

# Housing and Maine's Economic Outlook

CUSO Residential Lending Expo

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# Consensus Economic Forecasting Commission (CEFC)

February 2026 report

# Excerpts from key assumptions in February 2026 CEFC report

- Maine is navigating a period of significant uncertainty around economic policy, government spending, geopolitical tensions, and consumer sentiment.
- Inflation remains elevated above target levels while consumer sentiment has weakened.
- In the short term, net migration will be hampered by federal immigration policies and the housing market, which remains strained due to high interest rates, limited inventory, and continued demand, driving up home prices and rents. Real estate inventory is starting to show some signs of improvement, which should help alleviate impacts from a limited supply.

Geopolitical upheaval

# Global uncertainty has increased, with high volatility in energy prices

Around 1/5 of world's oil supply typically passes through Strait of Hormuz; has been essentially shut down since March 1

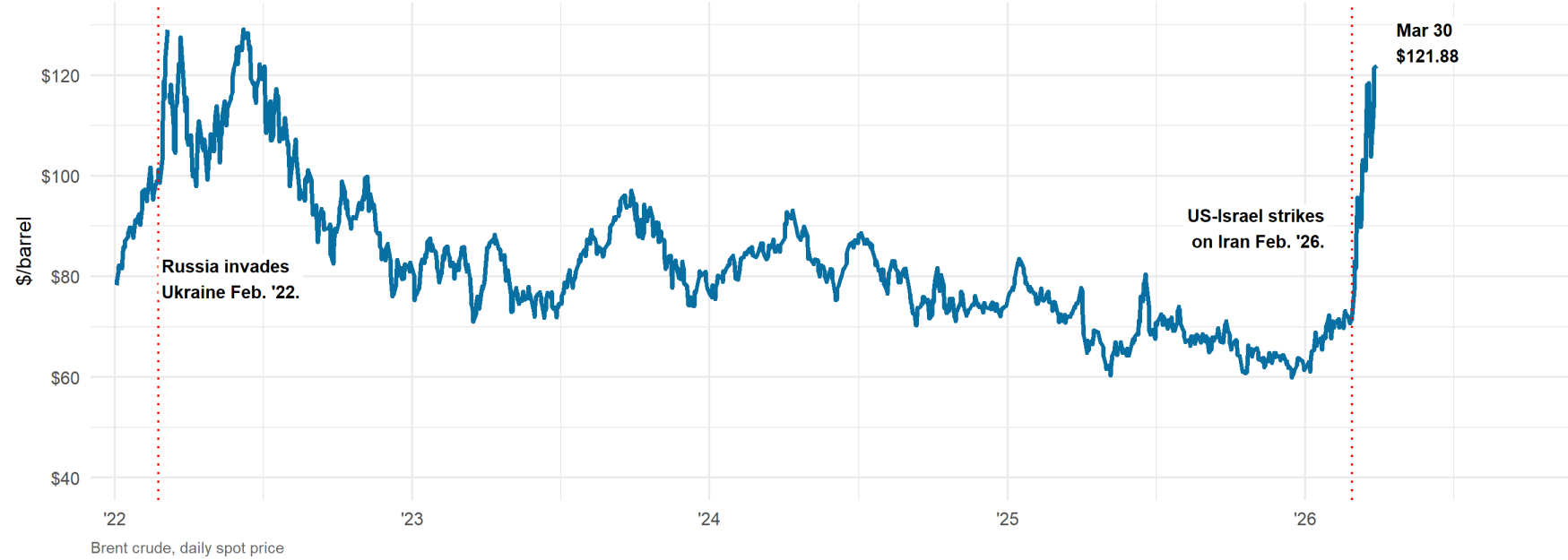
Crude oil prices spiked and have been highly volatile since; stock markets are showing strain as a result

Increases inflationary pressures at the same time employment is softening

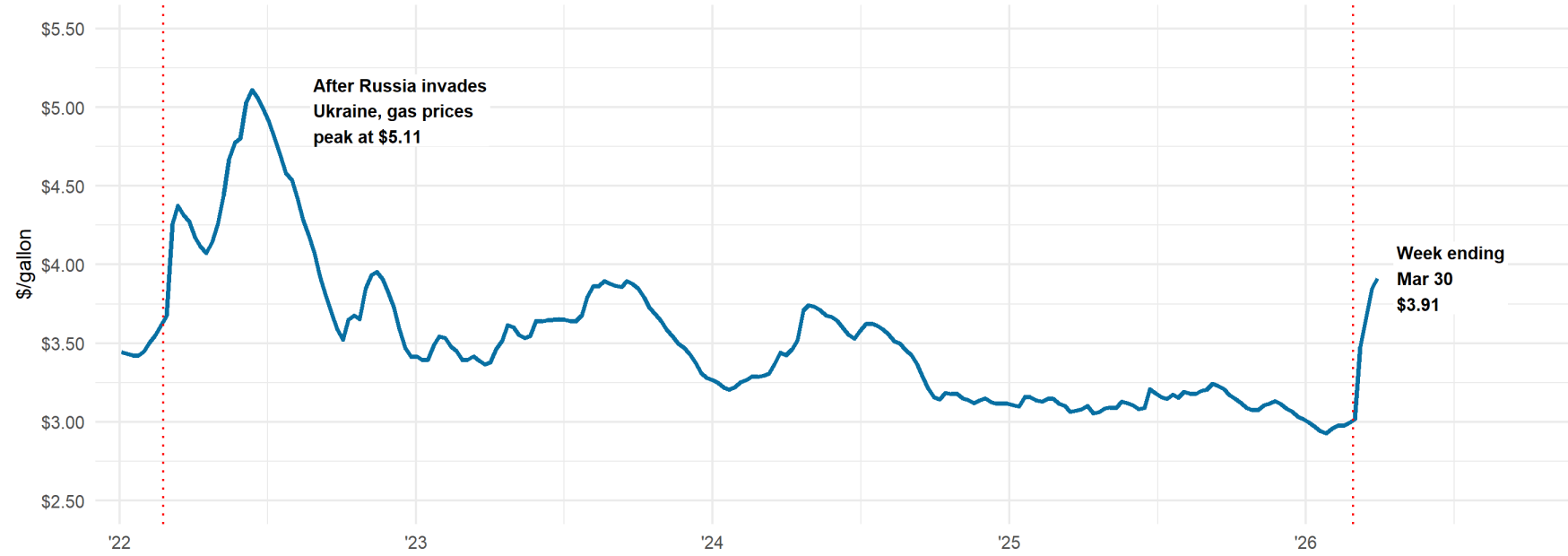
Crude oil prices flow through to gasoline, heating oil, diesel, etc.; Maine's economy is highly responsive to oil prices

# Daily Brent Crude and Weekly New England Gasoline Prices

Brent crude oil price (daily)

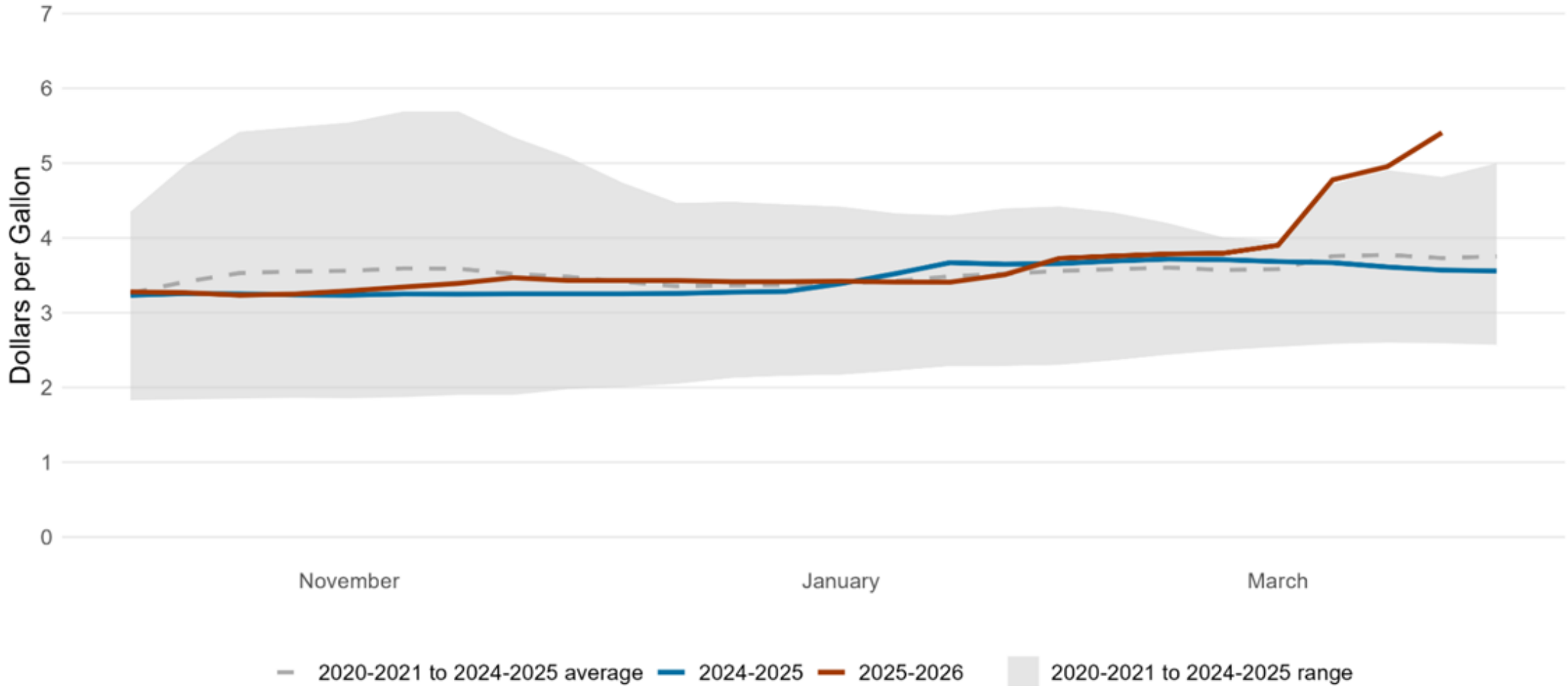


New England retail gasoline price (weekly average)

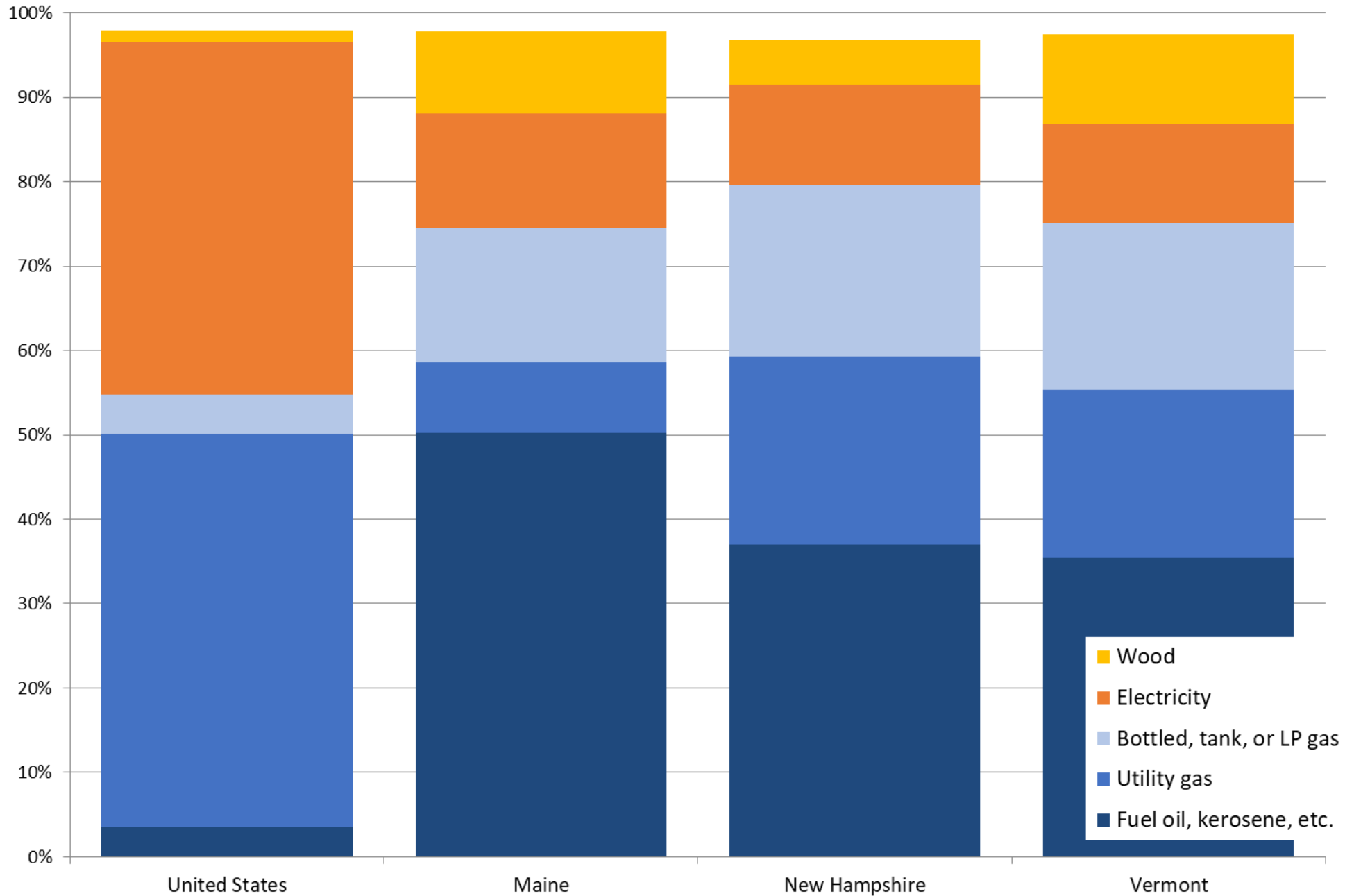


# Heating oil at \$5.371 week ending 3/30/26 (up \$1.814 from year prior)

Weekly Average Price of Residential Heating Oil in Maine (October-March)



