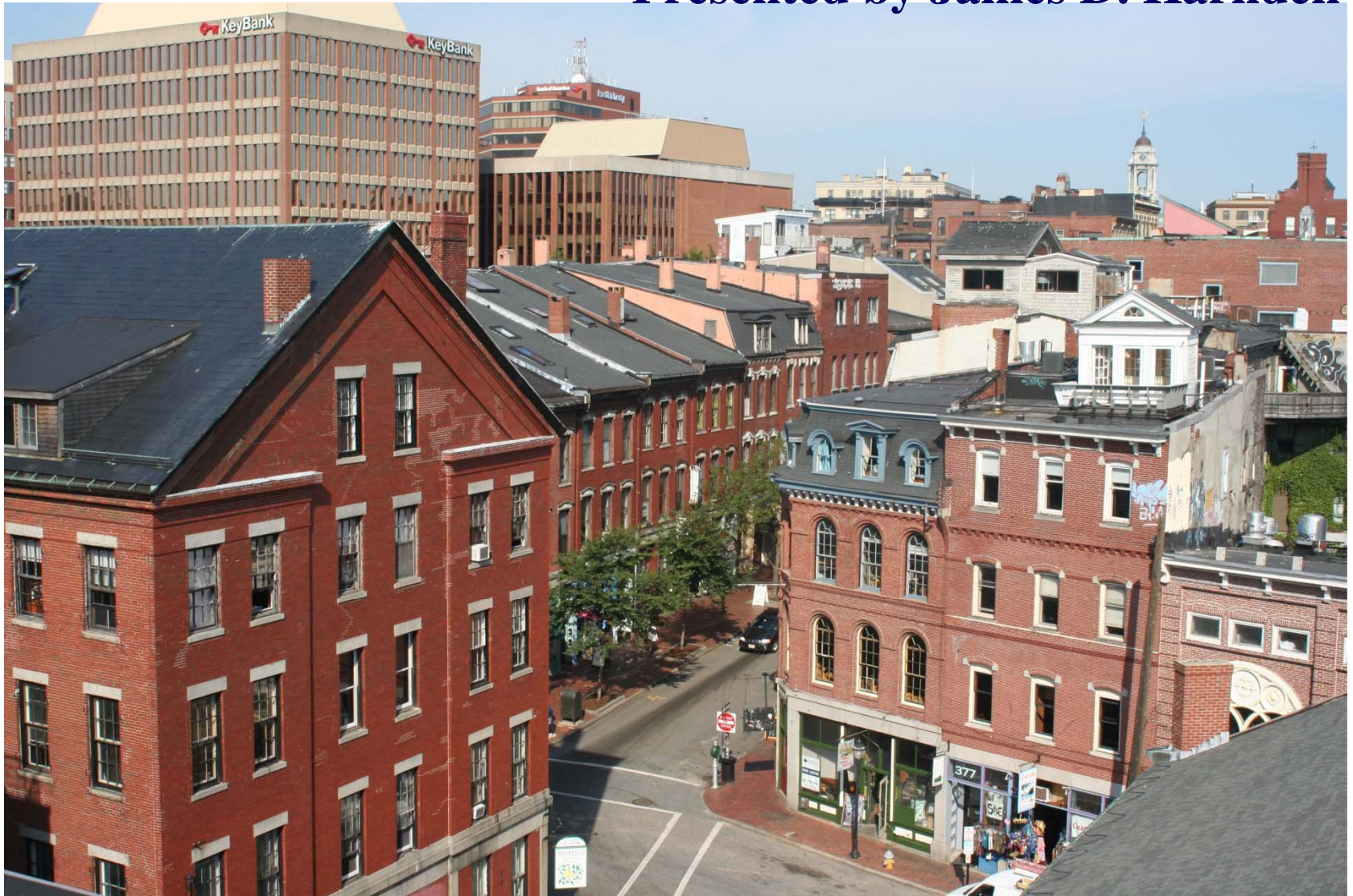


# Greater Portland Office Market Survey

Presented by James D. Harnden



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MEREDA CONFERENCE | JANUARY 26, 2012

