

# Chapter 4

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# Population and Housing

## 1. Introduction

This chapter of the comprehensive plan examines the changing characteristics of Windham's population and housing stock. The first few sections focus on the historical population growth rate, as well as its composition with regard to age and income. Comparisons are presented with regard to Windham's population growth relative to those of other municipalities in Cumberland County. Estimates are also provided for the seasonal fluctuation in Windham's total population, and several long-term growth projection scenarios are examined as well.

The second portion of the chapter delves into the changing environment associated with the town's housing supply. Initially, an overview is presented concerning total housing growth, changes in the housing mix in terms of types of units being constructed, and the effect that this housing growth has had on the town's land use patterns. This is followed by an assessment of Windham's local and regional housing market with regard to residential property values, changes in the for-sale cost of housing, and finally, an overview assessment of affordable housing needs.

For the most part, the data presented in this chapter focused on the time period between 1970 and 2000 because these three decades have had a particularly substantial effect on Windham, as well as Cumberland County and most of Southern Maine. The data presented as part of this analysis have been acquired from a variety of state, regional and local sources. Significant use was made of the town's municipal assessment database and building permit records in order to present the most detailed and current information available. Secondary data sources were used as well including the U.S. Censuses and private data sources.

## 2. Major Findings and Conclusions

- Windham added over 8,300 residents to its total year-round population between 1970 and

2000. This was the second largest increase, in terms of net growth, of all municipalities in Cumberland County.

- Within the last 30 years, the period between 1970 and 1980 was the time when Windham experienced its largest population surge both in terms of actual and percentage growth. In addition, Windham's growth outpaced the County and the State for all three decades between 1970 and 2000 from a percentage growth standpoint.
- Although the town continued to grow at a considerable rate during the 80s and 90s, it was at a reduced rate to that which occurred during the 70s. In fact, at least half of the towns in Cumberland County grew at a faster rate than Windham during the 80s and 90s.
- During the 1970's almost 80% of the town's growth was due to the migration of new residents into the community. However, over the last two decades almost 50% of the town's growth has been the result of natural increases from resident births.
- Windham's population is following the national trend which involves the movement of a greater percentage of people into the older age brackets of 55 and over. At the same time the town has maintained a substantial and relatively stable number of residents in the 17 and under age groups.
- Windham's median household income has been consistently higher than that of the County and the State since 1970 and has grown at a slightly faster rate. However, as of the year 2000 there were still an estimated 21% of all households in town with incomes below 50% of the median income for the Portland metropolitan area.
- The rate of housing growth in Windham exceeded the rate of population growth during the 80s and 90s. This is indicative of a reduction in the town's average household size (persons per household) which has resulted in total households growing at a faster rate than the total population.
- Between 1980 and 2000, approximately 1,600 dwelling units were added to the town's housing supply according to the U.S. Census. Although the majority of these units were single family homes, a significant percentage were condos, multi-family apartments and mobile homes. In fact, Windham has one of the highest percentages of multi-family housing of all non-urban municipalities in Cumberland County.
- The average sale price of a single family home in Windham was approximately \$141,000 in 2000. This represents an increase of about 28% since 1997. Despite this increase in cost, over 40% of the total units sold in Windham during that time had a sale price of less than \$100,000, which would be considered relatively affordable starter housing prices.

### 3. Historical Population Growth Trends

The three decades between 1970 and 2000 were particularly notable for Windham from a population growth perspective. As illustrated in Figure 4-1, the town's year-round population increased from 6,593 in 1970 to 14,904 in 2000, according to the U. S. Census Bureau. This represents more than a doubling (a 126% increase) of the town's total population over the 30-year time period. Within this time frame the decade between 1970 and 1980 was the single most expansive of the three decades during which the town's population increased by approximately 71%, or 4,689 people.

The town's growth during the 80s and 90s was also significant, but the increases occurred at a diminishing rate (15.4% and 14.5% respectively) when compared to the exceptional growth experienced during the 70s. However, despite this slowing in the rate of growth, the town's overall percentage increase exceeded both that of the County and the State for each of the three decades examined.

There are many factors that affect how growth is distributed within the Cumberland County region, which makes it important to have an understanding of Windham's population growth relative to the context of the larger geographic region. Table 4-1 presents a summary of population change for all towns in Cumberland

County between 1970 and 2000, as well as the County and the State as a whole. The data in this table shows that the County grew at a fairly consistent rate for the two decades between 1970 and 1980, supporting a population increase of just over 12% for both time periods. What is also evident is that the total population growth was not evenly distributed throughout the County since some towns grew by as much as 91%, while several communities, mainly the urban areas, actually lost population or grew at a slower rate than the County as a whole.

Figure 4-2 presents a comparison of how the County's growth, from a percentage growth perspective, has been distributed over the last 30 years. Because the percentage change in growth rates has fluctuated substantially for each of the decades in question, it is difficult to compare Windham's rate of growth to other communities on a consistent basis from one decade to the next. In order to address this issue, the percentage growth rates for all three time periods have been converted into

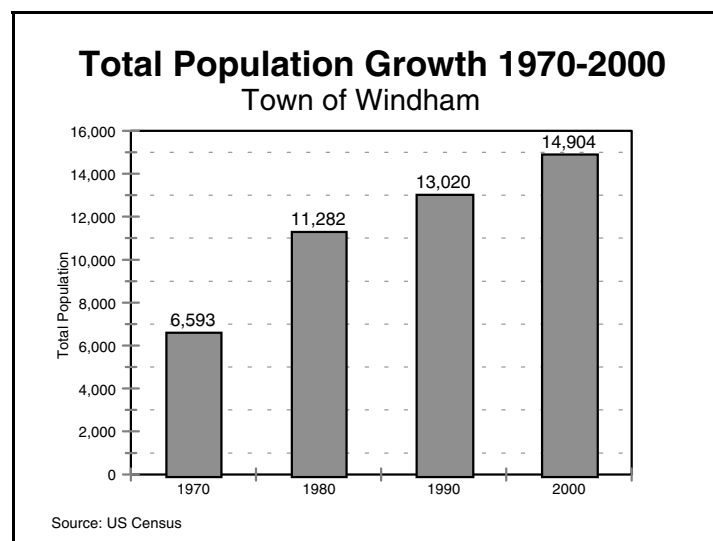


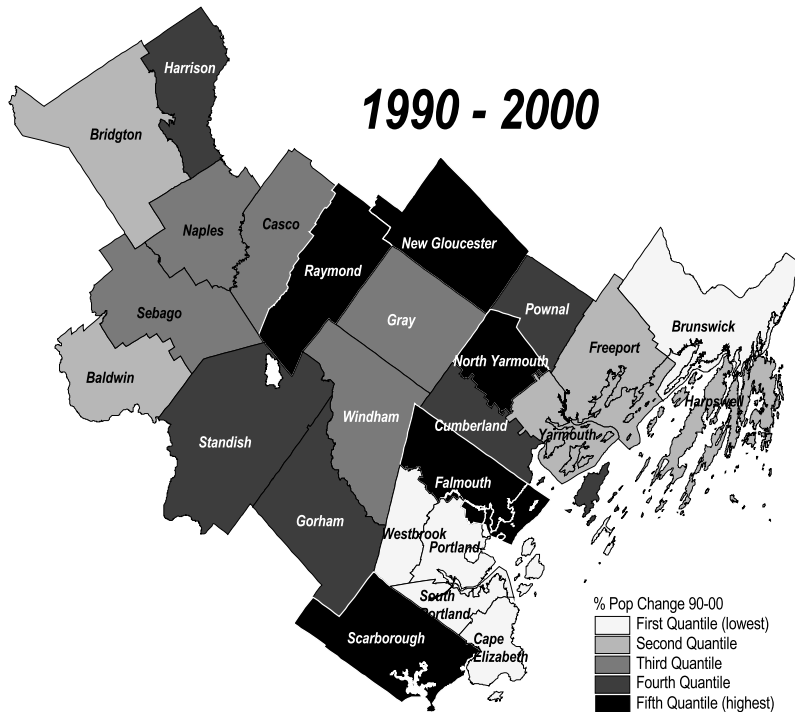
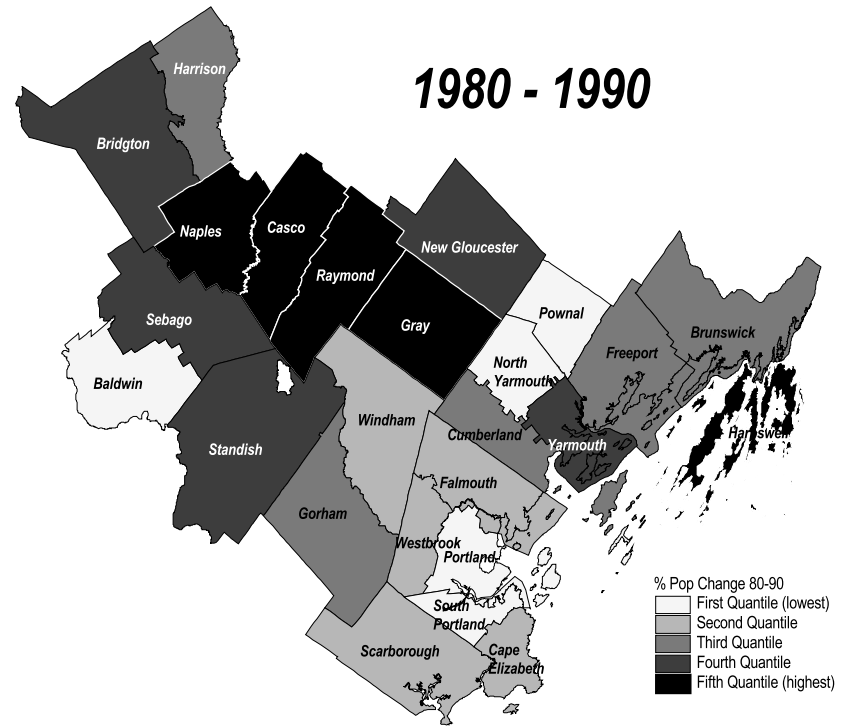
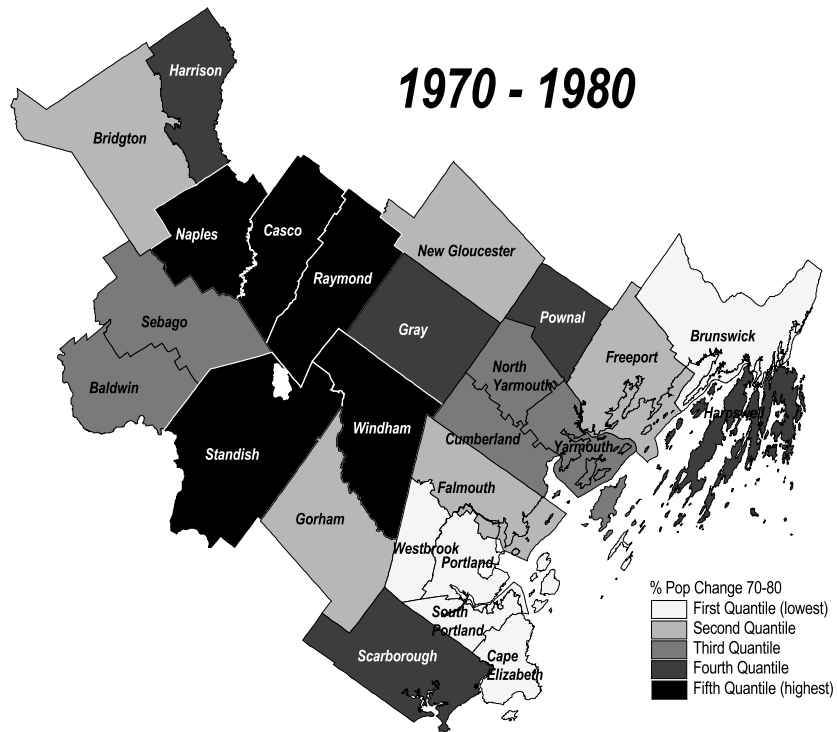
Figure 4-1

