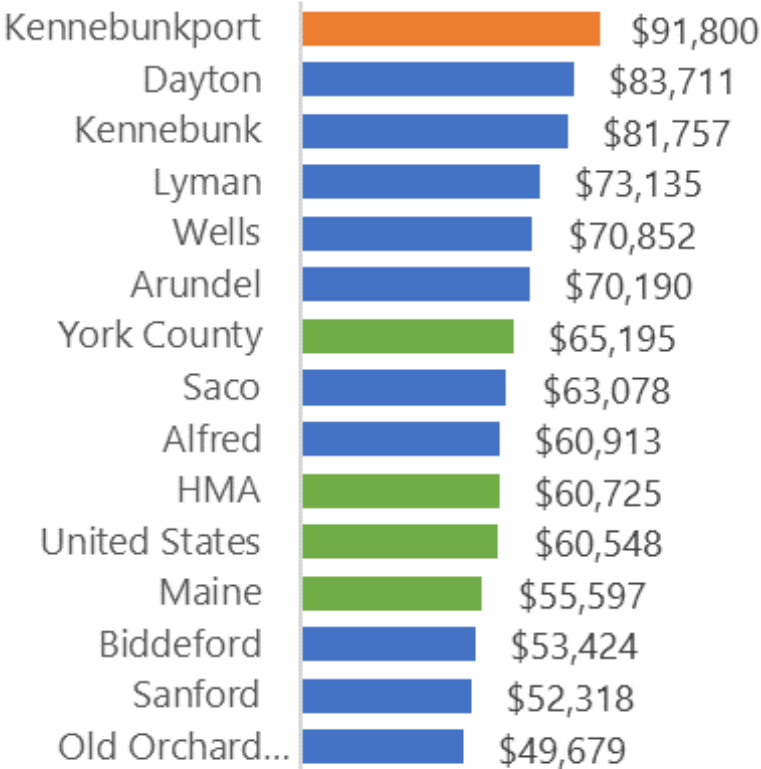


Income



Source: Esri

Median Household Income, 2019

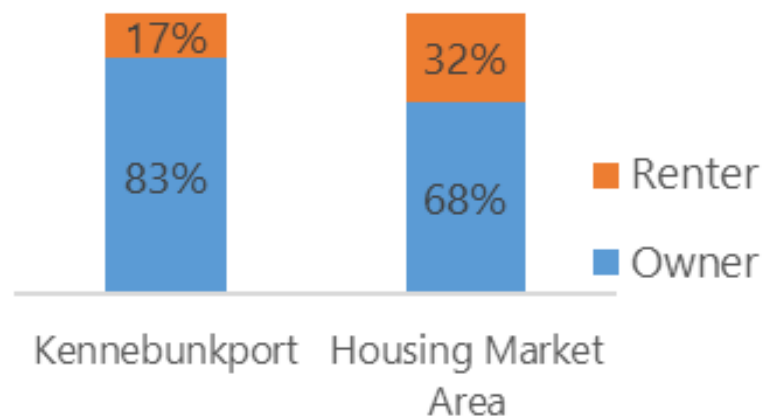


Source: Esri

- Kennebunkport has the highest median income in the HMA: \$91,800, compared to \$60,725 in HMA
- 3.5% of HMA total population, but 11.5% of HMA households with income over \$200,000

