



Maine's Housing Outlook

January 2025



Prepared by

Maine State Housing Authority

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Executive Summary

ECONOMIC LANDSCAPE

- **U.S. Economic Indicators:** The U.S. rates of inflation and unemployment are at or near levels generally seen indicative of a healthy and growing economy.
- **Maine's Economic Forecast:** State rates of inflation, of wage growth, and of employment growth are expected to be consistent with stable economic growth in the coming years.

HOUSING PRODUCTION

- **Affordable Housing Production:** MaineHousing completed 775 affordable housing units in 2024. Another 1,005 units (727 of which are expected to complete in 2025) are in progress now.
- **Production Costs:** MaineHousing's average cost per unit increased in 2024 for a third consecutive year, but project costs are cumulative and currently financed projects indicate costs are leveling off.
- **Residential Construction Activity:** Construction employment in Maine grew by 7.3% from 2023 to 2024. Maine's construction capacity is growing to meet new home construction and repair demand.
- **Regional Housing Production:** New housing starts in the Northeastern states sharply increased in the third quarter of 2024, exceeding recent quarterly averages by nearly 50%.

HOMEOWNERSHIP

- **Mortgage Rates:** Market rates have stopped rising and MaineHousing's First Home program is maintaining rates well below the market average. MaineHousing decreased the First Home mortgage rate to 5.375% prior to the end of 2024.
- **Housing Prices:** Rising home prices continue to be a primary concern for homeownership access in Maine. From 2020 to 2024, the median home price in Maine grew by more than 50% while the wages and salaries of Maine workers grew by less than 33.3%.
- **Mortgages Issued:** Statewide loan originations decreased sharply in response to the rise in mortgage rates during 2022, but MaineHousing's First Home programs have steadily continued to create homeownership opportunities for first-time buyers.
- **Foreclosures:** Since July 2022, a monthly average of 1,225 notices of default were issued in Maine, 40% lower than the monthly average prior to the COVID-19 pandemic.

HOUSING AFFORDABILITY

- **Heating Fuel Prices:** Although they remain above their historic low points, prices for heating oil, kerosene, and propane have all stabilized. Heating oil and kerosene prices, which saw historic highs in 2022 and 2023, have been trending downwards since April 2024.
- **Rental Cost Burden:** Since 2018, rental cost burden has increased sharply among Maine households earning between \$35,000 and \$75,000 in total household income.
- **Eviction Filings:** Annual statewide eviction filings decreased in 2024 for the first time since the eviction moratorium in 2020.

HOMELESSNESS

- **Length of Stay:** Average length of stay in a shelter in 2024 increased to 11.6 days, a 38% increase from the previous year.
- **Returns to Homelessness:** In 2024, Maine saw a 43% decrease in the average number of people reentering the homeless services system after having exited to a permanent housing solution less than twelve months earlier.
- **Point in Time:** The total number of people in shelters, unsheltered, and in transitional housing increased from less than 1,700 to over 2,300 in 2024.

Introduction

This report is the first edition of what is intended to be an annual summary of the state of housing and housing-related issues in Maine. The report combines data from national and state agencies and organizations to examine the health of housing and employment markets, housing affordability trends, and homelessness trends. This examination is primarily conducted by reviewing historical data up to and including the previous year. The purpose of this report is to help inform expectations for the coming year, not to make predictions. The report conducts this examination in the context of the current state of the U.S. economy, as measured by inflation and unemployment trends, and the Maine Economic Forecast, produced by Maine’s Consensus Economic Forecasting Commission (CEFC). Those elements are covered in the following two subsections. The report is then organized into sections reviewing metrics in four topic areas: Housing Production, Homeownership, Housing Affordability, and Homelessness.

U.S. Inflation & Unemployment Rates

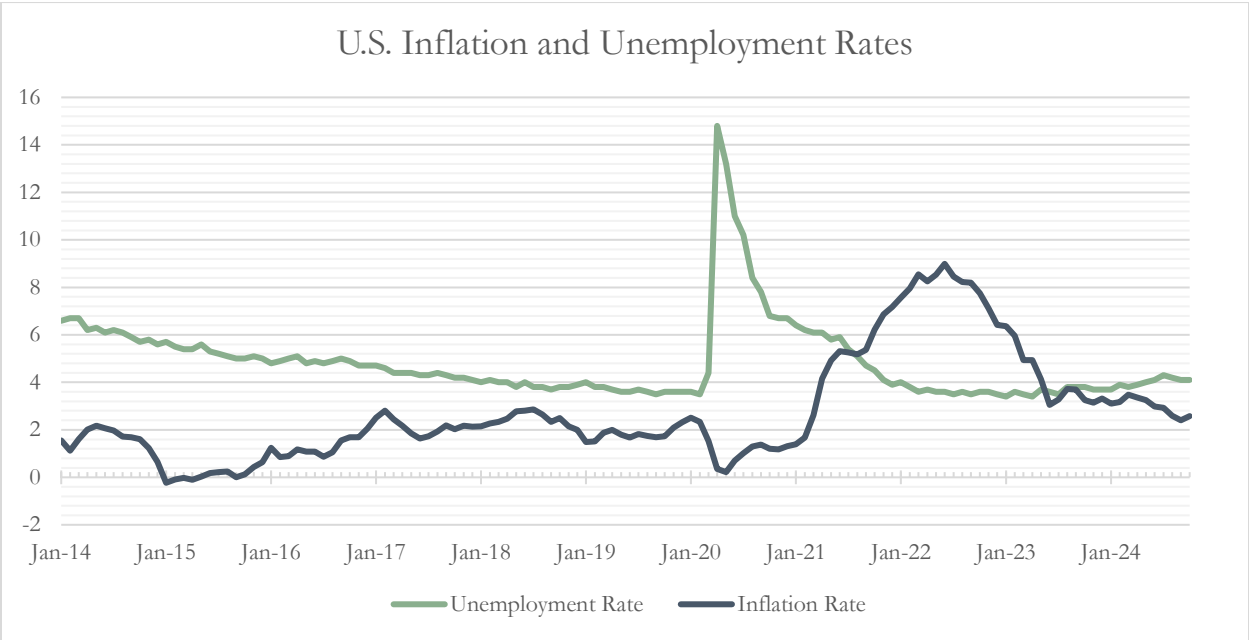


Figure 1 - Historical U.S. inflation (year-over-year CPI percent change) and U.S. unemployment rates. Source: fred.stlouisfed.org

The U.S. economy experienced historic upheaval during the COVID-19 pandemic, beginning in 2020. This is first observed in the sudden quadrupling of the unemployment rate and then, as the unemployment rate recovered, the steadily climbing rate of inflation. Both economic indicators appear to have been stabilizing throughout 2024. The unemployment rate rose to just above 4%, which is commonly understood to be the United States’ *natural rate of unemployment*.¹ Inflation has fallen below 3% and is trending downwards, nearing the 2% rate that is the standard inflation target of the Federal Reserve Board. These indicators are consistent with a stable and healthy U.S. economy going into the year 2025.

¹ The *natural rate of unemployment* is the rate that you expect to see in a healthy economy, due to natural employment frictions that cause job separations and new job searches.