**Table 4-1**  
**Population Change 1970 - 2000**  
**Cumberland County Municipalities and the State of Maine**

	1970	1980	1990	2000	Total Change			% Change			Change 70-00	
					70-80	80-90	90-00	70-80	80-90	90-00	Total	%
Baldwin	878	1,140	1,219	1,290	262	79	71	29.8%	6.9%	5.8%	412	46.9%
Bridgton	2,967	3,528	4,307	4,883	561	779	576	18.9%	22.1%	13.4%	1,916	64.6%
Brunswick	16,195	17,366	20,920	21,172	1,171	3,554	252	7.2%	20.5%	1.2%	4,977	30.7%
Cape Elizabeth	7,873	7,838	8,908	9,068	(35)	1,070	160	-0.4%	13.7%	1.8%	1,195	15.2%
Casco	1,256	2,243	3,004	3,469	987	761	465	78.6%	33.9%	15.5%	2,213	176.2%
<b>Cumberland</b>	<b>4,096</b>	<b>5,284</b>	<b>6,103</b>	<b>7,159</b>	<b>1,188</b>	<b>819</b>	<b>1,056</b>	<b>29.0%</b>	<b>15.5%</b>	<b>17.3%</b>	<b>3,063</b>	<b>74.8%</b>
<b>Falmouth</b>	<b>6,291</b>	<b>6,853</b>	<b>7,681</b>	<b>10,310</b>	<b>562</b>	<b>828</b>	<b>2,629</b>	<b>8.9%</b>	<b>12.1%</b>	<b>34.2%</b>	<b>4,019</b>	<b>63.9%</b>
Freeport	4,781	5,863	6,974	7,800	1,082	1,111	826	22.6%	18.9%	11.8%	3,019	63.1%
<b>Gorham</b>	<b>7,839</b>	<b>10,101</b>	<b>11,720</b>	<b>14,141</b>	<b>2,262</b>	<b>1,619</b>	<b>2,421</b>	<b>28.9%</b>	<b>16.0%</b>	<b>20.7%</b>	<b>6,302</b>	<b>80.4%</b>
<b>Gray</b>	<b>2,939</b>	<b>4,344</b>	<b>5,858</b>	<b>6,820</b>	<b>1,405</b>	<b>1,514</b>	<b>962</b>	<b>47.8%</b>	<b>34.9%</b>	<b>16.4%</b>	<b>3,881</b>	<b>132.1%</b>
Harpswell	2,552	3,796	4,993	5,239	1,244	1,197	246	48.7%	31.5%	4.9%	2,687	105.3%
Harrison	1,045	1,667	1,951	2,315	622	284	364	59.5%	17.0%	18.7%	1,270	121.5%
Naples	956	1,833	2,860	3,274	877	1,027	414	91.7%	56.0%	14.5%	2,318	242.5%
New Gloucester	2,811	3,180	3,878	4,803	369	698	925	13.1%	21.9%	23.9%	1,992	70.9%
North Yarmouth	1,383	1,919	1,996	3,210	536	77	1,214	38.8%	4.0%	60.8%	1,827	132.1%
Portland	65,116	61,572	63,106	64,249	(3,544)	1,534	1,143	-5.4%	2.5%	1.8%	(867)	-1.3%
Pownal	800	1,189	1,213	1,491	389	24	278	48.6%	2.0%	22.9%	691	86.4%
<b>Raymond</b>	<b>1,328</b>	<b>2,251</b>	<b>3,410</b>	<b>4,299</b>	<b>923</b>	<b>1,159</b>	<b>889</b>	<b>69.5%</b>	<b>51.5%</b>	<b>26.1%</b>	<b>2,971</b>	<b>223.7%</b>
Scarborough	7,845	11,347	12,504	16,970	3,502	1,157	4,466	44.6%	10.2%	35.7%	9,125	116.3%
Sebago	708	974	1,257	1,433	266	283	176	37.6%	29.1%	14.0%	725	102.4%
South Portland	23,267	22,715	24,098	23,324	(552)	1,383	(774)	-2.4%	6.1%	-3.2%	57	0.2%
<b>Standish</b>	<b>3,122</b>	<b>5,946</b>	<b>7,532</b>	<b>9,285</b>	<b>2,824</b>	<b>1,586</b>	<b>1,753</b>	<b>90.5%</b>	<b>26.7%</b>	<b>23.3%</b>	<b>6,163</b>	<b>197.4%</b>
<b>Westbrook</b>	<b>14,444</b>	<b>14,976</b>	<b>16,208</b>	<b>16,142</b>	<b>532</b>	<b>1,232</b>	<b>(66)</b>	<b>3.7%</b>	<b>8.2%</b>	<b>-0.4%</b>	<b>1,698</b>	<b>11.8%</b>
<b>Windham</b>	<b>6,593</b>	<b>11,282</b>	<b>13,020</b>	<b>14,904</b>	<b>4,689</b>	<b>1,738</b>	<b>1,884</b>	<b>71.1%</b>	<b>15.4%</b>	<b>14.5%</b>	<b>8,311</b>	<b>126.1%</b>
Yarmouth	4,854	6,585	8,085	8,360	1,731	1,500	275	35.7%	22.8%	3.4%	3,506	72.2%
Cumberland County	192,528	215,789	243,135	265,612	23,261	27,346	22,477	12.1%	12.7%	9.2%	73,084	38.0%
State of Maine	992,048	1,124,660	1,227,928	1,274,923	132,612	103,268	46,995	13.4%	9.2%	3.8%	282,875	28.5%

Source: US Census Bureau

Note: Shading denotes Windham and its adjoining communities



**FIGURE 4-2**  
**Comparison of Percentage Population Growth Rates**  
**in Cumberland County Municipalities**  
**for the Three Decades Between 1970 and 2000**

*NOTE: Quantiles are used to divide the total range of data into intervals that have approximately the same number of observations in each group. This method allows a comparison of percentage population growth between different time periods.*

*Prepared by RKG Associates Inc. - July 2002*  
*Source: US Census Bureau*

quantiles. Quantiles are created by taking the range of all the data and dividing it into an approximately equal number of observations for each of the five groupings. For example, the percentage change in growth for all towns between 1970 and 1980, which range from -6% to 92%, was divided so that there were approximately an equal number of communities in each of the five quantiles, the first quantile representing the lowest growth rates and the fifth representing the highest. This approach allows an observer to evaluate one community's relative growth rate in comparison to all other communities for each of the three time periods.

There are several observations revealed in the data presented in Table 4-1 and Figure 4-2. First is that Windham's rate of growth placed it in the top three quantiles during the decades of the 70s and 90s indicating that it is one of the municipalities that has consistently absorbed a higher percentage of population growth when compared to other County municipalities. Overall, the decade of the 70s exhibited a wide fluctuation in the rate of growth. While half a dozen municipalities lost population or experienced modest gains (less than 10%) an equal number of municipalities had population growth ranging from 50% to 90%. The faster growing towns tended to be rural, non-coastal communities which suggests an out-migration from the County's urban areas and was perhaps also indicative of a demand for lower cost land and housing.

A similar growth pattern was noted during the 80s with higher growth rates being especially focused in the northern reaches of the County in the towns surrounding Sebago Lake. The overall rate of growth slowed in all communities during this decade which is largely attributable to the fact that new growth was being added to a larger population base. In fact, the County added more people during the 80s (27,346) than during the 70s (23,261). No municipalities experienced a loss of population during the 80s.

Population counts for the 90s indicate that a slight shift has occurred in how the rates of population growth were distributed throughout the County. The data for this time period illustrates slightly higher growth rates for the municipalities in the central part of the County, which can also be characterized as part of the Greater Portland area, suggesting that the economic expansion that occurred in Portland and South Portland helped to drive population and housing growth in the adjoining municipalities. Overall, the County's percentage growth rate during the 90s was the lowest (9.2%) of the three decades, as was its total population gain of approximately 22,500 people.

Although percentage growth rates are a useful tool in comparing the relative growth among municipalities, it is equally important to examine the actual increase in population within a regional context. As noted previously, Windham's total population increased from 6,593 in 1970 to 14,904 in 2000. This represents an additional 8,311 residents added over the 30 year period which was the second largest actual increase of any municipality in Cumberland County during that time frame. The largest gain occurred in Scarborough which added 9,125 residents, 814 more than Windham.

## 4. Components of Population Change

Windham's population growth is comprised of two primary components; the natural increase (number of births less the number of deaths) and the net migration of people moving into or out of the town. Table 4-2 illustrates how these components of Windham's growth have changed over the past several decades. The data shows that the net migration of new residents into the town has declined as a percentage of the overall growth rate over the past two decades of 1980 to 2000. This trend is largely attributable to the town's substantial growth during the 70s, which established a population base that is now expanding at an approximately equal rate from natural increases and migration.

