



# **Retail Presentation** **Looking Back at 2013** **and Moving Forward in 2014**

Presented by Karen Rich



**CARDENTE**  
REAL ESTATE  
*Commercial / Investment Brokerage*



# Buzzwords

(some old, some new)

Bizblog

Keystone

Urban Legend

“Bricks and Clicks”

Customer Loyalty

Window Shopping

E Commerce

Downsizing

Hourglass Spending

Absorption

Multi-channel Retailers

Mobile Integration

Social Media

# Greater Portland Net Absorption Rate Comparison of 2013 vs. 2012

	2013 SF	vs.	2012 SF
Beginning of Year Inventory	6,449,542		6,411,792
Beginning of Year Vacant	382,136		399,616
Beginning of Year Occupied	6,050,256		6,012,176
End of Year Inventory	6,460,738		6,449,542
End of Year Vacant	274,283		382,136
End of Year Occupied	6,186,455		6,050,256
Net Absorption	136,199		38,080

Courtesy of Malone Commercial Brokers

# Greater Portland Vacancy Rate By Type of Space

	Total Area	Vacancy	%
Power Center	3,397,616	93,339	2.75%
Community	1,547,655	115,858	7.49%
Strip Center	426,401	59,906	14.05%
Single Tenant (over 10,000 SF)	1,089,066	11,180	1.03%
Totals	6,460,738	280,283	4.29%

Greater Portland numbers include Portland, South Portland, Scarborough, Falmouth, Westbrook and Cape Elizabeth.

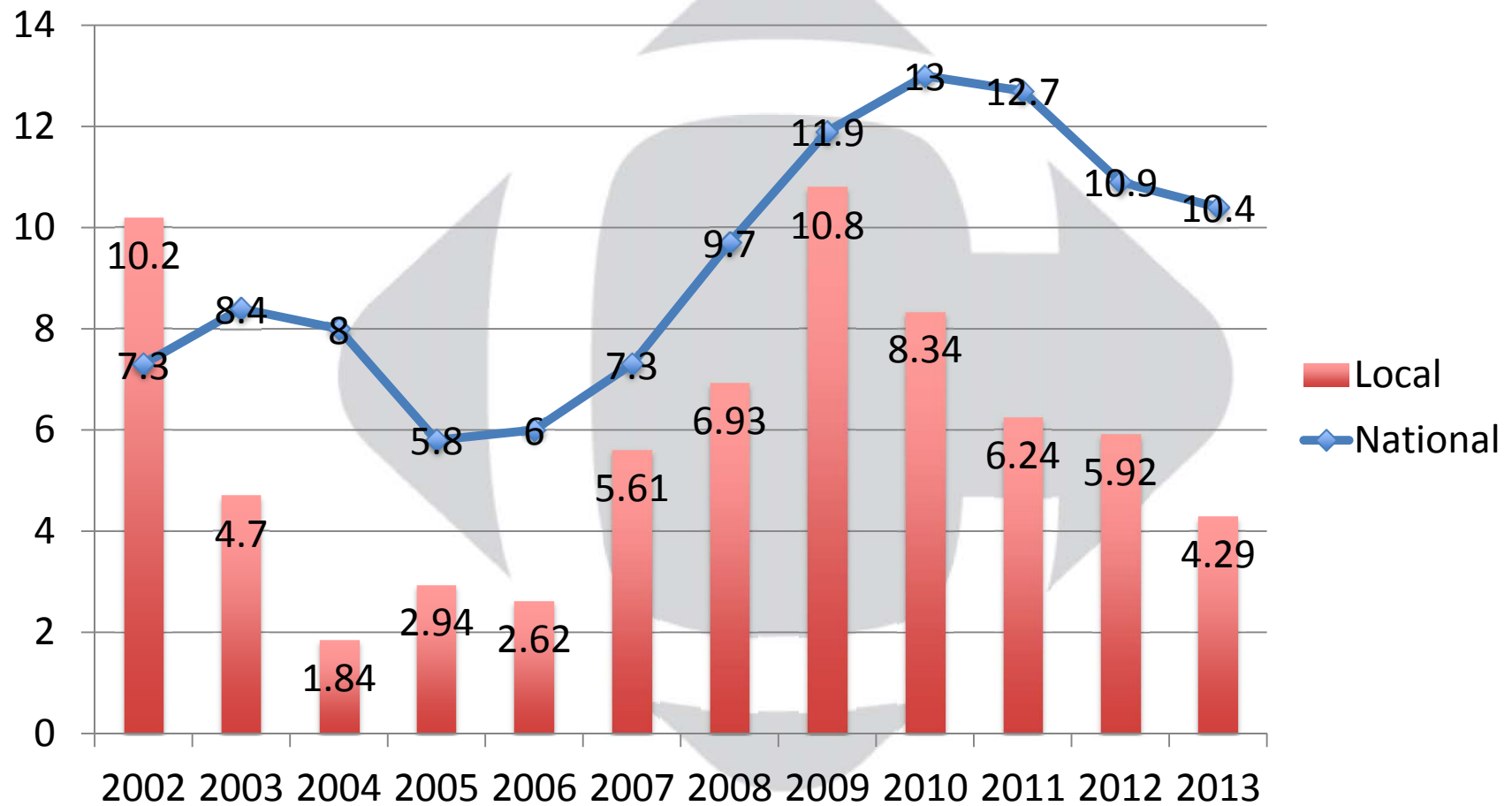
Courtesy of Malone Commercial Brokers

# Greater Portland Vacancy Rate By Community

	Total Retail Area (SF)	Vacancy	%
Cape Elizabeth	34,735	-	0.0%
Falmouth	544,682	73,559	13.5%
Portland	1,318,259	79,233	6.0%
Scarborough	1,262,326	41,250	3.3%
South Portland	3,004,466	79,522	2.65%
Westbrook	296,270	3,719	1.3%
Totals	6,460,738	277,283	4.29%

Courtesy of Malone Commercial Brokers

# Vacancy Rate – Local vs. National



# Large Vacancies 2012-2013

	Vacancy (SF)
Falmouth Shopping Center	68,850
Cabellas	16,000
Shops @ Clark's Pond	17,500
Pine Tree Shopping Center	13,548
Totals	115,898

Greater Portland numbers include Portland, South Portland, