



By ANNA FIORENTINO
Staff Writer

In 2001 Dave Marshall bought a pre-1866 West End Victorian that, with a price tag of \$129,000, looked pretty good on paper, especially to a struggling artist with an income of \$21,000. He chanced a move out of his prime, \$540-a-month Congress Street studio rental, and into a two-unit with 50 years of neglect.

Nestled between what he knew to be a "crack house" and a fraternity house, his new home had 2,000 square feet and more than a few potential code violations.

But Marshall, 23, saw something in nothing and made it his own.

Five years and an estimated \$42,000 later, his home is appraised at \$250,000. In a county where, according to the Maine State Housing Authority, nearly 60 percent of renters can't afford the average two-bedroom monthly rental of \$841, Marshall's home is looking really good.

He pays a measly \$330 mortgage after collecting a reasonable \$630 in rent from his tenant, a fellow artist. It's a generous rental fee that he calls "a contribution to a dying breed of young artists who can't afford to live in Portland."

He's part of a new wave of do-it-yourself generation X- and Y-ers taking on more responsibility than their parents did when they were in their twenties. These young people are pooling together resources to become landlords and gain control over the cost of living in an increasingly pricey urban area.

"A lot of people just getting out of college are investing in real estate. Everyone that I know thinks it's better than the stock market; it's a lower risk because you always have rents coming in," said

Please see **MULTI-UNIT**, Page D2

MULTI-UNIT

Continued from Page D1

Justin Douglass, associate real estate broker at Reali Realty. "Today's young people want to create their own destinies. They know they get what they put into something."

Portland housing costs rose steadily until recently, nearly doubling in price since Marshall invested and making it nearly impossible to find even a condominium for \$129,000. Nonetheless, young people are finding ways to invest. Some are teaming up with each other; some are investing in Westbrook or Lewiston/Auburn, where buildings are half the price of those in Portland; some are taking out low-interest MSHA loans, borrowing from their parents or holding off until real estate prices go down.

"Right now a lot of young people are waiting for a drop in real estate cost to occur, in the next six months to a year," Douglass said.

There are currently 26,000 homes up for grabs in Maine according to the Maine Real Estate Information System, compared to about 18,000 last year. Douglass predicts that if the market continues to flood and adjustable interest rates continue to increase, it will create an ideal situation for young people looking to buy. With higher adjustable interest rates, some owners are likely to sell, flooding the market even more. That, he said, will lead to more

RESOURCES

LOANS

■ Maine State Housing Authority: www.mainehousing.org

RENOVATION ADVICE

- www.renovatorsplace.com
- www.denvergov.org/Home_Improv_Guides
- www.styleathome.com
- www.letsrenovate.com
- www.homeplan-it.com

affordable prices for multiunits and condos.

Dan Simpson, public information manager for MSHA, said the program granted nine first-time home buyer loans to those investing in multi-units in Cumberland County in 2004, 10 in 2005, and seven as of June this year.

"That's probably about half of what we will end up making this year," Simpson said, noting that his figures don't account for young people who don't go through a first-time home buyers program.

At 23, Marshall qualified for a first-time home buyers loan and an additional \$5,000 to get his new Pine Street handful up to code. Over time the entire neighborhood slowly improved. State authorities moved in on the drug problems next door, and a developer bought the house, sunk money into improvements and sold the units as condos for \$200,000 each.

Marshall spent \$5,000 to \$10,000 every year to get the rundown house looking like new. It took reading up on the Internet about electrical, carpentry and plumbing systems, help

from his friends, and endless hours of hard work.

He gutted one of the bathrooms and exposed hidden brass piping, sanded the floors, and replaced panelling with drywall and electric heat with natural gas.

It wasn't easy.

He ripped down a dropped ceiling and unveiled intricate brick work in the living room.