	Population Change	Natural Increase	Net Migration	Net Migration as % of Pop Change
1970-79	4,689	938	3,715	79.9%
1980-89	1,738	1,010	728	41.9%
1990-00	1,884	976	908	48.1%

Source: US Census Bureau and Maine Dept. of Human Services

Another component of the town's population that is affected by growth and time is the age distribution of residents. Windham is experiencing a trend that is occurring throughout the country which is a general aging of the population caused by the progression of the baby boomers into older age cohorts. It is expected that the "echo" of the baby boom generation (i.e. the children of the baby boomers) will also begin to become more apparent in the younger cohorts which will have implications for the town's school system, a fact noted in a recent report prepared for the Windham School District.<sup>1</sup>

The data presented in Table 4-3 shows this general aging trend as exhibited by the increase in the median age of residents which grew from 28.2 in 1980 to 32.8 in 1990. According to the 2000 Census, the median age now exceeds 36 years of age for residents of the town.

Despite the increase in the median age of the community, the percentage of people in the younger cohorts, those 17 years of age or less, has remained fairly constant between 1990 and 2000, representing approximately 24% to 25% of the total population. However, there has been a dip in the number of residents in the 18-24 and 25-34 age groups, which declined from just over 29% to

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<sup>1</sup>A Review of Demographic, Economic and Residential Development, and School Enrollment Trends in Windham, Maine - 1999 Final Report, by Planning Decisions Inc., May 1999.

approximately 23% of the total population over the last decade. This is an indication that the town's young adults are leaving the community after high school and are not being replaced by the immigration of similarly aged persons from locations outside Windham.

Conversely, all age cohorts of 35 and over experienced an increase between 1990 and 2000. The largest gains were posted in the 35-44 and 45-54 age groups. These two cohorts experienced the largest combined gain increasing from 28% to almost 35% of the total population during that time period. Noteworthy growth also occurred in the 55-64 age group (a 37% increase), although its percentage of the total population did not grow at a commensurate rate (7.2% to 8.7%).

**Table 4-3  
Population Age Distribution 1980-2000  
Town of Windham**

	Total Persons			% of Total		
	1980	1990	2000	1980	1990	2000
Under 5	876	919	944	7.8%	7.1%	6.3%
5-17	2,598	2,345	2,678	23.0%	18.1%	18.0%
18-24	1,485	1,349	1,102	13.2%	10.4%	7.4%
25-34	2,156	2,472	2,287	19.1%	19.0%	15.3%
35-44	1,419	2,282	2,827	12.6%	17.6%	19.0%
45-54	900	1,406	2,302	8.0%	10.8%	15.4%
55-64	917	937	1,291	8.1%	7.2%	8.7%
65-74	579	760	811	5.1%	5.8%	5.4%
75+	352	550	662	3.1%	4.2%	4.4%
Total	11,282	13,020	14,904	100.0%	100.2%	100.0%
Median Age	28.2	32.8	36.5			

Source: US Census Bureau

In summary, Windham's population distribution can be described as having a fairly stable percentage of children and teenagers, an increasing percentage of "middle-aged and older" residents and a declining percentage of residents in the "younger" age groups. The general implications of these trends indicate that total number of school-aged children will remain fairly stable over the next five to ten years, a fact that is reflected in current and projected enrollment levels for the School Department, which are discussed in more detail in Chapter 9 (Municipal Services and Infrastructure) of this plan.

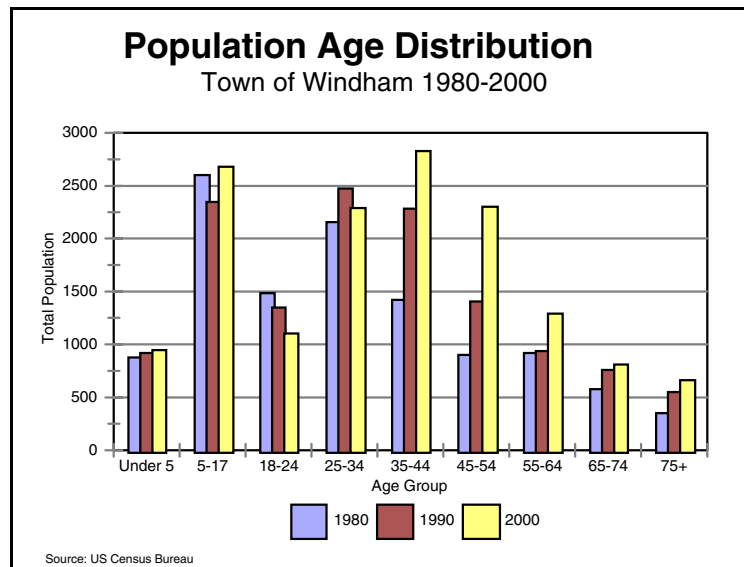


Figure 4-3

The expected decline in the early-cycle households represented by the 18-34 age groups suggests that

there may be less demand for starter housing, while the increases in the 35-54 and 55-64 cohorts may result in the demand for more trade-up housing as well as retirement housing options for those households in the empty-nester age groups.

### 5. Household Characteristics

The population growth and age distribution of Windham's residents has resulted in a corresponding impact on the rate of household growth and household size. The increase in the overall age of the town's population has resulted in a decrease in the average household size declining from 2.97 in 1980 to 2.58 in 2000, as illustrated in Table 4-4.

This decrease in household size, combined with sustained population growth, has also resulted in the formation of new households at a faster growth rate than that of the total population. For instance, total population increased by 15.4% between '80 and '90 while households increased by 26.4%. Although there was slightly less disparity during the 90s, household growth still exceeded total population growth at 22.1% and 14.5%, respectively, as of 2000.

**Table 4-4  
Change in Household Characteristics 1980 - 2000  
Windham, Cumberland County and the State of Maine**

Windham	1980	1990	2000	% Change	
				80-90	90-00
Total Population	11,282	13,020	14,904	15.4	14.5
Group Qtrs. Pop	651	682	656	4.8	-3.8
Total Households	3,578	4,521	5,522	26.4	22.1
Avg. Hsehd Size	2.97	2.73	2.58	-8.2	-5.5
<b>Median HH Income</b>					
Windham	\$17,256	\$37,382	\$46,526	116.6	24.5
County	\$15,360	\$32,318	\$44,048	110.4	36.3
State	\$13,826	\$27,896	\$37,240	101.8	33.5
<b>Per Capita Income</b>					
Windham	\$5,950	\$15,026	\$19,890	152.5	32.4
County	\$6,694	\$15,817	\$23,949	136.3	51.4
State	\$5,769	\$12,954	\$19,533	124.5	50.8

Source: US Census Bureau

Table 4-4 also presents the change in median household and per capita income between 1980 and 2000 for Windham, the County and the State. As the data shows, Windham's median household income consistently exceeded the County's and the State's for all time periods presented. However, between 1990 and 2000, Windham's rate of growth in household income (24.5%) was considerably less than both the County's and the State's. The fact that Windham's per capita income was less than the County's during all time periods is a reflection of the fact that the town's average household size has continued to remain higher than the County's thus, household income is being distributed among more people, which reduces the per capita average.

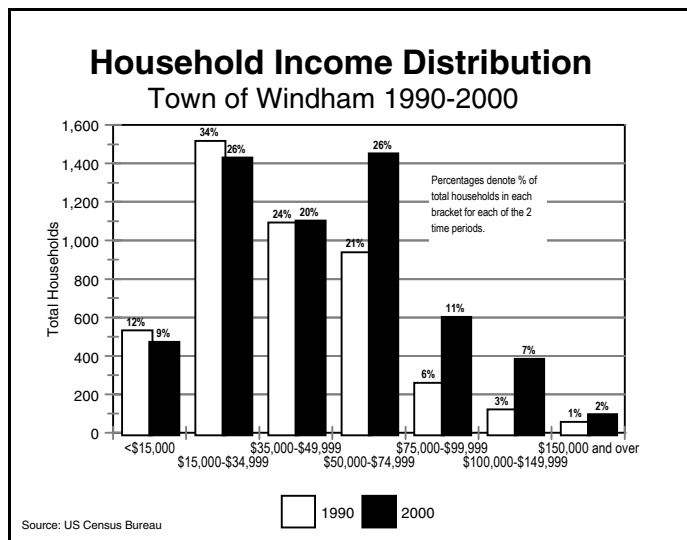


Figure 4-4

Figure 4-4 depicts the change in Windham's household income based on a number of income groupings. The graph illustrates a significant movement of households into the upper income brackets between 1990 and 2000, as determined by the Census Bureau. This is particularly evident in the \$75,000 to \$100,000 and \$100,000 to \$150,000 income brackets, where the number of households in each is estimated to have increased between 130% and 215% respectively during the 90s. Despite these gains, the total number of households with incomes below \$25,000, which represents approximately 50% of the median family income in Windham's housing market,<sup>2</sup> was approximately 1,100, or 21% of all households, as of 2000. This suggests that there is still a relative level of economic need within the community.

## 6. Seasonal Population Estimates

Due to its location in the Sebago Lake Region, Windham's total population is subject to a seasonal influx of residents and visitors associated with the area's tourism attractions and second home market. The number of seasonal or second homes in Windham, which is discussed in a latter part of this chapter, totals 429 based on the 2000 Census. Discussions with local realtors suggests that approximately 20% of these are rented out through commercial rental agencies with the remainder either rented privately by the owner or used by the owner for part or all of the summer season.

Based on a review of the town's assessment records, it was determined that approximately 20% of the seasonal units are owned by residents of Windham. Another 50% are owned by Maine residents, the majority of whom have a year-round home in Cumberland County. The remaining 30% of the units are owned by out-of-state residents according to assessment records. The fact that approximately 70% of these units are owned by town or other Maine residents, who are within easy commuting distance to Windham, suggests that the majority of these seasonal homes are weekend homes that are occupied for shorter, but more frequent periods during the summer season. Those owned by out-of-state residents are probably used for longer periods by the owners (one or more weeks) and possibly rented on a weekly or monthly basis.

Given the temporary and occasional nature of how these units are used, it is difficult to estimate a specific total population figure that could be added to the town's year-round population at any one point in time. Although there is no data available regarding the average number of people who might occupy these units when they are in use, a study that examined the impact of tourism on Maine's economy estimated that the average size of a guest party staying at either a cabin, cottage, or condominium rental unit was 3.68.<sup>3</sup> The study further estimated that the average stay in these types

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<sup>2</sup>In terms of determining income affordability thresholds Windham is considered part of the Portland Metropolitan Statistical Area (MSA) housing market which had a 2000 median family income of \$49,000 as determined by the U.S. Department of Housing and Urban Development.

<sup>3</sup>*The Economic Impact of Expenditures by Tourists in Maine, Calendar Year 1991*, prepared for the Maine Tourism Coalition by Davidson-Peterson Associates, Inc., 1992.

of accommodations was 5.19 nights. Therefore, using a conservatively high estimate of four persons per unit suggests that if all of Windham's seasonal units were occupied simultaneously, the town's population would increase by approximately 1,700 people.