Maine Economic Forecast

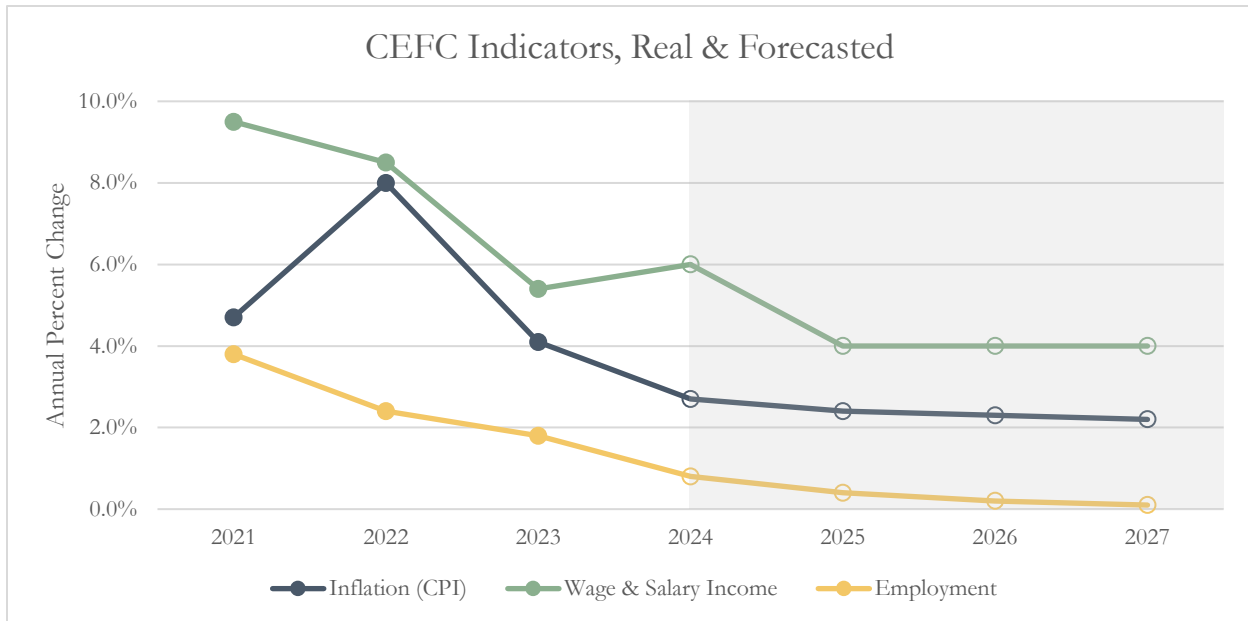


Figure 2 - CEFC Forecast summary. All values for 2024 and onward, the shaded region, are forecasts based on available information at the time of the fall 2024 CEFC meeting. Each value represents the percent increase since the previous year in total employment, wages and salaries, or prices (inflation) as measured by the Consumer Price Index.

Source: Report of the Consensus Economic Forecasting Commission, November 1, 2024.

Maine’s CEFC meets twice yearly to forecast key indicators of Maine’s economic health. Figure 2 includes the historic and forecast values of those indicators, limited to three years pre- and post-2024. The CEFC predicts that inflation will continue to converge towards 2%, which is the standard rate of growth targeted by the U.S. Federal Reserve. Wages and salaries are expected to grow at a stable 4% in each of the coming years, slower than the rapid wage growth of recent years, but steadily greater than the rate of inflation. Finally, employment growth slowed down significantly in 2024 and is expected to continue slowing through 2027.

After uncertainty and volatility during and immediately following the COVID-19 pandemic, Maine appears to be entering a period of stable economic growth. Although the experience of the pandemic is a clear reminder of how quickly economic conditions can shift, if Maine’s economy remains on this stable trajectory, it will offer a positive environment for public and private investment in housing production and preservation. This environment is unlikely to result in any large increases in public revenues to invest in issues like housing stabilization, but it could support incremental improvements in the rate of naturally occurring affordability in the housing market. It is also a reasonable environment in which to fine-tune and expand existing housing affordability and homelessness prevention programs that have been shown to be effective.

Housing Production

Affordable Housing Construction

Indication: *Positive*

Highlight: Pandemic and supply chain disruptions to the affordable housing pipeline have dissipated, labor markets have begun to stabilize, and new affordable housing units are again coming online at a steady rate.

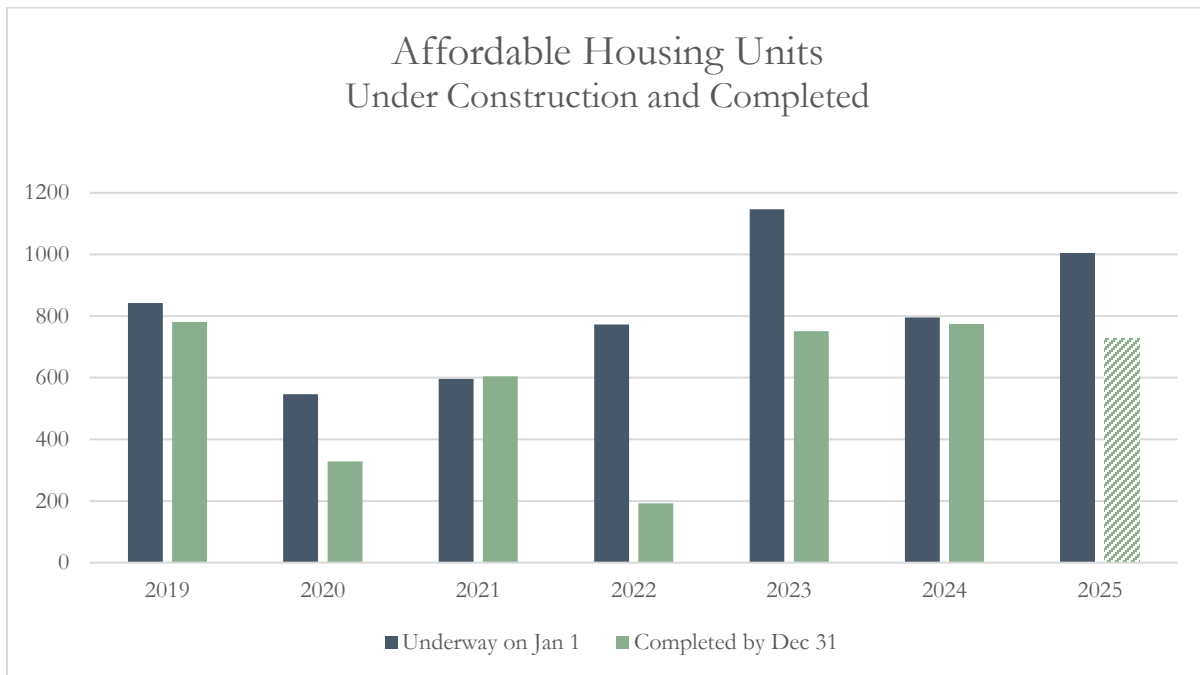


Figure 3 - Affordable units financed by MaineHousing. The graph depicts those under construction at the start of each year (blue) and completed by the end of the same year (green); it does not include financed units that have yet to begin construction. The number of units completed in 2025 is forecast based on available information as of December 10, 2024.

Source: MaineHousing Annual Accomplishments Reports, and 2024 development estimates produced for the MaineHousing Board of Commissioners.

New affordable rental housing in Maine is financed through MaineHousing’s development programs, designed to meet the varying needs of communities around the state. The unit counts in the chart above include all rental units² financed by those programs. A total of 775 affordable housing units were completed in 2024. Another 1,005 units are under construction as we enter 2025 with 727 of those units expected to be complete by the end of 2025. Assuming bipartisan support and funding for affordable housing development remains steady, MaineHousing expects to continue increasing Maine’s affordable housing supply at this steady pace.

² This excludes production financed by the Recovery Housing Program, which does not produce standalone housing units, and the Affordable Homeownership Program, which won an NCSHA Annual Award for Program Excellence in 2024 for financing the production of price-restricted single family homes that are sold to qualifying homebuyers.

The Cost of Affordable Housing

Indication: *Mixed, with some concerns*

Highlight: The cost of units completed in 2024 increased for the third year in a row. However, project costs accumulate over multiple years and indications from currently financed projects are that costs have leveled out.



Figure 4 - Total development costs (TDC) per unit over time. This figure depicts the overall TDC index for all MaineHousing-financed units completed in the given year. The 2024 average is subject to change because some of those projects have yet to undergo project loan closing at the time of this report, their expected final costs are included. Source: MaineHousing Annual Accomplishments and 2024 Development Department project data.

Production costs have risen steadily over recent years, increasing the demand on the existing sources of funding needed to maintain production levels. Although the data from these completed projects shows only increasing costs, we have begun to see evidence from ongoing projects that cost increases appear to have slowed and may have leveled out. MaineHousing’s Development team reports that wages remain high, but appear to have stabilized; average time to completion of development projects, although still longer than it has been historically, appears to have stopped increasing; supply chains have become more predictable; and for those scarce inputs that still experience delays, developers have adapted to incorporate those delays into planning. On the whole, development costs are expected to stabilize at or near the levels seen in 2024.

However, policy and economic factors can shift the cost environment very quickly. In particular, the Build America, Buy America (BABA) Act, which sets requirements to source construction materials domestically, could lead to significant price increases as the law is fully implemented. Alternatively, recently proposed tariffs would also increase the price of construction materials, even in the absence of BABA restrictions.