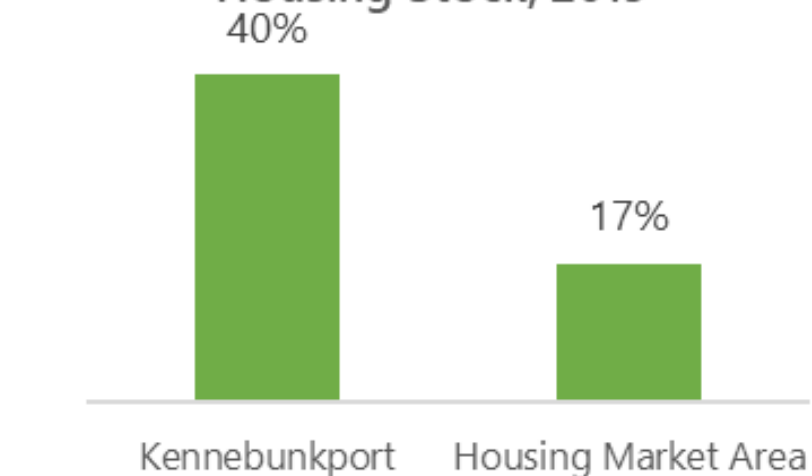
Housing Stock

Year-Round Housing Stock,
Owner vs Renter Units, 2019



Source: Esri, ACS

Seasonal Housing Share of
Housing Stock, 2019

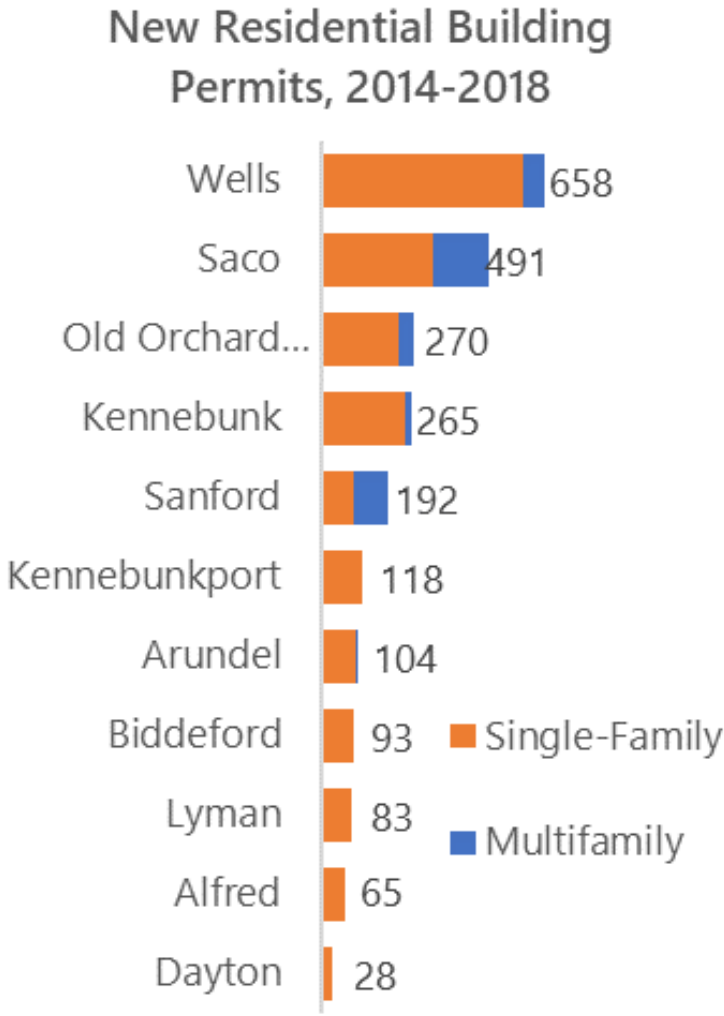


Source: Esri, ACS

- Kennebunkport has limited year-round rental housing options.
- 40% of all housing in town is occupied seasonally.

New Residential Construction

- Kennebunkport added 118 units between 2014-2018, 5% of HMA total
- Most development activity in Wells and Saco
- 83% of new units constructed in the HMA were single-family
- 17% were multifamily