## 7. Population Projections

The potential long-term population growth of a town such as Windham is subject to many external regional and national influences such as economic and income growth, the condition of the Stock Market, tax treatment of mortgages and second homes, interest rates, real estate cycles, etc. Projections of growth at the local level that do not consider these broader factors are typically less reliable since they tend to rely only upon historical patterns of development within the community. Therefore, the population projections for Windham that are presented in this section have been derived based on a model that was designed to project growth for the state and county geographic areas.

The regional projections were prepared by Professor Charles Colgan of the Center for Business and Economic Research (CBER) at the University of Southern Maine, in February 2000. The projections were derived through use of an economic model developed by Regional Economic Models Inc. (REMI), a private firm located in Amherst, Massachusetts, which is widely used throughout the country to conduct regional economic forecasting and analysis. This model uses statewide data for employment and economic growth as well as current population estimates prepared by the U.S. Census Bureau.

A major issue in these forecasts, as noted by Professor Colgan, is the rate of migration into Maine. In-migration to Maine was very slow in the 1990s and it is not at all clear how long this trend will continue. Preliminary Census estimates of net-migration indicate that only 700 people (this represents a net increase in population) moved into Maine in 1998, while over 4,000 did in 1999. The model uses estimates of migration in response to economic conditions that tend to over-estimate the rate of migration in Maine and most regions. Thus, assumptions have been used by CBER to manage the forecast of migration and the resulting total population estimates.

These forecasts assume that the more rapid in-migration, particularly to coastal regions, will continue at about the pace of the latter part of the 1990s through the decade 2000-2010. After that, in-migration to all regions is allowed to accelerate in order to provide some population growth to fuel economic expansion. This is particularly important given Maine's low birth rates, which is likely to continue. It is important to understand these assumptions since they directly affect population forecasts.

The method used to allocate the county level projections down to the local level was based on Windham's historical absorption of Cumberland County's total population. This approach was considered reasonable since the town has consistently represented between 5% and 6% of the County's total population over the last 20 years, as illustrated in Table 4-5. Although the town's absorption rate has been fairly consistent, it has increased by a small factor over the last 20 years. It is likely to assume, therefore, that this increase in absorption will continue at some level over the next 20 years. In order to reflect this possibility, three projection alternatives have been developed that consider slightly varying rates of increase in the town's absorption of county-wide growth. The highest level of growth is forecast based on the 10 year growth trend that reflects the town's change in population absorption between 1990 and 2000. The mid-level of growth is presented by the 20 year growth trend between 1980 and 2000 and the lowest projected growth rate assumes the town will continue to absorb future growth within the County at a flat rate based on 2000 levels. These alternatives are depicted in Figure 4-5.

**Table 4-5  
Total Population Enumerations and Projections 1970 - 2020  
Town of Windham and Cumberland County**

	Census Counts			
	1970	1980	1990	2000
<b>Windham</b>	6,593	11,282	13,020	14,904
<b>Town as % of County Pop</b>		5.23%	5.36%	5.61%
	3.42%	192,528	215,789	243,135
		265,612		
Projections				
	2005	2010	2015	2020
<b>Windham</b>				
10 Year Trend (90-00)	15,826	16,913	17,981	19,053
20 Year Trend (80-00)	15,732	16,720	17,681	18,638
Current Year Trend (00)	15,470	16,172	16,826	17,456
State Planning Office	15,806	16,387	16,938	NA
<b>Cumberland County</b>	275,750	288,273	299,928	311,154

Source: US Census Bureau, Charles Colgan, USM, Maine State Planning Office and RKG Associates, Inc.

As can be seen by the "straight-line" nature of these long-term forecasts, they do not reflect changes in the business cycle and thus there is no recession foreseen in the forecast period, though recessions are

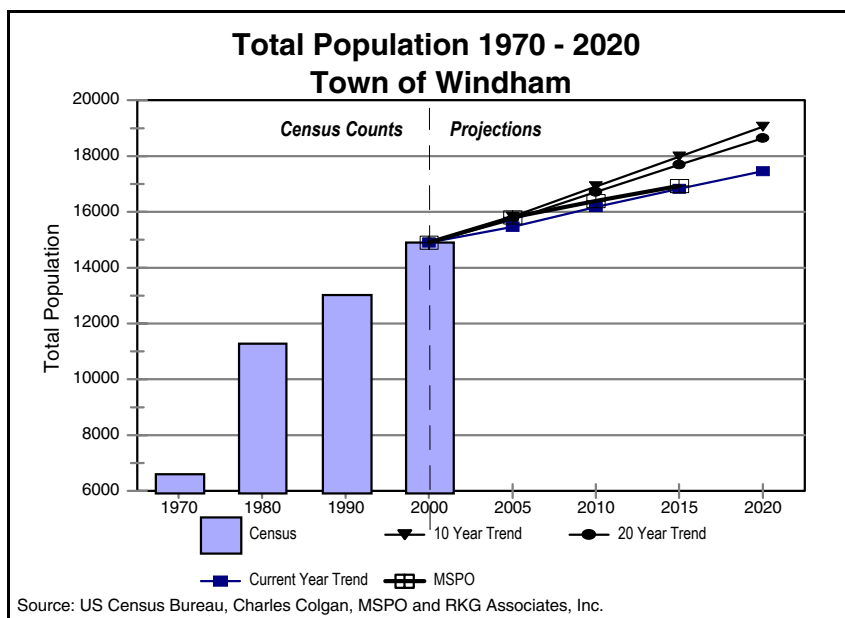


Figure 4-5

certain to appear at some point. Thus, some periods may show significantly slower or even negative growth, but these will be offset by periods of recovery. On average over the decade, the forecast should indicate long-term trends.

The Maine State Planning Office (SPO) also prepared a set of population projections through 2015 which were released in January 2002. The SPO's projections for Windham, which are illustrated in Table 4-5 and Figure 4-5, fall within the range of projected growth derived from the county-wide projections discussed above. The SPO's projections anticipate the largest growth in population, an increase of approximately 900, to occur between 2000 and 2005. After that the town's population growth is expected to increase at a reduced rate through 2015.

## 8. Windham's Housing Supply and Construction Trends

Windham's housing supply has undergone considerable expansion over the last 20 years. In response to population growth discussed in the preceding section, Windham's total housing supply increased approximately 16% between 1980 and 1990, and 17% between 1990 and 2000, according to the Census. Both of these growth rates exceeded the population growth rates for the same time period, which has contributed to a decline in Windham's average household size.

Between 1980 and 2000 approximately 2,300 building permits were issued for new dwelling units in Windham. Figure 4-6 illustrates the trends in residential building permit activity over this 20 year period. The graph's undulating pattern provides a representation of changes in economic conditions over that time period. The 1980s, which began during a recessionary period in the nation's economy, was followed by a boom during the mid-80s and a "bust" at the end of the decade which trailed into the early part of the 90s. Development activity began to rebound during the mid-90s and experienced a considerable surge in 1998 and 1999. However, as of 2000, the number of permits issued had returned to previous levels. Despite the wide fluctuations in total annual permits issued over these two decades, the average has remained fairly consistent with 106 units disbursed annually between 1980 and 1990, and 119 between 1990 and 2000.

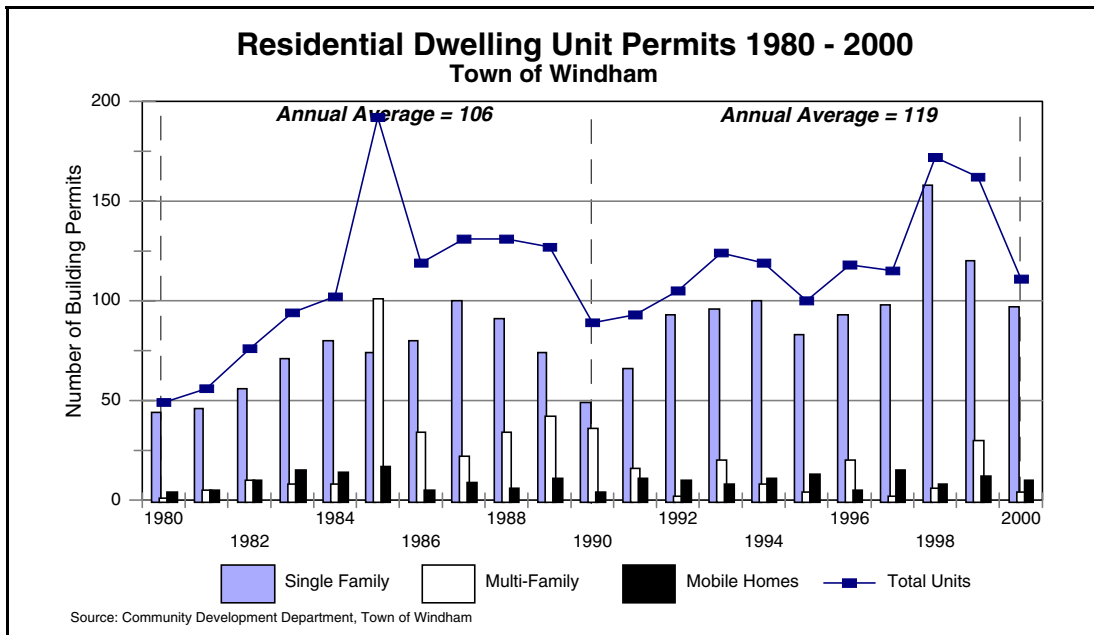


Figure 4-6

From a regional perspective, Windham issued one of the largest amounts of permits for new residential dwelling units over the last decade when compared to other communities in Cumberland County. As illustrated in Figure 4-7, Windham's average annual rate and total number of permits issued was second only to the town of Scarborough between 1990 and 1999. Interestingly, the 11 municipalities that issued the greatest number of total permits (which include South Portland to Scarborough on the chart), are the towns that form a first and second tier ring around the Portland urban area. The only exception was the town of Brunswick, which represents an urbanized area unto itself. This regional development pattern provides a solid indication of how the economic expansion that occurred in and around Portland over the past decade has stimulated the need for additional housing in towns that are within easy commuting distance.