# Percent of Housing Units by Type of Primary Heating Fuel



# Trade and tariffs

# Tariffs have been a rollercoaster ride, with more twists and turns this year

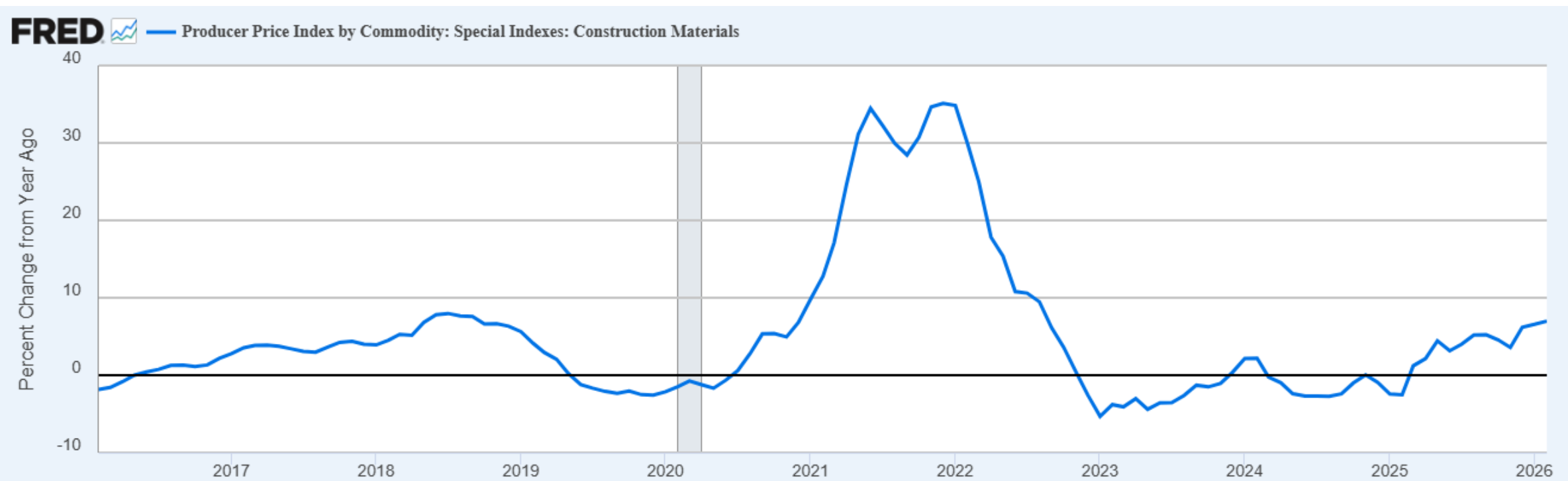
International Emergency Economic Powers Act (IEEPA) tariffs overturned by the U.S. Supreme Court; replaced with 10% tariff on most goods (15% threatened) for 150 days from Feb. 22, 2026, under Section 122

U.S.-Mexico-Canada Agreement (USMCA) compliant imports have remained exempt (around 85% from Canada, 86% from Mexico exempt)  
USMCA up for review this year (July)

Process for IEEPA tariff refunds to importers still being determined

The Budget Lab at Yale estimates loss of \$450-\$570 per household if Section 122 tariffs expire and \$770-\$940 if made permanent

# Construction material prices started increasing again in 2025 and have continued on an upward trend

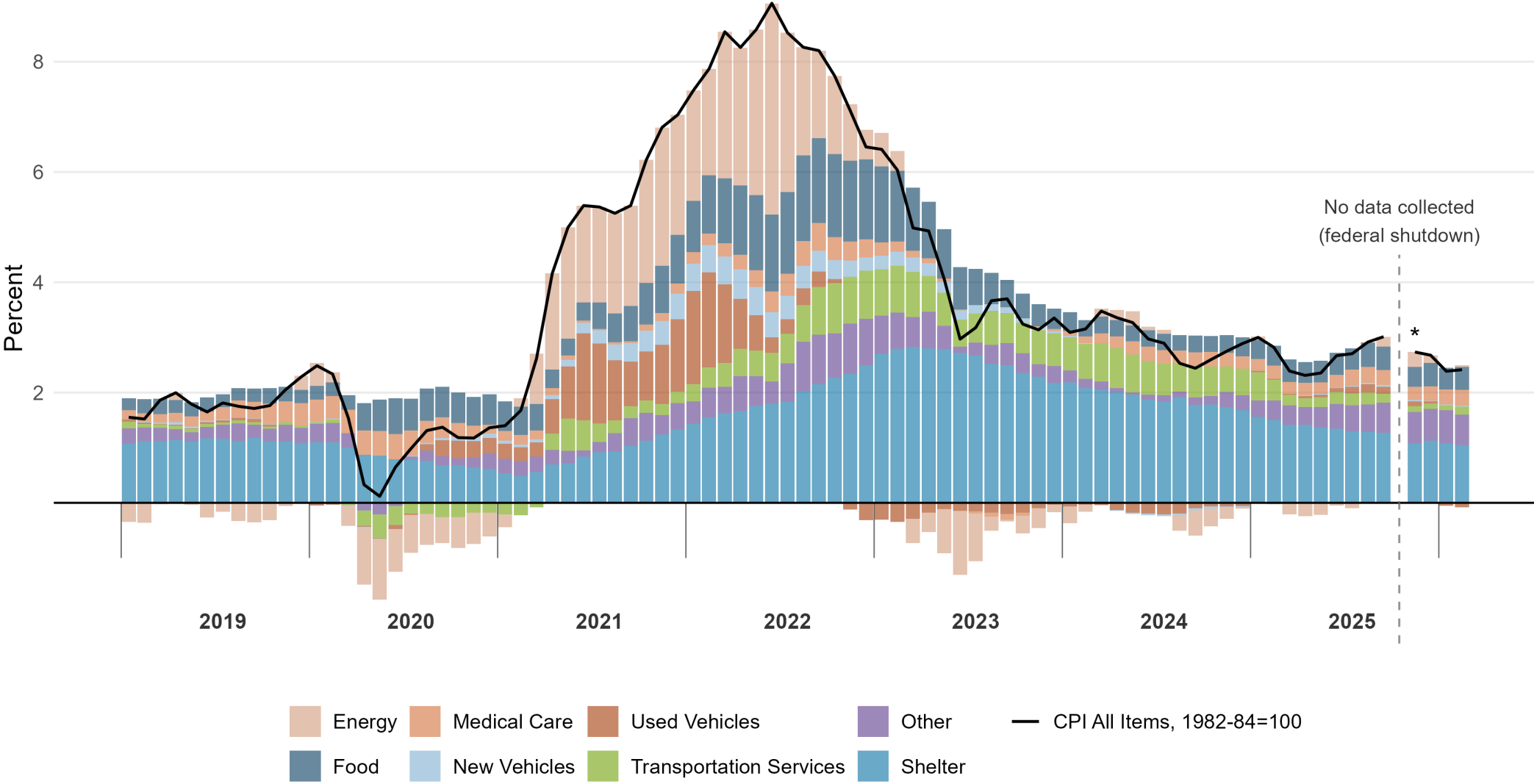


Source: U.S. Bureau of Labor Statistics via FRED®  
Shaded areas indicate U.S. recessions.

fred.stlouisfed.org

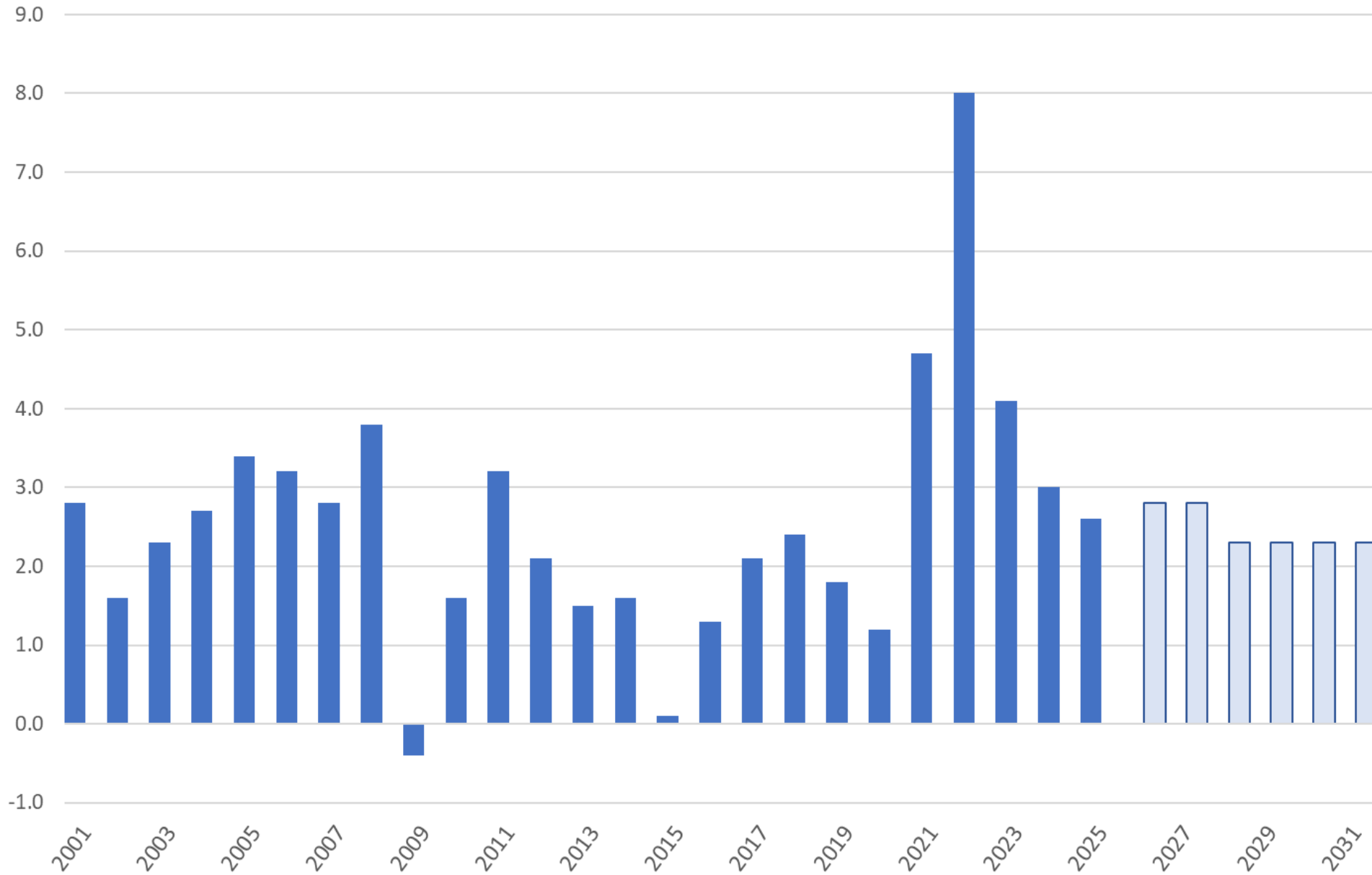
# Inflation and consumer sentiment

# Percentage Point Contribution to Year-Over-Year Percent Change in CPI



Source: US Bureau of Labor Statistics & Calculations by OSE Staff  
 \*November 2025: Shutdown not resolved until Nov 12; BLS operated on truncated schedule. Second half of November (Black Friday, holiday shopping) may have distorting effect

