

Industrial Market Review & 2018 Forecast

Greater Portland



NAI The Dunham Group



Justin Lamontagne, CCIM, SIOR
Partner | Broker
NAI The Dunham Group

207-773-7100
justin@dunhamgroup.com
www.dunhamgroup.com

Welcome & Thanks

Presentation Outline

- **Industrial Market Survey**
 - Vacancy & CAP Rates
 - Sale & Lease Prices
- **A Look Back at 2017**
 - Local Trends & Anecdotes
 - Significant Transactions
 - National & Regional Reports
- **Forecast 2018**
 - Significant Vacancies
 - “Q&A”/Predictions

2018 Industrial Market Survey

Greater Portland Industrial Market Survey

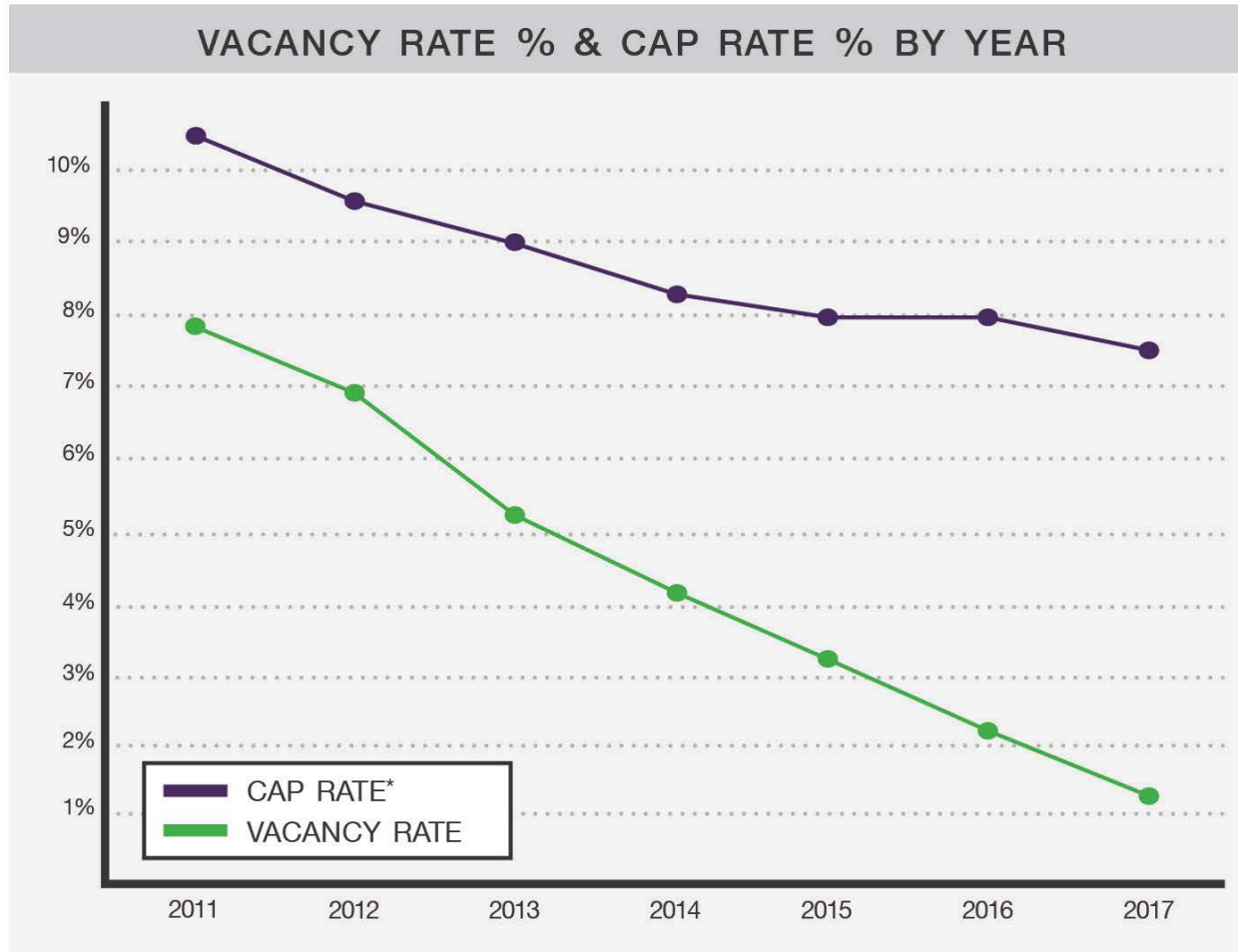
(see Appendix for detailed breakdown)