The composition of Windham's housing stock has also undergone some changes due to the growth experienced over the last two decades. The data in

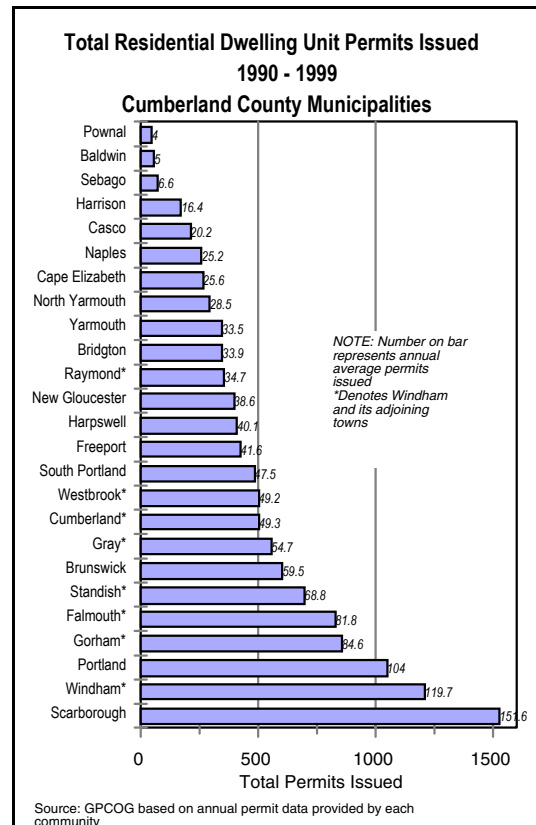


Figure 4-7

Table 4-6 illustrates types of units that were added to the town's housing mix between 1980 and 2000. It should be noted that a discrepancy exists for the total number of housing units in Windham, as of 2000, when Census counts are compared to the number of building permits issued by the town. Census data indicates that there were 6,088 housing units in Windham as of 2000. However, the town issued 1,214 building permits for new dwelling units between 1990 and April 2000. If this figure is added to the 1990 total housing unit count of 5,200 it would indicate that Windham currently had in excess of 6,400 housing units in 2000. It is not possible to determine the reason for this discrepancy based on available data, however, it may be partially attributable to an overestimation by the Census Bureau of the total units that existed in the town as of 1990. Analysis

**Table 4-6  
Total Housing Units by Type 1980-2000  
Town of Windham**

**Year-Round and Seasonal Units**

	Total Units			Change		% Change	
	1980	1990	2000	80-90	90-00	80-90	90-00
Single Family							
Detached	3,855	4,092	4,881	237	789	6.1%	19.3%
Attached	0	141	184	141	43	NA	30.5%
Multi-Family	508	683	769	175	86	34.4%	12.6%
Mobile Homes	106	284	254	178	(30)	167.9%	-10.6%
Total Year-Round and Seasonal Units	4,469	5,200	6,088	731	888*	16.4%	17.1%
Year-Round Units	3,707	4,696	5,659	989	963	26.7%	20.5%
Seasonal Units (1)	762	504	429	(258)	(75)		

**Year-Round and Seasonal Units**

	% of Total Housing			Change	
	1980	1990	2000*	80-90	90-00
Single Family					
Detached	86.3%	78.7%	80.2%	-7.6%	1.5%
Attached	0.0%	2.7%	3.0%	2.7%	0.3%
Multi-Family	11.4%	13.1%	12.6%	1.8%	-0.5%
Mobile Homes	2.4%	5.5%	4.2%	3.1%	-1.3%
Total Year-Round and Seasonal Units	100.0%	100.0%	100.0%		
Seasonal Units Only (1)	17.1%	9.7%	7.0%		

\*The total 888 housing units added between 1990 and 2000 as determined by the Census Bureau is less than the 1,214 building permits issued by the town during the same time period. The reason for this discrepancy cannot be determined based on available data, but may be partially attributable to an erroneously high number of housing units identified for the 1990 Census count.

(1) The definition of seasonal housing changed between the 1980 and 1990 Census which accounts for some of the decrease in total seasonal units during that time period. The other factor affecting this decrease is the conversion of seasonal units to year-round use. Total seasonal units for all years are based on Census enumerations.

Source: US Census Bureau

conducted for the purposes of this comprehensive plan has relied upon the Census data for the count of total units while using building permit activity to compare regional trends in development.

Like most communities in the region that have a suburban/rural mix of housing densities, the majority of Windham's housing stock is classified as single family detached units. Single family units decreased as a percentage of total housing, from 86% to 80%, between 1980 and 2000. However, the number of single family units added during that time period, approximately 1,026 units, was the largest increase across all housing types.

Although single family housing is still the dominant housing type within the town, considerable expansion was also experienced within the other housing categories as well, particularly during the 80s. Between 1980 and 1990, the number of multi-family units increased by over 34% representing 175 additional units augmenting the inventory. The rate of multi-family construction slowed during the 90s, which may be attributable to an overbuilding during the 80s, as well as the economic slowdown that occurred in the late 80s and early 90s, and the lack of land zoned for multi-family development. However, Windham's multi-family housing still represents an estimated 12.6% of the total housing stock, which is one of the highest percentages of all non-urban municipalities in Cumberland County.

During the 80s the town also experienced the construction of its first single family attached units, also referred to as condominiums, with the creation of approximately 140 units. Condominium development was explosive during the 80s throughout much of New England due to the speculative nature of the housing market, which was fueled by inflated housing prices. These properties lost a considerable amount of their value during the recession of the late 80s and early 90s, although increased housing demand towards the end of the decade has helped to regain some of that value. The demand for additional construction of these types of units, however, has not yet emerged again.

The number of mobile homes in Windham has also increased considerably both in absolute terms, and as a percentage of the total housing stock. Between 1980 and 1990, there were 178 permits issued for additional mobile homes, which represented an increase of over 160%. According to the Census, the number of mobile homes in Windham decreased by 30 units between 1990 and 2000. In fact, the 2000 Census count of 254 mobile homes corresponds with the number of mobile homes registered in the town's assessment database. Overall, the number of mobile homes as a percent of total units increased from 2.4% to 4.2% over the 20 year time frame, although no new units were added over the last decade.

## 9. Seasonal Housing

In addition to the year-round housing discussed above, the town's housing stock has a second component, which is comprised of units that are used only on a seasonal basis. These seasonal units, which are located predominantly along the frontage of the town's lakes and ponds, are generally used on a limited basis during the non-winter seasons and, therefore, were often constructed to different

standards than those of conventional year-round dwellings.

Determining the exact count of seasonal dwellings can be a complicated task due to the fact that the Census definition of seasonal housing has changed over time, as well as the fact that property owners may convert a seasonal dwelling to year-round use without going through the appropriate permitting process. As illustrated in Table 4-6, the number of seasonal dwellings in Windham is shown to have declined significantly between 1980 and 1990 according to Census data. The reason for this reported decline cannot be completely explained, but is likely that some of this decline is attributable to the conversion of seasonal units to year-round use. Town records indicate that 64 units were converted to year round use between 1980 and 1990 and 34 units were converted between 1990 and 2000. The number of units converted is based on permits issued by the town for home conversions within the Shoreland Zoning District only. It is also possible that the large drop in seasonal units is at least partially attributable to an error that occurred during the census enumeration in 1980, which overestimated the total number of seasonal units in Windham. The 1990 Census count of 504 seasonal units is more in line with the figure of 429 seasonal units identified by the Census Bureau in 2000. This figure is also comparable to the 476 seasonal housing units identified in the town's assessment database.

## 10. Age of Housing Stock and Geographic Distribution

The age of Windham's housing stock, also characterized as *year-built* status, can provide an indication of potential deficiencies in the quality and safety of the dwelling units. Older units may have been constructed to lesser standards from the perspective of building codes and life safety requirements, which can be a particular concern with regard to multi-family and mobile home units. As shown in Table 4-7, a large portion of Windham's housing stock is relatively new, having been constructed within the last 30 to 40 years. Based on Census data it is estimated that 75% of the town's housing stock has been built since 1960. Approximately 14% was built between 1940 and 1960, and 11% was built before 1940. A review of municipal assessment records indicates that approximately 35% of the town's mobile homes were built prior to 1976, when national standards were developed for the construction of these units. The units built before this time tend to be smaller trailers, versus the single and double-wide units now being used, that lack insulation, are fire safety risks, and are often found to be in deteriorating condition.

Year Built	% Total
Pre-1940	11.5%
1940-59	13.9%
1960-69	12.9%
1970-79	23.0%
1980-89	20.0%
1990-00	18.6%
	100.0%

Source: US Census

Based on year built information obtained from town assessment records, the location of new home construction in Windham has been mapped, which illustrates how residential development patterns have evolved over time. This data is presented on Map 4-1. More emphasis has been placed on presenting development patterns for the three decades between 1970 and 2000 because the 70s

represented the beginning of an exceptionally rapid growth period for the town.

There are several rather notable patterns depicted on Map 4-1 regarding the town's development trends. Beginning in the 70s, a number of sizeable subdivisions were created in the area around Collins Pond and the southern end of Hunger Bay. These subdivisions were constructed at relatively higher densities than most of the town's pre-1970 development, excluding seasonal lakefront development areas. Other notable subdivisions were undertaken in the eastern portion of town at the intersection of River Road, Curtis Drive and Park Road, and in the northern section of town on Linnel Road along the shores of Sebago Lake. Remaining development during the 70s occurred primarily as new frontage lots were created along existing town roadways as well as on larger, oversized parcels scattered throughout the community.

Residential development patterns during the 1980s were very similar to those of the 70s. This is attributable to the fact that many of the subdivisions initiated during the 70s were not completely built-out until some time during the 80s.

The 90s saw a spate of new subdivisions, as well as the final build-out of some of the subdivisions begun in previous decades. The majority of subdivision activity during this decade is concentrated to a great extent in the central portion of the town. In the western half of Windham development occurred along the Pope, Ward and Windham Center Road corridors. In the eastern half of town the Albion, Falmouth, and Gray Road corridors were particularly active with the creation of new subdivisions. Additional scattered development along the frontage of existing roadways, either on existing or newly created lots, was also noted throughout the town.

## 11. Housing Values, For-Sale Market Trends and Rental Rates

An analysis of housing values and housing sales provides an indication of the strength of a municipality's housing market with regard to tax base support, the growth in value over time, as well as how sales prices are trending. Sale prices will in turn, affect the affordability of homes within the community. The data presented here has been gleaned from the town's assessment records as of December 2000, and represents gross property values without any exemptions applied.