# 2011 Office Market Highlights

- ◆ Overall vacancy rate up only .27% - worst is over
- ◆ 90,000 sq. ft. of positive net absorption - 1<sup>st</sup> time positive since 2008
- ◆ Highest lease transaction volume since 2006
- ◆ Remains tenant/buyer market given vacancy rates at higher levels than 5-yr (10.3%) and 10-yr (8.5%) avg.
- ◆ Cautiously optimistic

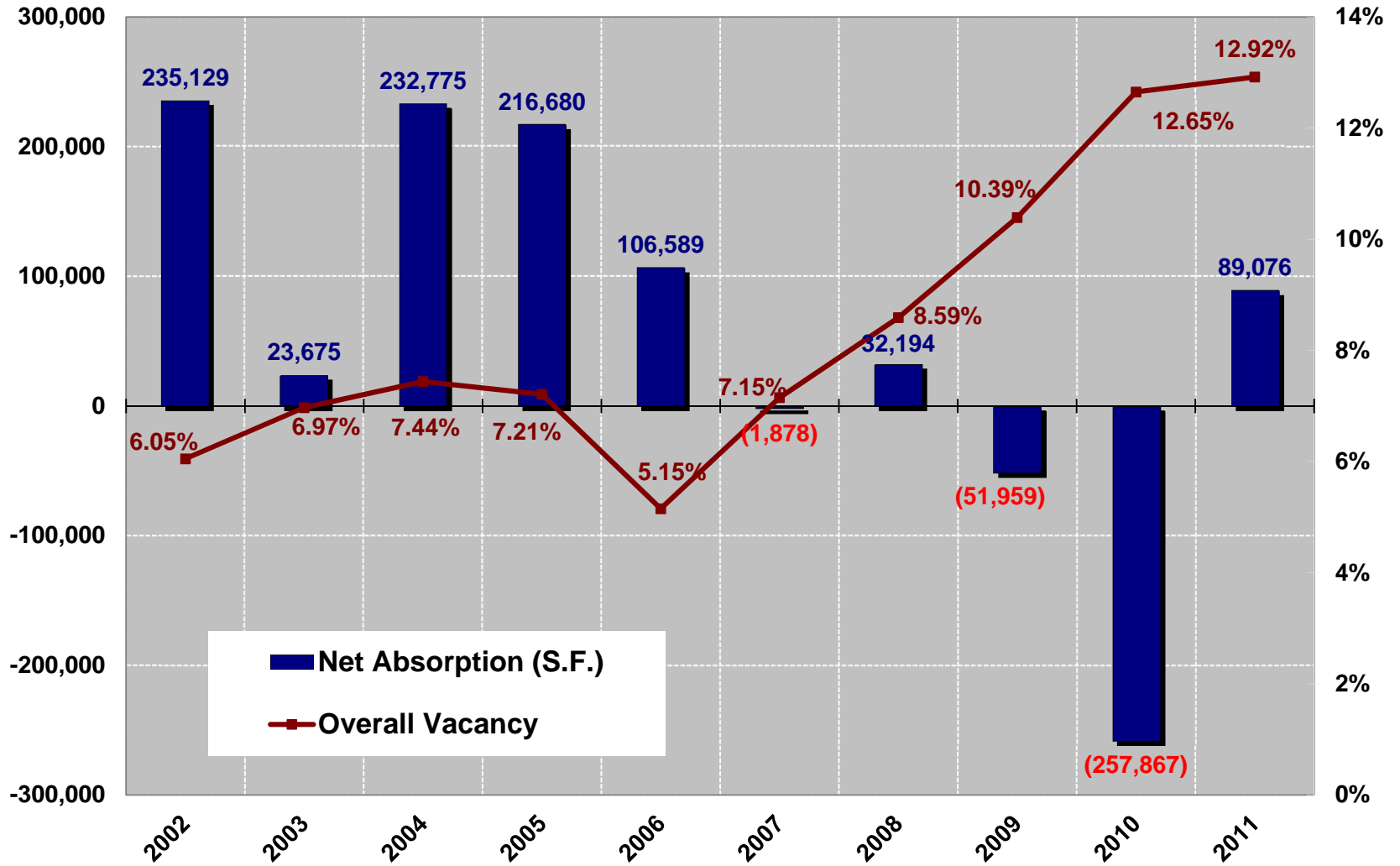


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# Historic Overall Vacancy/Net Absorption