Total Number of Buildings:	566
Total Market Size:	18,638,496± SF¹
Direct Vacancy:	232,873± SF²
Total Vacancy Rate:	1.25%

¹ Totals as of December 2017 per NAI The Dunham Group Industrial Market Survey

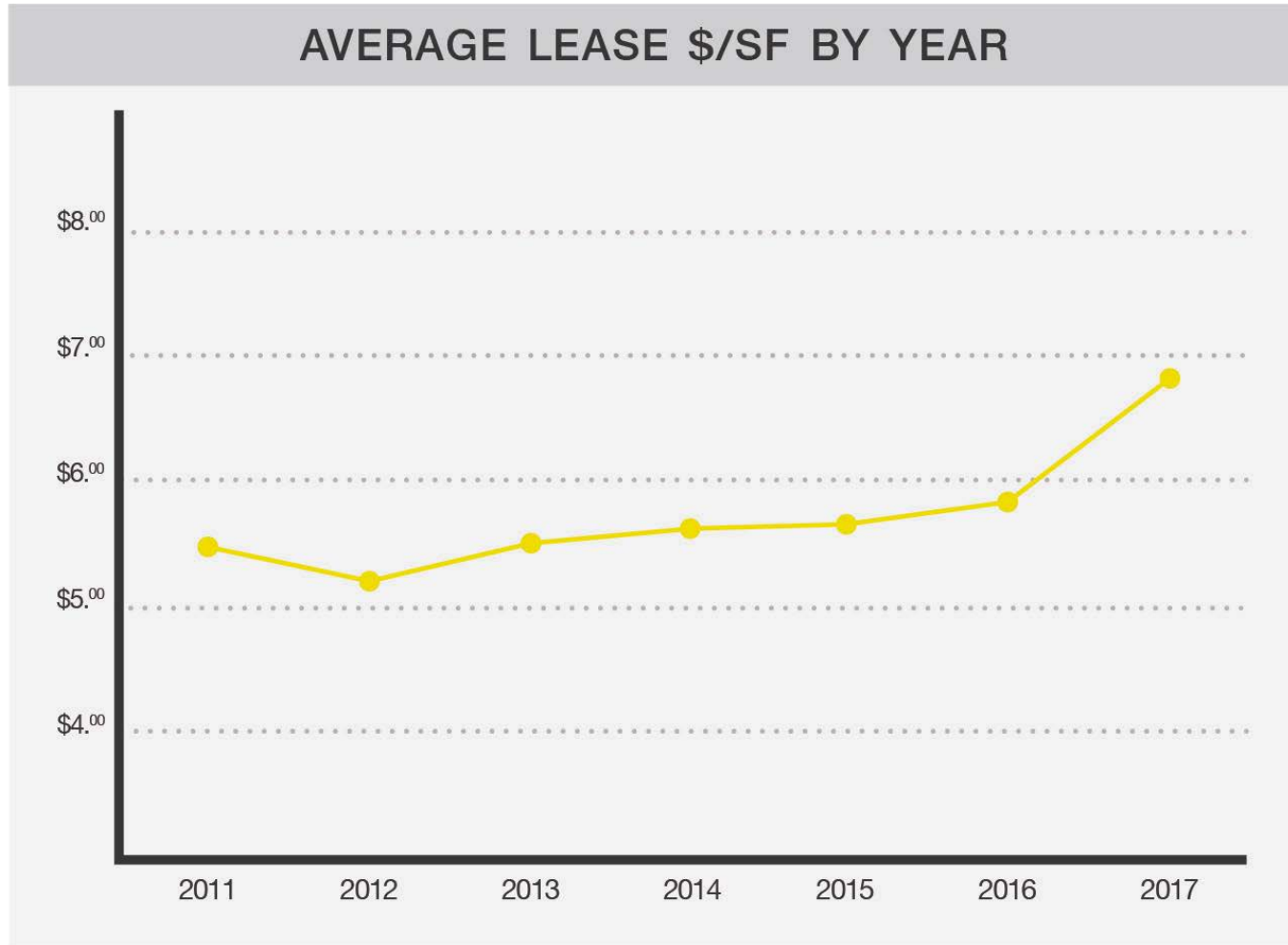
² Totals as of December 2017 per New England Commercial Property Exchange