Table 4-8 presents a summary of total assessed value by type of housing in Windham. The data also segregates single family housing based on year-round versus seasonal occupancy, as well as waterfront versus non-waterfront properties. Given the fact that single family housing represents almost 80% of the town's total housing stock (refer to Table 4-6) it is not surprising that single family properties (year-round and seasonal combined) account for over 88% of the total value of all residential properties in Windham. Of that total, year-round units represent 81.6% (approximately

INSERT MAP 4-1 RESIDENTIAL DEVELOPMENT TRENDS

BACK OF MAP 4-1

**Table 4-8  
Assessed Value of Residential Properties by Type of Property  
Town of Windham - 2000**

<b>Total Assessed Value</b>						
	Land	Bldg	Total	% Subcategory	% Total Residential Value	
<b>Year-Round Single Family</b>						
Non-Waterfront	\$129,306,600	\$318,956,000	\$448,262,600	87.7%	71.6%	
Waterfront	\$31,577,400	\$31,508,400	\$63,085,800	12.3%	10.1%	
All Units	\$160,884,000	\$350,464,400	\$511,348,400	100.0%	81.6%	
<b>Seasonal Single Family Units</b>						
Non-Waterfront	\$5,960,400	\$4,186,700	\$10,147,100	24.1%	1.6%	
Waterfront	\$21,509,700	\$10,453,400	\$31,963,100	75.9%	5.1%	
All Units	\$27,470,100	\$14,640,100	\$42,110,200	100.0%	6.7%	
Condominiums	\$3,563,200	\$13,285,900	\$16,849,100	NA	2.7%	
Multi-Family Structures	\$7,827,000	\$23,105,700	\$30,932,700	NA	4.9%	
Mobile Homes	\$6,052,700	\$7,335,300	\$13,388,000	NA	2.1%	
Multiple Buildings(1)	\$4,378,000	\$7,309,900	\$11,687,900	NA	1.9%	
<b>All Residential Properties</b>	<b>\$210,175,000</b>	<b>\$416,141,300</b>	<b>\$626,316,300</b>	<b>NA</b>	<b>100.0%</b>	

(1) This housing category from the Assessor's database includes multiple buildings on one lot.  
Source: Assessor's records, Town of Windham and RKG Associates, Inc.

\$511 million in total value) with seasonal dwellings accounting for the remaining 6.7% (approximately \$42 million in total value). The other major housing categories of condominium, multi-family, mobile homes, and multiple buildings account for a combined 11.6% of total assessed residential value with multi-family structures representing the single largest portion at 4.9%, or approximately \$30 million in total value. Although seasonal homes represent a relatively small percentage of the total residential tax base, they provide an important *net contribution* to town revenues since they do not increase the number of students in the school system and also have a reduced demand on other municipal services. The value of the town's waterfront properties is also clearly reflected in Table 4-9. Year-round single family homes with waterfront locations are valued, on average, approximately 30% higher

**Table 4-9  
Average Assessed Values of Residential Dwellings  
Town of Windham - 2000**

	Land	Bldg	Total	Avg. Value Per Acre
<b>Year-Round Single Family</b>				
All Units	\$36,498	\$79,506	\$116,004	\$12,233
Non-Waterfront	\$32,505	\$80,179	\$112,685	\$10,090
Waterfront	\$73,435	\$73,275	\$146,711	\$93,723
<b>Seasonal Single Family Units</b>				
All Units	\$57,710	\$30,756	\$88,466	\$111,269
Non-Waterfront	\$38,704	\$27,186	\$65,890	\$82,155
Waterfront	\$66,800	\$32,464	\$99,264	\$123,384
Condominiums	NA	NA	\$73,899	NA
Mobile Homes	NA	NA	\$52,708	NA

Source: Assessor's records, Town of Windham and RKG Associates, Inc.

than non-waterfront locations (\$146,711 versus \$112,685). This distinction is even more pronounced for seasonal housing, where according to municipal assessment records, the average waterfront home value was approximately 50% higher than a non-waterfront home (\$99,264 versus \$65,890).

It is interesting to note that the average assessed value of a seasonal single family home was approximately 25% less on average, than a year-round single family home (\$88,466 versus \$116,004). This is reflective of the fact that Windham's seasonal housing stock is comprised more of *camp style* dwellings as opposed to larger luxury style dwellings that are being constructed along the State's coastal waterfront areas. This is further exemplified by the fact that over 65% of the average value of a seasonal dwelling is represented in the land value versus the building value. As shown in Table 4-9, the average value per acre of land for a seasonal dwelling was \$111,269 which was almost 110% more than the value per acre of land associated with year-round dwellings (\$12,233), which illustrates the importance of this land-based resource with regard to the town's property tax base.

Along with the assessment data discussed above, an understanding of the housing market in Windham has been further refined by examining home sales over the past decade. The two sources of data consulted for this analysis included residential sales from the municipal assessment records, where all sales are tracked as part of the real estate transfer process, as well as the region's Multiple Listing Service, which primarily focuses on single family home sales.

Table 4-10 presents a summary of all residential sales in Windham between 1997 and 2000, which is the time period when the Assessor's Office first began recording this information in the town's computerized database. These sales present a reliable representation of current market conditions because they are characterized as "good sales" which do not include mortgage refinancing, foreclosures, or other types of transfers that are not considered arms-length transactions.

The data shows that Windham's housing market has been quite strong over the last several years as exhibited by the increase in total sales of single family homes from 130 in 1997 to 254 in 1999. Although total sales dropped somewhat in 2000, the overall demand for homes in Windham has pushed the average sale price for a single family home from approximately \$127,499 in 1997 to \$141,000 in 2000, which represents an 11.4% increase in sales prices within this relatively short time frame. Waterfront home sale prices increased at a slightly faster rate than non-waterfront homes between 1997 and 2000, with increases of 16.4% and 12.3%, respectively.

The other active portion of Windham's for-sale housing market over the last several years has been the condominium sector. Total sales have been fairly steady at around 30 per year and the average sale price has hovered in the \$70,000 to \$80,000 range with an increase of almost 14% between 1997 and 2000. Sales of these types of units have probably helped to fill part of the niche for more affordably priced homes as demand forced single family homes out of the price range of some households moving into the area or others seeking to leave the rental market.

**Table 4-10**  
**Average Annual Sales Price of Residential Housing Units 1997-2000**  
**Town of Windham**

Year-Round Housing Units	1997		1998		1999		2000		1997-2000	
	# Sales	Sale Price	# Sales	Sale Price	# Sales	Sale Price	# Sales	Sale Price	Change	% Change
Single Family										
Non-Waterfront	112	\$122,300	167	\$101,958	234	\$122,072	178	\$137,300	\$15,000	12.3%
Waterfront	18	\$161,372	20	\$168,887	20	\$163,250	16	\$187,775	\$26,403	16.4%
Total	130	\$127,499	187	\$109,117	254	\$125,315	194	\$141,999	\$14,500	11.4%
Duplex	2	\$122,500	5	\$110,450	6	\$120,550	4	\$126,939	\$4,439	3.6%
4 Family	1	\$177,000	1	\$122,000	2	\$235,000	2	\$126,000	(\$51,000)	-28.8%
5+ Family	0		1	\$190,000	0		1	\$470,000		
Condominium	17	\$72,737	31	\$68,825	29	\$81,572	30	\$82,664	\$9,927	13.6%
Mobile Home	2	\$69,500	5	\$58,480	9	\$44,900	7	\$75,128	\$5,628	8.1%
<b>Seasonal Housing Units</b>										
Single Family										
Non-Waterfront	1	\$100,000	2	\$36,500	2	\$78,885	2	\$170,500	\$70,500	70.5%
Waterfront	5	\$91,906	6	\$73,775	5	\$190,900	5	\$119,650	\$27,744	30.2%
Total	6	\$93,255	8	\$64,456	7	\$158,895	7	\$134,178	\$40,923	43.9%

Source: Assessor's Records, Town of Windham and RKG Associates, Inc.

More specific information regarding home sales in Windham is summarized in Table 4-11 which identifies total sales within five pricing ranges. The data shows that a sizeable portion of home sales were available at what may be considered a starter home sale price of less that \$75,000, as well as the next level of \$75,000 to \$100,000. Together, these price ranges had a total of 366 units which represents approximately 40% of all sales between 1997 and 2000.

The mid-price and trade-up sale price categories ranging from \$100,000 to \$175,000 had a slightly higher level of activity with total sales of 430 units, or 47% of all sales within the town. This data suggests that there may have been slightly more pent up demand for trade-up as well as higher end housing (>\$175,000) than within the

**Table 4-11**  
**Number of Sales by Price Range 1997 - 2000**  
**Year-Round Housing Units**  
**Town of Windham**

Sale Price	Single Family Non-Waterfront	Single Family Waterfront	Condos	Mobile Home	Total	% Total
<\$75,000	94	3	67	17	181	20.1%
\$75,000 - 99,999	144	9	27	5	185	20.6%
\$100,000 - 124,999	201	20	3	1	225	25.0%
\$125,000 - 174,999	183	14	8	0	205	22.8%
>\$175,000	73	28	2	0	103	11.5%
<b>Total</b>	<b>695</b>	<b>74</b>	<b>107</b>	<b>23</b>	<b>899</b>	<b>100%</b>

Source: Assessor's Records, Town of Windham and RKG Associates, Inc.

entry level market. This conclusion is partially supported by the data presented in the population section that noted Windham was experiencing an increase in the number of households with older heads of household, who might be looking to move into this segment of the housing market. However, fewer sales of entry level housing could also be an indication that supply was insufficient to meet the total demand, a sentiment that was expressed by area real estate brokers.

Windham's for-sale land market had considerably less activity over the past four years in comparison to the housing market. Sales data from the Assessor's records identified a total of 46 arms-length land sales which involved the transfer of 260 acres for approximately \$1.98 million. The average value per acre of these transactions was \$7,660 and the average acreage per sale was only six acres. This relatively small amount of land sales suggest that new housing development is occurring on land that was purchased or owned prior to 1997, and may also be an indication that developers are beginning to be more cautious about speculating in the housing market given the unclear short-term prospects of the regional and national economies. Discussions with realtors revealed that a buildable lot in Windham (ranging between one and two acres) is currently selling in the \$35,000 to \$45,000 range.

In order to place Windham's housing market within a regional context, sales data from the Multiple Listing Service (MLS) was examined for the period between 1992 and 2000. As mentioned previously, this data is comprised primarily of single family home sales, but may also include some condominium and mobile home sales. Table 4-12 presents MLS sales for all municipalities in Cumberland County over most of the last decade. The data shows that the average price of recorded home sales in Windham increased by approximately 30% over this eight year period, however, the majority of municipalities in the County experienced an increase in sale prices that exceeded Windham's. In addition, Windham's average sale price of \$133,814 in 2000, ranked tenth lowest out of the 24 municipalities in the County. Both of these factors indicate that Windham's housing market is relatively affordable in comparison to other locations in Cumberland County.

Total sales activity in the County escalated from 1,102 to 2,973 between 1992 and 1999, an increase of almost 170%. County-wide sales declined from this 1999 peak to 2,054 sales in 2000. This general trend mirrors the findings for Windham's local market and supports the possibility that the housing market may have slipped into a period of slower growth.