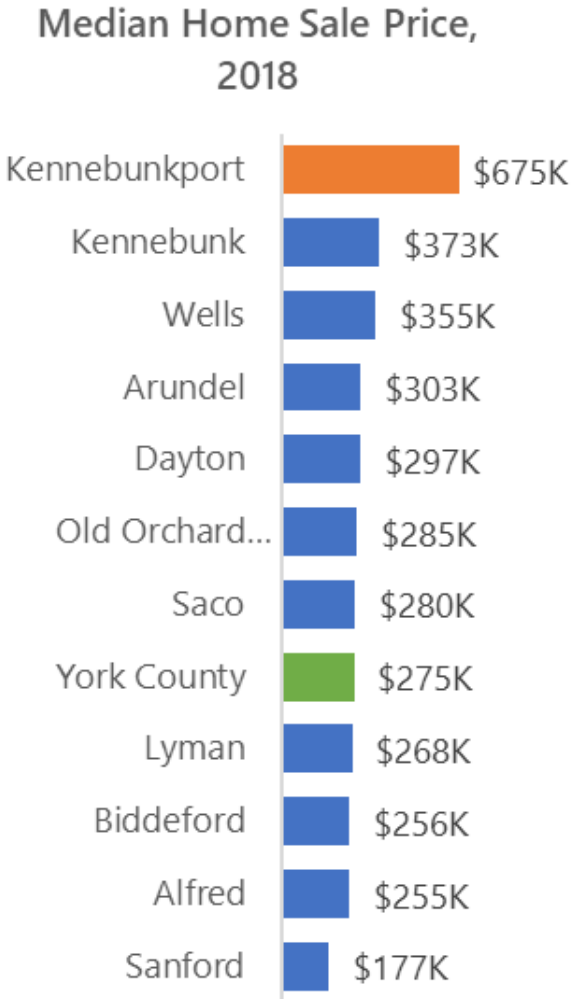
Source: SOCDS Building Permits Database

Home Sales Trends

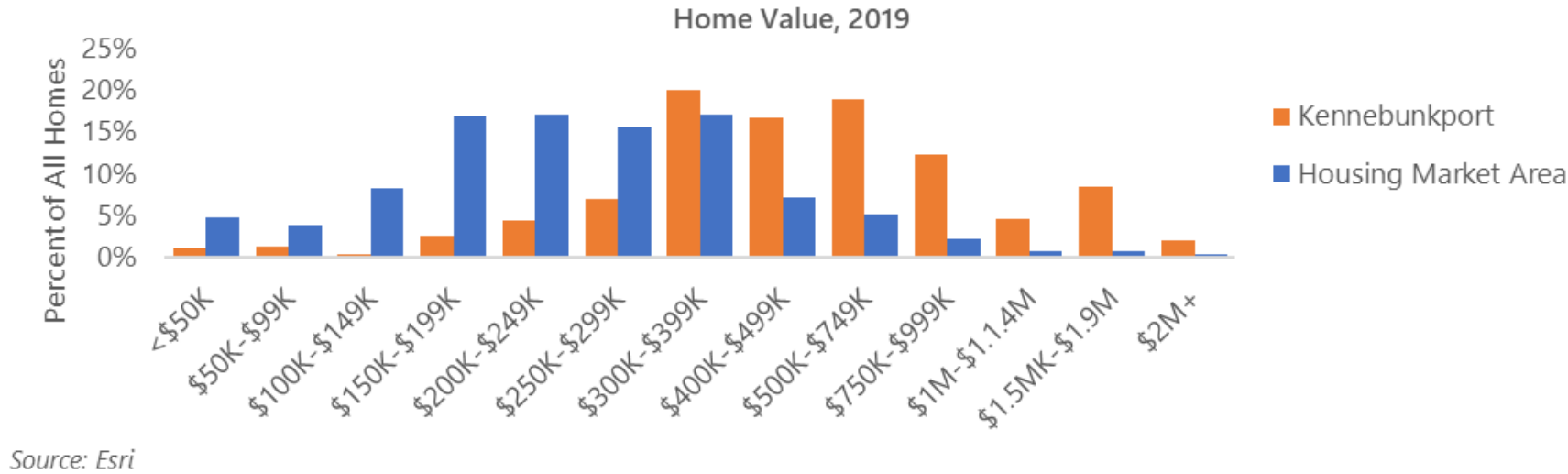
- Inventory of homes in York County has fallen over the last several years
- Tightening supply amid growing demand
- Median days on market has fallen
- Housing market strong, but beginning to level off
- Very high prices in Kennebunkport points to strong demand locally
- Extremely low availability of homes at modest price points