2018 Greater Portland Industrial Market Survey



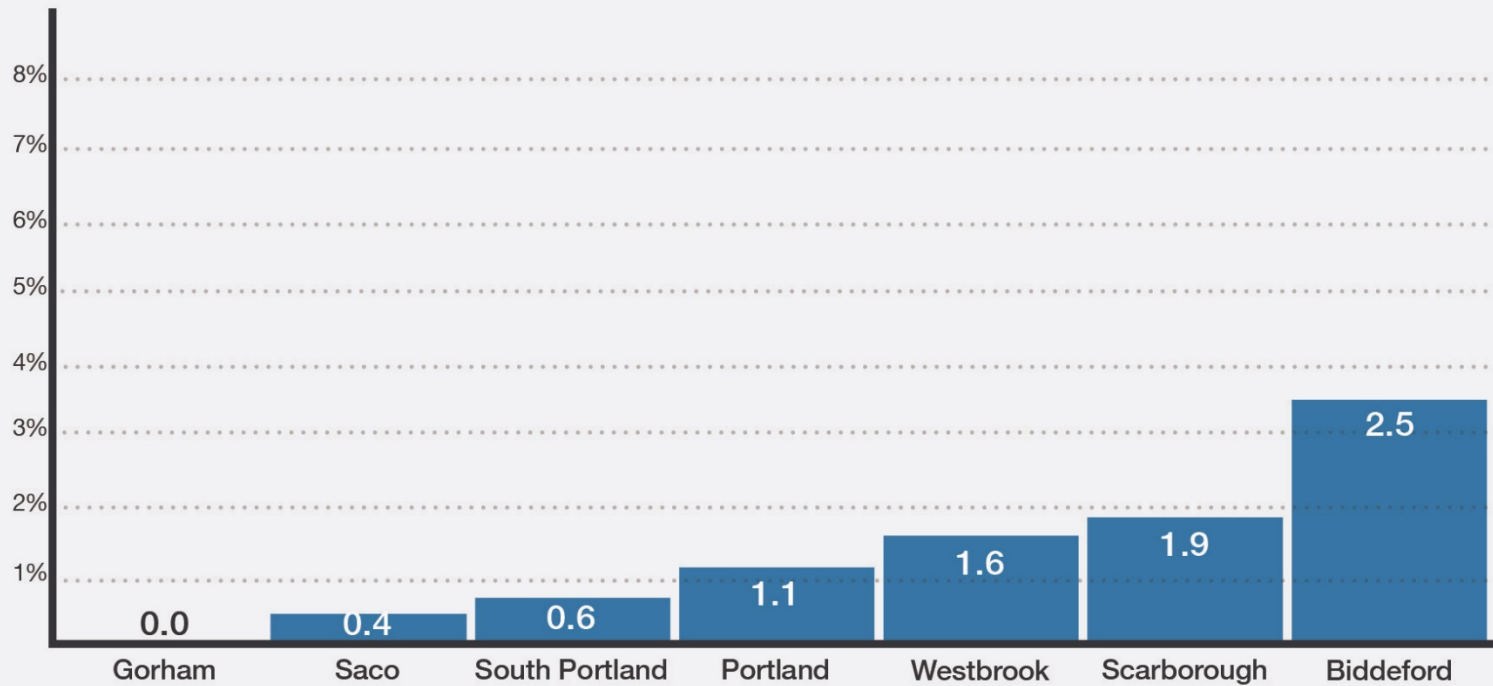
*Estimate based on available data/anecdotal evidence