Does not include information regarding Greater Portland's medical space

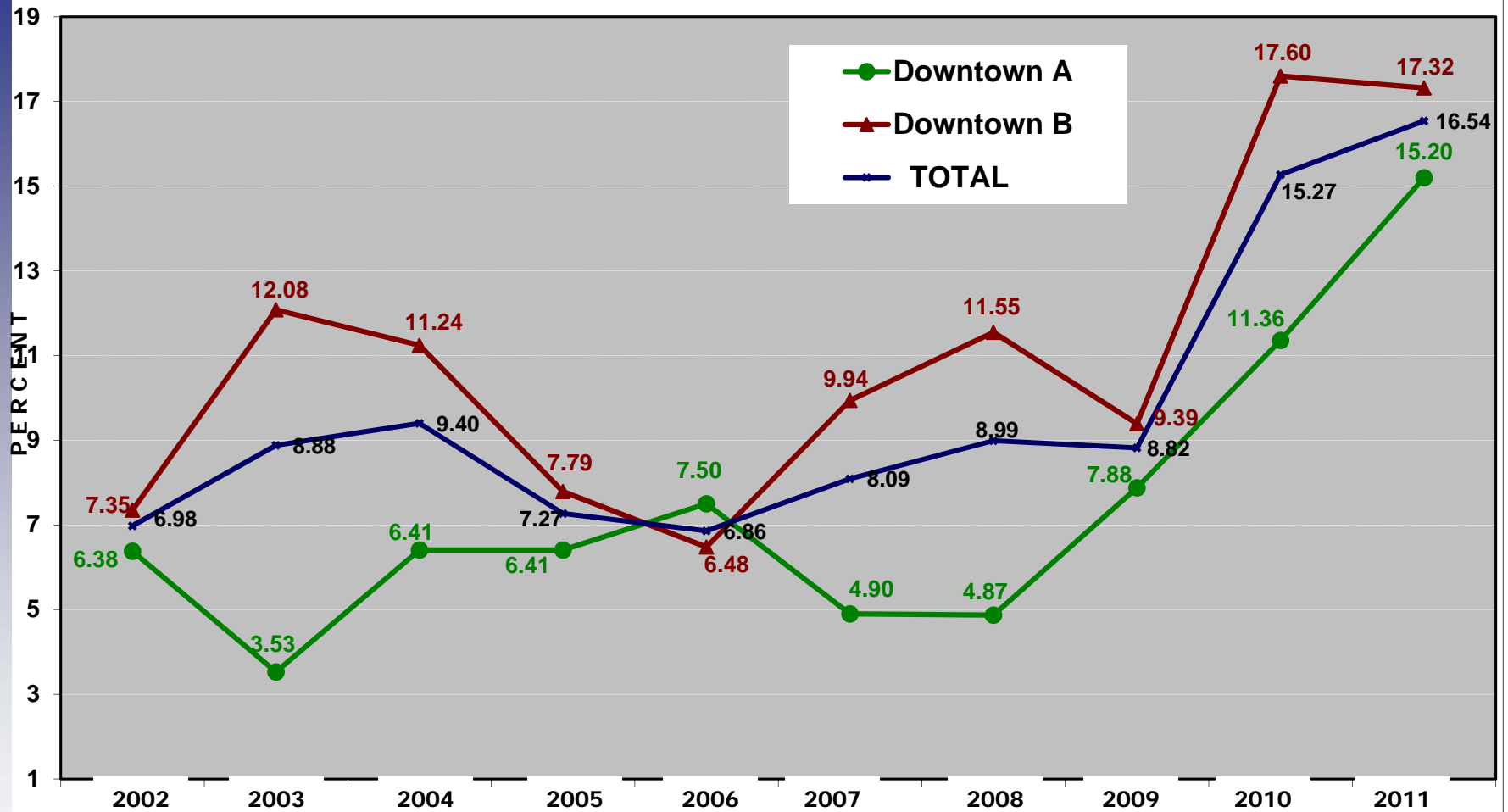


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# Vacancy Rate Overall - Downtown



