

A nighttime photograph of a city skyline, likely Portland, Maine. The image shows a dense collection of buildings, including several tall office buildings with illuminated windows. A prominent building in the upper left has a digital sign on its roof displaying "E202". The sky is a deep blue with some clouds. The foreground shows a street with some traffic and utility poles. The overall scene is lit up by the city lights, creating a warm glow against the dark sky.

2018

Southern Maine OFFICE FORECAST

Nate Stevens
Associate Broker

CBRE | The Boulos Company

THE MARKET

OVERVIEW

341
Buildings
Surveyed

12.1.2017 Total SF

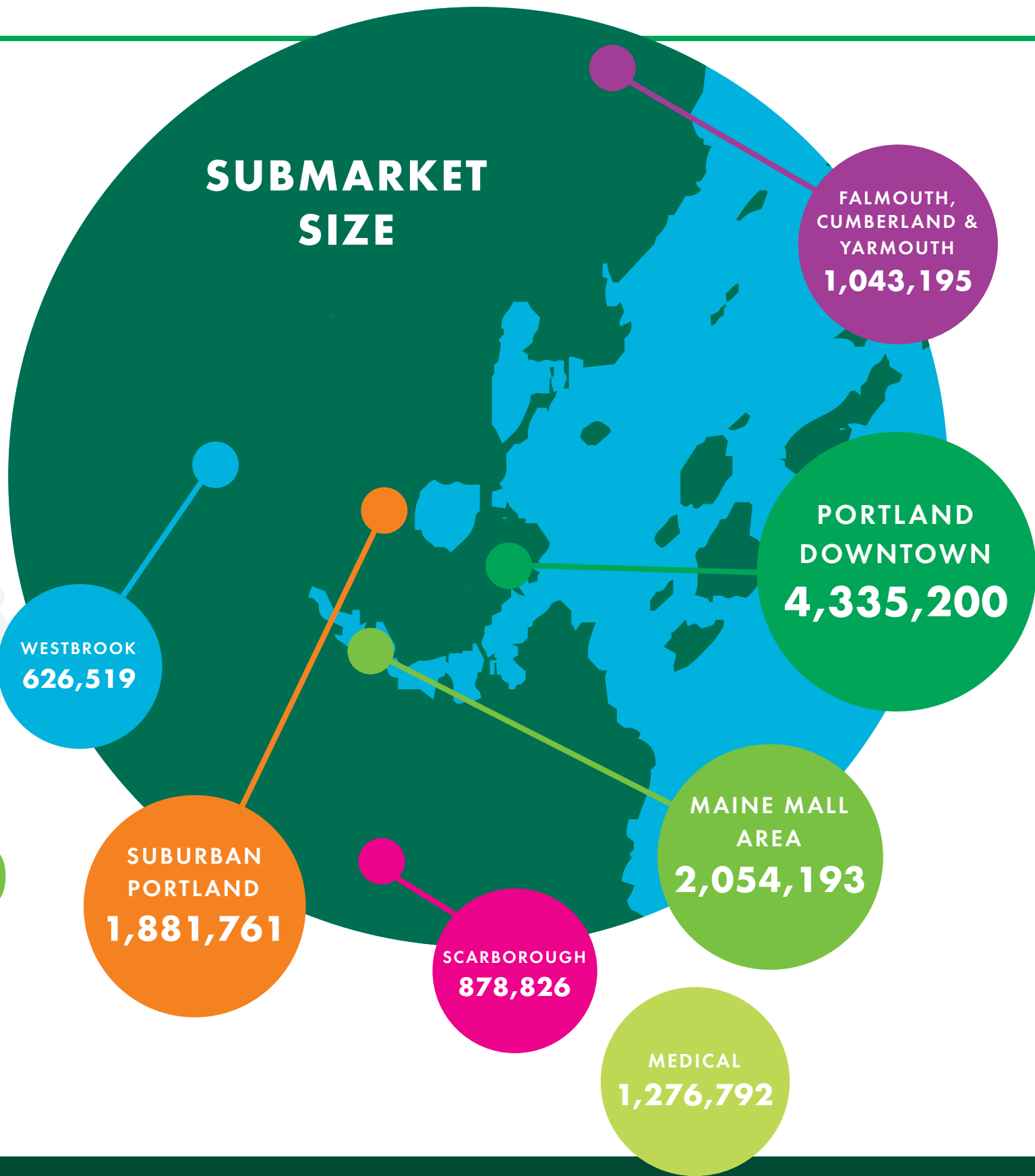
12,096,486

12.1.2016 Total SF

11,904,986



191,500
SINCE 2016



THE MARKET

BUILDINGS ADDED IN 2017

191,500 ± SF TOTAL

16 Middle Street, Portland

42,000 ± SF



1 Tyler Drive, Yarmouth

94,500 ± SF expansion



705 US Rte One, Yarmouth

35,000 ± SF



97 Technology Park Dr, Portland

20,000 ± SF



THE MARKET

HIGHLIGHTS

Total Market Direct Vacancy for 2017 is 4.41%

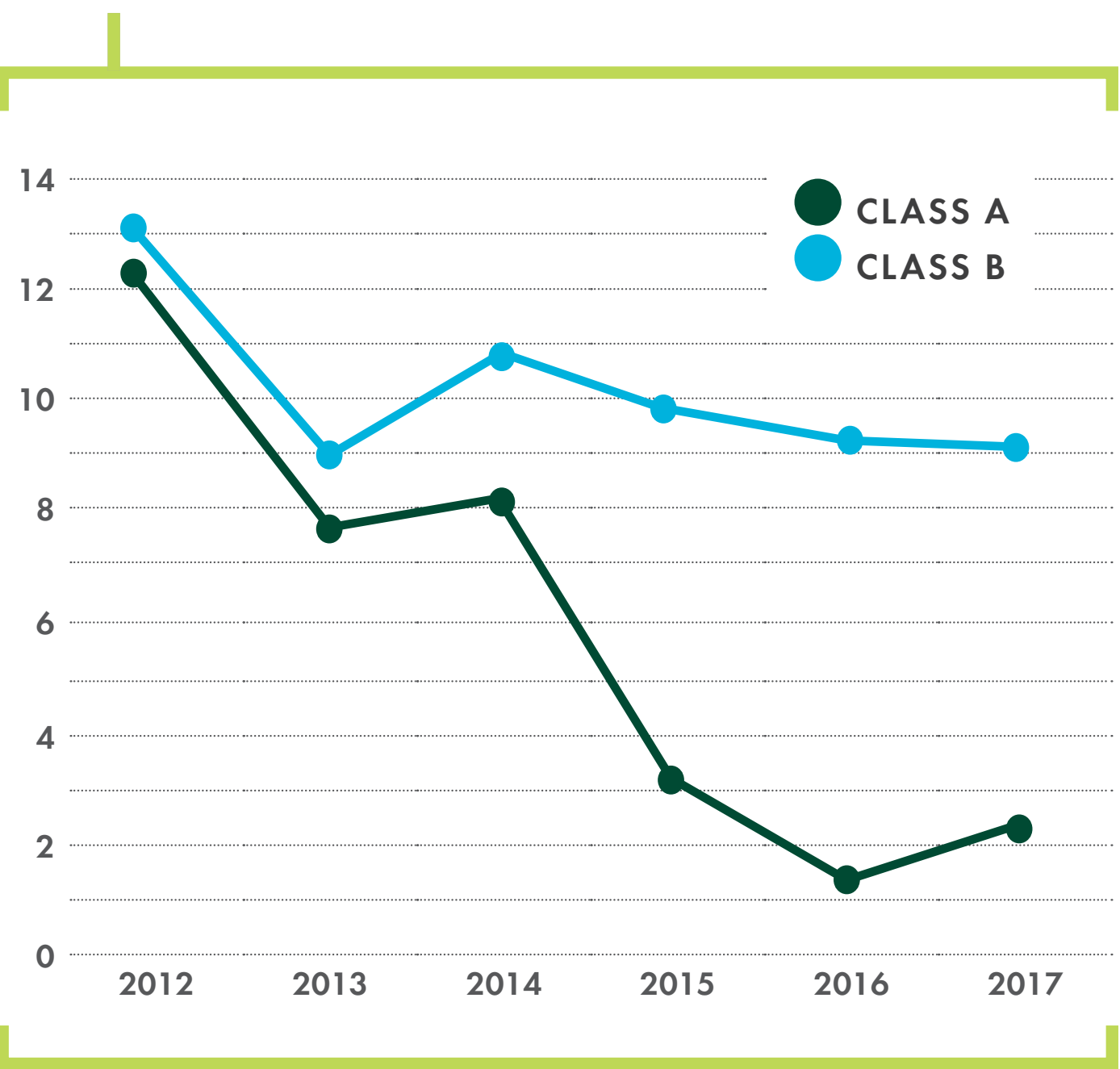
- 363,486± SF positive net absorption
- Low supply continued
- Class A: Landlord market
Class B: Tenant market
- Transaction volume decreased
- Large transactions shaped the market
- New construction took shape