Rental housing data gathered by the Census Bureau indicates that the median monthly rent in Windham was \$629 in 2000. This rental rate was roughly on par with Cumberland County and the Portland MSA which had a median rental rates of \$615 and \$621 respectively, in 2000. Table 4-13 presents a comparison of rental rates in Windham, the County and the MSA as of 2000.

**Table 4-12**  
**Average Sale Price of Residential Homes 1992-2000**  
**based on Multiple Listing Service Sales**  
**Cumberland County Municipalities**

	1992	1996	1998	2000	YR 2000 Rank	Change 92-00	% Change 92-00
Naples	\$129,008	\$118,109	\$95,757	\$132,783	9	\$3,775	2.9%
Westbrook	\$104,909	\$92,383	\$95,461	\$114,204	1	\$9,296	8.9%
Bridgton	\$107,786	\$76,173	\$100,286	\$117,555	3	\$9,769	9.1%
Standish	\$105,335	\$96,125	\$127,298	\$127,900	5	\$22,565	21.4%
Harrison	\$98,250	\$116,236	\$107,812	\$124,758	4	\$26,508	27.0%
New Gloucester	\$90,353	\$85,588	\$105,299	\$115,707	2	\$25,355	28.1%
<b>Windham</b>	<b>\$102,285</b>	<b>\$106,673</b>	<b>\$111,857</b>	<b>\$133,814</b>	<b>10</b>	<b>\$31,528</b>	<b>30.8%</b>
Gray	\$98,432	\$97,880	\$114,930	\$130,717	8	\$32,286	32.8%
Brunswick	\$120,616	\$128,447	\$140,165	\$161,891	14	\$41,275	34.2%
South Portland	\$96,300	\$98,448	\$103,454	\$129,870	7	\$33,570	34.9%
North Yarmouth	\$132,447	\$132,389	\$163,475	\$180,283	15	\$47,835	36.1%
Yarmouth	\$170,121	\$174,604	\$204,341	\$235,819	20	\$65,699	38.6%
Casco	\$92,298	\$111,673	\$104,339	\$128,520	6	\$36,222	39.2%
Gorham	\$108,619	\$125,344	\$129,434	\$151,920	12	\$43,301	39.9%
Cumberland	\$196,246	\$204,390	\$215,809	\$274,643	22	\$78,397	39.9%
Portland	\$102,215	\$102,715	\$118,346	\$146,414	11	\$44,199	43.2%
Raymond	\$127,765	\$138,211	\$134,345	\$190,384	17	\$62,619	49.0%
Pownal	\$101,333	\$132,300	\$96,400	\$158,200	13	\$56,867	56.1%
Scarborough	\$131,616	\$138,423	\$164,503	\$206,837	18	\$75,221	57.2%
Falmouth	\$175,037	\$189,584	\$216,186	\$280,131	23	\$105,094	60.0%
Cape Elizabeth	\$163,679	\$200,576	\$212,133	\$271,655	21	\$107,975	66.0%
Harpswell	\$189,658	\$206,782	\$221,471	\$316,151	24	\$126,493	66.7%
Freeport	\$124,240	\$145,920	\$174,463	\$212,708	19	\$88,468	71.2%
Sebago	\$93,947	\$137,349	\$114,000	\$188,089	16	\$94,141	100.2%

Source: Maine State Housing Authority based on Multiple Listing Service data

**Table 4-13**  
**Gross Monthly Household Rent**  
**for Windham, Cumberland County and Portland MSA - 2000**

Monthly Rent	% of Total Households		
	Windham	County	MSA
Less than \$200	1.1	7.0	7.2
\$200 to \$299	1.5	4.7	4.8
\$300 to \$499	12.7	16.6	16.2
\$500 to \$749	55.0	40.4	41.1
\$750 to \$999	17.8	19.5	20.2
\$1,000 to \$1,499	6.0	5.6	5.6
\$1,500 or more	0	1.4	1.4
Median	\$629	\$615	\$621

Source: U.S. Census Bureau

## 12. Affordable Housing

The issue of providing affordable housing is a concern that has steadily increased over the last decade in many parts of the State of Maine. An increase in the need for more affordably priced housing is a typical response to the type of growth that has occurred in Windham and the Greater

Portland housing market. An economic expansion, like the one that has been occurring in many portions of the state, can often cause a tightening of the housing market that results in short-term housing shortages and a corresponding escalation in home sale prices and rental costs. However, housing markets are very dynamic entities in that there are many factors affecting supply and demand, especially within a regional or multi-regional area. Due to the mobility of the workforce and the willingness of people to commute considerable distances to their jobs, employment growth in the Cities of Portland or South Portland, for example, can create a demand/shortage of affordable housing for workers in those cities that can shift the need for these types of units to any one of a number of municipalities within the region. Therefore, determining the specific need at the local municipal level in terms of actual units required to support households below income levels considered to be *in need*, should consider both the existing need of residents within the community as well as the total need within the regional housing market.

The Maine State Housing Authority (MSHA) recently released a report titled *The State of Maine's Housing 1999* in which it detailed changes in the housing market over the last decade and a half, and the ensuing need of residents with regard to housing affordability among other issues. Based on MSHA's review of the changing demographics of the State as a whole, it was concluded that the following overall housing trends could be expected in the future.

- *Weak demand for small starter homes and apartments and mobile homes (due to fewer young people)*
- *Strong demand for larger homes, move-up homes, and renovations (due to more middle-aged people)*
- *Strong demand for home-based services that enable seniors to “age in place” (due to more old people)*
- *Strong demand for alternative forms of assisted living – at a variety of price points – for seniors (due to more very old people)*

The report also concluded that housing affordability had actually improved during the early to mid-90s due to the fact that inflation was down, interest rates had declined to their lowest levels in 25 years and housing prices were flat. However, these positive conditions were short-lived and ultimately unable to overcome the shortfall of affordable housing that was created in the 80s. In addition, the report concluded that increases in income levels in Maine over the last 13 years have not kept pace with increases in housing prices, thereby exacerbating the affordability issue.

Evaluating what level of housing costs are affordable is dependent upon household income levels in comparison to costs within a respective housing region. The three levels of household income that are typically evaluated as part of a needs assessment are: those at the median household income level; those at 80% of the median; and those at 50% of the median. The MSHA study used these thresholds to evaluate both rental rates and home ownership costs in the Portland housing market. Affordability for renter households would be those units with rents that do not exceed 30% of gross income. For households looking to purchase a home, affordability is defined as monthly mortgage

costs that do not exceed 28% of gross income.

From a rental perspective the findings suggest that households at the median, or 80% of the median income level, were able to afford the median price of a two bedroom apartment in the Portland region. However, those at 50% of the median could only afford rental housing at \$200 less than the median rent. The home ownership assessment presents a less favorable picture in that only those households at the median could afford the median purchase price of a home, while those at 80% and 50% of the median could only afford to pay approximately \$20,000 less and \$56,000 less respectively, than the median sales price in the region.

Although entry into the home market appears difficult in the Portland area, state-wide approximately three out of four households own their own homes. This is the highest percentage of all New England states and exceeds the national average as well. A second interesting finding is that more people are renting detached units – single family homes or mobile homes – than are living in multi-family apartments. However, most are paying 40% to 50% of their incomes and much of the housing is substandard.

In terms of total need, the findings of the MSHA study estimate that there are 1,880 seniors and 4,740 families in the Portland housing market that are in need of rental assistance. Senior households present a particular challenge because those that fall into the “very old” category of 75+ years of age and may often be in need of assisted living facilities versus just a standard rental unit. According to the Maine State Planning Office there are 19 privately developed retirement centers in Maine with 1,600 units of various types (from independent apartments to cottages to assisted living to long-term care beds to Alzheimer's beds), with another 600 units in the pipeline. Although this is a significant number of units, most projects have monthly fees in excess of \$1,500 and many have entrance fees of over \$100,000. The Housing Authority determined that these rates would allow only a small percentage of the State's elderly access to these market rate projects. The MSHA and the Department of Human Services have now begun to subsidize congregate services programs that bring assisted living-type care to lower income individuals.

### 13. Affordable Housing in Windham

A considerable amount of discussion was devoted to affordable housing in Windham's 1992 Comprehensive Plan update. As part of the planning efforts associated with that process, the Town Council established the Windham Affordable Housing Alliance, one of the first such task forces created in the state. The Housing Alliance completed a needs assessment<sup>4</sup> for the community which was cited extensively in the comprehensive plan. With regard to housing affordability, the report concluded that families making at or below the median income level for the town were unable to afford the average priced home in Windham, which was quoted as \$107,000 in 1990. Conversely,

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<sup>4</sup>*Windham Affordable Housing Needs*, prepared by the Windham Housing Alliance Data Subcommittee and Valerie Lamont of the Institute for Real Estate Research and Education, USM, c. 1992.

it was estimated that rental units were affordable in Windham for all but those households with incomes that were 50% or less of the median. The median monthly rent in 1990 was \$483 according to Census data.

The analysis conducted as part of this needs assessment resulted in a number of “implications” for the future that were used by the Housing Alliance to develop a series of recommendations (which are summarized in the adjacent text box) that were presented as an implementation strategy in the previous comprehensive plan. Although the Housing Alliance is no longer operating within the community, some of the recommendations initially proposed by that organization may still be appropriate for consideration.

1. Develop the necessary financial assets to facilitate [affordable] housing development.
2. Work with existing housing agencies and organizations.
3. Review and recommend that the Planning Board consider changes to the zoning ordinance such as:
  - a. Expand medium residential area
  - b. Require submittal of clustered and conventional subdivision plans
  - c. Revise road construction standards (22ft. pavement width with shoulders and sidewalks may not always be necessary)
  - d. Density bonuses
  - e. Zero lot line setbacks
  - f. Streamline the review process for minor subdivisions
4. Promote land trusts for affordable housing

Housing conditions, as discussed throughout this chapter, have changed considerably since the previous needs assessment was conducted in the early 90s. At the same time, some of the observations noted at that time are still true in 2000. Although housing prices have increased throughout the decade, increases in incomes, continuing lower interest rates, and an increase in the housing supply have helped to offset those prices to some degree.

Maine's state statutes related to planning and growth management indicate that a municipality shall seek to achieve a level of 10% of new housing development, based on five year average development trends, which is affordable to households that are considered to be below the low and moderate income level thresholds. As defined by MSHA and HUD, moderate income is 80% to 50% of the median and low income is 50% to 80% of the median, within the metropolitan statistical area (MSA) or county. Table 4-14 presents a comparison of income levels ranging from 150% to 50% of the median family income thresholds for the Portland MSA housing market as of 2000. It also identifies the maximum housing costs for home ownership and renter households based on 28% and 30% respectively, of the total gross income.