Maine Residential Construction Indicators

Indication: *Neutral*

Highlight: Construction employment in Maine is on a growth trajectory. Weekly construction wages indicate increasing construction activity per worker. Maine's construction capacity is growing to meet the demand for new housing construction and home repair activities.

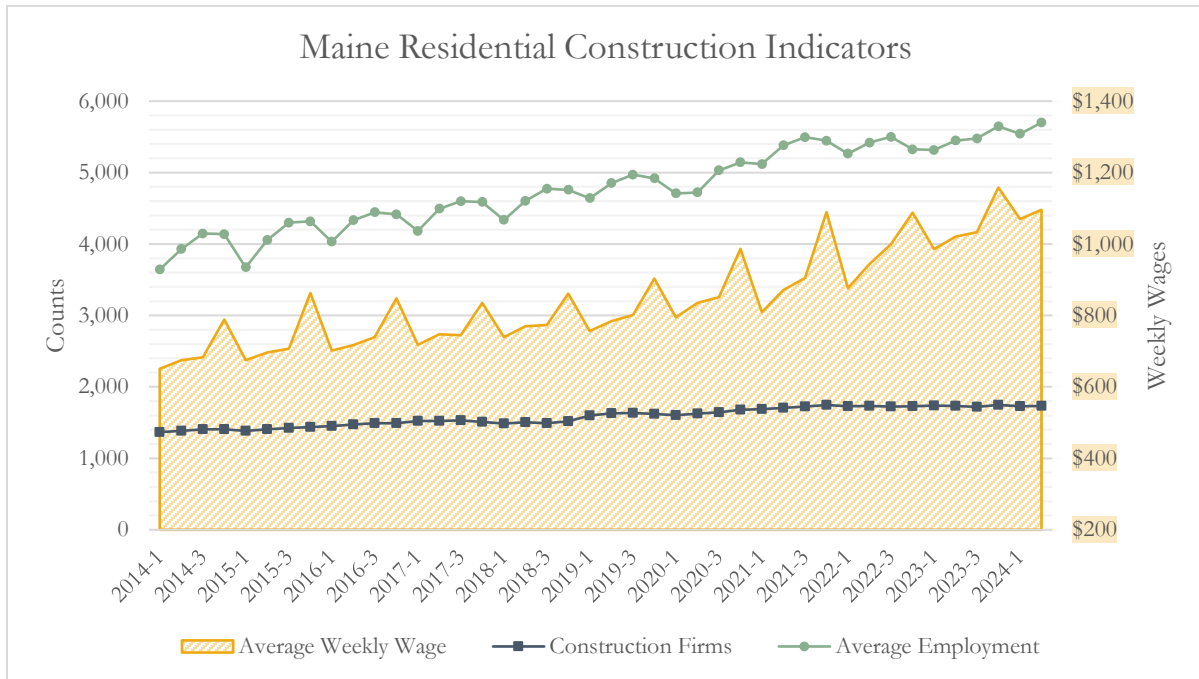


Figure 5 - State of Maine Residential Construction Quarterly Data. Total number of residential construction firms and employees reported on the left axis. Average weekly wages paid to residential construction workers reported on the right axis.

Source: Center for Workforce Research and Information, www.maine.gov/labor/cvri/qcew1.html.

Prior to 2022, the number of construction firms grew by an average of just over 3% each year, while construction employment grew by an average of 4.3% each year. That growth leveled off during 2022 and only resumed for construction employment, which grew by 2.6%-3.6% year-over-year during 2023 and the first half of 2024. The number of construction firms remained constant throughout that period.

Average weekly wages are the total weekly earnings of workers, reflecting the changes in the average hours worked by each worker, as well as any changes in the hourly rate of pay. This explains the seasonality with which average weekly wage increases in the third or fourth quarter of each year, then dips down during the winter. However, the overall upward trend in this metric reflects both increasing hourly wages and increasing hours of work. Altogether, there are an increasing number of people working in construction and they are working more hours, which translates to greater construction capacity. The lack of growth in construction firms could be a limiting factor with respect to that capacity, but construction firms may simply be finding it more efficient to have more or larger crews than they have in the past.

National and Northeast Regional Housing Starts

Indication: *Positive*

Highlight: During 2023, the Northeast Region experienced a more sustained decrease in housing production than the broader U.S. market. However, both single and multifamily housing starts trended significantly upward in the Northeast during the second and third quarters of 2024.

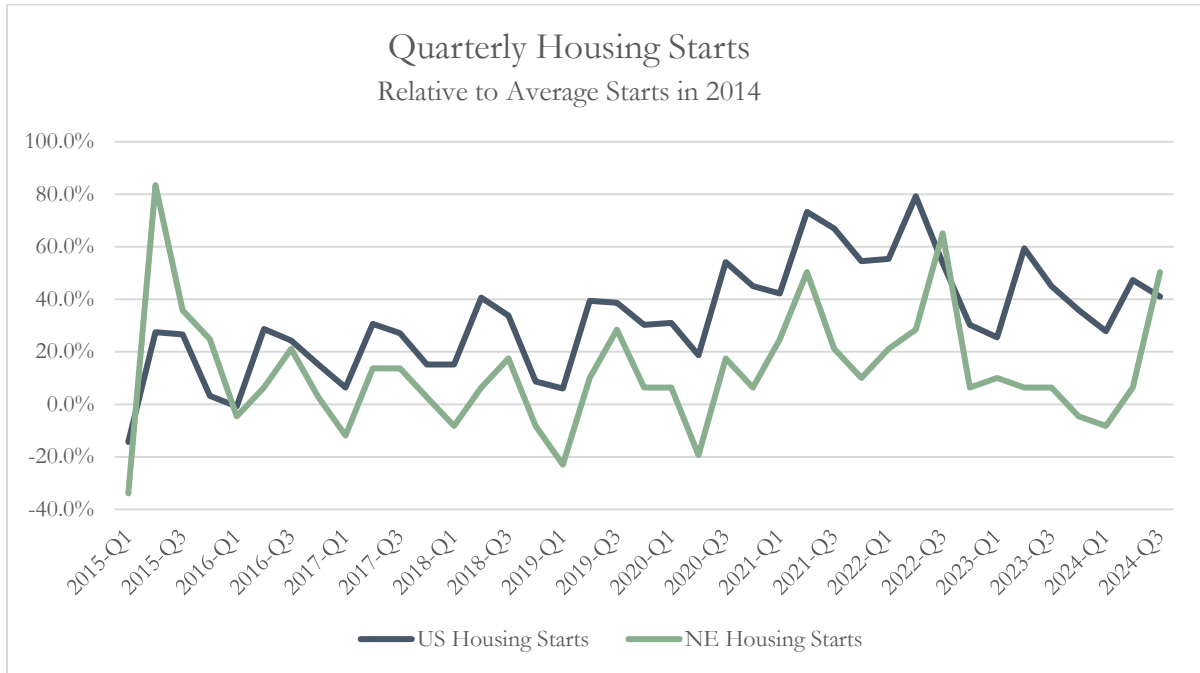


Figure 6 - Regional and National Housing Production Trends. The U.S. and Northeast trend lines show the percent difference in total (single family plus multifamily) quarterly housing starts relative to their own average quarterly housing starts in the year 2014. In addition to Maine, the Northeast Region includes NH, VT, MA, CT, RI, NY, NJ, and PA. Source: US Census Bureau, Survey of Construction, <https://www.census.gov/construction/nrc/data/series.html>

Housing production in Maine is impacted by regional and national market conditions. This is due to globalized supply chains and regional labor trends. Although Maine markets may deviate from regional and national trends, they are subject to many of the same market pressures and so tracking is potentially informative. This observation is reinforced by the fact, depicted in the chart above, that housing starts in the Northeast have historically had a close correlation with the national trend.

Since the beginning of 2023, the trend in the Northeast has not aligned as well with nationwide housing starts. New activity is relatively stagnant throughout 2023, but then climbs quickly during the observable portion of 2024. During the third quarter of 2024, housing starts in the Northeast exceed the benchmark (2014 quarterly average) by more than 50%. That may be a seasonal peak, but even so would indicate positive regional production activity.

Homeownership

Mortgage Rate Comparison

Indication: *Neutral*

Highlight: Mortgage rates have stopped rising and MaineHousing's First Home program is maintaining rates well below the market average. MaineHousing decreased the First Home mortgage rate to 5.375% prior to the end of 2024.

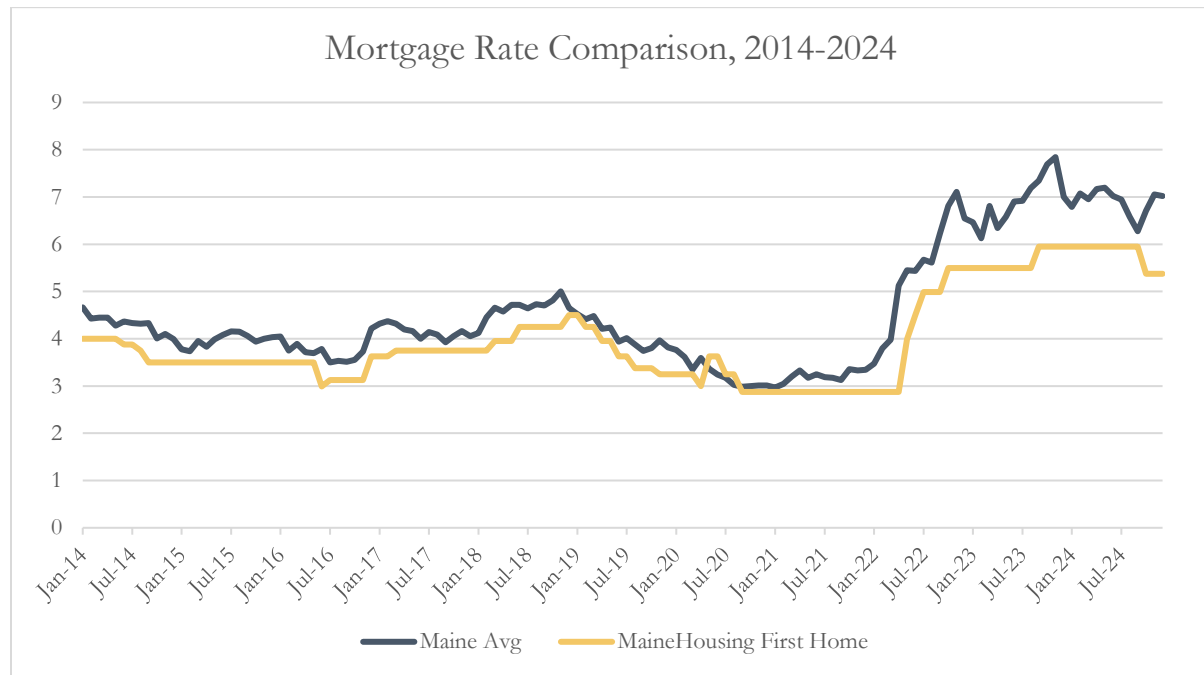


Figure 7 - Mortgage Rates in Maine. This figure shows MaineHousing's First Home Program base rate over the past decade, alongside the average 30-year fixed rate reported by Maine mortgage lending institutions. Source: MaineHousing Homeownership Department, Rate Watch surveys.

Mortgage rates are a primary determinant of home buying activity. The average market rate in Maine peaked at 7.8% in November 2023, fell to about 7% throughout 2024, dipped to a low of 6.2%, and rose back to 7% by year end. MaineHousing maintained the First Home Program rate at 5.95% through the first three quarters of 2024, then dropped the rate to 5.375%. That represents a large spread relative to the average market rate. If the market rate remains around 7%, MaineHousing may consider raising the First Home rate above 5.5% again.

The importance of mortgage rates to home buying activity is best understood by considering the impact an interest rate can have on a monthly mortgage payment. For example, if a household can afford a maximum mortgage payment of \$2,000 per month, then a rate decrease from 7% to 6% on a 30-year mortgage increases that household's affordable home price from approximately \$250,000 to \$270,000. The increase in available options means that potential homebuyers are, on average, more likely to find one or more homes that suit their preferences and make an offer on those homes.

Housing Prices

Indication: *Ongoing Concern*

Highlight: Rising home prices continue to be a primary concern for homeownership access in Maine. From 2020 to 2024, the median home price in Maine grew by more than 50% while the wages and salaries of Maine workers grew by less than 33.3%.

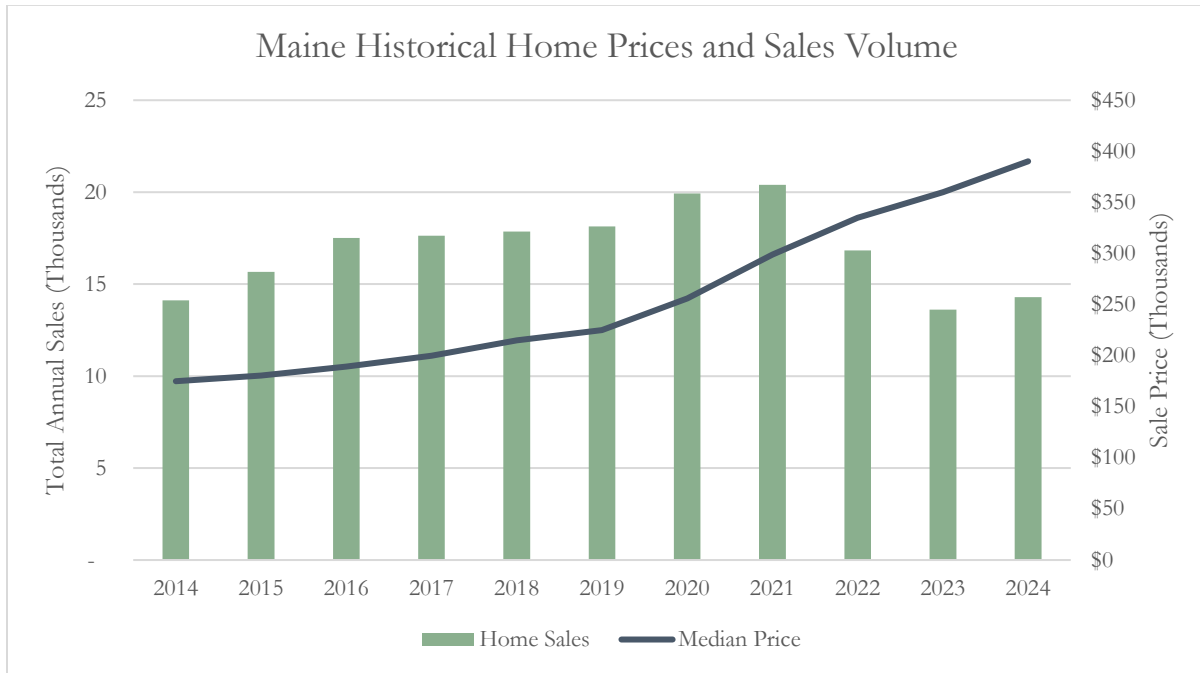


Figure 8 - Median Home Prices and Total Sales Volume in Maine. Prices include only homes purchased for occupancy by the owner, not those purchased for rental or other uses.

Source: Maine Association of Realtors, [Home Sales Statistics & Press Releases](#).

Throughout the beginning of the previous decade, Maine's median home price grew more slowly than nationwide home prices. However, from 2020 through 2023, the median home price in Maine increased by 43.5%, while the U.S. median price increased 39.1% (American Community Survey estimates, U.S. Census Bureau). Figure 8 depicts the median Maine home price increasing more than 50% from 2020 to 2024. During that same period, Maine's workforce saw an average wage or salary increase of less than 33% (Figure 2). Even that rapid rate of wage growth failed to keep up with increasing home prices, making homeownership less affordable for many Maine households.

The decreased volume of home sales in 2023 and 2024, each less than in any other year since 2014, may indicate downward pressure on home prices. This is the case if the decrease in volume is a demand-side response, meaning a result of potential homebuyers balking at high home prices. However, high mortgage rates, which spiked in 2022, are indicative of a potential supply-side response that would also reduce sales volume, as homeowners refrain from selling their homes because they currently enjoy a much lower mortgage rate. This is discussed further in the next section.

Mortgages Issued

Indication: Neutral/Positive

Highlight: Although total volume of mortgage activity has decreased, those trends have followed expected trajectories given the home price and rate environments. Statewide loan origination decreased quickly as mortgage rates rose during 2022 and have yet to show definitive sign of recovery. However, MaineHousing's First Home programs have steadily continued to create homeownership opportunities for first-time buyers.

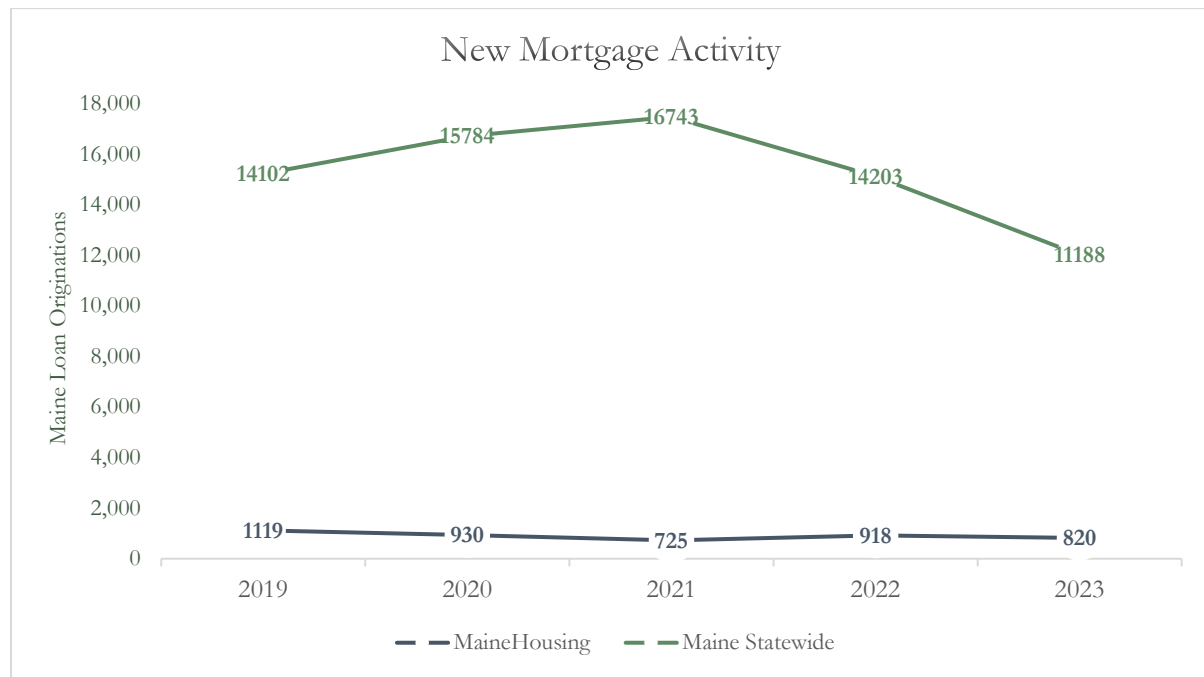


Figure 9 - Residential Loan Originations in Maine. The graph shows the total number of new residential mortgages issued (excluding homes purchased by business entities) in Maine each year and the total number of First Home mortgages purchased by MaineHousing each year. At the date of this publication, statewide mortgage data for the year 2024 is not yet available.

Sources: MaineHousing Accomplishments reports and Homeownership Department data; Consumer Financial Protection Bureau. [HMDA \(2023\) Data](#).

Unlike home sales volume in Figure 8, the data in this metric is restricted to residential mortgages issued to individual buyers. Home purchasing in Maine peaked during the height of the COVID-19 pandemic, with close to 17,000 new residential home purchases in 2021. By 2023, new loans decreased by nearly one-third. This sudden decrease in activity coincided with mortgage rates roughly doubling between the beginning and end of 2022. Such a significant rise in mortgage rates not only makes purchasing more expensive for potential buyers, it also creates a phenomenon where current homeowners can't afford to sell and move to a new home. Homeowners with low mortgage rates and limited home equity are unable to afford, or unwilling to face, the increased payments on a new mortgage. However, even if mortgage rates remain elevated, the share of homeowners in this situation decreases as they build home equity through appreciation and loan payments.

MaineHousing's First Home programs, including First Home, SaluteME, and First Generation mortgages, maintained steady loan activity throughout the high-rate environment by offering rates further below the market average than it is possible to maintain during lower rate periods. With down payment and closing cost assistance, MaineHousing's mortgage programs continue to expand homeownership opportunities for first-time buyers, veterans, and those who have never lived in a home owned by their family.

Foreclosures

Indication: *Positive*

Highlight: Homeowners in Maine are defaulting on their mortgages at much lower rates than was the case prior to the COVID-19 pandemic.

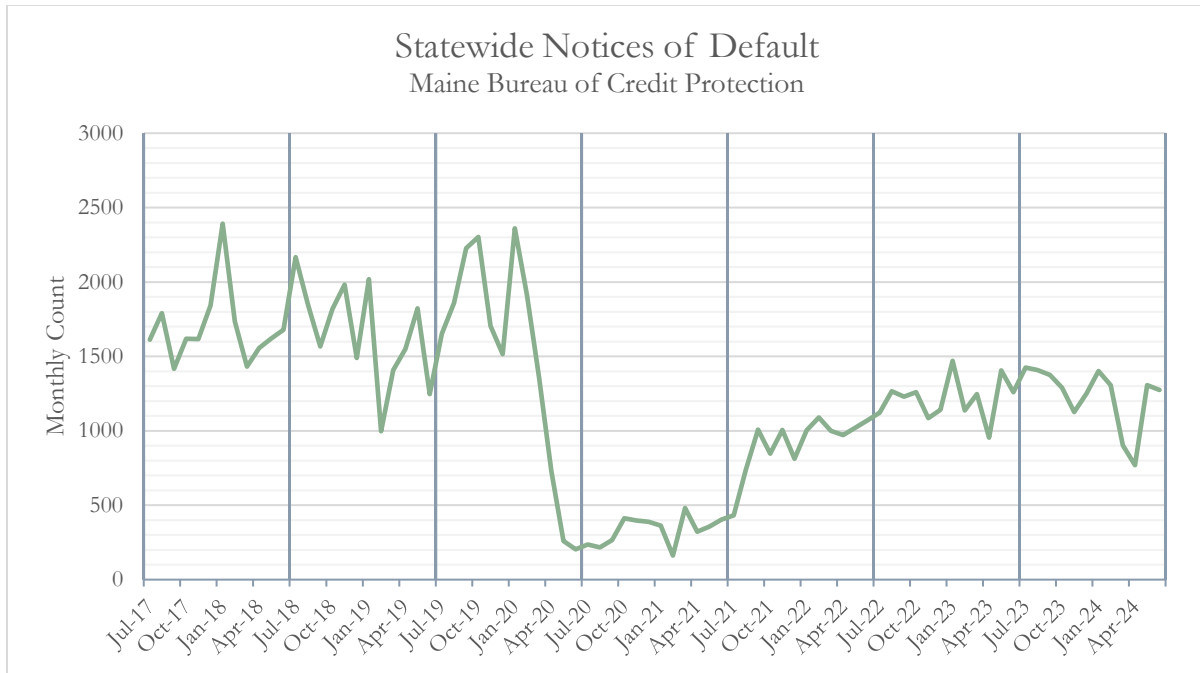


Figure 10 – Notices of Mortgage Default in Maine. The graph depicts the monthly count of statewide notices issued. The abrupt decrease in early 2020 captures the impact of pandemic-era policies, like the eviction moratorium in the federal CARES Act.

Source: Maine Bureau of Consumer Credit Protection, [Quarterly Reports](#).

Notices of default fell dramatically during the COVID-19 pandemic due to several factors, including a moratorium on foreclosures and several state and federal programs to aid homeowners. Although default notices have climbed back up since the slow period during the pandemic, they have resumed at a new normal that is notably lower than it was previously. Since July 2022, the average number of default notices per month in Maine has been 1,225. Prior to the pandemic, the monthly average was more than 40% higher. The explanation for this shift in trend is unclear, but it implies improvement in the ability of current homeowners to manage their mortgage and home expenses, despite the rapid inflation that recently beset the nation. This financial strength indicates potential for increased liquidity in Maine’s real estate market when the rate environment improves and transitioning to new homes becomes more financially attractive.

Housing Affordability

Heating Fuel Prices

Indication: *Positive*

Highlight: Although still well above their historic low points, all three of the primary heating fuel prices have stabilized. Heating oil and kerosene prices are both trending downwards.

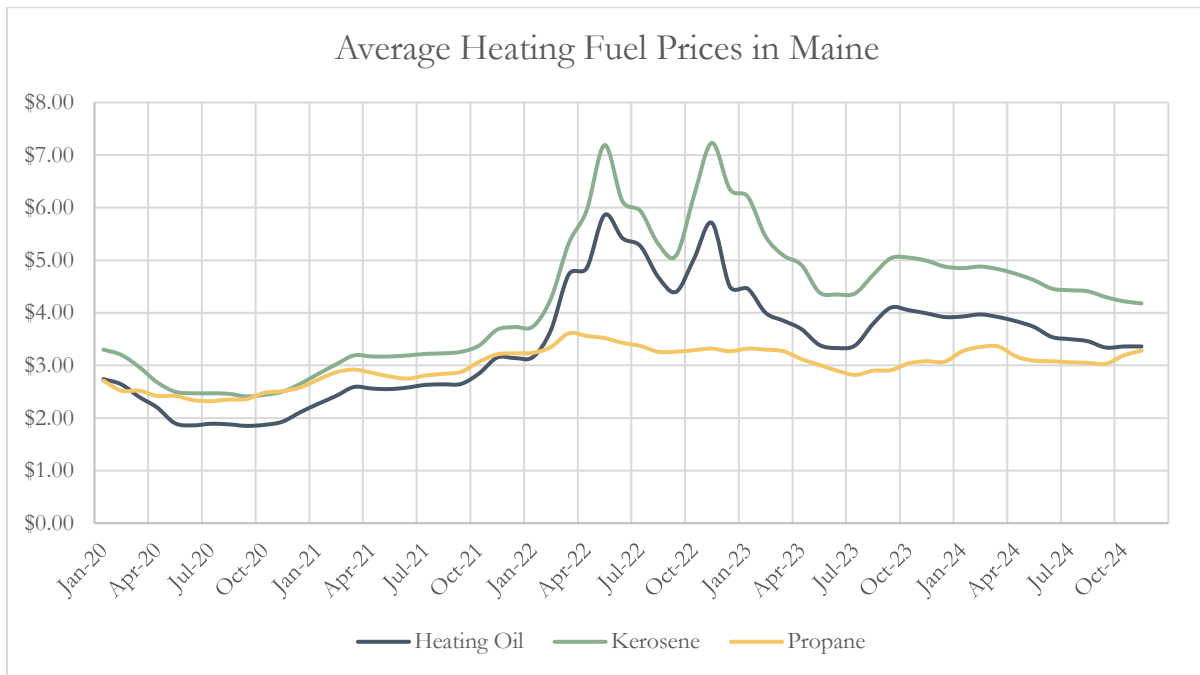


Figure 11 - Heating Fuel Prices in Maine. The graph depicts the price per gallon of delivered heating oil, kerosene, and propane measured via a weekly survey of retailers statewide.

Source: Historical Heating Fuel Prices, State of Maine Governor's Energy Office. <https://www.maine.gov/energy/heating-fuel-prices>

Heating costs are a significant affordability concern for households in Maine. Failure to plan for extended cold spells or price increases can leave a household facing frigid temperatures with few good options. MaineHousing's Energy Crisis Intervention Program can provide support to eligible households experiencing such an emergency, but that is a contingency for crisis situations. Additionally, failure to properly heat a home can have costly negative health effects for residents, especially for older Mainers and the very young.

Heating fuel prices in Maine were extremely volatile in 2022 and 2023, with both heating oil and kerosene reaching record highs. Propane remained more stable than the other fuels, but still climbed above \$3 per gallon and has largely remained there since. Heating oil and kerosene remained historically elevated in 2024 but have both been trending downwards since April. The home heating situation is much improved relative to the previous two years.

Rental Cost Burden

Indication: *Ongoing Concern*

Highlight: Since 2018, rental cost burden has increased sharply among Maine households earning between \$35,000 and \$75,000 in total household income.

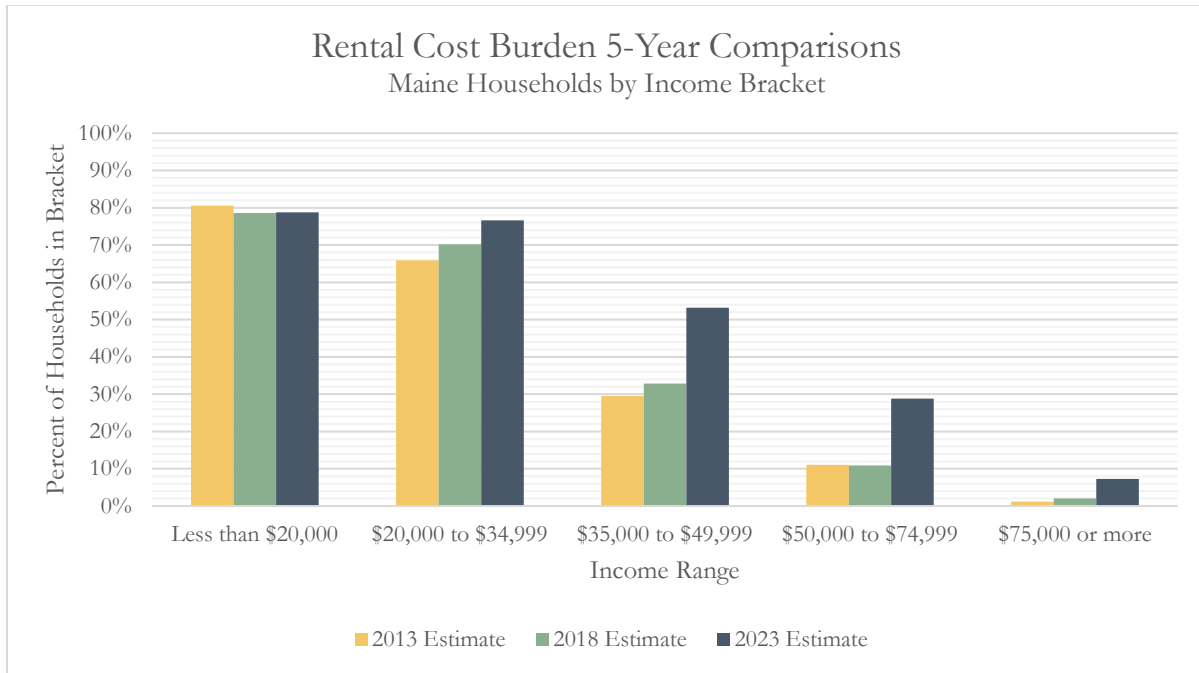


Figure 12 - Rental Cost Burden in Maine. 2013, 2018, and 2023 comparisons by household income brackets. Each bar shows the estimated percentage of all renter households in the given income range that are cost burdened, with the color of the bar indicating which year the estimate is for. Cost burden is defined as spending more than 30% of gross household income on total housing costs.

Source: ACS 5-year Samples; Census Data Table CP04 – Comparison Profiles; Financial Characteristics.

Housing cost burden is a straightforward means of identifying households spending a disproportionate percentage of their income on housing costs. A household that spends more than 30% of gross household income on housing costs has little remaining to cover necessities, much less any savings or discretionary spending.

The most notable changes in rental cost burden occurred for those Mainers earning between \$35,000 and \$75,000 in total income. 53.2% of renters earning \$35,000-\$49,999 were cost burdened in 2023, up from 32.8% just 5 years earlier, and 28.8% of renters earning \$50,000-\$74,999 were cost burdened in 2023, more than double the 10.8% from five years earlier. Even among those renter households earning more than \$75,000 per year, a small but notable share (7.3%) were cost burdened in 2023.

Among renter households earning less than \$20,000 per year, a large and stable majority were cost burdened in each of the sample years. Finally, for renter households earning \$20,000-\$34,999, the share that are cost burdened has increased incrementally in each sample, from 65.9% in 2013 to 76.6% in 2023.

Data Note: It is important to remember when viewing estimates using the 5-year samples of the American Community Survey (ACS 5-year Samples) that the underlying five years of survey data are pooled together. This results in large sample sizes and very reliable estimates. However, since it pools surveys over several years, estimates using these data have been criticized as lagging behind real-time changes in the estimated metrics.

Eviction Filings

Indication: *Positive*

Highlight: Annual statewide eviction filings in Maine decreased for the first time since the eviction moratorium in 2020.

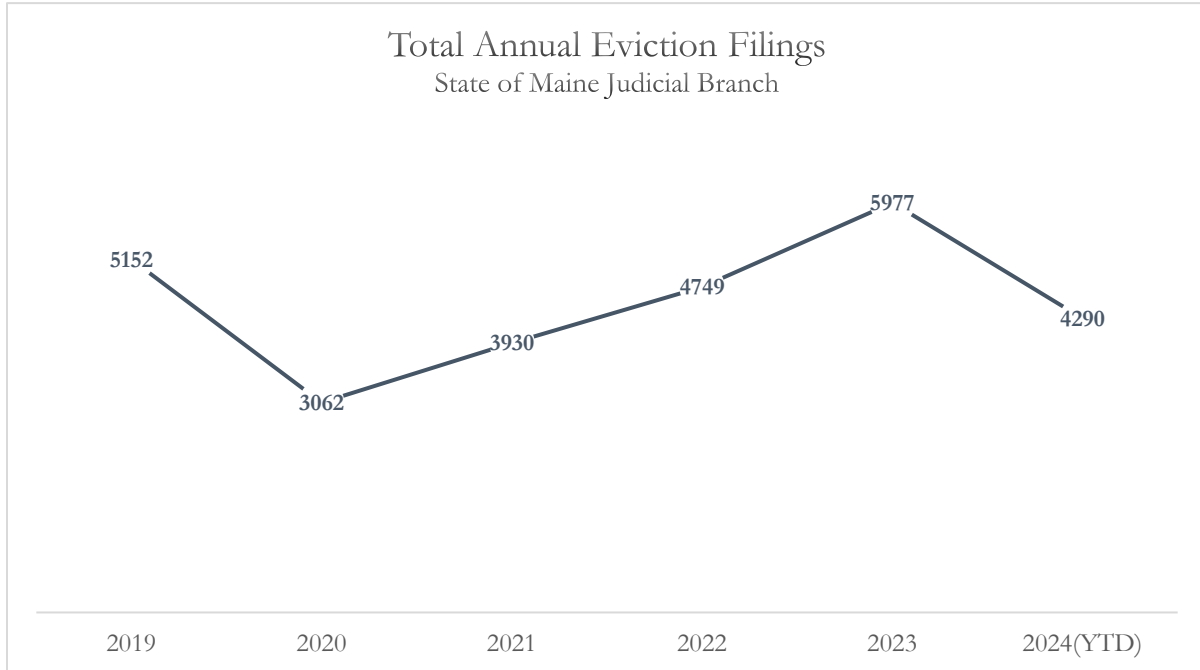


Figure 13 - Eviction Filings in Maine Courts. This figure depicts the total count of eviction filings registered with the Maine Judicial Branch in each year. The year-to-date (YTD) count for 2024 only includes data through the end of the month of November.

Source: State of Maine Judicial Branch. <https://www.courts.maine.gov/about/reports/fed-monthly15yr-report.pdf>

In order to carry out a lawful eviction, a landlord or property manager must register an eviction filing with their nearest district court. Not all filings result in an actual eviction, but the filing is a necessary and serious step towards an eviction. During the COVID-19 pandemic, a sequence of executive orders and legislation, both state and federal, instituted moratoriums on evictions by limiting the allowable grounds for an eviction. Those laws and executive orders will have artificially decreased the count in both 2020 and 2021.

Although the 2024 count only includes eleven months of data, it is safely on track to be the first year since 2020 that the total number of evictions in Maine has decreased relative to the previous year. Assuming evictions in the final month of 2024 are no greater than the average of all other months in 2024, the total – 4,680 or fewer – will be less than preceding years. Although MaineHousing’s Eviction Prevention Pilot Program was launched in 2024, the decrease in evictions cannot be directly attributed to the success of the program as it did not begin issuing benefits until the final month of this data. It is possible that unexpected variable expenses, such as heating costs, play an outsized role in causing evictions, in which case the moderating prices of heating fuels aligns well with the positive trend in this metric.

Homelessness

Length of Stay

Indication: *Ongoing Concern*

Highlight: Average length of stay in 2024 increased to 11.6 days, a 38% increase from the previous year.

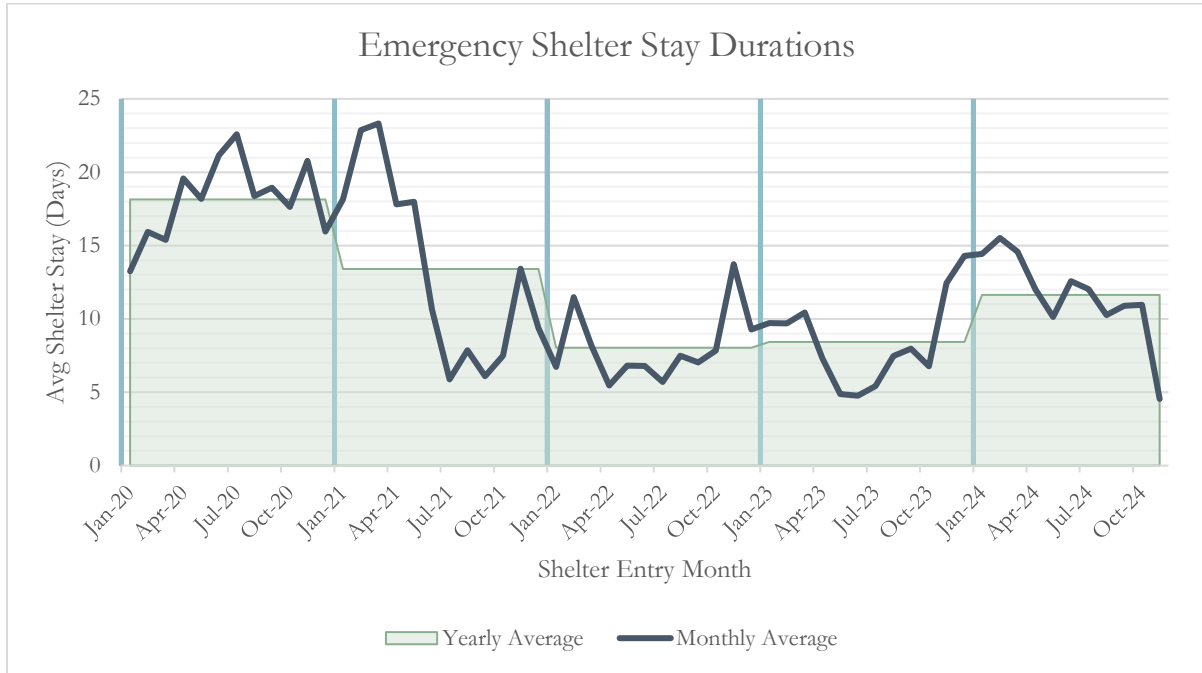


Figure 14 - Maine Shelter Stay Durations. The graph depicts the average length of stay for all new admissions to shelters in the associated month. The data includes all participating ESHAP shelters in the State of Maine. Technical note: the sharp decrease in the last month of 2024 is a necessary result of the fact that those entering in the final period cannot have a length of stay longer than the time between their entry and the date that this report was drawn. Source: MSHA Project Participation/LOS Report (WellSky BusinessObjects), compiled on 12/02/24.

Length of stay is an important indicator of the current shelter and housing environment for people experiencing homelessness. It reflects not only the individuals’ willingness to remain in the shelter, but the difficulty of finding viable permanent housing solutions. Average length of stay in 2024 increased 38%, up to 11.6 days from 8.4 days in 2023. While this still represents a much lower average than during the height of the COVID-19 pandemic, it is a concerning shift that suggests permanent housing solutions for those leaving homelessness were in scarce supply this year.

Returns to Homelessness

Indication: *Positive*

Highlight: In 2024, Maine saw a 43% decrease in the average number of people reentering the homeless services system after having exited to a permanent housing solution less than twelve months earlier.