## Year-over-year percent change in Consumer Price Index; 2001-2025 historical and 2026-2031 forecast

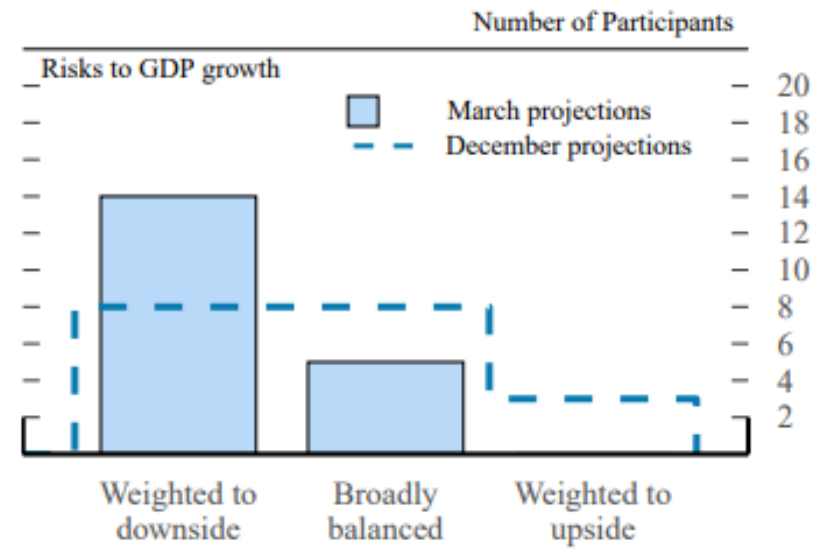
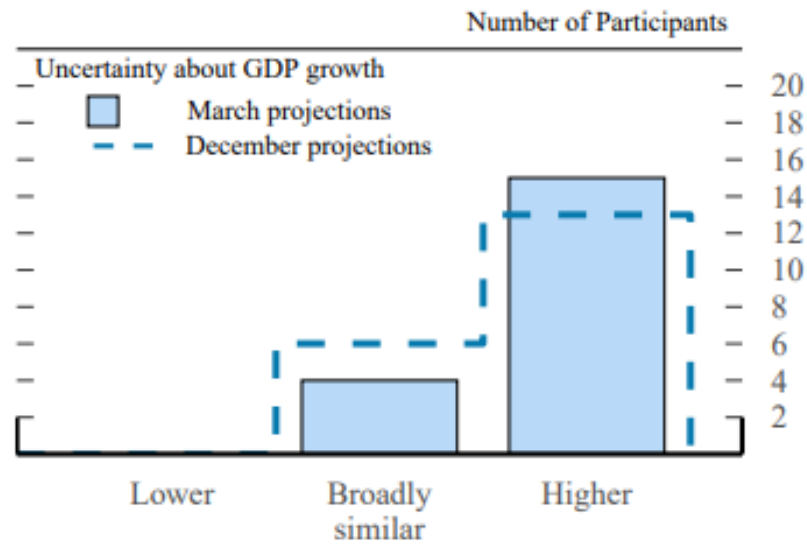


Sources: U.S. Bureau of Labor Statistics (CPI-U, 1982-84=100, seasonally adjusted); Consensus Economic Forecasting Commission report, Feb. 1, 2026

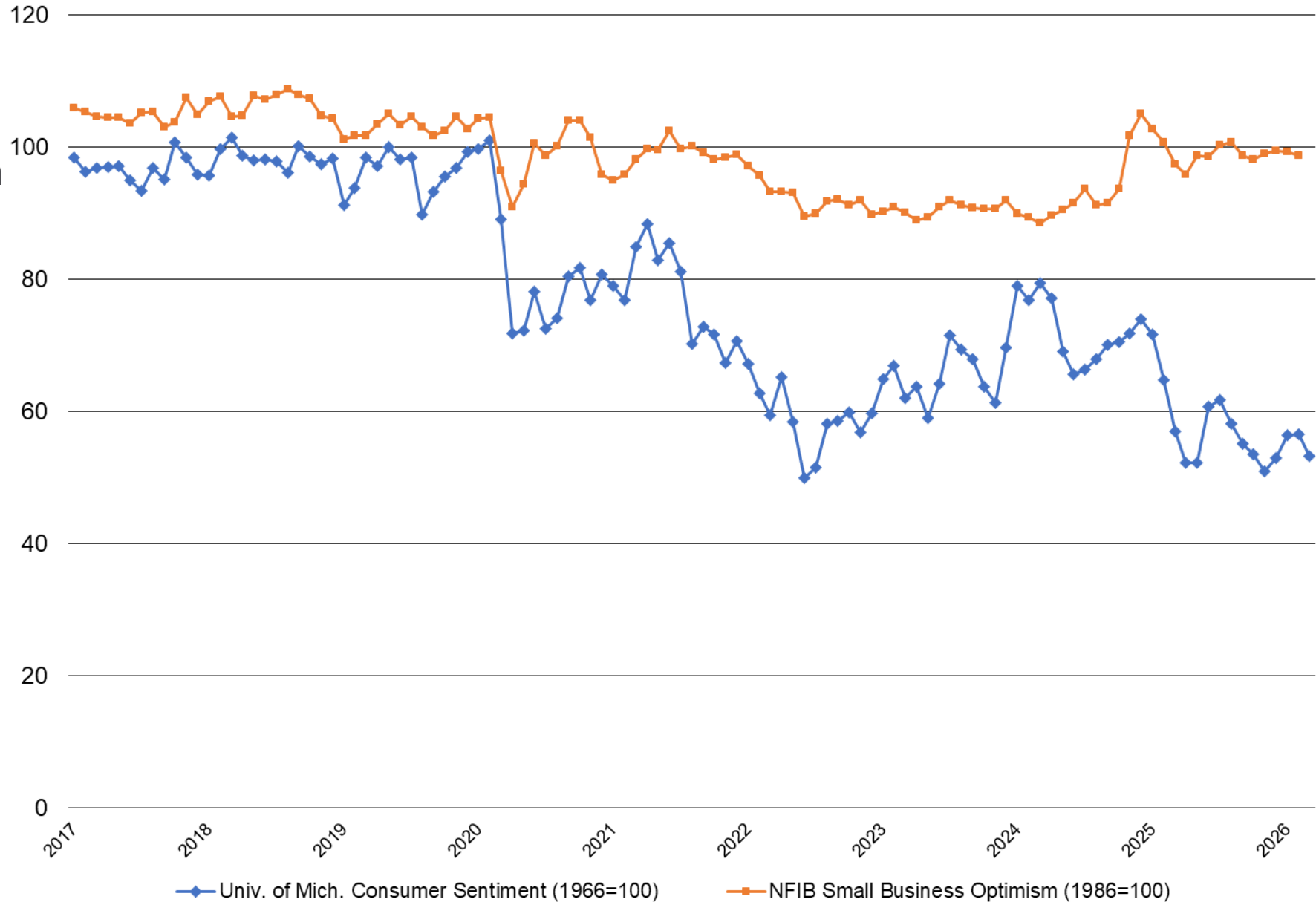
Current FOMC target range  
(as of Mar.):  
3.5% to 3.75%

Median projection for 2026  
from Mar. 2026 Federal  
Open Market Committee  
statement was 3.4%

FOMC participants' assessments of uncertainty and risks around their economic projections



### Consumer Sentiment and Small Business Optimism Indexes



Small business optimism saw a significant decrease in uncertainty in February 2026.

Consumer sentiment was highly responsive to inflation expectations in 2025; March saw widespread declines with around 2/3 of interviews completed after the start of military conflict in Iran.

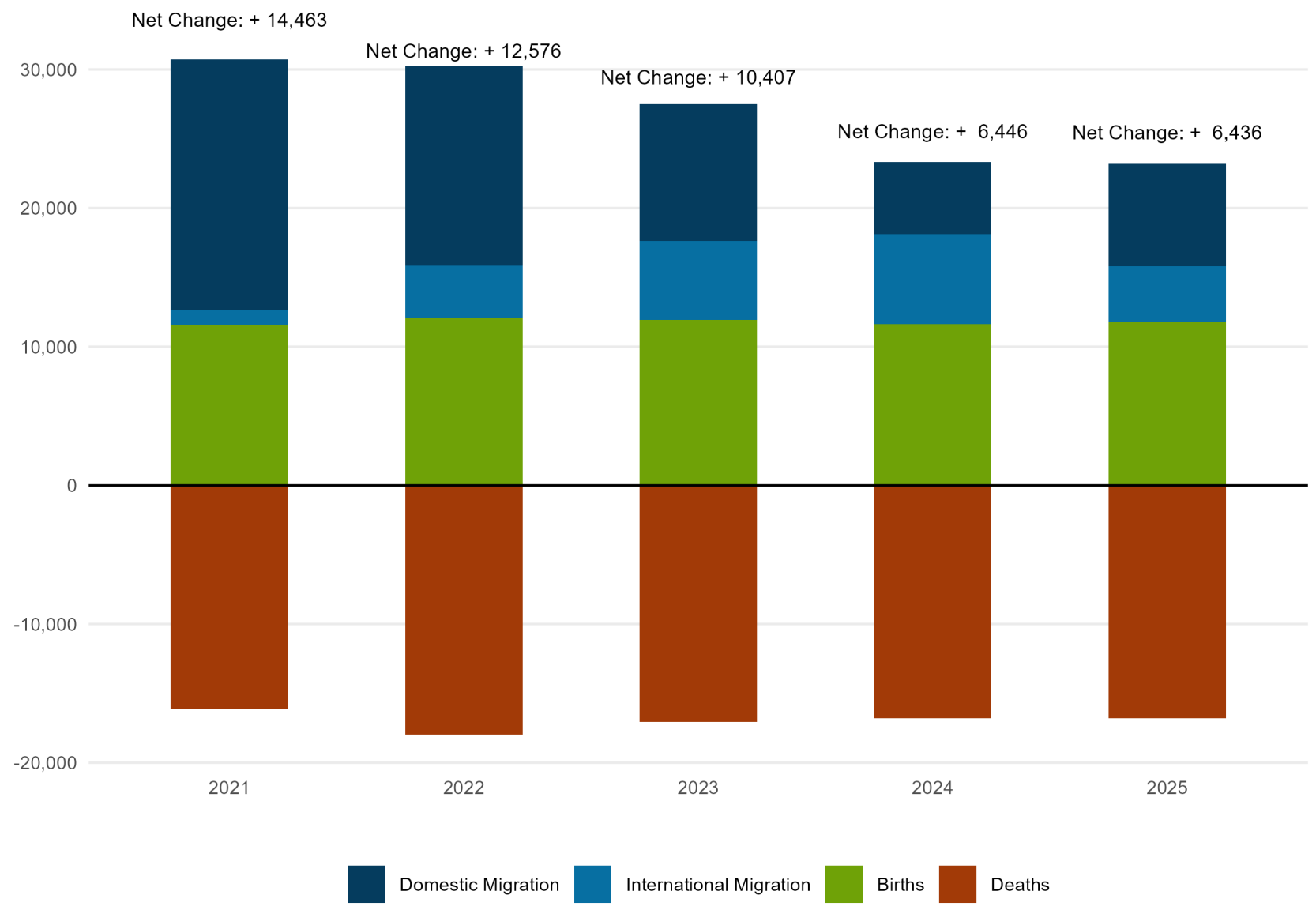
# Population Change and Demographics

2024 Total Population:  
1,414,874

Population increase of  
3.8% from 2020-2025  
(17<sup>th</sup> in U.S.);  
0.5% from 2024-2025  
(25<sup>th</sup> in U.S.)

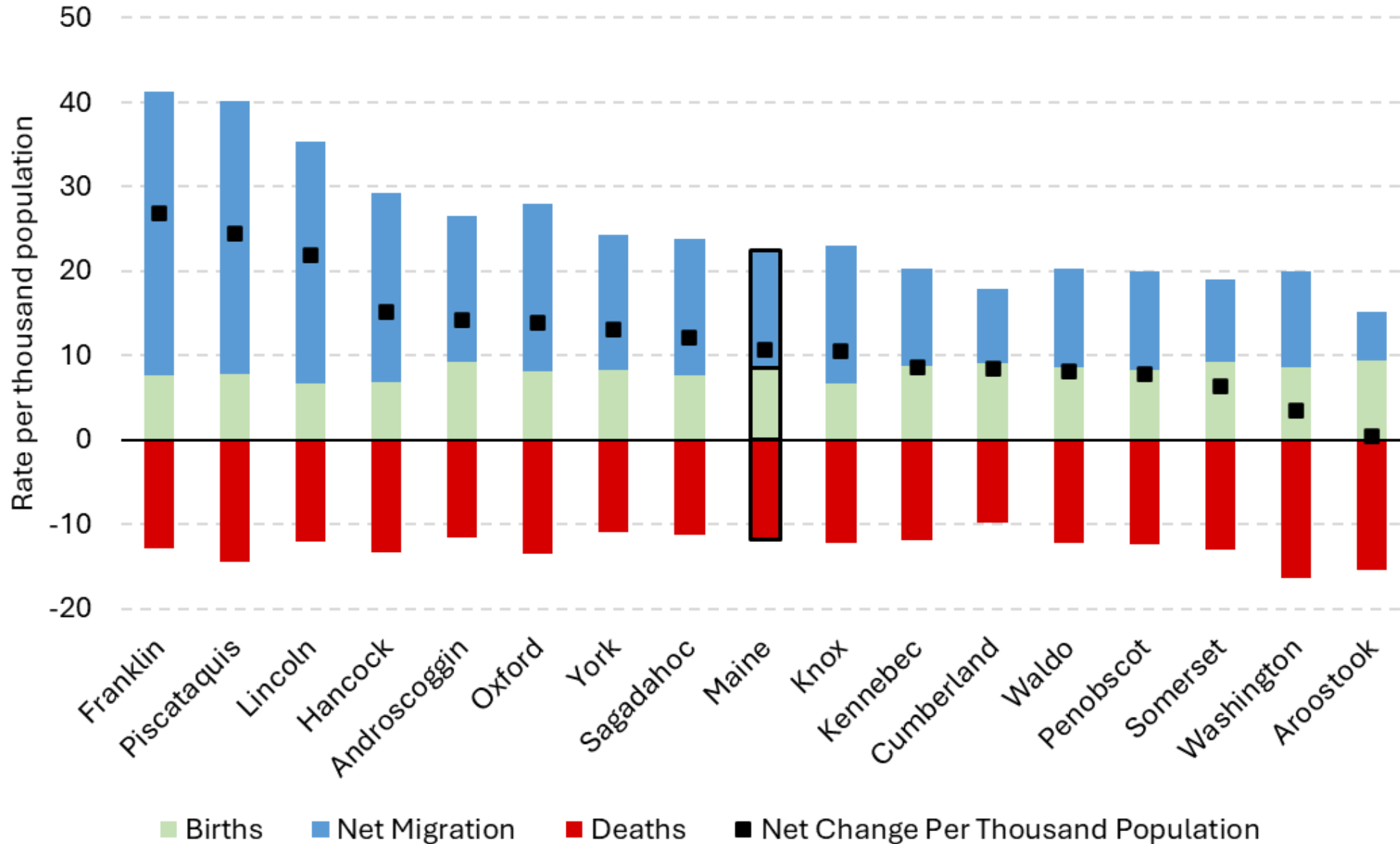
7<sup>th</sup> for total net  
migration and net  
domestic migration  
and 25<sup>th</sup> for net  
international migration  
in 2025

### Components of Maine's Population Change



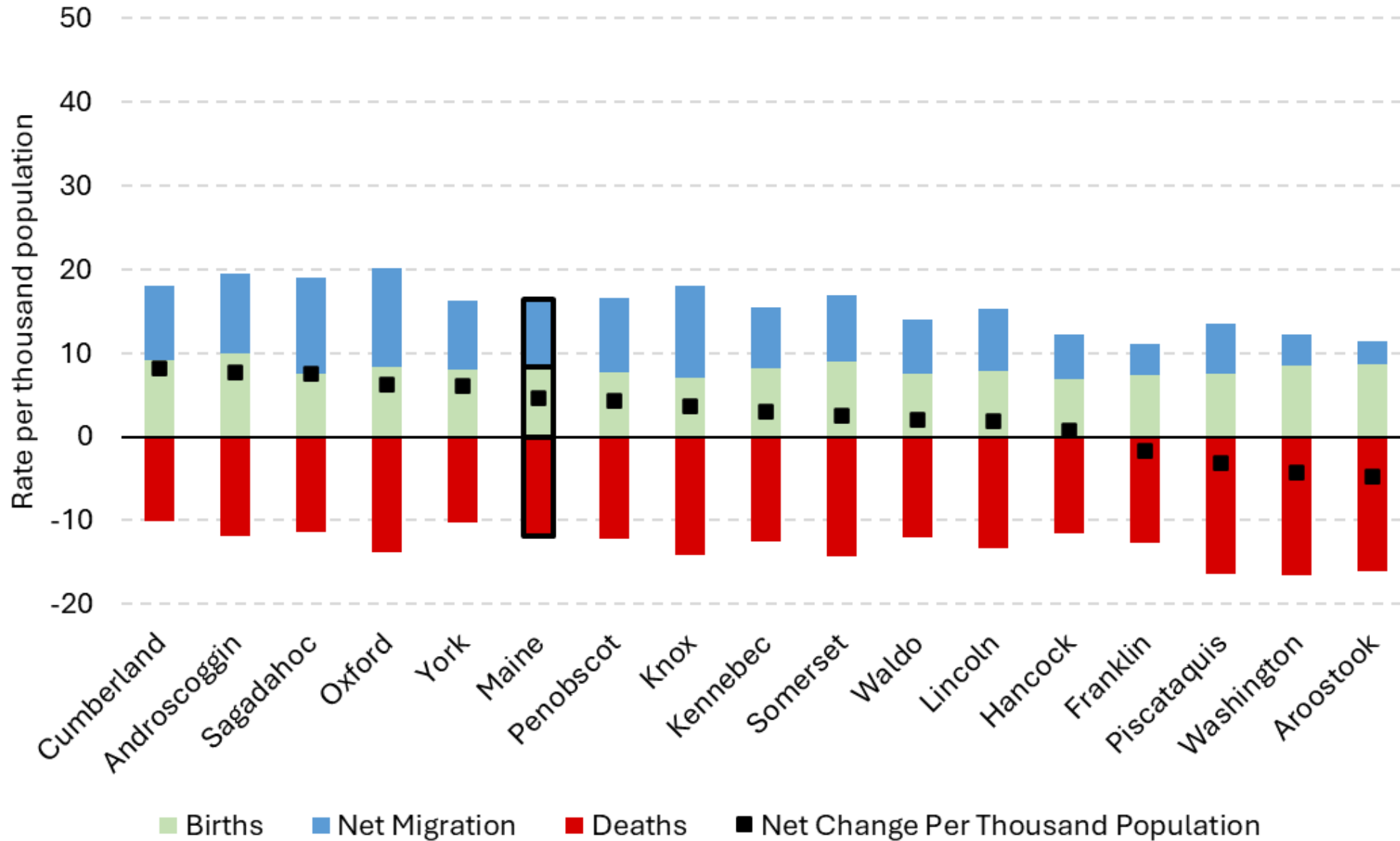
Source: US Census Bureau, Population Estimates Program, 2025 Vintage

## Components of Population Change in Maine, 7/1/2020-7/1/2021 Rate per thousand population



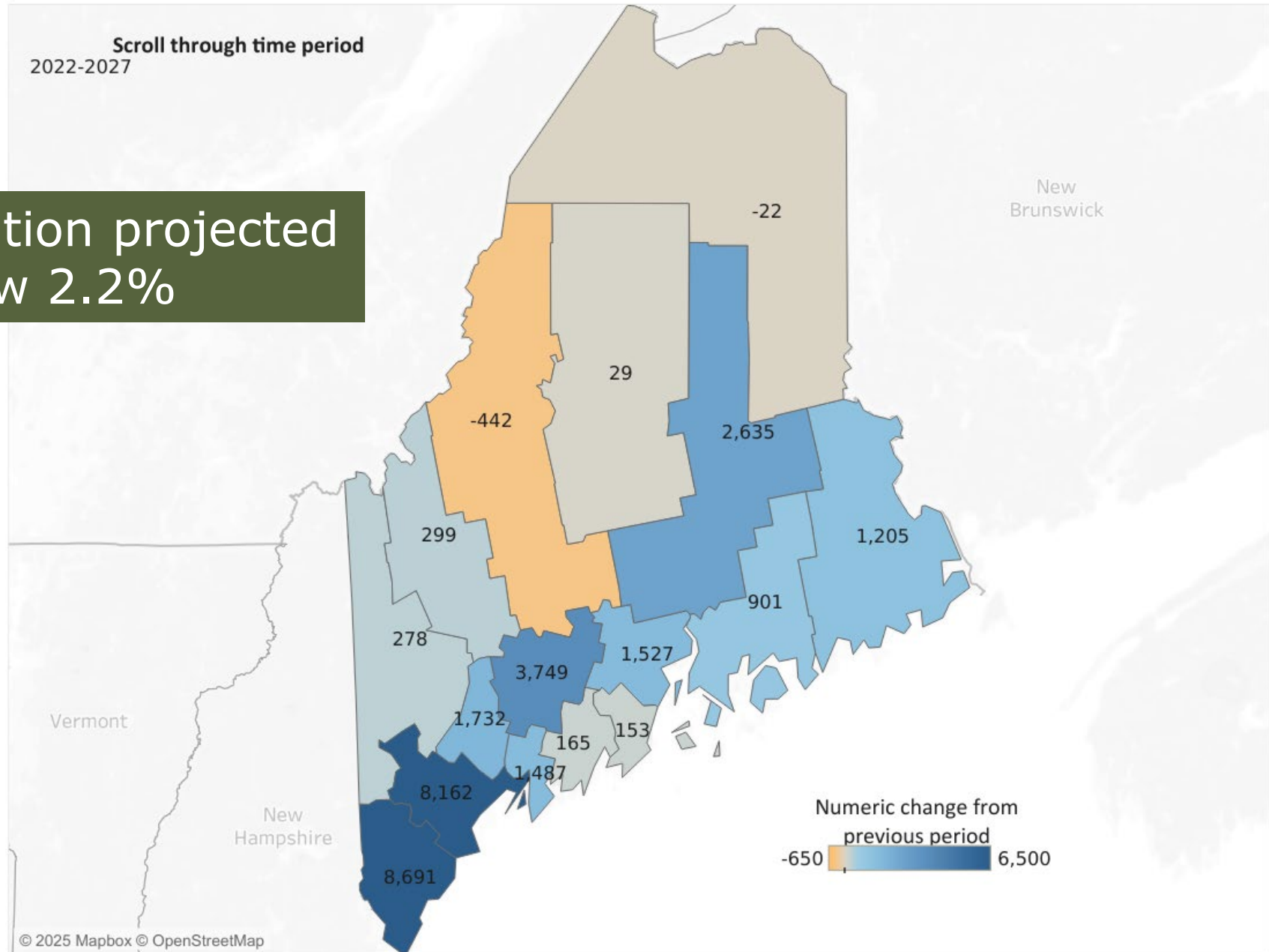
# Components of Population Change in Maine, 7/1/2024 - 7/1/2025

## Rate per thousand population

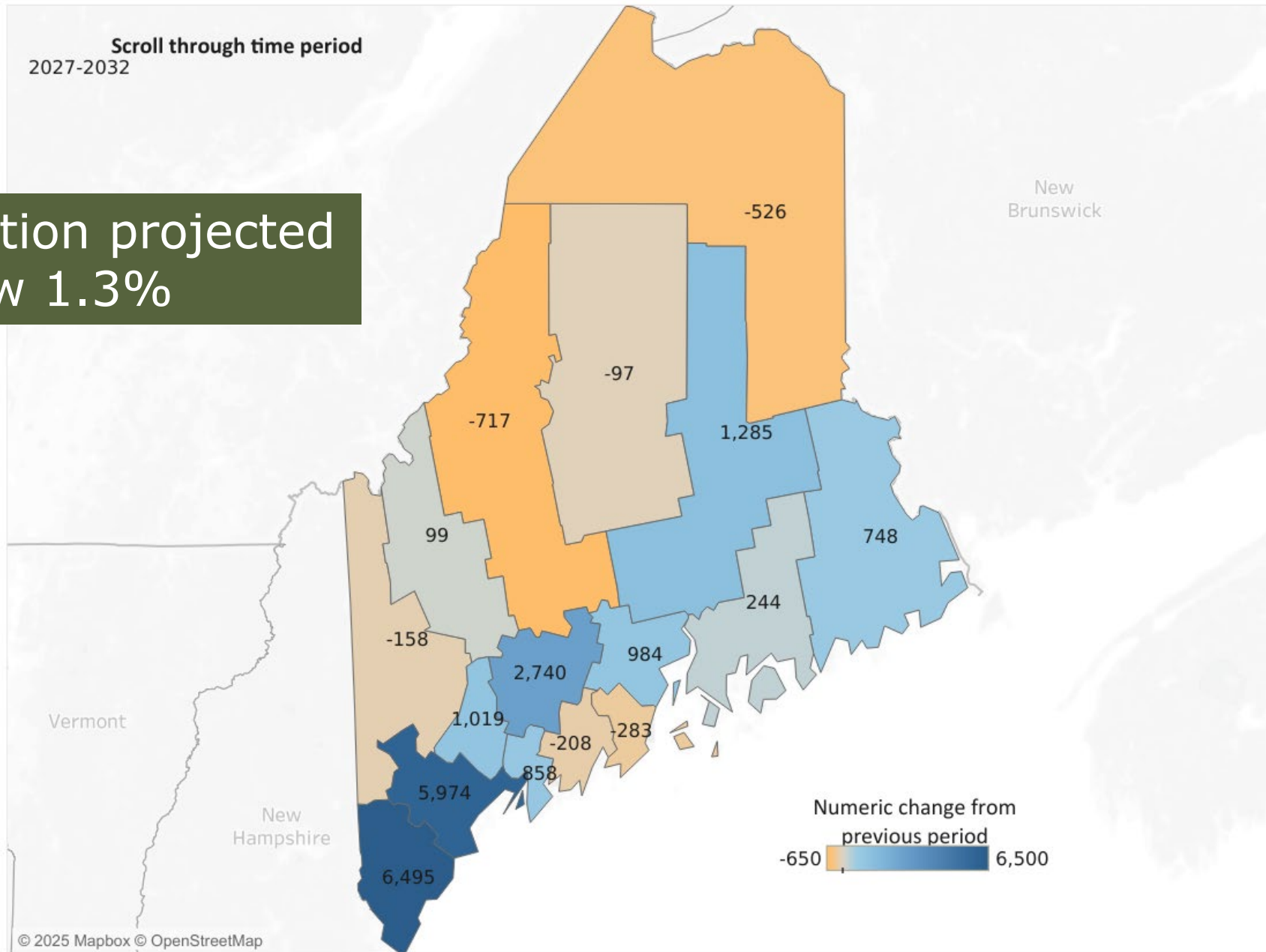


Scroll through time period  
2022-2027

Maine population projected to grow 2.2%

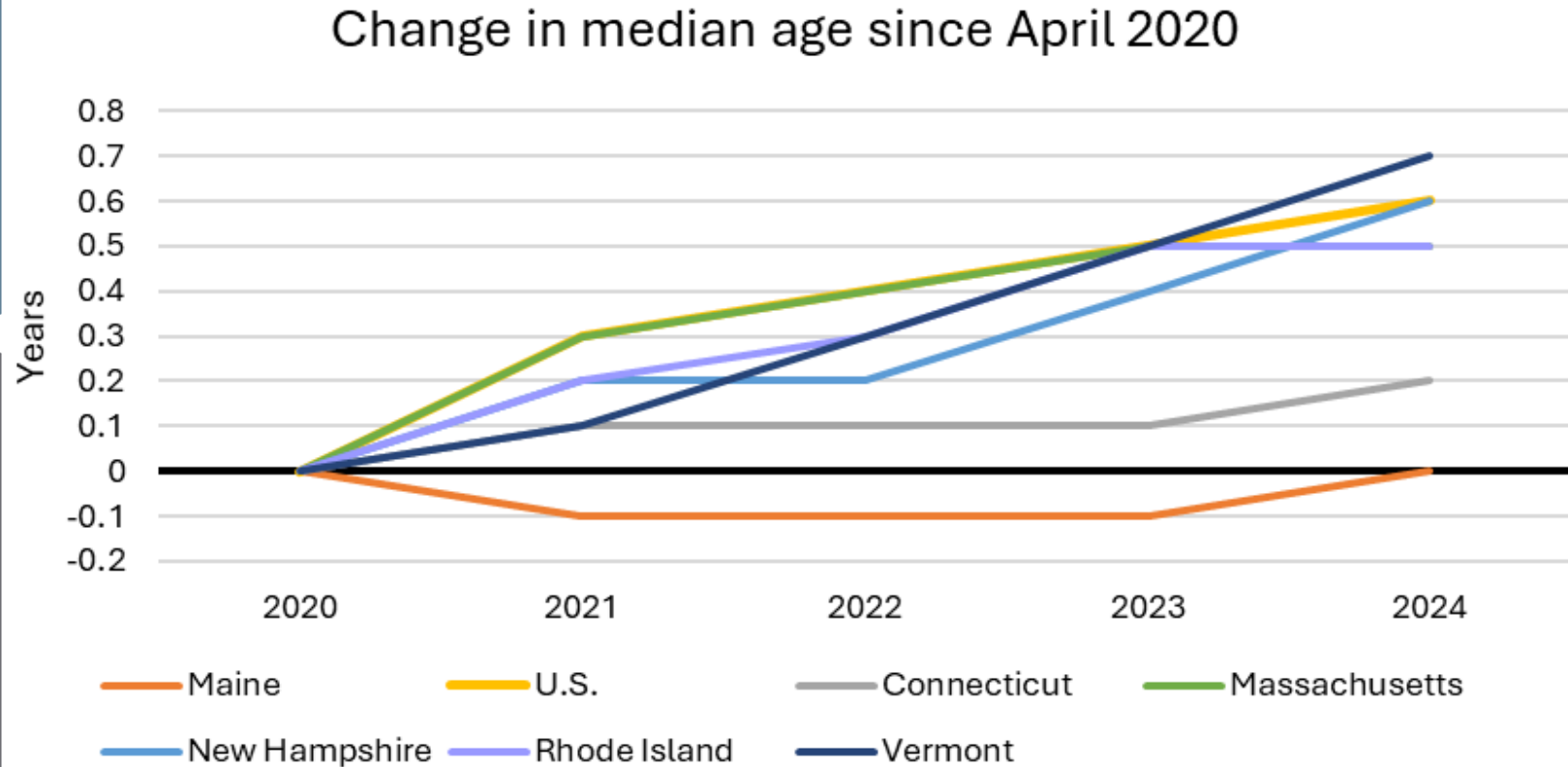


Maine population projected to grow 1.3%



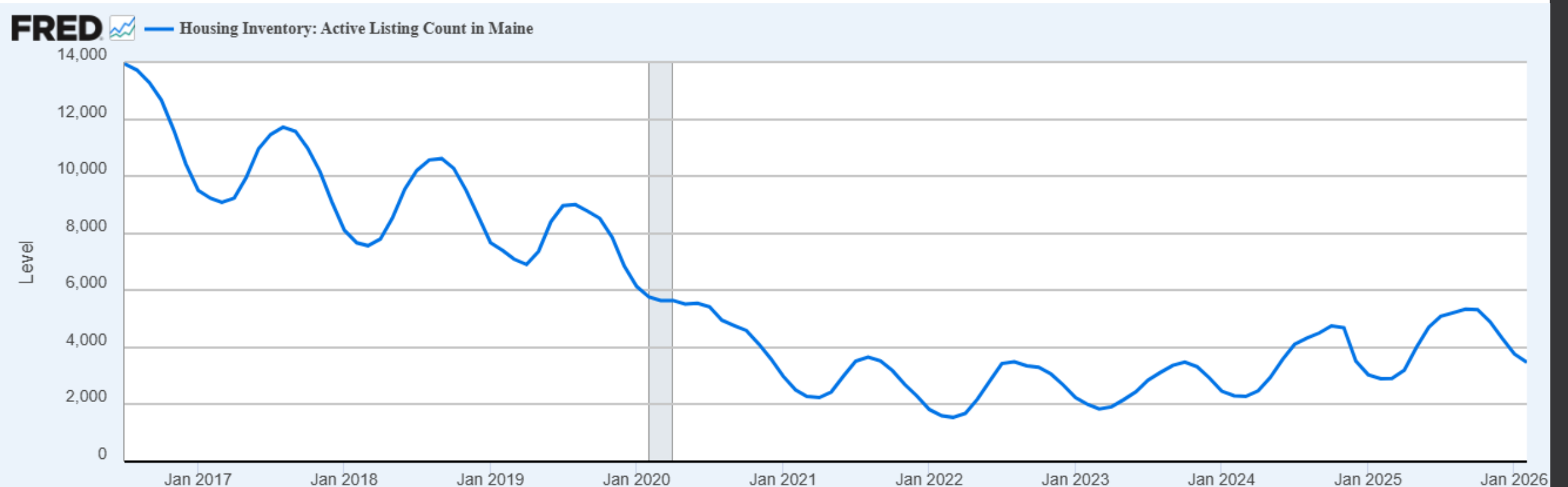
Maine's median age in 2024 is unchanged from 2020, while the U.S. median age has increased 0.6 years

Maine still has the highest median age in the nation at 44.8 years; Vermont and New Hampshire are tied for second at 43.6 years



# Housing

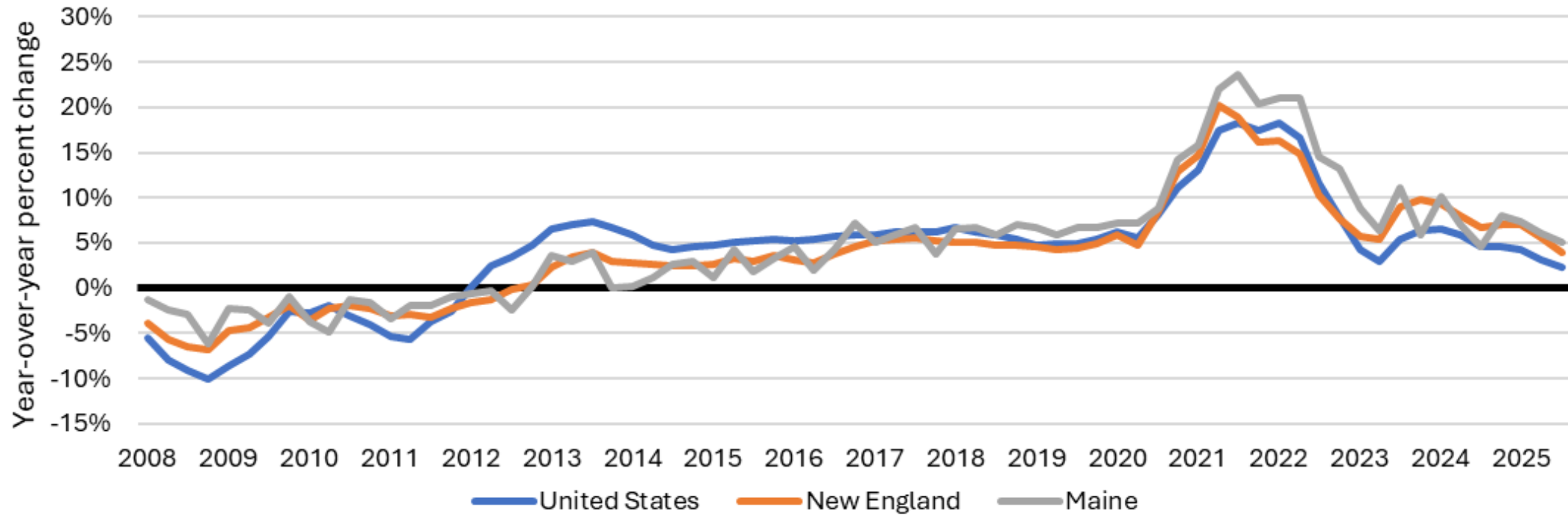
Housing inventory is slowly improving (Feb. 2026 about 20% higher than Feb. 2025), but remains below pre-pandemic levels



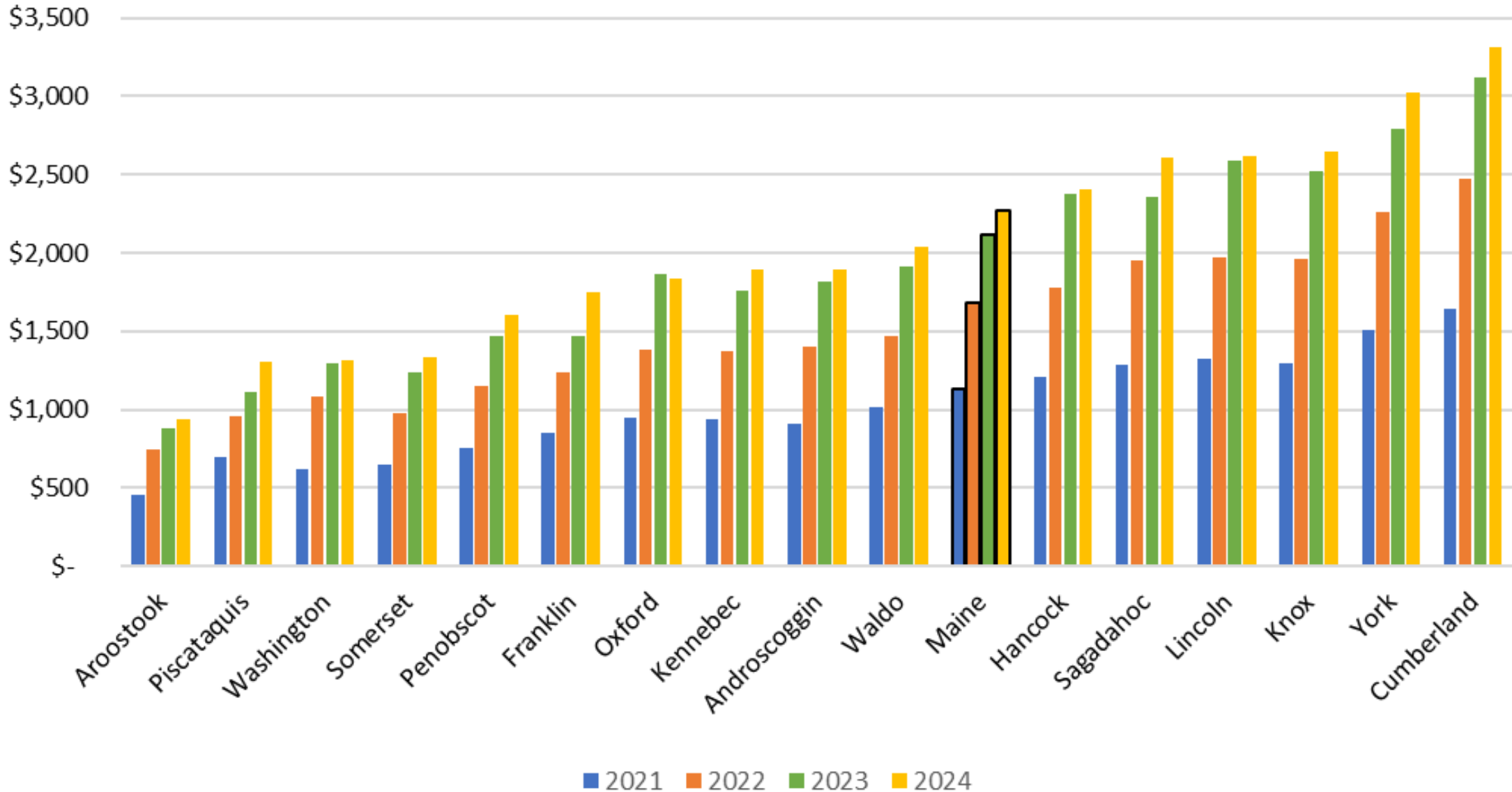
Source: Realtor.com via FRED®  
Shaded areas indicate U.S. recessions.

