



CITY OF BANGOR

MEMORANDUM

TO: City Councilors
CC: Debbie Laurie, City Manager; Courtney O'Donnell, Assistant City Manager/ Director of Human Resources & David Little, Director of Finance
FROM: Philip S. Drew, City Assessor
DATE: April 30, 2025

This memo is an update to my memo dated January 29, 2025.

Upon review of the most recent real estate sales statistics for Bangor as published by Maine's Multiple Listing Service, I've determined that my proposed "market-based adjustments" can be reduced. I've attached a summary of Bangor's listing statistics and data.

Of note in the attachment are the changes in the monthly reported single-family median sale price and days-on-market. From July of 2024 to December of 2024 the monthly median sale price had increased from \$273,500 up to \$323,500, but then by March of 2025 it had fallen to \$275,000. This is an indication that the real estate market has been relatively price-stable over the past 9 months. Also, over this same time period, the monthly reported single-family median days-on-market has increased from 5 days to 44 days, a fairly significant increase indicating a softening market.

One goal of the 2026 Revaluation is to have assessed values near 100% of market value as of April 1, 2026 and this year for April 1, 2025 our goal is to make up for about one-half of current deficit since 1 to 4 Unit properties had a ratio of assessed value to market value of 83%. It is this stability in

the monthly median sale price over the past few months that makes the lowering of market-based adjustments more reasonable.

In my memo dated January 29, 2025, market-based adjustments were proposed to impact all classes of property both by property-type and by property neighborhood, if necessary. Those adjustments have been reevaluated and I've determined that the neighborhood adjustments are still needed but at only one-half of my original estimate. For example, the 21 neighborhoods with 3,695 properties that were to adjust up +12% to +14% will now see a lower increase at +6% to +7%. This percentage change to both land value and building value will impact all classes of property within the adjusted neighborhoods including: single-family, condominium and small multi-family. The property-type adjustment impacts all properties containing one to five units and this one percentage point increase is applied to each property's building value.

Revised Neighborhood Adjustment Summary

<u>Number of Neighborhoods</u>	<u>Property Increase (%)</u>	<u>Property Count</u>
6	1 to 2%	574
18	2.5% to 3%	1,798
14	4% to 5.5%	2,068
21	6% to 7%	<u>3,695</u>
		8,135

Single-family properties include single units and condo properties and there are approximately 6,827 in the city. The overall average adjustment equates to an increase of +8.1% above the April 1, 2024 total assessed value. The April 1, 2025 average total assessed value following this revision will be approximately \$264,500.

As of March 2025, Zillow.Com had estimated the average sale price in Bangor to be \$274,180, with a Year-over-Year increase of 5.5% and Realtor.Com reported a median sale price of \$282,500.

With the proposed changes the city will satisfy Maine Revenue Service's standards of having an overall ratio statistic (mid-quartile mean - MQ Mean) of 91%.

Sale Period: July 2023 to June 2024

<u>Property Type</u>	<u>Number of Sales</u>	<u>MQ Mean Statistic</u>
Single Unit	278	about 91
2 to 5 Units	61	about 87
Condo/PUD	20	about 93
Comm/Industrial	41	about 91

The state's MQ Mean statistic uses 70% of the sale ratios in the study population. The highest 15% of ratios and the lowest 15% of ratios are excluded and the statistic is the average of this central core of ratios.

For budgetary purposes, I previously reported the 2025 proposed taxable real property value to be about \$3,850,000,000 and with the most recent changes the new proposed value has been reduced to \$3,810,000,000. New construction has accounted for \$28,000,000 in new value and the market-based adjustments accounted for the additional \$178,000,000 or 0.8% and 4.9% respectively above the April 1, 2024 taxable real property value of \$3,603,850,000. At this time, I cannot give good figures on the personal property value for April 1, 2025, but will provide them with the June update.

Source: Multiple Listing Service - Maine Market Statistics - Bangor only

Month/Year	Single Family Closed Sales	Single Family Median Sale Price	Single Family Median Days on Market	Single Family End of Month Inventory	Condominium Closed Sales	Condominium Median Sale Price
July 2024	32	\$ 273,500	5	51	2	\$ 321,000
August 2024	42	\$ 270,000	15	61	9	\$ 219,900
September 2024	29	\$ 270,000	19	55	1	\$ 236,666
October 2024	26	\$ 255,000	16	54	2	\$ 322,500
November 2024	25	\$ 285,000	12	55	2	\$ 231,500
December 2024	20	\$ 323,500	27	48	5	\$ 415,000
January 2025	16	\$ 270,000	34	41	4	\$ 245,000
February 2025	20	\$ 286,750	31	50	0	\$ -
March 2025	18	\$ 275,000	44	59	2	\$ 225,000

Single Family Median Sale Price



Single Family Median Days on Market