THE MARKET

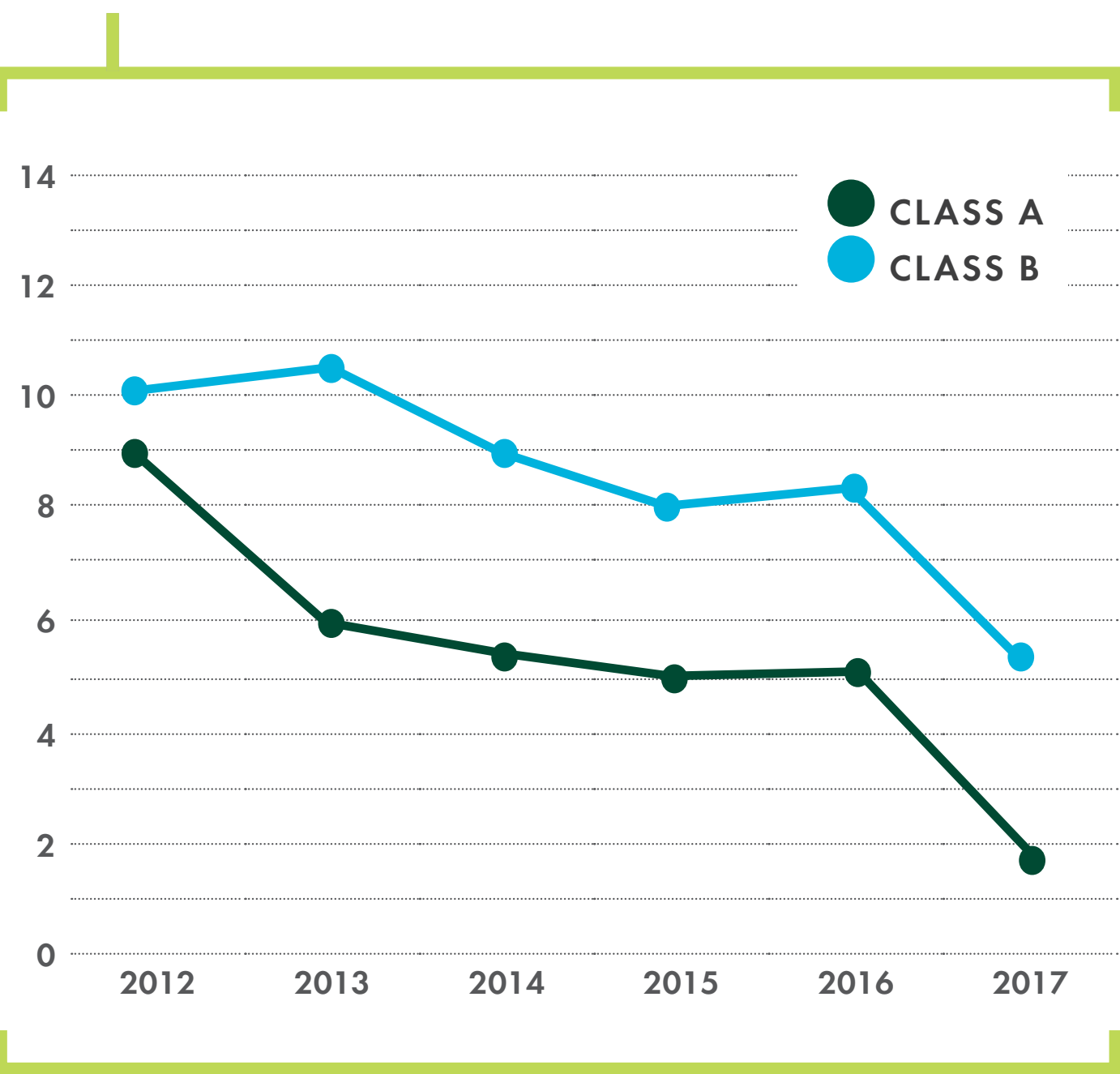
VACANCY RATES

Downtown vs Suburban

DOWNTOWN



SUBURBAN



TRANSACTIONS

SIGNIFICANT TRANSACTIONS - DOWNTOWN



LEASE - 90,000± SF

Hancock Street, Portland

WEX

Thomas Moulton - NAI / The Dunham Group
Charlie Craig - NAI / The Dunham Group



SUBLEASE - 12,761± SF

One Monument Square, Portland

Certify

Drew Sigfridson, SIOR - CBRE | The Boulos Company
Justin LaMontagne - NAI / The Dunham Group

