

Southern Maine  
Commercial Real Estate  
Current Market Conditions 2011 Mid-Year Report

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# Greater Portland: Office Market Statistics

## Mid-Year Review

- A trend is over - since 2006 vacancy has grown at an average annual pace of 1.9%
- Greater Portland Office Vacancy - 11.78%, down by almost 1 point from year-end 2010 of 12.65%
  - ❖ Downtown Class A down 2.14% (The Bank of Maine, Stonecoast)
  - ❖ Suburban Class B down 1.63% (Sale at 100 Waterman Drive)
- Net absorption of 1.0% (.75% downtown, 1.25% suburban)
- 155,000 sq. ft. of Shadow Space possible to impact year-end vacancy
- With addition of 254 Commercial Street and PA Move, vacancy Closer to 13.25%
- Large Tenants Circling

# Office Market

## Recent Activity

### Sales

❖ 155 Gannett Drive	South Portland	\$3,650,000
❖ 100 Waterman Drive	South Portland	\$1,650,000 & \$895,000
❖ 443 Congress Street	Portland	\$1,600,000

### Leases

❖ Cole Haan	6 Ashley Drive, Scarborough	38,390 $\pm$ sf
❖ Community Counseling Center	165 Lancaster Street, Portland	33,074 $\pm$ sf
❖ Carbonite	24 Mollison Way, Lewiston	22,592 $\pm$ sf
❖ Stone Coast Fund Services	Two Canal Plaza, Portland	22,253 $\pm$ sf
❖ Maine General Medical Center	25-33 Stone Street, Augusta	17,870 $\pm$ sf
❖ The Bank of Maine	Two Canal Plaza, Portland	16,355 $\pm$ sf
❖ Vertafore, Inc.	510 Congress Street, Portland	12,637 $\pm$ sf
❖ Troubh Heisler	511 Congress Street, Portland	11,523 $\pm$ sf
❖ I-Many, Inc.	511 Congress Street, Portland	10,700 $\pm$ sf

# Office Market

## Major Vacancies

❖ 300 Southborough Drive	South Portland	95,000 ± sf
❖ 390 Congress Street	Portland	84,000 ± sf
❖ 2 Portland Square	Portland	36,000 ± sf
❖ 600 Sable Oaks Drive	South Portland	35,000 ± sf
❖ 71 US Route One	Scarborough	33,000 ± sf

## Trends

- ❖ Free Rent
- ❖ Blend & Extend
- ❖ Reduced Rates
- ❖ Consolidations



# Industrial Market

## Recent Activity

### Sales

❖ Goodwill Industries of NNE	34 Hutcherson Drive, Gorham	142,484 ± sf
❖ Investor, then GSA Concrete	7 Oxford Homes Lane, Oxford	60,000 ± sf
❖ Alpine Realty Group	1 Rice Street, Portland	58,000 ± sf
❖ Candew, LLC	299 Presumpscot Street, Portland	40,000 ± sf
❖ Bay Cove LLC	170 Anderson Street, Portland	34,164 ± sf

### Leases

❖ Cuddledown	70 Quarry Road, Portland	90,400 ± sf
❖ Architectural Woodworkers	15 Saunders Way, Westbrook	15,150 ± sf

### Major Vacancies

❖ 765 Warren Avenue	Portland	157,000 ± sf
❖ 90 Spencer Drive	Wells	150,000 ± sf
❖ Moss Facility	Belfast	61,096 ± sf (U/C)
❖ 2-4 Gendron Drive	Lewiston	40,000 ± sf
❖ 1173 Riverside Street	Portland	34,200 ± sf

### Trends

- ❖ Low rates
- ❖ Great owner/user deals
- ❖ 20% reduction in value from 2006



# Retail Market

## Recent Activity

### Sales

- ❖ Charles River Former Office Depot, S. Portland 20,000 ± sf
- ❖ E&R Maine Properties LLC 140 Main Street, Freeport 20,283 ± sf



### Leases

- ❖ Reny's Congress Street Portland 25,800 ± sf
- ❖ Reny's Topsham Fair Mall 32,000 ± sf
- ❖ Buffalo Wild Wings South Portland 6,800 ± sf
- ❖ Buffalo Wild Wings Auburn 6,000 ± sf
- ❖ Nordica Theater Freeport Village Six Screens
- ❖ DSW Mallside (renewal) 29,892 ± sf

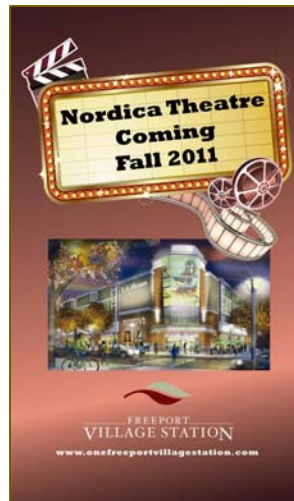
# Retail Market

## Major Vacancies

❖ Border's Books	Maine Mall, Bangor	30,000 + sf
❖ Circuit City	Bangor , Augusta	28,000 ± sf
❖ Mallside	South Portland	16,000 ± sf
❖ Topsham Fair Mall	Topsham	42,000 ± sf

## Trends

- ❖ Rates
- ❖ A+ Locations
- ❖ Demand for smaller spaces and restaurants
- ❖ Discount retailer expansions (Goodwill, Dollar Tree, Family Dollar, Reny's, Ocean State)



# Investment Market

- **Strong Investor Demand**

- **Good Interest Rate Environment**

- **Multi-Tenant, Non Credit 9% - 11% CAP**

❖ Strip Mall	185 Townsend Avenue, Boothbay	9% CAP
❖ Knox Mill Center	39-43 Mechanic Street, Camden	\$13/sf
❖ RSVP	887-899 Forest Avenue, Portland	10% CAP

- **Single Tenant, Better Credit 8% - 9% CAP**

❖ Trader Joe's	87 Marginal Way, Portland	8.6% CAP
❖ JZ Medical	700 Technology Way, Scarborough	9.7% CAP

- **Land Lease Investments 6% ± CAP Rates**

❖ Hilton Garden Inn	145 Jetport Boulevard, Portland	5.6% CAP
❖ Outback Steakhouse	147 Western Avenue, South Portland	6.2% CAP



# New Development Activity



❖ The Forefront at Thompson's Point

❖ Bayside Land – Somerset Street, Portland

❖ 85 Western Avenue – South Portland

❖ Merrill's Wharf - Commercial Street, Portland

