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Brunswick | Bath | Topsham 2017 Forecast

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AGENDA

- Demographic Review
- Review by Submarket
- Review of 2016 Predictions
- Predictions for 2017



Transportation



DEMOGRAPHICS & INFRASTRUCTURE

Workforce

- Within Commuting Distance of 2/3 Maine's Workforce
- Median HHI of \$56k
- College Attainment of 48%

DEMOGRAPHICS & INFRASTRUCTURE

Diversified Local Economy



DOWNTOWN BRUNSWICK TRENDS

Low Vacancy Downtown

- Sub 5% Overall
- Virtually No Retail Inventory on Main St.
- Starting to see a Demand for New Development
- Multi-use Lifestyle Center Being Built

DOWNTOWN TRANSACTIONS



Uhaul's relocated fleet operations opened June 13, in the former 186,293 sf Arrow Hart plant on 1 Cressey St.



Formerly the 17,000 sf Skofield House received redevelopment approval into the McLellan, a 19 unit assisted living facility.



Portland Pie moved into street level retail at 92 Maine, opening January 25.



Bangor Savings Bank Brunswick opened on 45 Maine, July 27.

PLEASANT STREET TRENDS

- Challenges Remain for Retail Vacancy
- Has Mature Tenants, but Struggles with Roadway Configuration i.e. Left Hand Turns, that Impedes Tenancy and Development

COOKS CORNER TRENDS

- 92% Occupancy
- 36% Absorption in 2016

Brunswick Landing Exceeds Expectations

- Occupancy Exceeds 70%
- 100 Businesses Located in Park
- 1200+ New Jobs Created

MERRYMEETING PLAZA



Over 43,000 sf leased in the last 12 months.
Occupancy increased from 56% to 83%

COOK'S CORNER SHOPPING CENTER



BRUNSWICK LANDING



BRUNSWICK LANDING



Avita
— of Brunswick —
*A Northbridge
Memory Care Community*



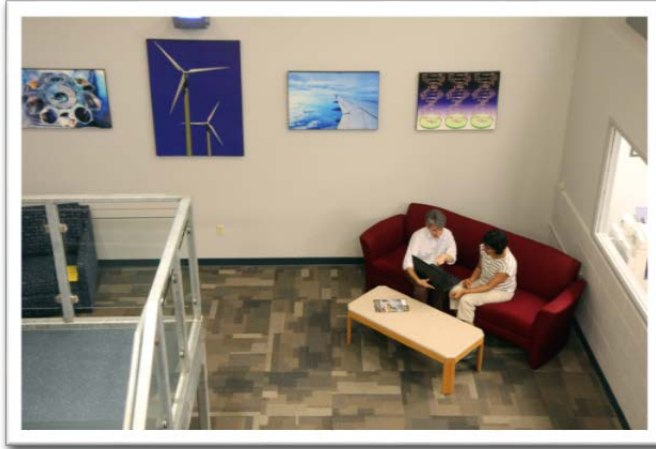
**50,000 sf memory care facility
located on Admiral Fitch Drive.**

BRUNSWICK LANDING



The new Irving Station on Bath Road with the nearly 4,000 sf convenience store, Rusty Lantern Market, similar in design to the Rusty's in Topsham.

BRUNSWICK LANDING INCUBATOR



TechPlace
You can make it here.

Located in the 93,000 SF former Navy
aviation maintenance department.



TOPSHAM TRENDS

Despite Some Tenant Repositioning, Retail Remains Strong

- 9% Vacancy Rate
- Expect to see Jr. Box Infill
- Will Continue to see New Development to Meet the Demand of 1500 – 10,000 sf National Tenants

Office Holds Steady

- Vacancy Rate of 11%
- Absorption Relatively Flat

LEWISTON & TOPSHAM FAIR MALL ROAD



86 TOPSHAM FAIR MALL ROAD



11,000 sf retail pad building housing Sherwin Williams and Sport Clips with 5,500 +/- sf end cap still available.

BATH TRENDS

Very Little Inventory Offered for Lease

- 4,568+/- sf of Retail
- 17,682+/- sf of Office

Significant Investment in Housing

- 59 Units at Former Huse School
- Luxury Condos on the Riverwalk

BATH TRANSACTIONS



97-99 Commercial Street, 19,152 sf mixed use building.



**Redevelopment at the former
Huse School on 39 Andrews Road.**



**133 Commercial Street, Bath Riverwalk
Residences 1400-2000 sf.**



LAST YEARS PREDICTIONS

When BIW wins the Coast Guard Contract All sectors especially office will experience a dramatic favorable impact. (4th QTR 2016).

- While BIW did not get the contract, retail and Brunswick Landing vacancy has fallen; office occupancy rate has remained steady.

LAST YEARS PREDICTIONS

CAP rates will continue to decline, probably somewhere in the 7.5-8.5 range; but not to National or even Portland levels.

- When it comes to quality retail tenants, there may have been a slight drop in CAP rates, but as interest rates continue to trend up so will CAP rates.

LAST YEARS PREDICTIONS

Brunswick Landing will continue to perform at higher levels of absorption than the surrounding communities.

- While the Bath/ Topsham/ Brunswick market as a whole has enjoyed positive absorption and new development, it is correct that Brunswick Landing has seen faster absorption than the whole market.

LAST YEARS PREDICTIONS

New development/construction both residential as well as commercial will grow dramatically as redevelopment opportunities decline.

- Yes; we saw a mix of smaller service, retail and medical construction added to the market.

LAST YEARS PREDICTIONS

The area will experience a significant retail rental rate battle between the malls as the market attempts to reestablish equilibrium.

- This is correct, but we don't anticipate seeing more of this. What's happened has happened already.

PREDICTIONS FOR 2017

- Brunswick Landing will continue to perform well. This could positively impact Cooks Corner retail however, that area will still have re-tenant and tenant retention challenges.
- Medical office development and the redevelopment of the Park View facility will continue to increase in 2017.
- Topsham will remain a regional shopping center. Expect to see a backfill of the Best Buy and Bed Bath vacancies before the years end.
- Roadway improvements will alleviate issues at Cooks Corner, Pleasant Street and Bath Road increasing the likelihood of new development.

CONNECT

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