TRANSACTIONS

SIGNIFICANT TRANSACTIONS - SUBURBS/MEDICAL



134,349± SF SALE *Maine Health*
One Riverfront Plaza, Westbrook
Charlie Craig - NAI / The Dunham Group
Joe Malone/Jen Small - Malone Commercial Brokers



30,000± SF LEASE *WEX*
75 Darling Avenue, South Portland
Greg Hastings - NAI / The Dunham Group
Frank O'Connor - NAI / The Dunham Group

25,000± SF LEASE *Clark Insurance*
1945 Congress Street, Portland
Roxane Cole
Roxane Cole Commercial Real Estate

19,435± SF LEASE *Maine Health*
265 Western Avenue, South Portland
Drew Sigfridson, SIOR
CBRE | The Boulos Company

24,000± SF LEASE *Intermed*
50 Foden Road, South Portland
Frank O'Connor
NAI / The Dunham Group

11,068± SF LEASE *FedCap Rehab Services*
220 Maine Mall Road, South Portland
Mike Anderson
Malone Commercial Brokers

10,038± SF SALE *NE Foot & Ankle (St. Mary's)*
117 Auburn Street, Portland
Kevin McQuinn
Lux Realty

TRANSACTIONS

SIGNIFICANT OFFICE INVESTMENT SALES



280 Fore Street, Portland

69,481± SF

\$21,500,000

82 Running Hill Road, South Portland

120,000± SF \$17,900,000

Charles Day - CBRE | The Boulos Company

Tom Moulton - NAI / The Dunham Group



63 Marginal Way, Portland

27,740± SF \$5,400,000

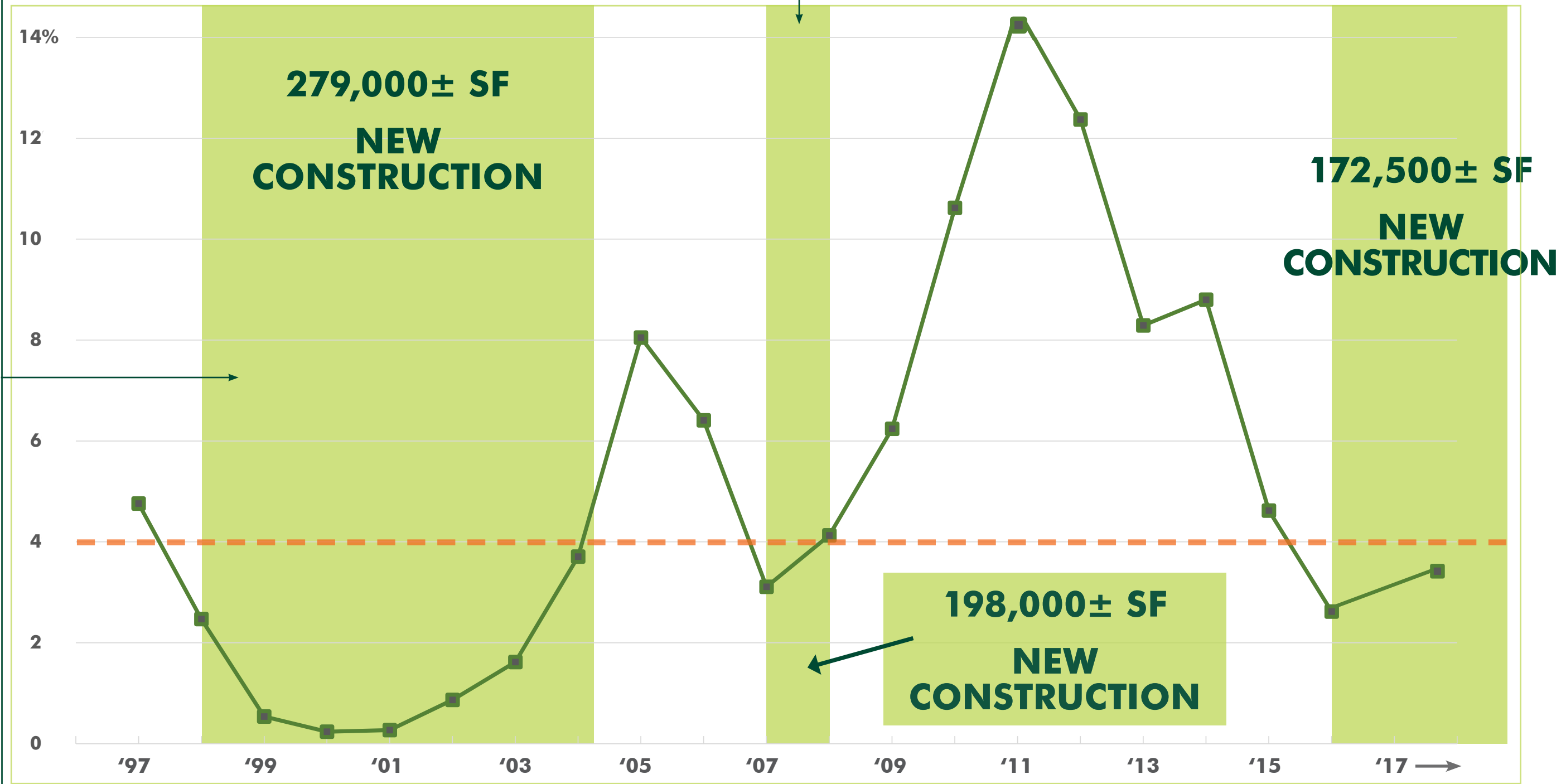
Charles Day - CBRE | The Boulos Company

Joe Porta, SIOR - CBRE | The Boulos Company



NEW CONSTRUCTION

LOW VACANCY = NEW CONSTRUCTION



NEW CONSTRUCTION

UNDERWAY

170,800± SF

0 Hancock Street Portland

100,000± SF
90,000 leased to WEX
Fall 2018

1945 Congress Street Portland

40,300± SF in two buildings
Clark Insurance & Diversified Partners
Spring 2018

Ocean Gateway expansion Portland

12,500± SF
Three floors of office space
added to garage
Spring 2018

Widgery Wharf Portland

18,000± SF
Top floor leased to
FL Putnam
Late 2018



NEW CONSTRUCTION

PLANNED, PERMITTING, PRE-LEASING

307,276± SF

Portland Foreside Portland

Up to 120,000± SF

Fisherman's Wharf Portland

45,000± SF

Thompson's Point Portland

60,410± SF

266 Commercial Street Portland

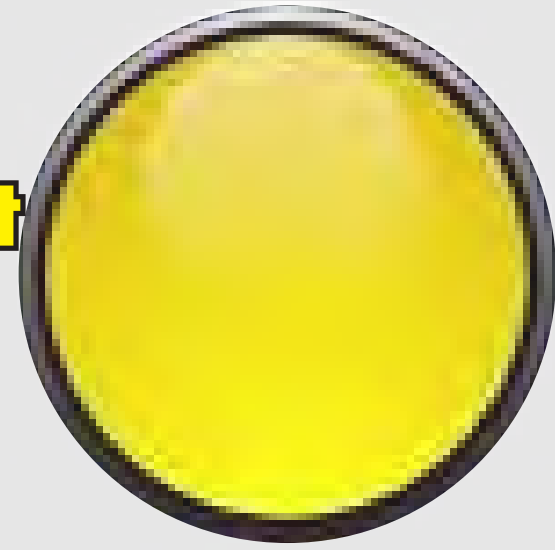
22,051± SF

170 Fore Street Portland

45,000± SF

One Union Wharf Portland

14,815± SF



NEW CONSTRUCTION

