



WOHLFARTH
& ASSOCIATES, INC.

REAL ESTATE

Coastal Maine Market Perspective 1st Quarter 2010

Renewed activity and interest in Maine waterfront properties is the trend for the first quarter of 2010 although a dramatic increase in sales hasn't yet materialized. Sales in this market are still primarily driven by price and buyers are looking for deep discounts from list price. We believe that 2010 will be the year of transition with a steady increase toward a stronger market and a renewed eagerness in buyers to take advantage of the slight build up of real estate inventory.

In retrospect, when considering sales of properties priced over \$1,000,000.00 during the last five years, it is clear that 2007 was the high point in sales. In 2008 sales were down 36% over the prior year, and in 2009 there was an additional 20% drop over the prior year. In addition, the demand for high end waterfront property has been tempered by a struggling economy. At some point, and we believe it will be in 2010, buyers will become restless and will no longer want to delay their purchase of waterfront homes and opportunity for a Maine lifestyle. The enticing inventory of attractive waterfront homes will eventually override their conservative financial policies due to economic concerns. We expect a slow but steady shift into a stronger market as sellers are able to hold on to the most value for the high end properties and buyers gain renewed confidence.

We believe values at the top end of the market for unique properties will recover well however there will be some adjustment in pricing for the less distinctive properties. The values of high end coastal properties in Maine has historically weathered downturns in the economy without losing appreciable values and these values have generally increased again with the shift in the economic climate. It is well known that the real estate values for waterfront property in Maine are reasonably priced compared to other parts of the country and the natural beauty, privacy and acreage offer a more attractive option and better value compared to other coastal areas.

Better access to Internet and cell phone coverage for most coastal properties is opening up the option for the growing number of still-working adults with significant means to relocate to Maine. Baby boomers are beginning to retire in large numbers and many have connections to Maine, and a desire to spend vacation time or retirement years on the coast. The attraction to Maine is enhanced by the availability of cultural, educational and recreational opportunities within an easy drive of the coast.

Wohlfarth and Associates, Inc. offers the unique combination of personal knowledge of the waterfront areas and strong motivation to assist both buyers and sellers take advantage of the opportunities provided by the renewed interest in Maine waterfront properties. Both Rick Wohlfarth and Evelyn King have owned homes in Harpswell for many years and their enthusiasm and tenacity will create a positive experience for both buyers and sellers. We are well positioned to provide sound advice and expertise to our clients with an interest in Maine waterfront.

For more information regarding Wohlfarth & Associates real estate marketing services, please call Rick or Evelyn at the phone numbers below, and visit www.wohlfarth.com.