2018 Greater Portland Industrial Market Survey

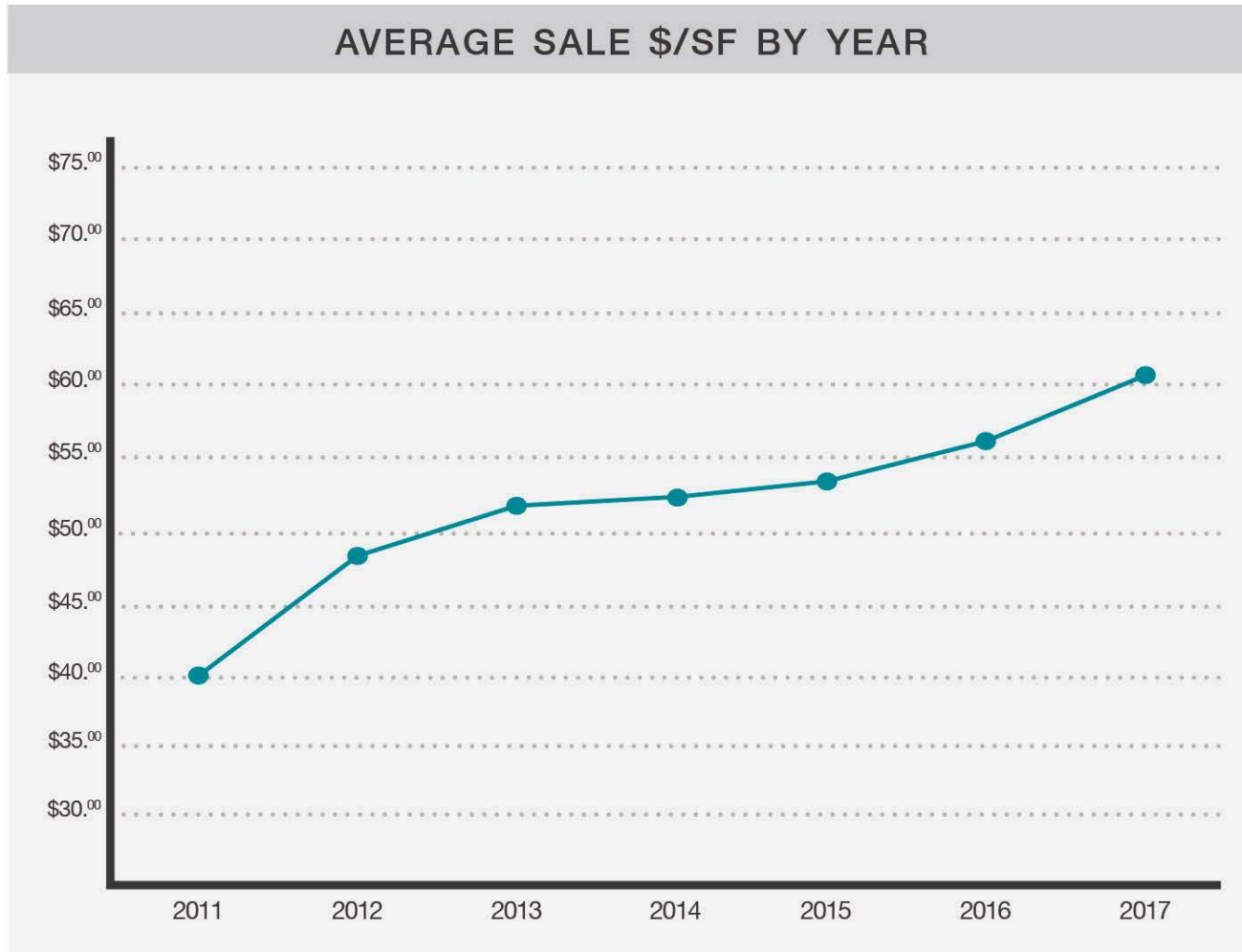


2018 Greater Portland Industrial Market Survey

VACANCY RATE % BY CITY/TOWN



2018 Greater Portland Industrial Market Survey



A Look Back at 2017

A Look Back at 2017...