POTENTIAL DEVELOPMENT SITES ON THE HORIZON

Bayside, Federated Companies site, Portland

Johnson Road, Portland

Portland Square, Portland

385 Congress Street, former Press Herald, Portland

West Commercial Street, JB Brown lots, Portland

100 Fore Street, Portland

??± SF TOTAL

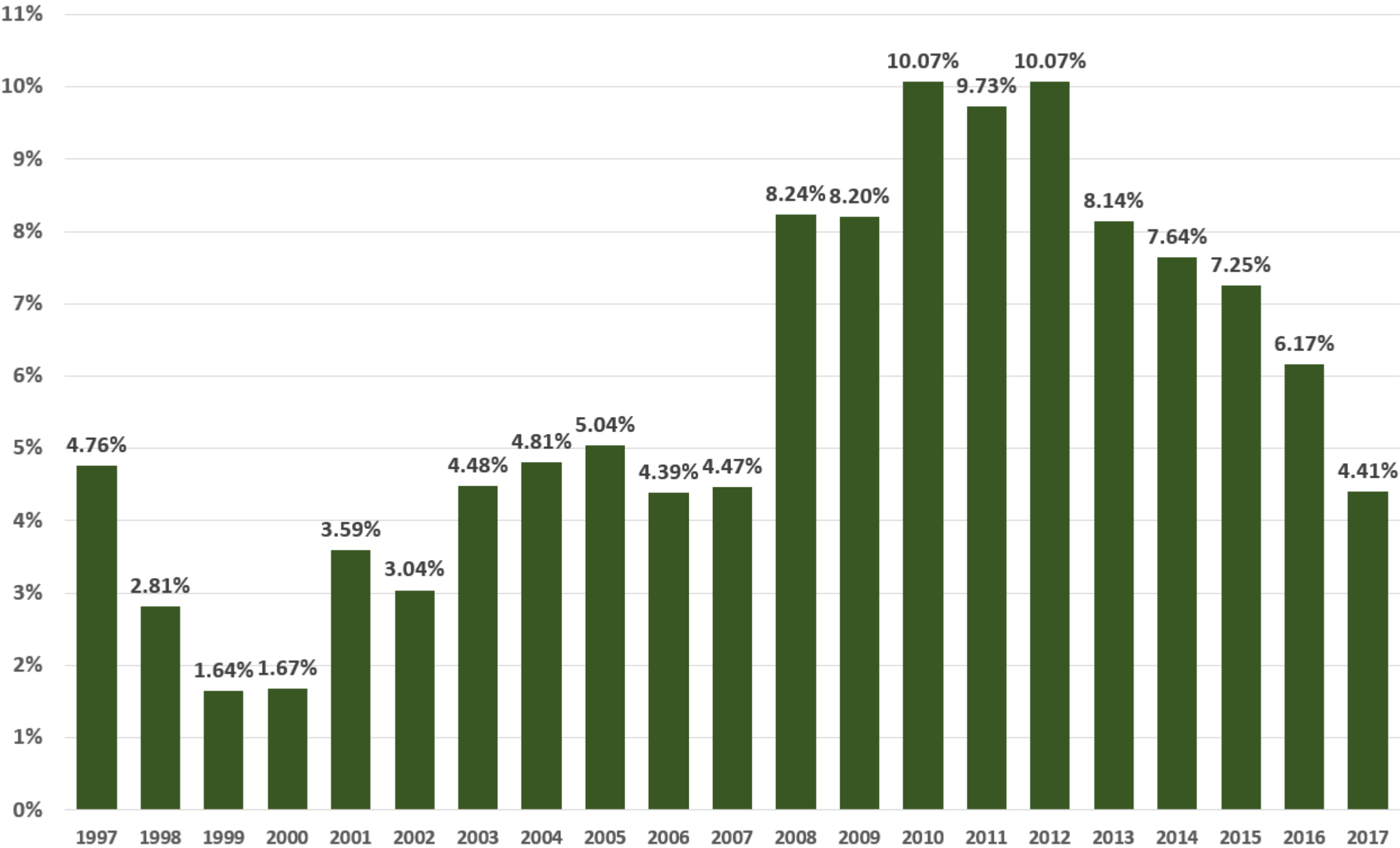
CONCLUSIONS

GREATER PORTLAND'S OFFICE MARKET HISTORICAL DIRECT VACANCY RATES

DIRECT VACANCY
533,390± SF
4.41%

SUBLEASE
24,826± SF
0.21%

TOTAL
558,216± SF
4.61%



CONCLUSIONS

PREDICTIONS

- Demand stays relatively low as office users get creative
- Older, unimproved products continue to struggle
- New construction downtown to create opportunities elsewhere, more supply?
- 2-3 new office buildings in Greater Portland, 1-2 in downtown Portland
- Relatively flat vacancy rate
- Medical office continues to be market driver



Nate Stevens
Associate Broker
207.553.1702 D
207.272.2385 C
nsteven@boulos.com

One Canal Plaza
Suite 500
Portland, ME 04101
207.772.1333
www.boulos.com

Special Thanks: *Jessica Estes*
Michelle Peacock

CBRE | The Boulos Company