Does not include information regarding Greater Portland's medical space



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# Significant Lease Transactions & Vacancies | Downtown

## ◆ 254-258 Commercial Street

- New construction
- Pierce Atwood leased 72,000 SF
- Vacancy of 23,000 SF

## ◆ One Monument Square

- 75,600 SF vacant

## ◆ 443 Congress Street

- Portland Regional Chamber leased 5,280 SF
- Local Thunder leased 5,364 SF
- Planned Parenthood leased 10,600 SF

## ◆ 511 Congress Street

- AMEC/MACTEC renewed and expanded 44,124 SF
- Troubh Heisler renewed 11,523 SF
- I-Many renewed 10,700 SF
- 20,911 SF vacant

## ◆ 2 Canal Plaza

- Savings Bank of Maine leased 16,355 SF
- 17,710 SF vacant

## ◆ Two Portland Square

- Stone Coast leased 22,000 SF
- 37,416 SF vacant

## ◆ Two Monument Square

- 2 floors vacated by Health Dialog
- ½ floor vacated by Dead River
- Vacancy of 50,000 SF

## ◆ 222 St. John Street

- 25,287 SF vacant

## ◆ 390 Congress Street

- 81,906 SF vacant

## ◆ 477 Congress Street

- 39,296 SF vacant

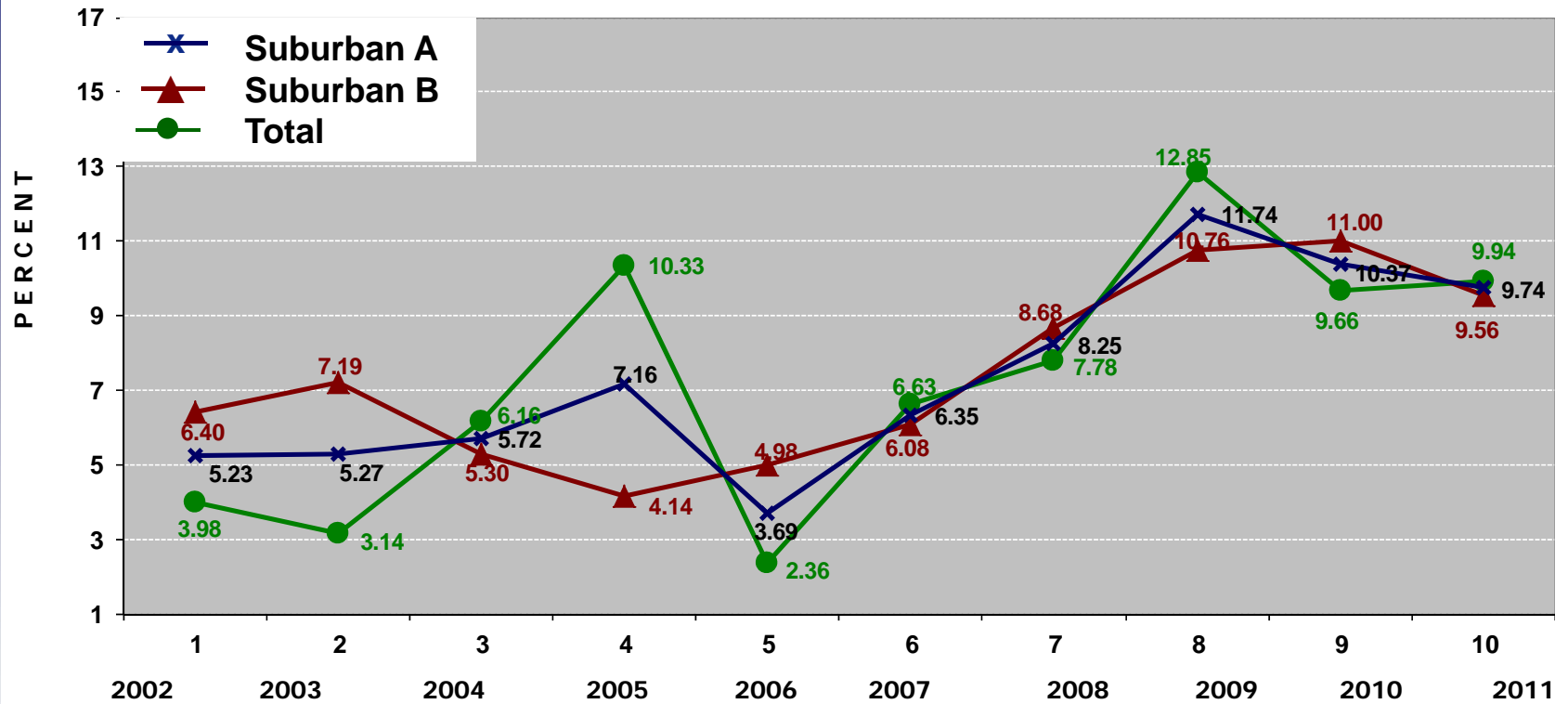


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# Vacancy Rate Overall - Suburban



Does not include information regarding Greater Portland's medical space



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## Significant Lease Transactions & Vacancies | Suburban

### ◆ **82 Running Hill Road**

- Dead River owner/occupied 26,546 SF

### ◆ **71 U.S. Route 1**

- Crossroads for Women leased 5,636 SF
- Fitness center leased 5,000 SF
- Pediatric cardiologist leased 5,000 SF