Home Prices



Source: MaineHousing



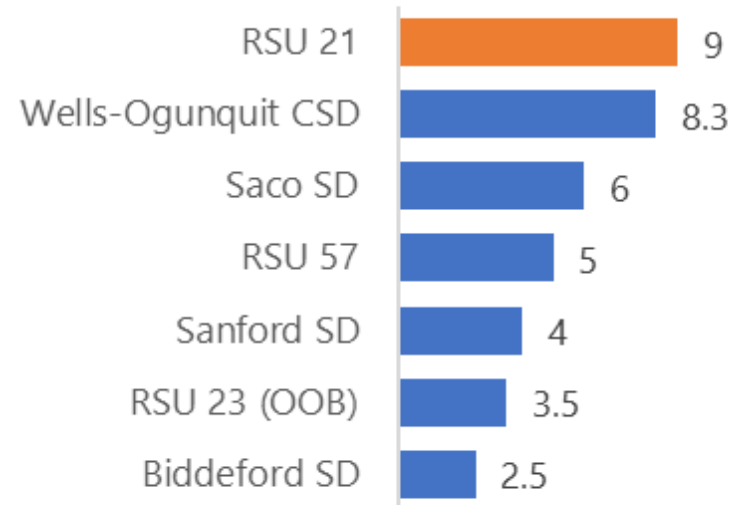
- The median home purchased in town in 2018 sold for \$675,000, compared to \$275,000 in York County.
- Nearly half of Kennebunkport homes are valued at more than \$500,000.
- Over 90% are valued at more than the HMA median (\$247,000).

School District

RSU 21 is the top school district in the HMA.

This makes Kennebunkport very attractive to families with school-age children.

School District Ratings
(rated out of 10)

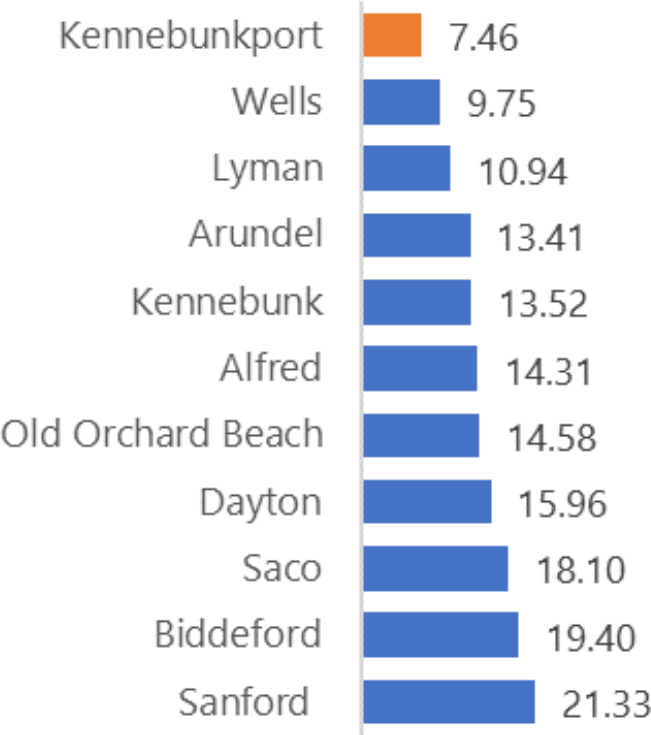


Note: RSU 21 serves Kennebunkport, Kennebunk, and Arundel. RSU 57 serves Alfred, Lyman, and four other municipalities. RSU 23 serves Old Orchard Beach. Ratings not available for Dayton Public Schools.