fred.stlouisfed.org

## Percent Changes, Year-over-year in FHFA House Price Index (Seasonally Adjusted)

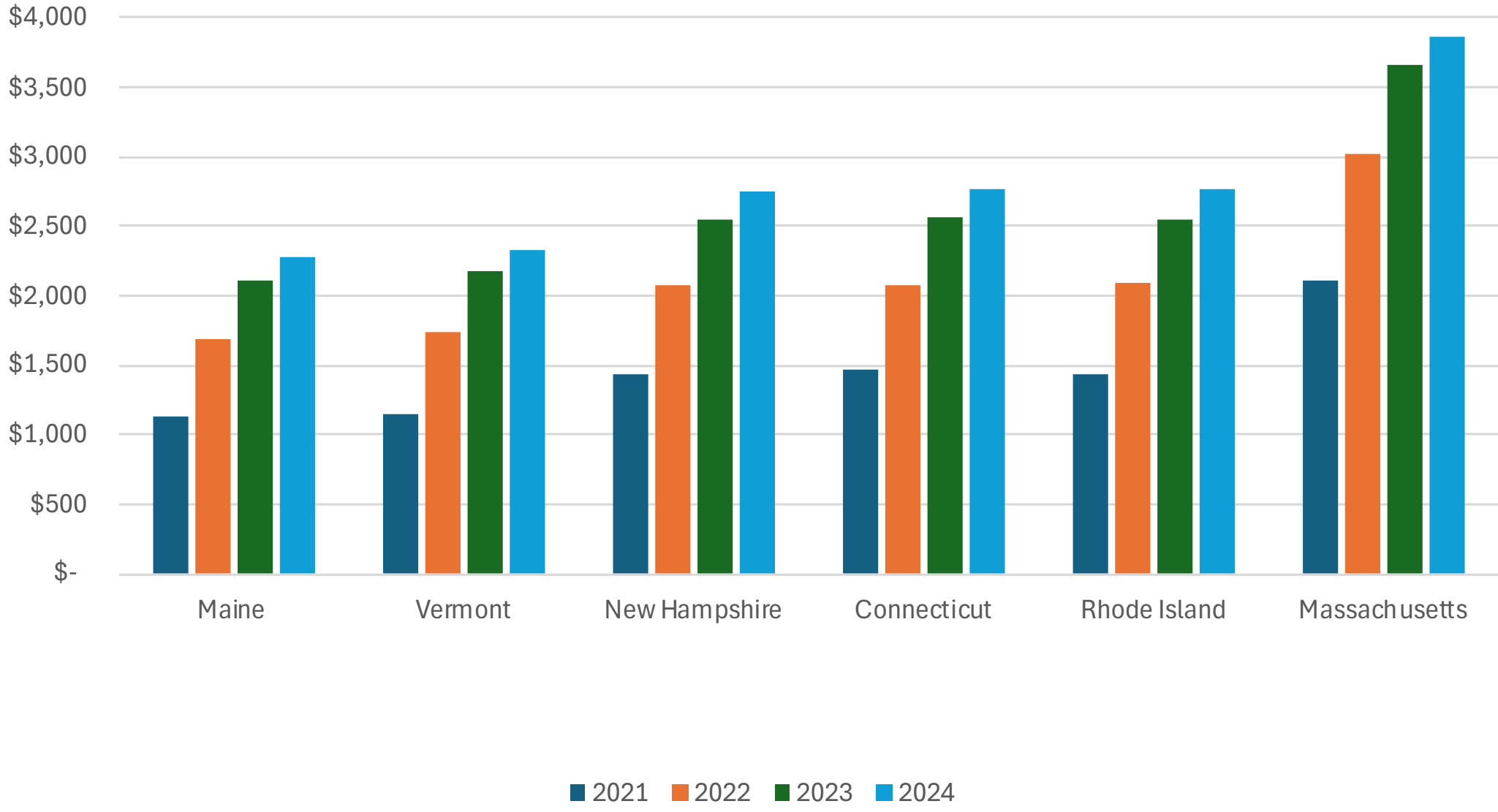


# Monthly Mortgage Payment at the Median Sales Price 2021-2024



Sources: Maine Association of Realtors (median sale prices), FRED 30-year fixed rate mortgage rates, weekly (average of all weeks in the year). Assumes 30-year fixed rate mortgage and 10% down payment on a home at the median sales price.

# Monthly Mortgage Payment at the Median Sales Price 2021-2024



Sources: Moody's Analytics (median sale prices), FRED 30-year fixed rate mortgage rates, weekly (average of all weeks in the year). Assumes 30-year fixed rate mortgage and 10% down payment on a home at the median sales price.