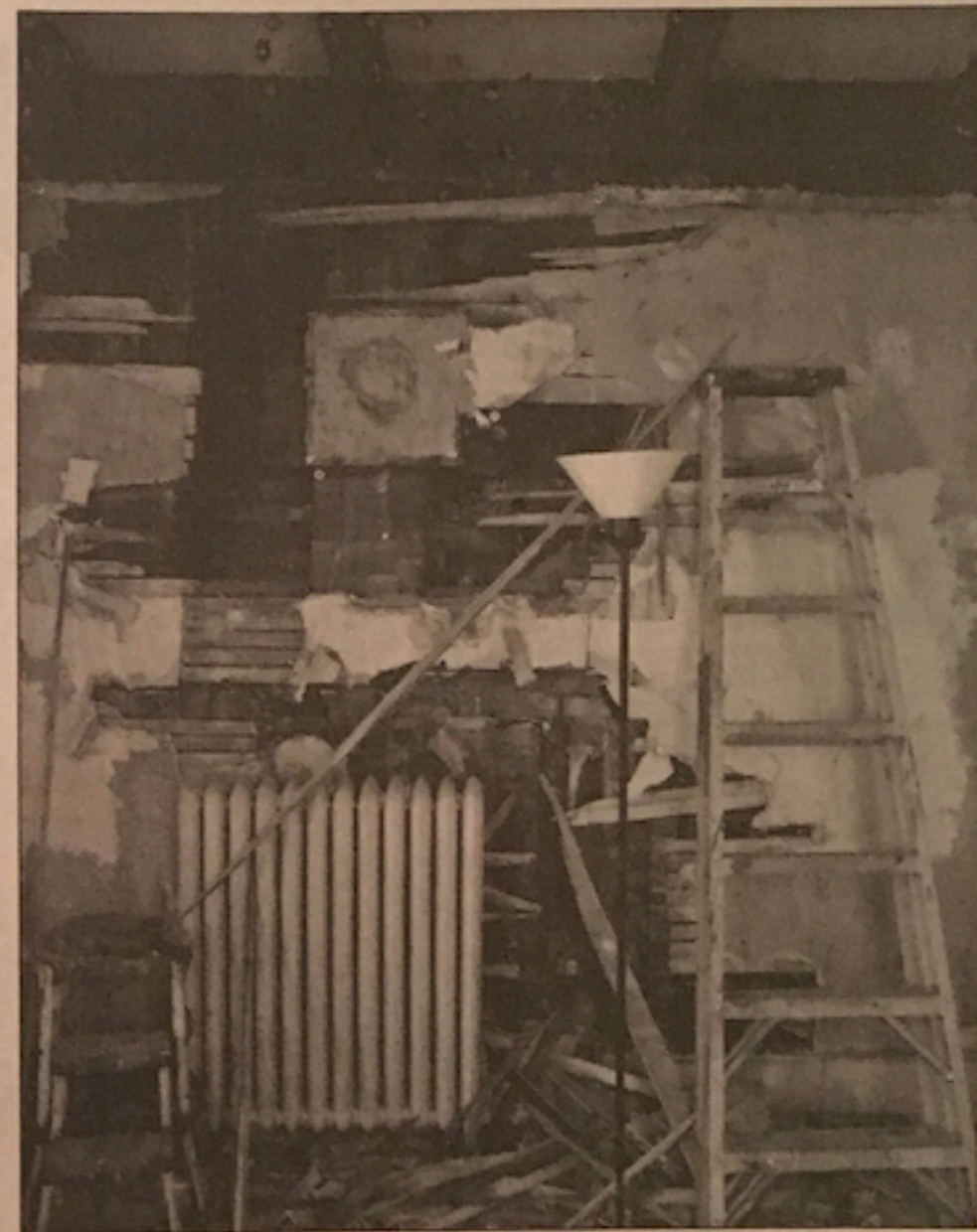
"I pulled off the lathe and dry wall and saw the bricks of a Rumford fireplace with a bread baking oven built into it, used for efficiency leading up to the American Revolution," he said. "They were trying to avoid using British coal."

Though he was excited learning about the history of his home, and though he avoided the cost of reconstructing the chimney, Marshall paid for a natural gas stove and the costs of attaching the flue pipe to the mouth of the chimney on the roof.

"I wasn't about to start jack hammering," Marshall said. "Anytime you get into a little project, you are opening up a can of worms."

Douglass, the associate broker, said one investor he worked

HERALD



David Marshall took this mid-demo photo during renovations of the front room at his Pine Street multiunit.

with insisted on doing the work himself, and in the process of installing new appliances managed to ruin the pipes.

"My advice is hire a contractor you trust unless you want to work all hours and until 3 a.m.," Douglass said. "A lot of people try to do renovations themselves and it becomes a disaster."

But despite Marshall's prob-

lems along the way, he has managed to make his home beautiful and eke out the financially manageable lifestyle of an artist.

"I learned it all on the fly and it paid off," he said.

Staff Writer Anna Fiorentino can be contacted at 791-6330 or at: affiorentino@pressherald.com