### ◆ **500 Southborough Drive**

- Sironahealth leased 17,832 SF

### ◆ **75 John Roberts Road**

- 19,970 SF vacant

### ◆ **300 Southborough Drive**

- 95,000 SF vacant

### ◆ **707 Sable Oaks**

- Possible shadow space of 24,246 SF

### ◆ **6 Ashley Drive**

- Cole Haan leased 38,390 SF

### ◆ **600 Sable Oaks**

- 34,913 SF vacant

### ◆ **One Riverfront Plaza**

- 23,770 SF vacant

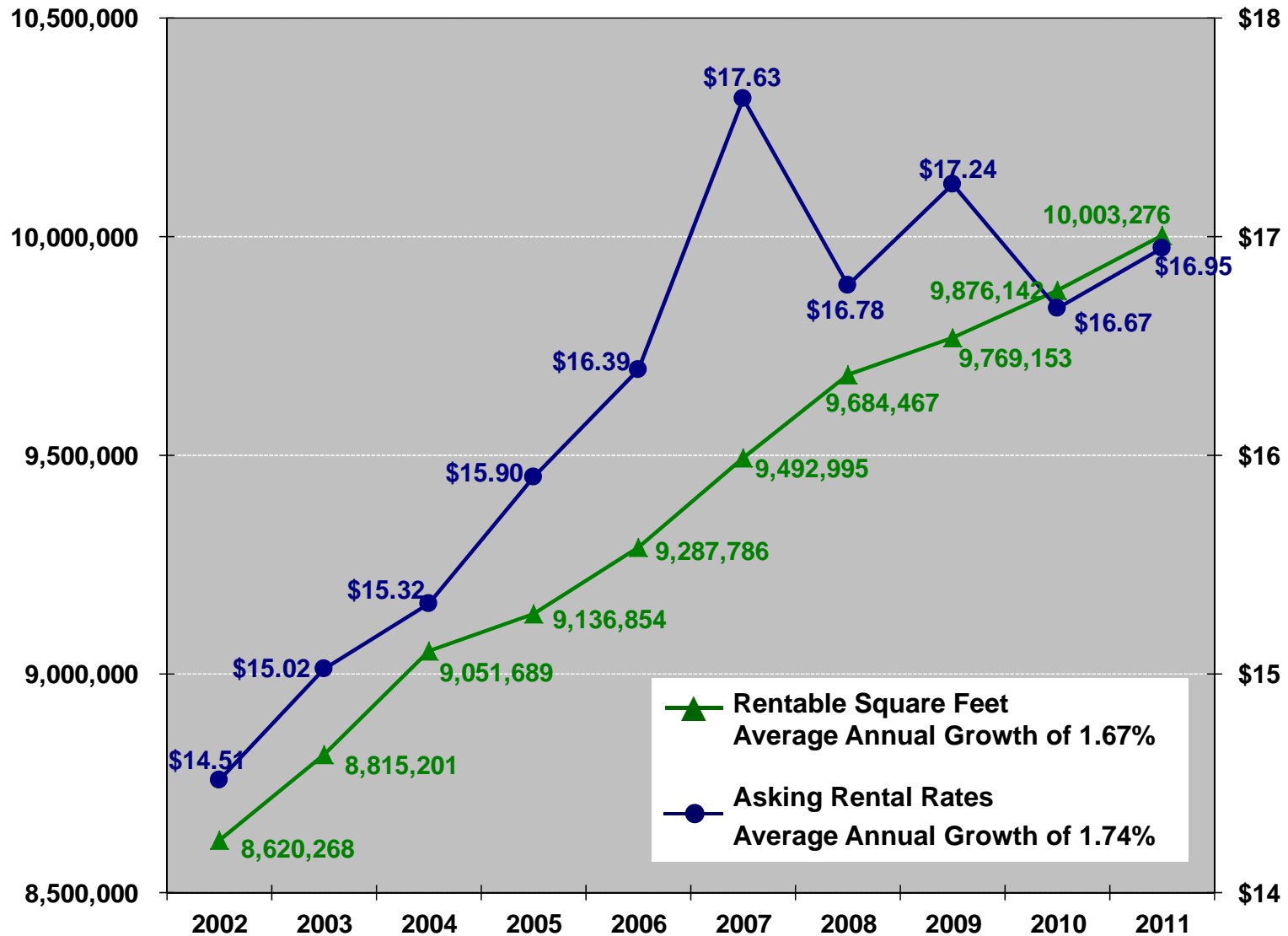


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# Growth Trends: Rentable SF/Asking Rent



Does not include information regarding Greater Portland's medical space



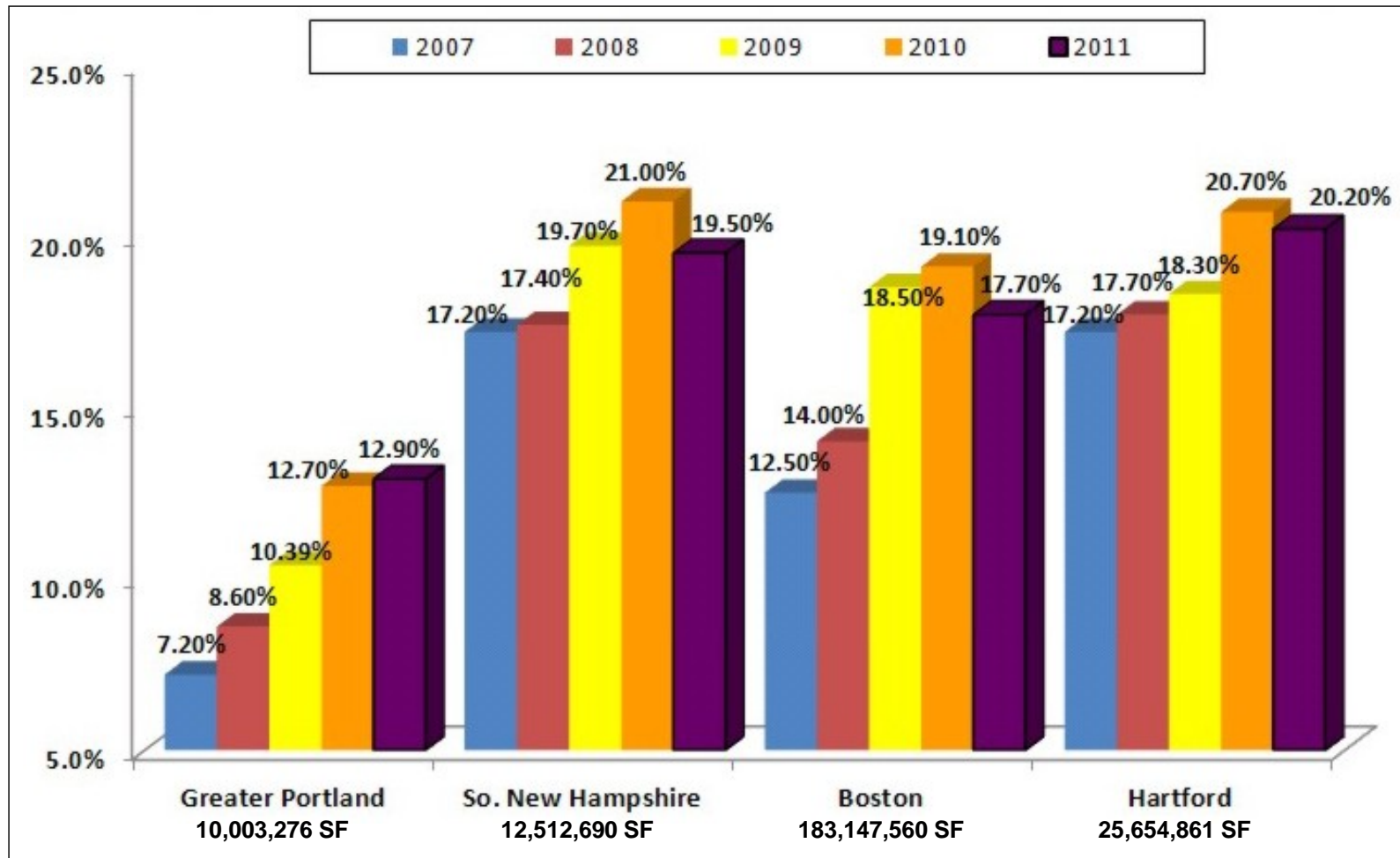
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# Regional Office Market Overall Vacancy Comparison