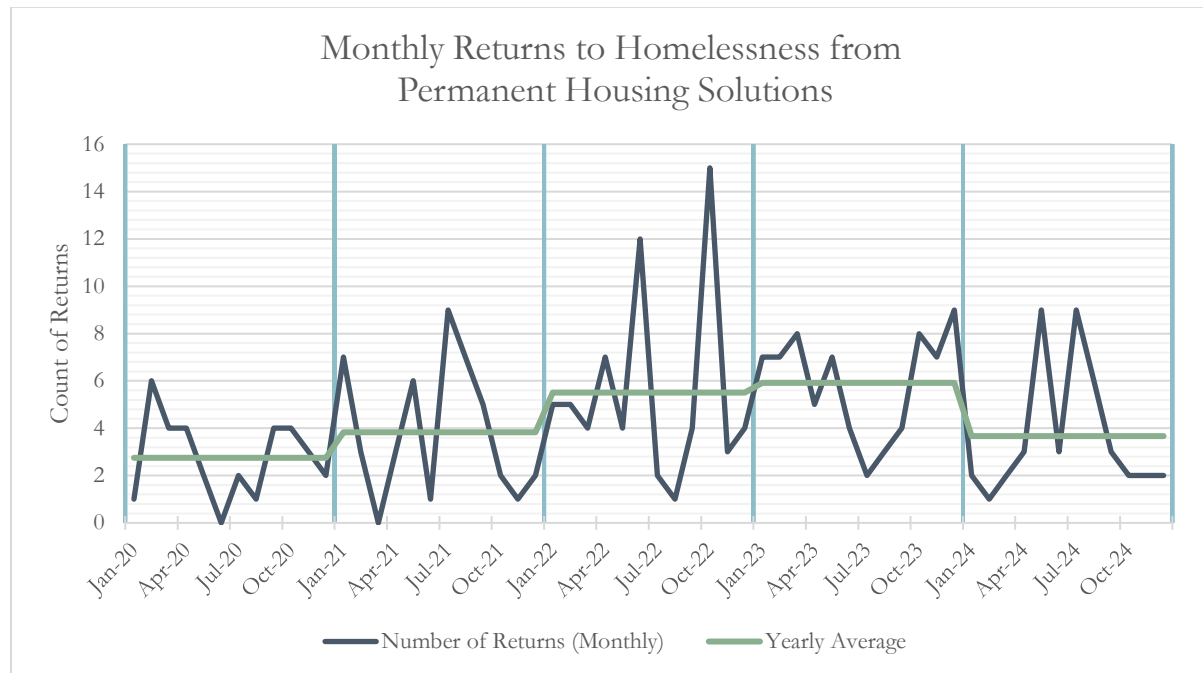


Figure 15 - Returns to Homelessness in Maine. Returns are people enrolling in homeless services who had previously exited homelessness to a permanent housing solution less than 12 months prior to their reenrollment. The data includes all participating ESHAP shelters in the State of Maine.

Source: MSHA Return to Homelessness Report (WellSky BusinessObjects), compiled on 01/21/25.

This metric measures the frequency with which people in Maine exit homelessness to a permanent housing solution and yet find themselves back in the system again. A return to homelessness, in this data, is identified as an individual enrolling in homeless services less than 12 months after having exited homeless services with a placement in a permanent housing solution. Individuals out of the system for more than twelve months before re-experiencing homelessness are not included in the totals depicted above. The monthly totals are highly variable, so the yearly averages are more telling. Average returns climbed each year prior to 2024, then fell from 5.9 per month to 3.3 per month in 2024.

This metric offers an interesting contrast with the length-of-stay metric. People experiencing homelessness are staying longer in shelters, but appear to be more successful in remaining housed when the shelter is able to help them find a permanent housing solution. On the other hand, that success could very well lead to a greater scarcity of available permanent housing solutions and therefore contribute to the issue in Figure 14.

Point In Time

Indication: *Ongoing Concern*

Highlight: The counts of people in shelters, unsheltered, and in transitional housing increased to over 2,300 in 2024. The marked decrease in availability of emergency motel rooms, used as a housing solution during and for some time after the pandemic, causes a misleading decrease in the overall homeless count.

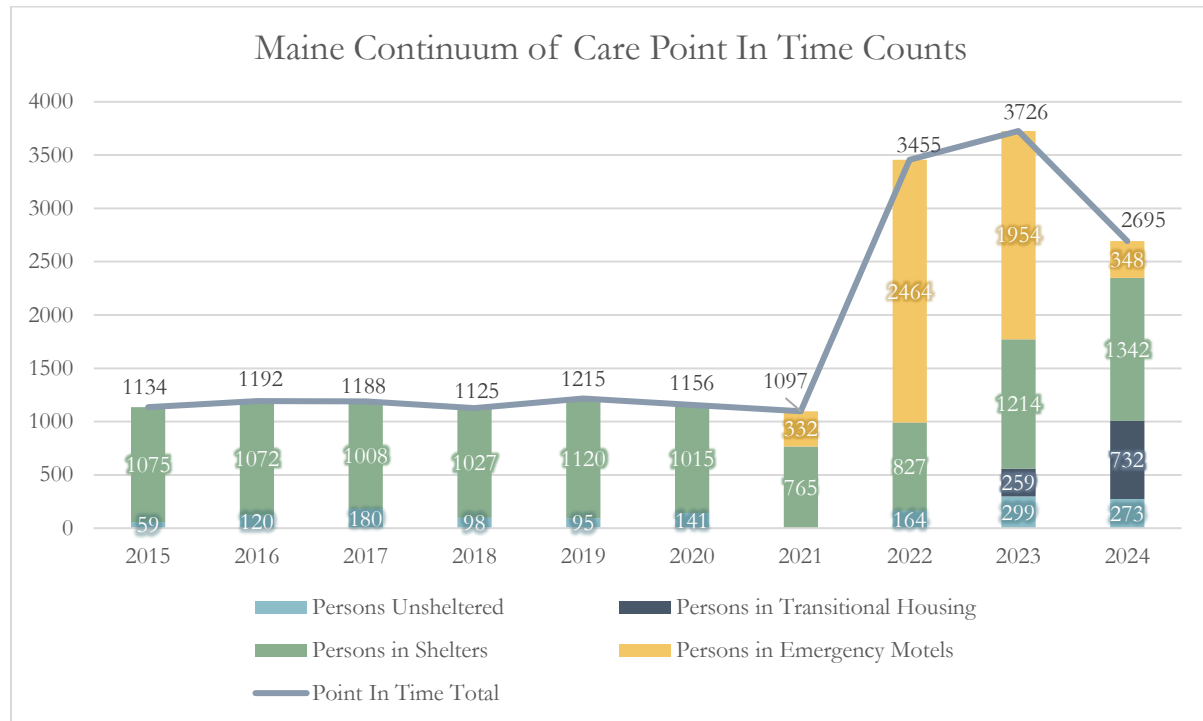


Figure 16 - Point In Time Counts. Snapshot counts of people experiencing homelessness in late January of each year. The counts are shown by unsheltered, sheltered, in transitional housing, or in emergency motels. The emergency motels were a product of COVID-related emergency relief programs that have now expired. Source: MSHA Point In Time Count, 2015 – 2024.

Although the total count decreased in 2024, that reduction cannot be attributed to fewer people in Maine facing housing crises and homelessness because it is so closely linked to changes in program availability. Specifically, the reduction in the total count is less than the decrease in the number of persons in emergency motel rooms, for which pandemic-related funding is no longer available. The key 2024 statistics pertain to the other three groups: the count of Persons in Shelters increased by more than 10%; the count of Persons in Transitional Housing nearly tripled; and the count of Persons Unsheltered remained elevated well above historic norms. All of these indicate that the threat of homelessness remains a significant concern in Maine.

The appearance of emergency motels in 2021 resulted from emergency relief available under myriad COVID-19 response programs. Those relief programs made access to no-cost shelter in motels available to individuals and families who may otherwise have relied on informal solutions to their housing needs, such as doubling up with a friend or “couch surfing.” Importantly, those arrangements are not classified by HUD as experiencing homelessness, but motel stays paid for by emergency relief programs are. COVID-related emergency relief programs have now expired. Although a small portion of emergency motels are now in use as transitional housing, the remainder are no longer available. It is unknown how many of those households have returned to informal housing arrangements that are not observable in these data.