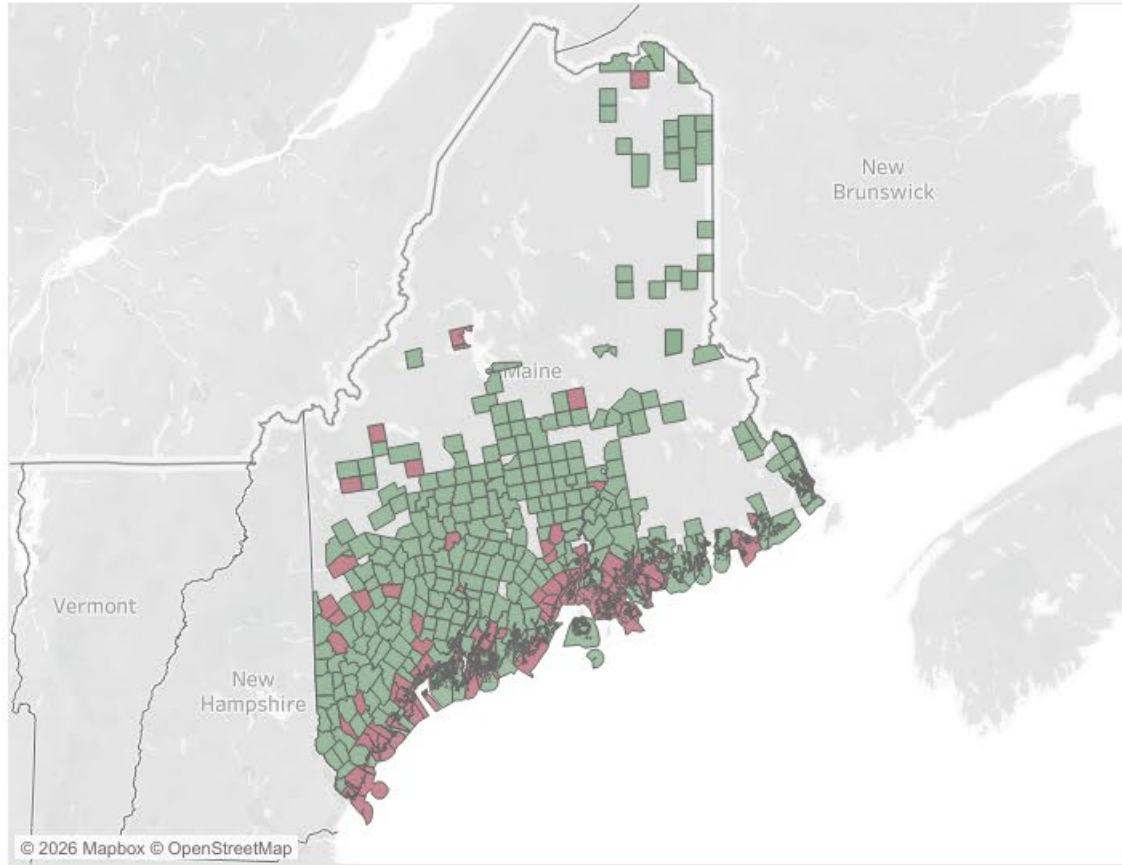
## Homeownership Affordability Maps

Year

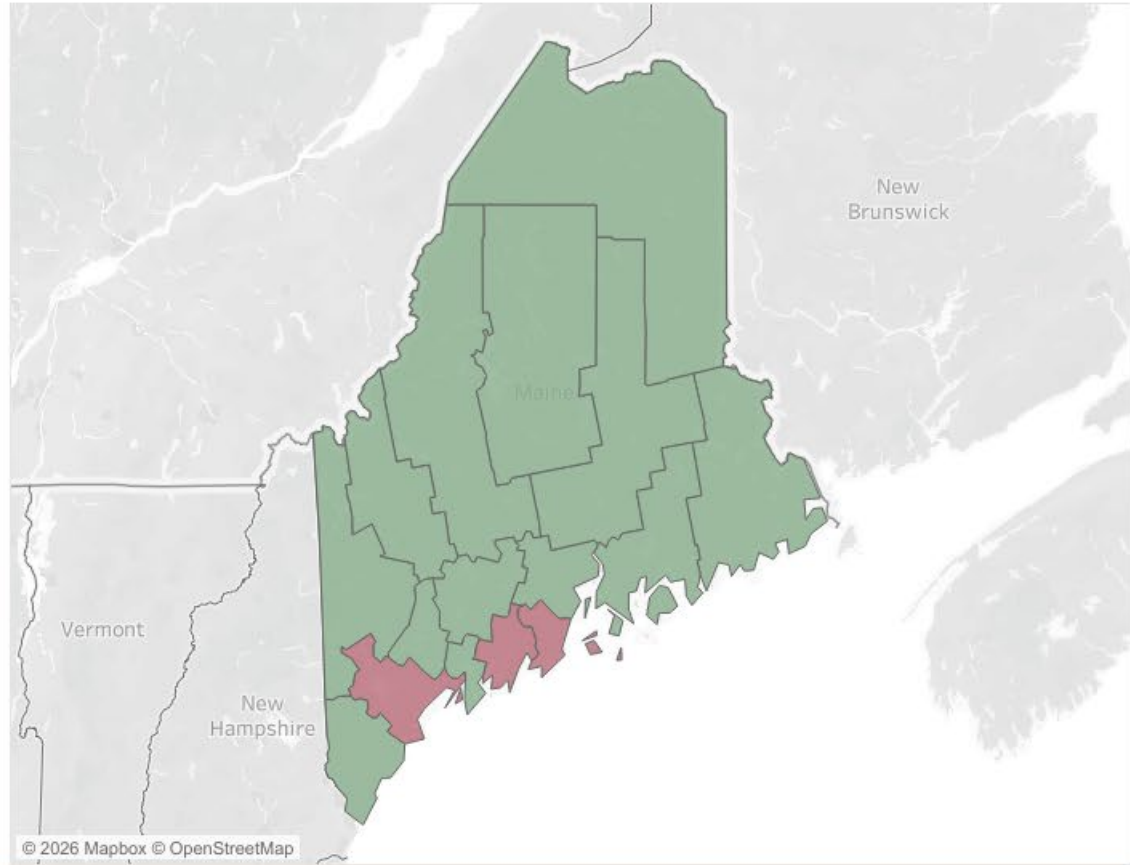
2020

Show history

### Affordability By Town - 2020



### Affordability By County - 2020



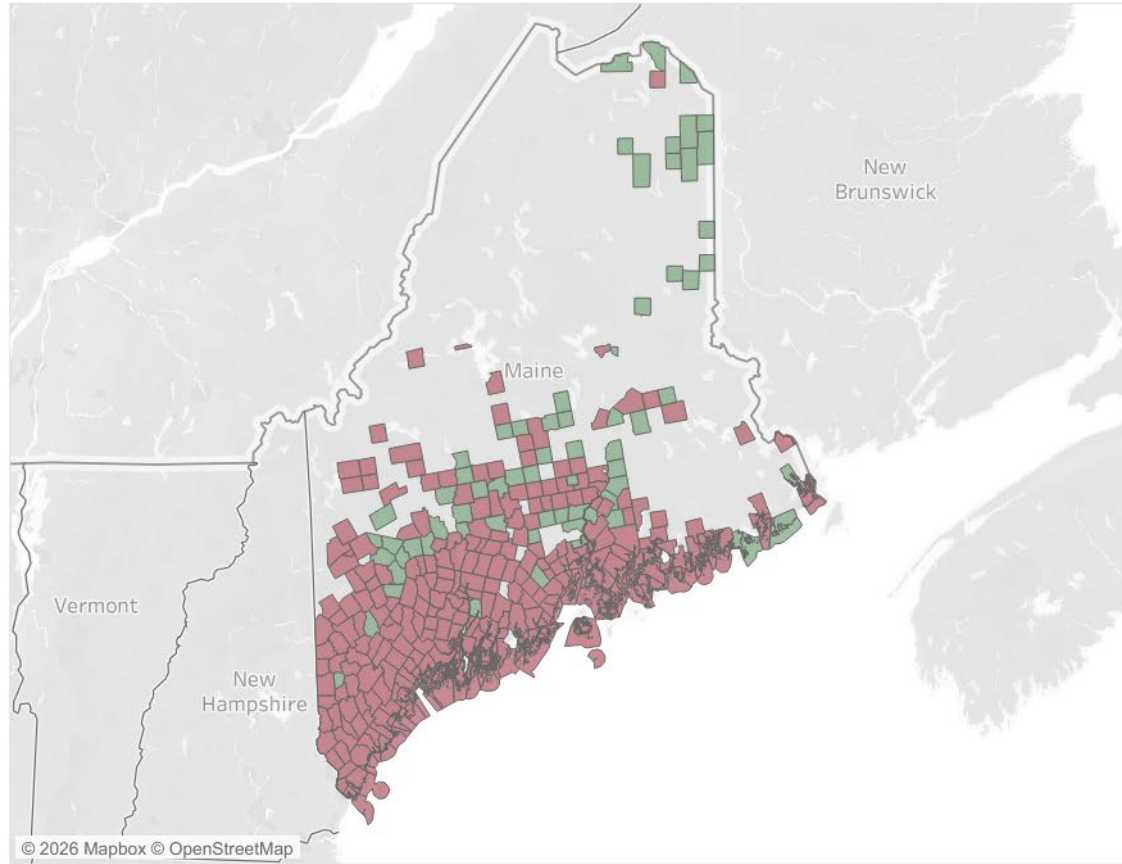
# Homeownership Affordability Maps

Year

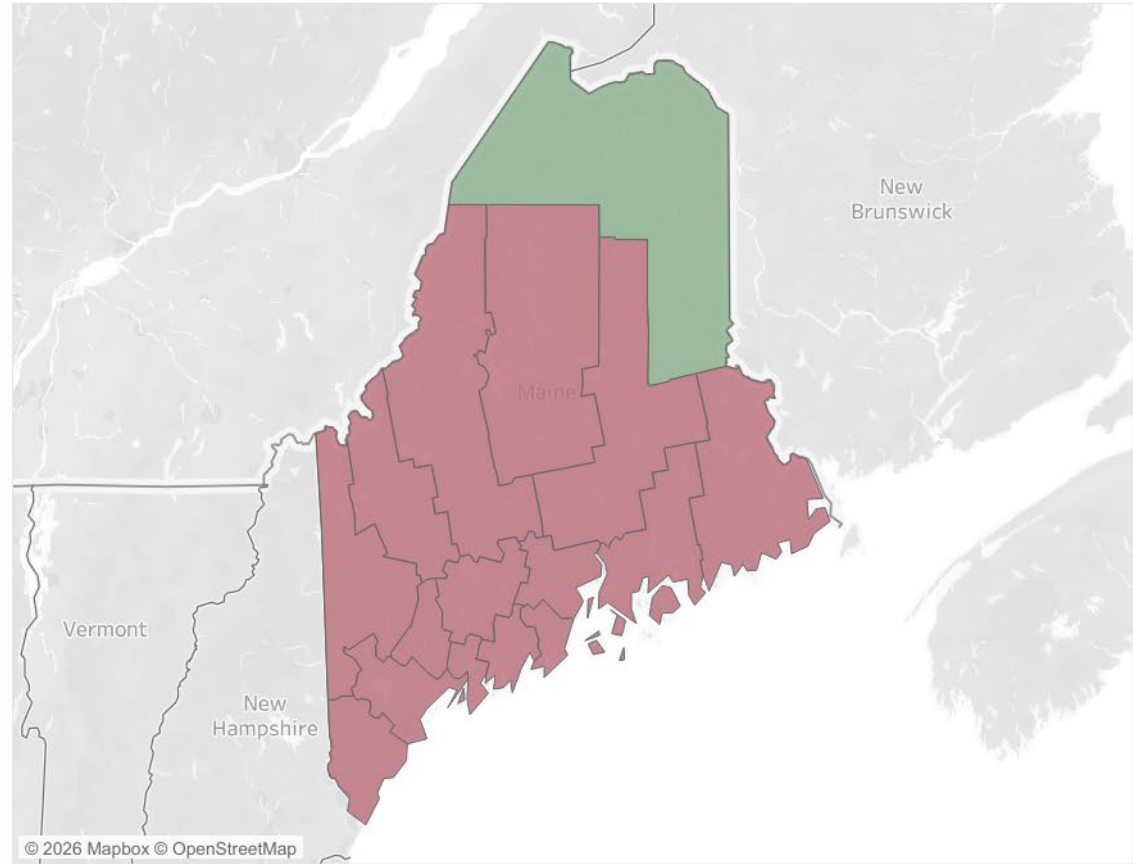
2025

Show history

## Affordability By Town - 2025

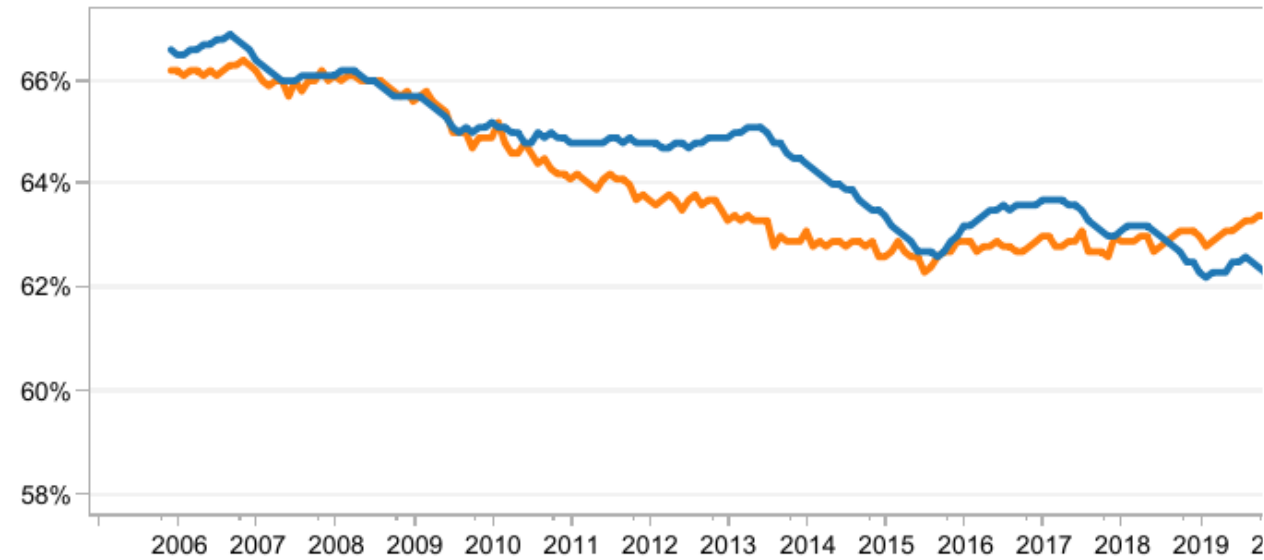


## Affordability By County - 2025



# Labor Force and Employment

### Labor Force Participation Rate (seasonally adjusted)

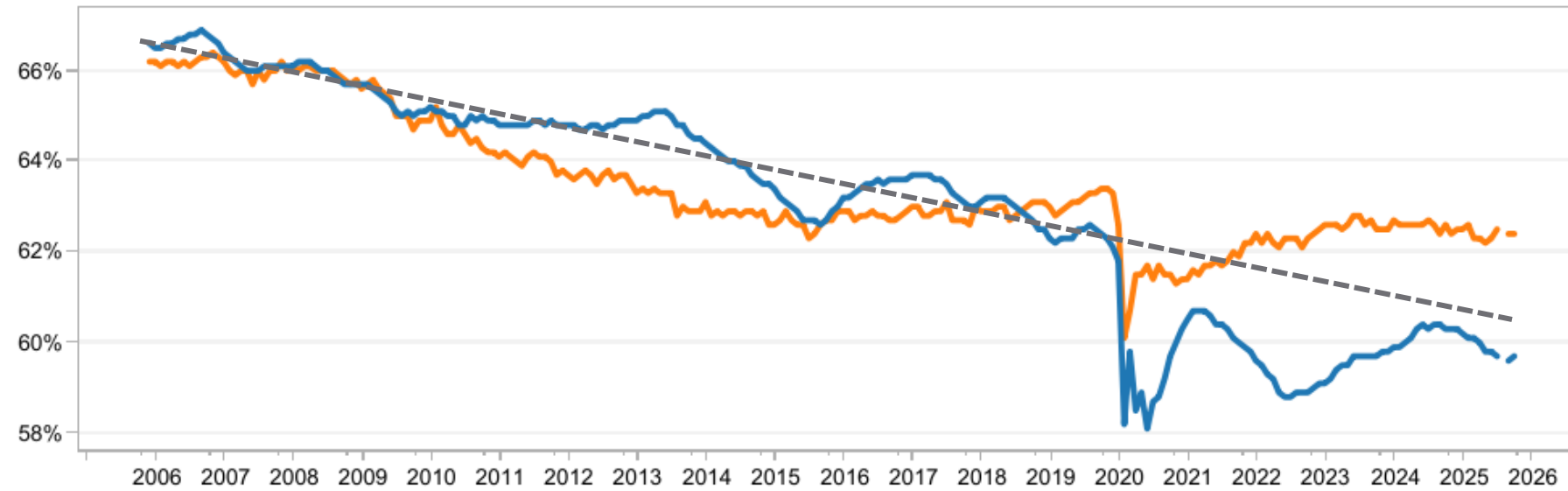


Jan, 2006 to Dec, 2025

- Unemployment Rate
- Labor Force & Employment
- Unemployment
- Labor Force Participation Rate
- Employment to Population Ratio