NOTE: So. New Hampshire & Hartford 2011 Vacancy is through the 3<sup>rd</sup> quarter of 2011.

SOURCE: Cushman & Wakefield regional information  
Malone Commercial Brokers local information



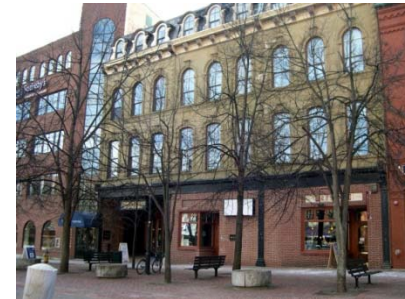
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# Notable 2011 Sales

- ◆ **443 Congress Street, Portland**
  - ~ 38,562 SF Class B office building
  - ~ \$1,600,000
  - ~ Investor sale
  
- ◆ **6-8 City Center, Portland**
  - ~ 23,000 SF Class B office building
  - ~ \$1,500,000
  - ~ Investor sale
  
- ◆ **100 Waterman, South Portland**
  - ~ 8,000 SF - 1<sup>st</sup> floor sold to S.P. Housing Authority - \$935,000
  - ~ 16,000 SF – 3<sup>rd</sup> & 4<sup>th</sup> floors sold to First Atlantic Mortgage - \$1,650,000
  
- ◆ **700 Technology Way, Scarborough**
  - ~ 8,000 SF Class B office building
  - ~ \$1,400,000
  - ~ Investor sale



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# Notable 2011 Sales

◆ **236 Gannett Drive, South Portland**

- ~ 8,000 SF Class B office building
- ~ \$835,000
- ~ Investor sale



◆ **155 Gannett Drive, South Portland**

- ~ 22,405 SF Class B office building
- ~ \$3,650,000
- ~ Investor sale



◆ **70 Gray Road, Falmouth**

- ~ 140,000 SF Class A office building
- ~ Partnership sale



◆ **90 Bridge Street, Westbrook**

- ~ 240,000 SF Class B office building
- ~ \$2,500,000 (note purchased)
- ~ Investor sale



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## ..... Looking ahead toward 2012

### ◆ Future Projects?

- ~ Thompson's Point Project
- ~ J.B. Brown Sites (W. Commercial, York St., Maple St.)
- ~ Sprague Site – Fore Street
- ~ Federated Companies – Somerset Street
- ~ Opechee Site – Fore/India Streets

### ◆ 2012 Predictions

- ~ Vacancy remains flat or decreases slightly
- ~ Net absorption continues to be positive
- ~ Sales remain flat
- ~ Still a tenants/buyers market
- ~ Mood is more and more optimistic



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