Source: GreatSchools

Property Tax Rate

Full Value Tax Rates, 2016

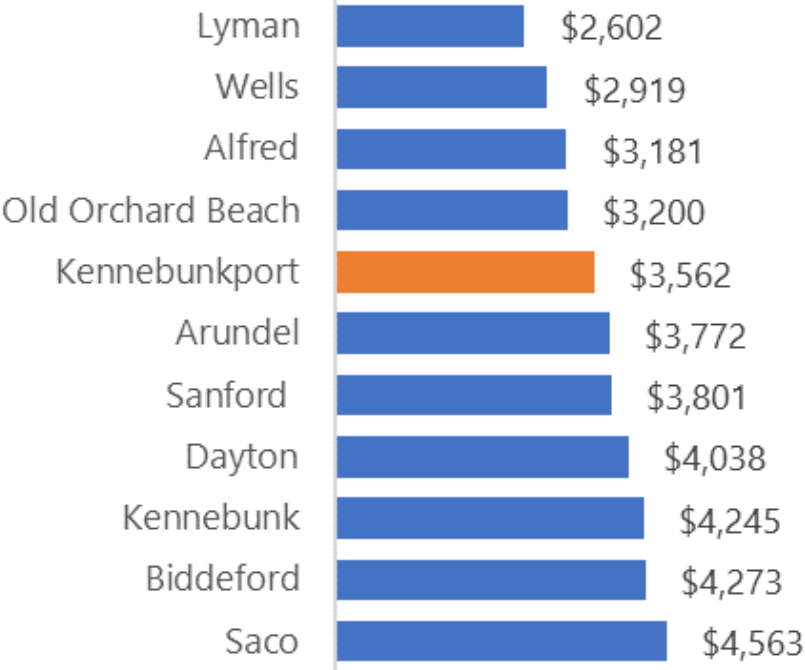


Kennebunkport has the lowest property tax rate in the HMA.

Taxes are very competitive, even on high-value homes.

Source: State of Maine

Tax Bill for Median Value Home

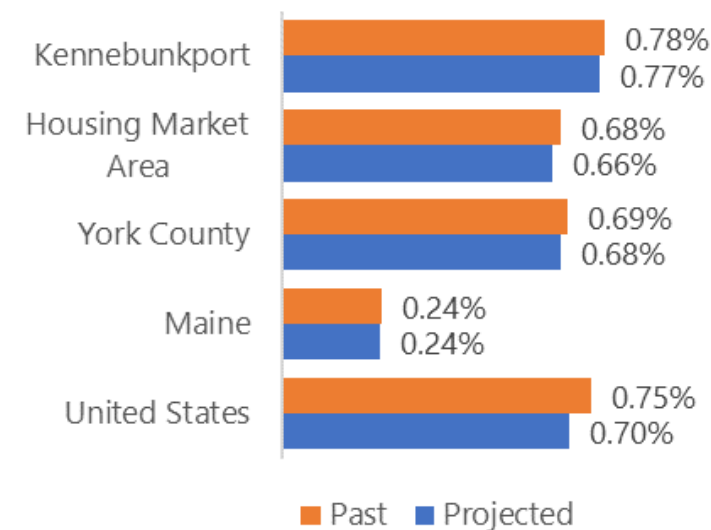


Source: State of Maine, Esri, Camoin 310

Future Housing Demand

- Population growth expected to slow slightly (in line with state and nation)
- Strong housing demand to continue
- 1,750 new year-round households in the HMA in the next five years
 - Driven by seniors 65+
 - Smaller increases in 25-44 cohort
 - Declines in 45-64 cohort

Annual Population Growth Rate, Past (2010-2019) and Projected (2019-2024)