**Table 4-14**  
**Estimated Maximum Housing Costs**  
**Based on Percentage of Median Income Levels**  
**in the Portland Metropolitan Housing Market**

<b>Owner Occupied Units</b>		
	Family Income	Max. Annual Housing Cost(1)
150% Mdn.	\$73,500	\$20,580
Median	\$49,000	\$13,720
80% Mdn.	\$39,200	\$10,976
50% Mdn.	\$24,500	\$6,860
<b>Renter Occupied Units</b>		
	Family Income	Max. Monthly Rent(2)
150% Mdn.	\$73,500	\$1,918
Median	\$49,000	\$1,305
80% Mdn.	\$39,200	\$1,060
50% Mdn.	\$24,500	\$693

(1) Based on 28% of gross income  
 (2) Based on 30% of gross income  
 Source: MSHA/HUD and RKG Associates, Inc.

Table 4-15 presents two scenarios related to the

annual housing costs required to purchase the median priced single family home in Windham in 2000. The first assumes a 6.5% interest rate with a 10% downpayment and the second, a slightly higher 7.5% interest rate with only 5% down. These examples also provide allowances for taxes, insurance, and utilities as part of the overall housing costs. What this example shows is that households within the Portland MSA that have incomes ranging from the median level to 150% of the median, would be able to buy the median priced home in Windham under either of these scenarios, based on sales prices in 2000. However, neither the households at 80% or 50% of the median could afford the median priced house in Windham under existing conditions.

**Table 4-15**  
**Estimated Annual Housing Cost Required to Purchase the Median Priced Single Family House in Windham - 2000**

	10% Down 6.5% Interest	5% Down 7.5% Interest
Median Sale Price(1)	\$127,129	\$127,129
Down Payment	12,712	6,356
Mortgage Amount	114,417	120,773
Annual Mortg. Amt.	8,678	10,133
Real Estate Taxes(2)	2,032	2,032
Insurance(3)	400	400
Annual Housing Cost	\$11,110	\$12,565

(1) Based on housing sales in 2000, Windham Assessor's records  
 (2) Assumes a tax rate of \$16.00/\$1,000 of assessed value  
 (3) Factored at \$3.20/\$1,000  
 Source: RKG Associates, Inc.

The conclusions of this analysis are very similar to those presented in the MSHA 1999 state-wide housing study in that owner occupied housing is still pretty affordable for those households at or above the median household income level. However, below the median, affordability drops off and any increases in interest rates could have considerable negative impacts on these conditions.

From a rental perspective, Table 4-14 illustrates that the median rental rate in the Portland MSA (which was \$621), as of 2000, would be considered affordable for Windham's households with incomes ranging between 80% and 150% of the median in the Portland MSA. However, those households at 50% of the median would not be able to afford the median rent in Windham without paying more than 30% of their gross incomes. The rental costs presented in Table 4-14 make allowances for monthly rental payments and utilities. In fact, the Census Bureau found that 32.8% of renter households in Windham paid more than 30% of their household income towards rent in 2000. In comparison, 36.3% of Cumberland County households and 36.1% of MSA households paid in excess of 30% of their income towards rental costs as of that year.

Table 4-16 provides an estimate of the number of households in Windham that were between 150% and 50% of the median family income as of 2000 based on MSHA's estimated median of \$49,000. For comparison purposes, a summary of the assessed values of single family homes in Windham was compiled to illustrate how affordable the town's

**Table 4-16**  
**Household Income in Windham Based on Percentage of MSA Median Family Income - 2000**

Income Level	Total HH	% Total
less than 50% of Median	883	16.0%
between 50% & 80% of Median	663	12.0%
between 80% of Mdn. & Median	1,022	18.5%
between Median & 150% of Mdn.	1,518	27.5%
more than 150% of Median	1,436	26.0%
Total	5,522	100.0%

Source: Claritas, Inc. and RKG Associates, Inc.

housing stock is based on these median indicators. These assessed values are presented in Table 4-17. Since the town's current assessment ratio is approximately 95% of market value, the assessed values are considered to be a reasonable representation of sale prices in the community.

It is estimated that households with incomes at 150% of the median could afford to purchase a home that was priced up to \$225,000 (assuming a 5% downpayment). As illustrated in Table 4-17, this would include approximately 4,250 single family homes which represents almost 97% of all single family homes, in the town. Homes considered affordable to households with incomes at 80% of the median are those priced below \$125,000. In Windham, over 3,000 single family homes are assessed within this price range. At 50% of the median income, an affordably priced home would be those priced below \$75,000, which in Windham is approximately 560, or 12% of all single family homes.

By comparing the pool of homes in each assessed value category to the number of households in the town, it suggests that most households between 80% and 150% of the median income should be able to find suitable housing in Windham that falls within recommended affordability thresholds. However, those households with incomes below 50% of the median may have an insufficient supply of single family homes within the community that are considered affordable. It must be pointed out, however, that there is insufficient data available to determine the exact number of dwellings required to provide affordable housing to every resident in Windham or the broader region. Furthermore, this analysis only considered the potential for affordable owner-occupied housing and did not evaluate the town's rental market with regard to providing an additional supply of affordable housing. However, despite the somewhat generalized nature of this analysis, it is clear that Windham's housing stock currently provides an adequate supply of affordable single family homes for all households, except perhaps a portion of those households with incomes below 50% of the median.

**Table 4-17**  
**Assessed Value of Year-Round Single Family Homes in Windham - 2000**

Total Properties	Assessed Value	% Total
560	<\$75,000	12.7%
2454	\$75-125,000	55.7%
958	\$125-175,000	21.7%
284	\$175-225,000	6.4%
152	>\$225,000	3.4%
4408	Total	100.0%

Source: Windham Assessor's Records and RKG Associates, Inc.

Another component of the town's housing supply which offers more affordable housing options is mobile homes. As of 2000, there were 254 mobile homes in Windham based according to the Census Bureau. All of these units are considered to be affordable for those households between 80% and 150% of the area median income level. However, Assessor's records indicate that approximately 85% of the units are assessed below \$75,000, which makes them affordably priced for those households at 50% of the median area income level as well. In conjunction with the affordably-priced market rate housing discussed above, there are also 153 subsidized housing units in Windham, as shown in Table 4-18. Eighty-four of these units are dedicated to elderly households and 69 to families. Although Windham does not have its own housing authority, the Westbrook Housing Authority has a service area that extends into Windham with regard to providing certain types of housing assistance. Until recently the agency had been administering 26 Section 8 Certificates for

households in Windham which are used to defray their total housing costs. This total, however, has increased to 51 due to a recent increase in total certificates allocated to the Housing Authority from the federal government. In addition, there is currently a proposal to construct 24 units for the elderly that would include a mixture of assisted care and full-care units. This project is being sponsored by the York-Cumberland

**Table 4-18  
Assisted Housing Units by Type  
Town of Windham - 2000**

Sponsor	Property Name/Location	Program	Number of Assisted Units		
			Elderly	Family	Total
FmHA	Marcus Woods	515	20	0	20
FmHA	Page Court	515	0	6	6
HUD/MSHA	Albion Road	Supp Hsg	0	2	2
HUD/MSHA	Forbes Lane	Supp Hsg	0	4	4
HUD/MSHA	Park Road	Supp Hsg	0	6	6
HUD/MSHA	Marblehead Manor	Multiple	60	0	60
HUD/MSHA/ Westbrook HA	Scattered Sites	Section 8 Cert	4	51	55
			84	69	153

Source: MSHA

Housing Development Corporation which is located in Gorham. Discussions with housing providers in the area indicate that the housing market is very tight in terms of available rental units. The shortage of units has reportedly caused an increase in rental rates that has resulted in the federal government increasing the amount of assistance available to income eligible households. According to local housing and human services providers, there is a particular need for larger, family-sized units, as well as smaller units that can accommodate single, divorced individuals and the growing elderly population. One indicator used by MSHA to identify the unmet need for additional affordable housing is the difference between the number of subsidized units available and the number of renter households below 50% of the median household income. As of 2001, it is estimated that there were 357 households in Windham, which includes 199 family and 25 elderly households, that had incomes below 50% of the town-wide median. In comparison, there were only 153 subsidized housing units available, as illustrated in Table 4-18, which suggests that there is an unmet need of 204 units for renter households with incomes at 50% of the median.

## 14. Implications for the Future

The population and housing trends discussed in this chapter have numerous implications with regard to how Windham will function as a community in the future. The amount of growth that has occurred in the town over the last 30 years gives a sense that Windham has crossed a threshold, both in terms of how municipal government operates and how residents interact with one another. Although Windham still maintains in many sections of the town its historic “rural character” from an appearance perspective, the levels of growth achieved thus far have created issues that are typically found in small cities. These issues encompass such factors as: the demand for land for housing construction versus other community needs; the provision of a variety of housing types at a range of different costs; sustaining a rate of growth that does not overwhelm municipal/school services; addressing the housing needs of all age groups within the community; and maintaining the

existing character of the town.

There are a number of implications associated with the changing characteristics of the town's population with regard to shifts in age groups, decreasing household size, and a growing number of elderly residents. Accommodating these changing household demographics may require a broadening or shifting of municipal services, as well as an evaluation of municipal land use regulations and policies to insure that these trends are addressed in the future. This will present a particular challenge for the community as it works to manage residential growth without exacerbating the existing need for the continued provision of affordable housing. Any attempts by the town to address affordable housing for the elderly should encourage the creation of this type of housing in locations that have convenient access to goods and services, such as within the town's village areas, which tend to have a mixture of higher density residential and commercial land uses.

One factor that will have long-term implications for the town's future development is how Windham's role within the region evolves over time. Historically, the town has grown from a rural farm community and seasonal tourist area to a community with suburban characteristics that supports economic development activities occurring within the greater Portland area. As discussed in this chapter, Windham is only one of a number of towns in the region that has begun to emerge as growth areas within the larger economic region that is centered in and around Portland.

Home sale trends in the Portland metropolitan area indicate that Windham has already transitioned from a "lower priced" housing market to a "more moderate priced" housing market. The distinction being that while housing is still relatively affordable from a regional perspective, the town is not the same low cost housing market that first began to attract the large influx of new residents during the 1970's. If current growth rates continue, the town will eventually reach a critical mass of development that functions not just as a support link for Portland, but as a secondary economic growth center within the region. At that point Windham will begin to attract commercial and industrial development of its own accord due to the availability of a suitable workforce and support services. In fact, the beginnings of this commercial hub are already in place due to Windham's role in providing support services within the Lake Region seasonal tourism economy. The housing data indicates that Windham's seasonal housing market is also becoming less important over time while the town's role in providing services and retail goods continues to expand.