Local Trends & Anecdotes

Situation Critical

- Stifling... Restrictive... Preclusive... Hogtied!
- Landlord's have all the leverage – can be selective
- Off-market and early-to-market deals common
- Multiple offers and interest
- In-state growth and out-of-state recruitment limited

A Look Back at 2017...

Where's the New Construction?!

- 2017 Lease price/SF jump closes the gap
- Speculative Financing is limited
- Timing is a challenge
- Limited industrial land sites
- The cost of construction still the main barrier



A Look Back at 2017...

New Construction Projects



155 Rumery Road, South Portland
24,000 SF Spec Building



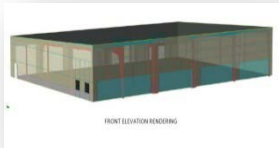
Riverside St./Walch Dr., Portland
Two 7,500 SF buildings &
One 10,925 SF building



65 Spring Hill Road, Saco
40,000 SF Addition



185 Warren Avenue, Westbrook
12,000 SF Spec Building
9,000± SF Leased



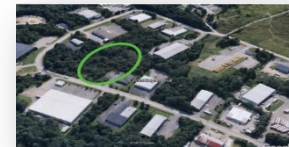
95 Pleasant Hill Road, Scarborough
Two 10,000 SF Spec Buildings



30 Saunders Way, Westbrook
60,000 SF Spec Building
30,000± SF Leased



312 Gannett Drive, South Portland
6,000 SF Spec Building



15 Washington Avenue, Scarborough
12,000 SF Spec Building
Fully Leased

A Look Back at 2017...

Transactional Activity

- Sales demand up – Transactional volume down
- Investment property in high demand
- Speculative buying rather than building
- Lease renewals becoming extremely important and commonplace
- Medical/recreational marijuana cultivation hindered by legislative inaction

A Look Back at 2017...

Significant Lease Transactions



30 Saunders Way, Westbrook
Leased by Maine Beer Company
30,000 SF



155 Rumery Road, South Portland
Leased by Weber Fuel/Mattress
Firm
47,040 SF



97 Shaker Road, Gray
Leased by Agren Appliance
12,000 SF



47 Spring Hill Road, Saco
Leased by Cirrus Systems, Inc.
17,348 SF

A Look Back at 2017...

Significant Lease Transactions



**One Runway Road, South
Portland**
Leased by A. Duie Pyle
34,000 SF



**117 Pleasant Hill Road,
Scarborough**
Leased by Clear H2O, Inc.
20,000 SF

A Look Back at 2017...

Significant Sale Transactions



3 Business Parkway, Brunswick
59,243 SF, Purchased by 3 Business Parkway,
LLC
Investment - \$3,875,000



14 Willey Road, Saco
25,200 SF, Purchased by Euphoria, LLC
Owner/User - \$1,400,000



30 Thomas Drive, Westbrook
18,293 SF, Purchased by Yarmouth Ventures,
LLC
Investment - \$1,850,000



235 Presumpscot Street, Portland
42,000 SF, Purchased by Presumpscot Street Partners,
LLC
Investment - \$1,500,000

A Look Back at 2017...