■ Maine  
■ United States

## Labor Force Participation Rate (seasonally adjusted)

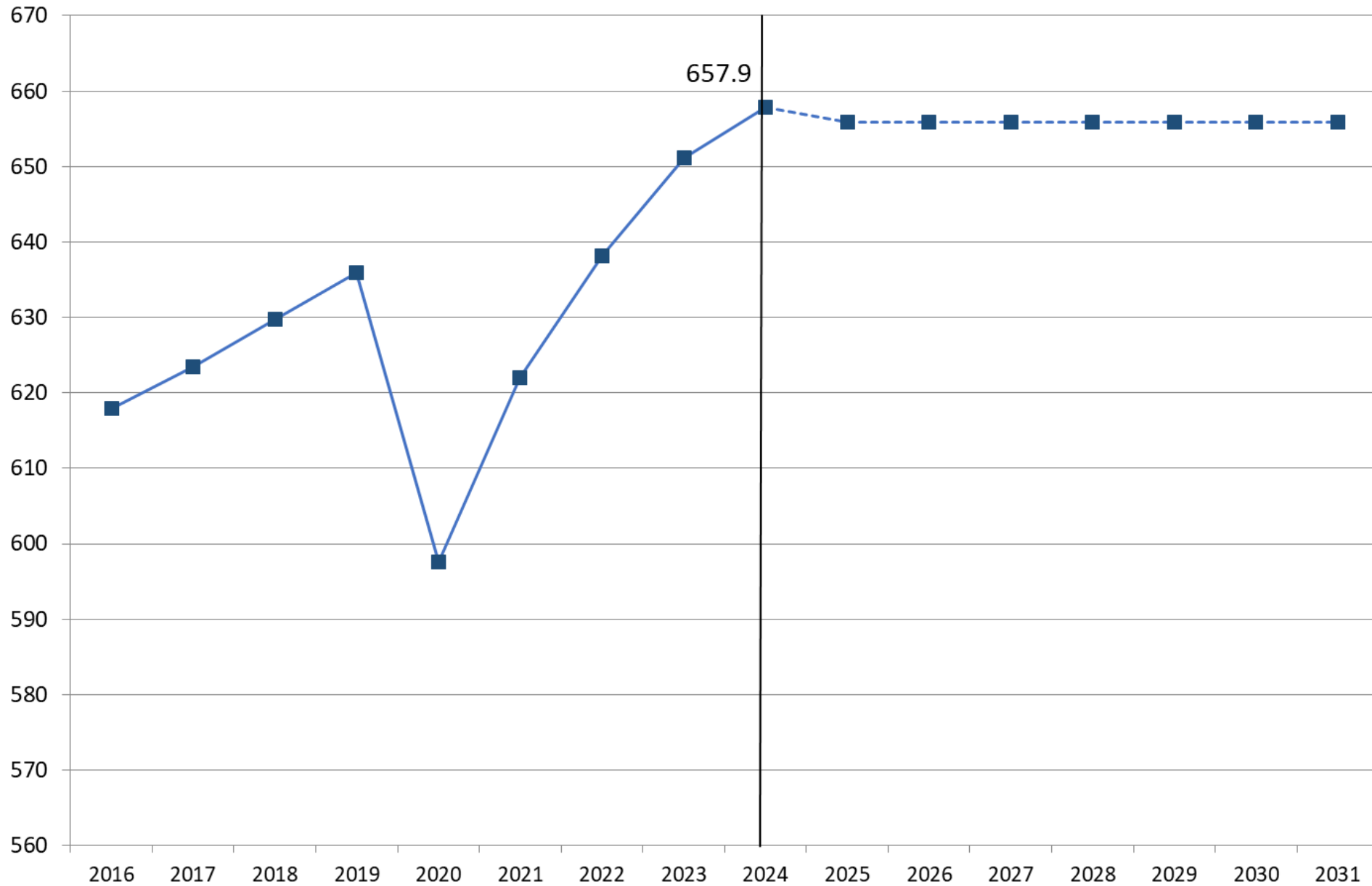


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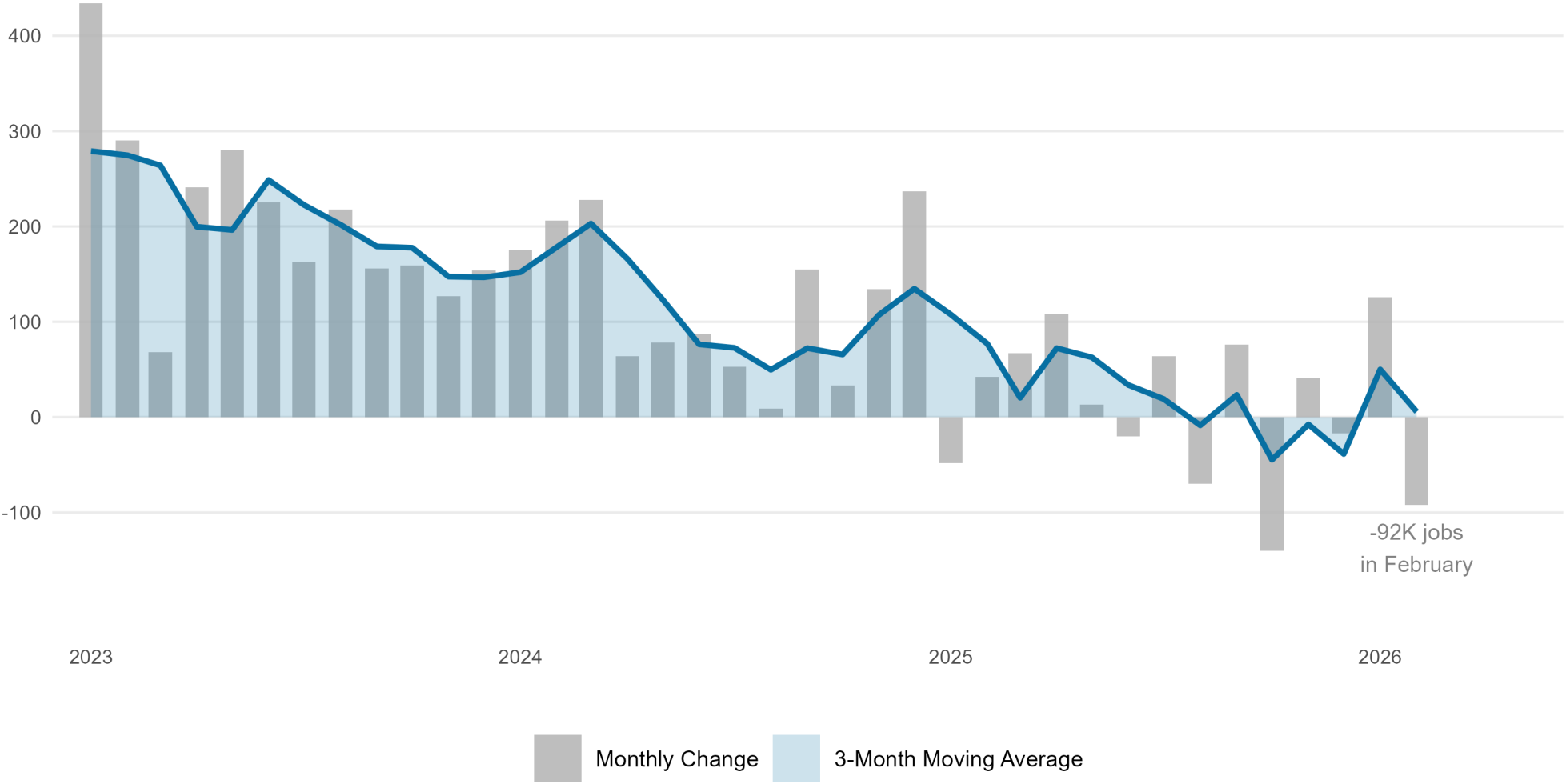
■ Maine  
■ United States

## Total Nonfarm Employment (in thousands) History and Consensus Economic Forecasting Commission forecast



# US Nonfarm Payroll Employment (Seasonally Adjusted)

Monthly Change in Jobs (in thousands)



Source: U.S. Bureau of Labor Statistics

# Maine's seasonally-adjusted unemployment rate of 3.2% in December 2025 was unchanged through the second half of the year

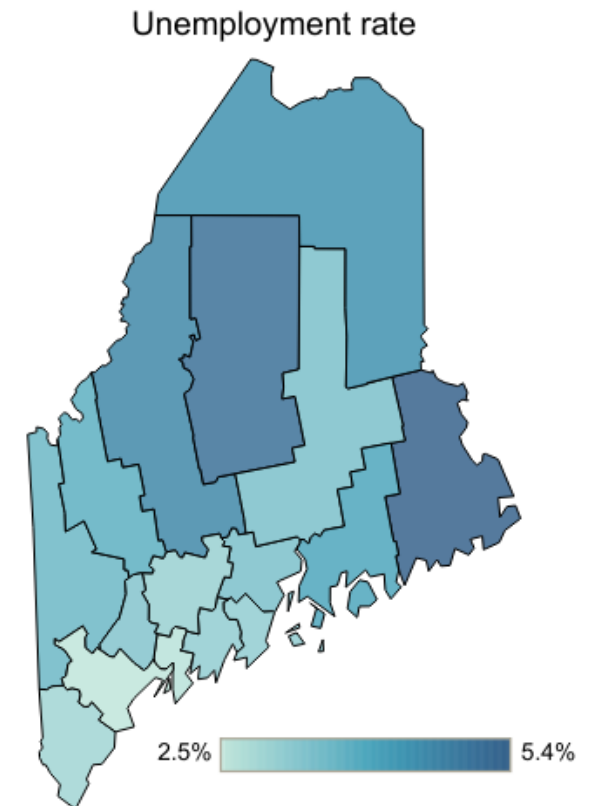
## County Rates (not seasonally adjusted)

December, 2025

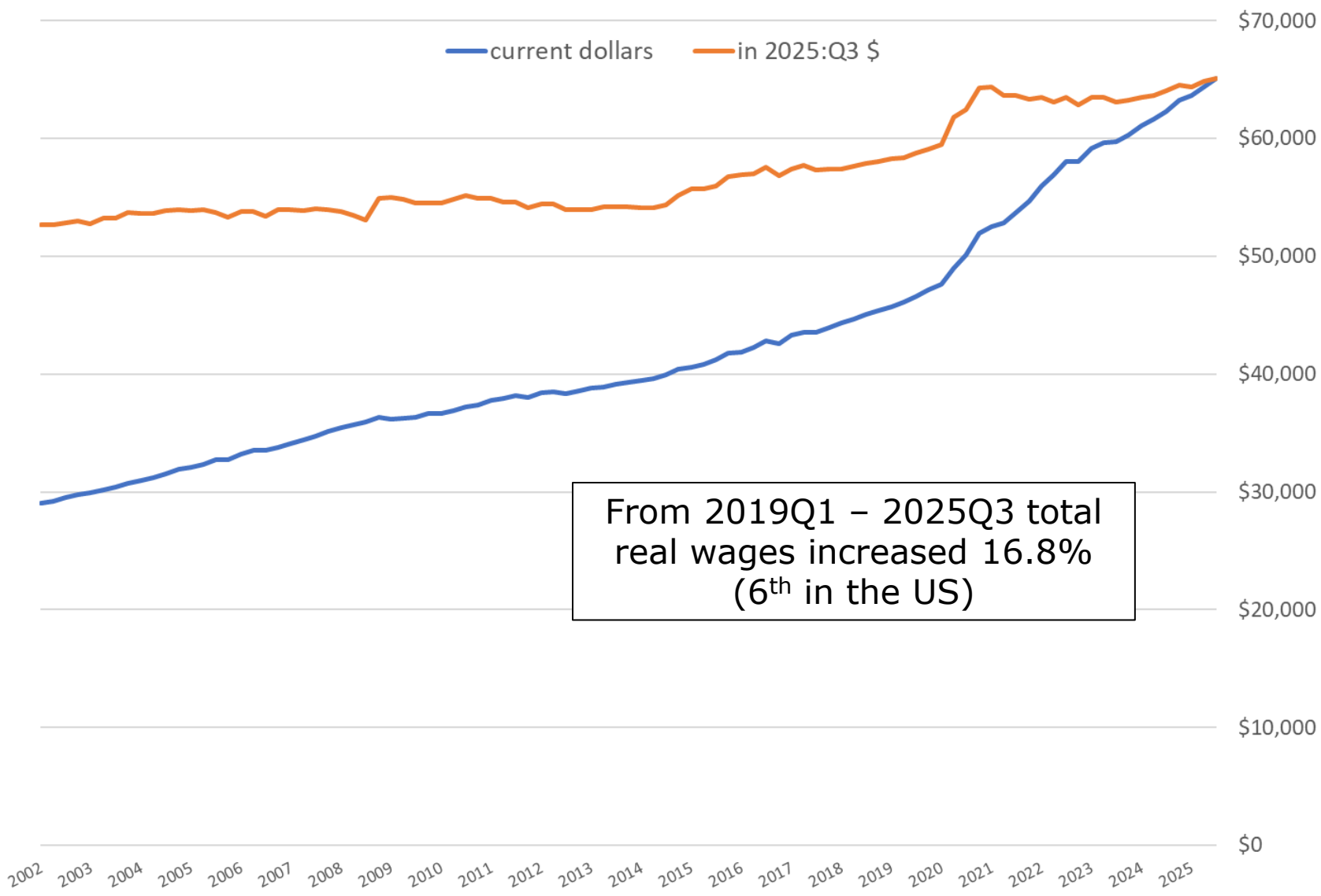
Table  
 Graph

**Map/Graph Display**  
 Unemployment rate  
 One-year change

County	Rate	Year ago	One-yr change
Maine	3.2%	3.5%	-0.3
Androscoggin	3.3%	3.5%	-0.2
Aroostook	4.4%	4.7%	-0.3
Cumberland	2.5%	2.9%	-0.4
Franklin	3.8%	4.2%	-0.4
Hancock	4.0%	4.3%	-0.3
Kennebec	3.0%	3.3%	-0.3
Knox	3.1%	4.1%	-1.0
Lincoln	3.1%	3.9%	-0.8
Oxford	3.6%	4.0%	-0.4
Penobscot	3.4%	3.8%	-0.4
Piscataquis	5.1%	5.6%	-0.5
Sagadahoc	2.6%	3.0%	-0.4
Somerset	4.6%	4.9%	-0.3
Waldo	3.4%	3.9%	-0.5
Washington	5.4%	4.8%	0.6
York	2.9%	3.1%	-0.2



## Moving Four Quarter Average Wage Per Job



Wages increased sharply during the first part of the pandemic; since then, increases have kept pace with inflation

# Things to keep in mind:

- Economic uncertainty is extremely high, particularly related to military conflict in Iran/Middle East, energy prices, and tariffs
- Migration picked up during the pandemic, but the continuation of this trend has been challenged by housing availability/affordability, with federal policy changes slowing international immigration
- Employment growth in Maine is largely limited by labor force availability – increased labor force participation, continued in-migration of younger populations, and increased productivity can help – but employment growth nationally has stalled over the past year

# Contact Information

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