Source: Camoin 310, Esri, State of Maine

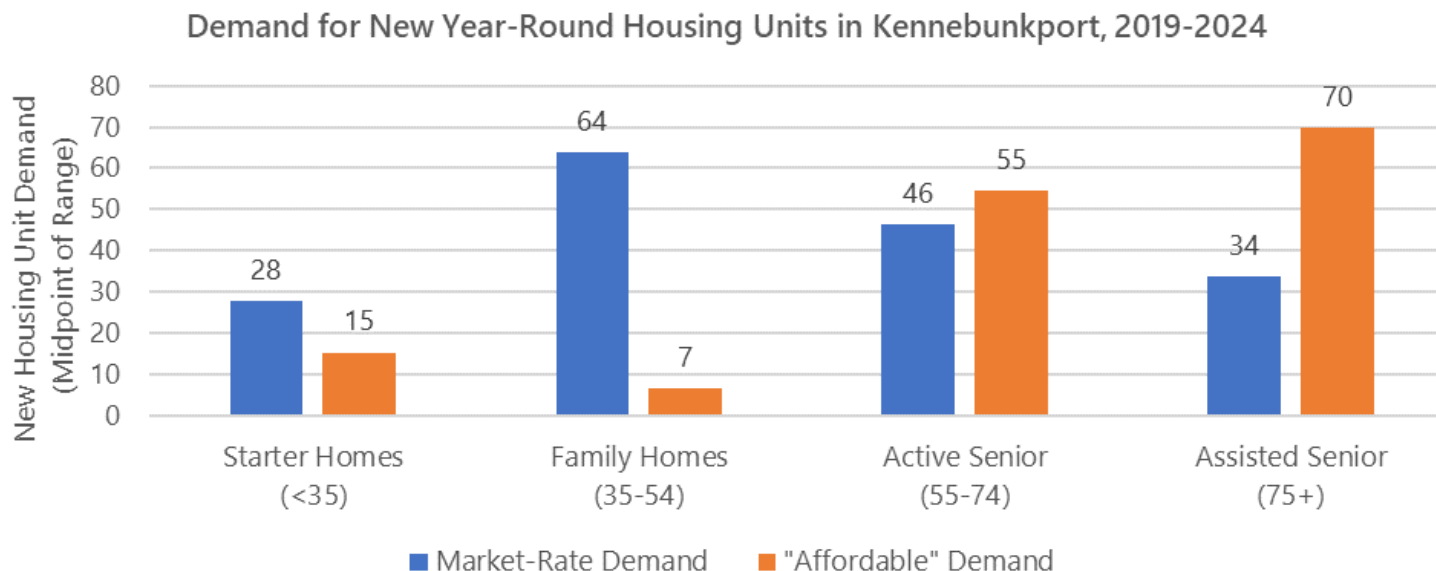
Affordability

- Highly desirable community = high housing demand = high home prices
- Market-rate housing generally priced above \$400K and accessible to households earnings \$100,000+
- “Affordable” workforce housing in the \$175K-\$360K range needed for households earning \$50K-\$100K
- Strong demand for both market-rate housing and “affordable” housing

Income Range	Maximum Home Price
\$50,000-\$74,999	\$ 270,000
\$75,000-\$99,999	\$ 360,000
\$100,000-\$149,999	\$ 535,000
\$150,000-\$199,999	\$ 715,000
\$200,000+	\$ -

Housing Demand Opportunity

- Overall, Kennebunkport could capture demand for about 200-400 year-round units over the next five years.
 - 55% of demand for market-rate housing (priced above \$400K)
 - 45% of demand for affordable housing (priced between \$175K and \$360K)
- Two thirds of total demand will come from 55+ age groups
- Affordable demand based on new households only; likely understated



Retail & Services Opportunity

- Some opportunity for a small neighborhood restaurant, coffee shop, or food market
- Challenging retail location due to distance from Dock Square and Route 1
- Should be located on North Street
- Not supportable by Village Parcel residents alone
- Office uses on Village Parcel (such as new Town offices) would help sustain
- Visitor-oriented shops unlikely to be successful (too far from Dock Square)



What does this mean for the Village Parcel?

- There is enough residential demand to build up to 400 units in Kennebunkport over the next five years.
- The Town may choose to build some, all, or none of these units on the Village Parcel.
- Retail uses on the Village Parcel will be challenging to support, but some opportunity for small-scale, food-oriented retail on North St.



Q&A



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