Significant Sale Transactions



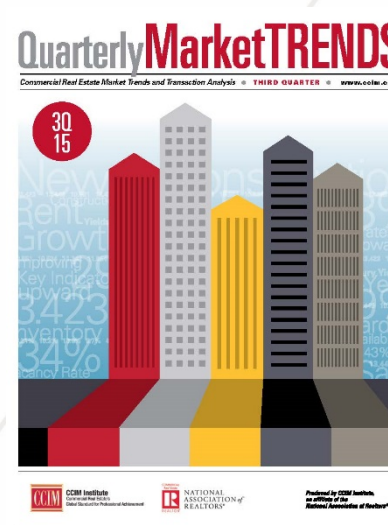
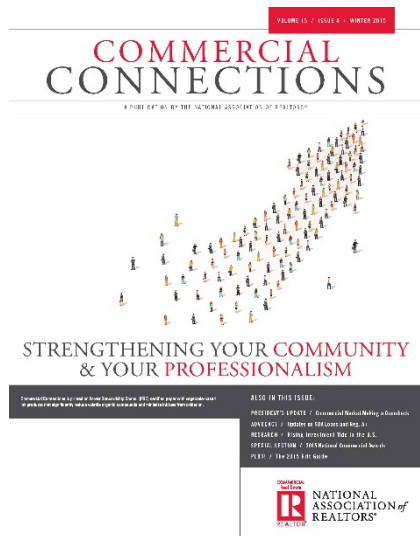
412 + 414 Hill Street, Biddeford
23,970 SF, Purchased by Shoreline
Development & Hill 414, LLC
Investment - \$1,437,000



65-66 Milliken Drive, Portland
45,081 SF, Purchased by 66 Milliken Street,
LLC
Investment - \$1,600,000

National & Regional Reports

- More stability with added inventory
- eCommerce continues to lead the way
- Highest investment demand of any sector other than Class-A multifamily



Forecast 2018

Forecast 2018

Significant Vacancies



6 Lincoln Avenue, Scarborough
30,000 SF



43 Bibber Parkway, Brunswick
102,000 SF



30 Saunders Way, Westbrook
30,000 SF



750 Warren Avenue, Portland
26,881SF



7 Rand Road, Portland
249,370 SF
(Available 2019)



10 West Point Lane, Biddeford
(Pepperell Mill)
30,000 SF

Forecast 2018

“Q&A”/ Predictions

- Recreational marijuana impact in 2018 and beyond?
- What industries and trends in Maine are emerging?
- What would you invest short/long term money in?
- Where is the next “hot” location?
- Where are lease and sale prices heading?

Forecast 2018



31



21

THANK
YOU



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APPENDIX : INVENTORY RESULTS

Parks/Clusters	Total Buildings	Building SF	Available SF	Vacancy Rate
Airport Industrial Park	22	444,913	0	0.0%
Alfred Road Industrial Park	9	131,628	0	0.0%
Biddeford Industrial Park	10	796,002	0	0.0%
Colonel Westbrook	17	559,682	9,787	1.7%
County Road Business Park	8	216,578	0	0.0%
Evergreen Business Park	23	403,655	3,000	0.7%
Five Star Industrial Park	27	1,312,297	0	0.0%
Gorham Industrial Park	38	934,606	0	0.0%
Jetport Business Park	3	56,266	0	0.0%
Pinetree Industrial Park	7	238,948	0	0.0%
Pleasant Hill	56	1,654,630	12,900	0.8%
Presumpscot Street	21	426,476	0	0.0%
Riverside Industrial Park	27	801,886	0	0.0%
Riverside Street	44	956,228	28,675	3.0%
Rumery Park	19	1,129,149	11,639	1.0%
Saco Industrial Park	50	1,292,385	4,912	0.4%
Scarborough Industrial Park	34	765,519	36,000	4.7%
Walter Nielsen	7	538,920	0	0.0%
Warren Avenue	37	933,646	29,881	3.2%
Miscellaneous/Clusters	107	5,045,082	96,079	-

City/Town	Total Buildings	Building SF	Available SF	Vacancy Rate	Avg. Asking Lease Rate
Biddeford	48	1,894,811	46,999	2.5%	\$5.75
Gorham	38	934,606	0	0.0%	-
Portland	222	6,384,983	72,436	1.1%	\$7.25
Saco	51	1,368,025	4,912	0.4%	\$6.50
Scarborough	92	2,581,210	48,900	1.9%	\$6.75
South Portland	47	2,801,112	16,839	0.6%	\$7.50
Westbrook	68	2,673,749	42,787	1.6%	\$6.95

GRAND TOTAL

Total Buildings	Total Market Size	Total Available SF	Vacancy Rate	Average Lease Rate
566	18,638,496	232,873	1.25%	\$6.79