Planning Decisions, Inc.

Think

Plan

Act

Cape Elizabeth
Fiscal Impact of Open Space
November 2011

Purposes of the Project:

1. "quantifying the cost for services and revenues of land if it is developed versus being left undeveloped." (RFP, p. 1)

2. "provide a methodology for modifying the analysis to determine the costs and benefits of other development options that may be considered in the future." (RFP, p. 2)

Methodology 1: Fiscal Context for Quantifying Costs

Supply Side: How much Developable Land Exists?

a. Enough to accommodate +/- 1,300 Housing Units (HU).
b. +/- 870 HU excluding Sprague & Purpoodock.
c. +/- 376 HU (518 acres) in designated growth areas under current zoning standards.

Demand Side: Growth Trends & Fiscal Capacity?

a. Growth Trends
   1. Aging Population & Declining Birth Rate
   2. Housing Market
b. Fiscal Capacity
   1. Changing nature of demand
   2. Capacity of staff, buildings and equipment

Methodology 2: Examine Projections; Apply "Stress Tests"

Variable	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Population	9,015	9,030	9,044	9,059	9,062	9,065	9,068	9,071	9,075	9,044	9,013
Households	3,616	3,625	3,634	3,643	3,648	3,652	3,656	3,661	3,665	3,656	3,646
Vacancy need	90	91	91	91	91	91	91	92	92	91	91
Replacement need	5	5	5	5	5	5	5	5	5	5	5
Total housing demand	3,711	3,721	3,730	3,739	3,744	3,748	3,753	3,757	3,762	3,752	3,742
additional demand	8	9	9	9	4	4	4	4	4	-10	-10
Vacancy pool	154	146	136	127	118	113	109	104	100	95	105
New construction A	0	0	0	0	0	0	0	0	4	0	0
New construction B	15	15	15	15	15	15	15	15	15	15	15
Projected enrollment	1,696	1,662	1,634	1,597	1,567	1,521	1,475	1,443	1,428	1,388	1,369
New construction C	24	24	24	24	24	24	24	24	22	22	22

New Construction A from population projections, 2011 adjusted to newly released Census data, assumes sale of existing inventory first.

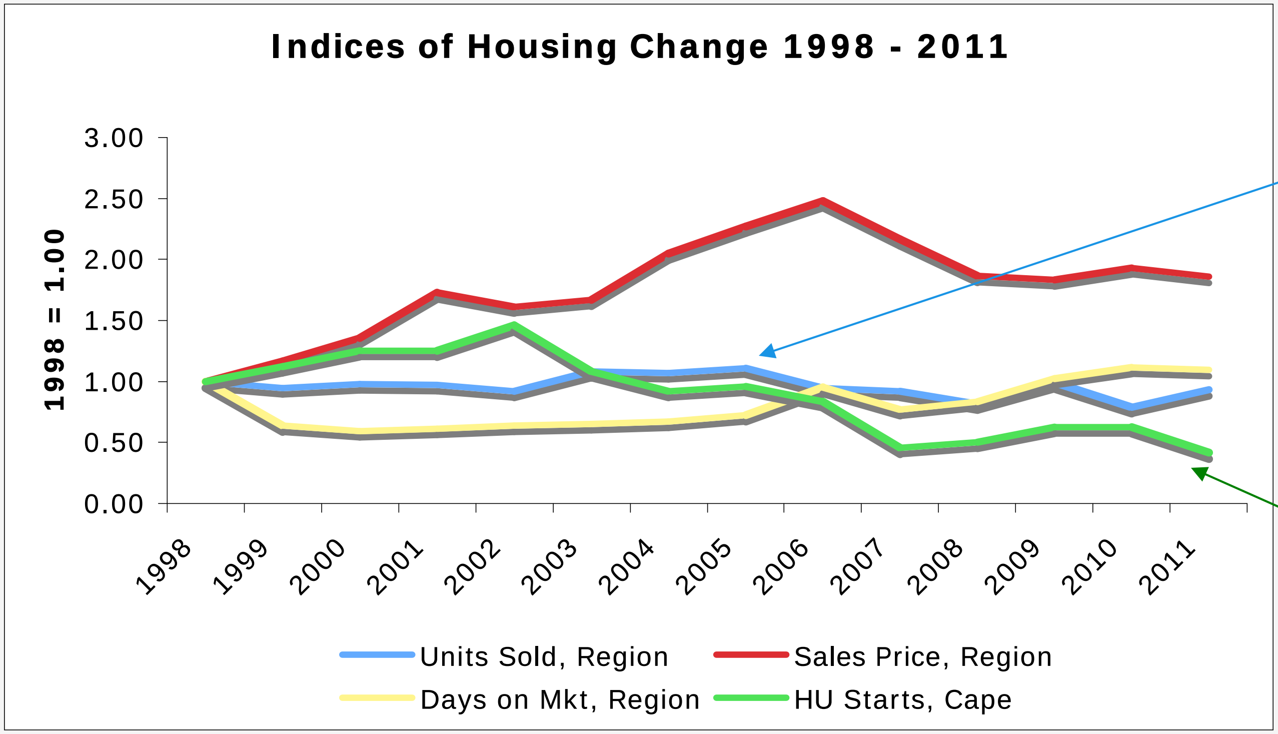
New Construction B from enrollment projections, February 2011, assumes 2007-10 average new construction.

New Construction C from Comp Plan, 2007, p. 147, assumes early 2000's new construction rate and declining land availability.

Regional Housing Market

Data for Q3
Yarmouth, Falmouth, Cape Elizabeth, Scarborough

SF & Condo	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011*
Number sold	209	198	204	203	192	226	223	232	197	192	170	207	165	195
Sale Price ($th)	$198	$231	$269	$342	$319	$331	$405	$450	$491	$429	$369	$363	$382	$368
DOM	86	55	51	53	55	56	58	62	82	66	72	88	96	94
Cape E new HU	24	27	30	30	35	26	22	23	20	11	12	15	15	10



Units sold changed very little over the period.

Housing starts in Cape Elizabeth fell over the period.

Cape's Position in Regional Housing Market

Town	2008	2009	2010	2011 Q3
Median Prices ($1,000)				
Cape/FYS Avg	104%	86%	109%	105%
Cape Elizabeth	$340	$270	$354	$344
Falmouth	$394	$355	$400	$442
Yarmouth	$285	$283	$270	$268
Scarbrough	$304	$302	$302	$272
FYS Avg	$328	$313	$324	$327
Transaction Volume				
Cape Elizabeth	107	116	138	39
Falmouth	140	177	172	51
Yarmouth	85	88	104	40
Scarbrough	207	223	226	64
Cape E %	20%	19%	22%	20%

What Factors Will Change Housing Demand in Cape Elizabeth?

Employment Growth?

Gas Prices?

Size, Price, Location of New Housing?
- Starter Homes
- Empty Nester Homes

Relative Desirability?

Calculate Fiscal Impacts for Possible Alternative Outcomes.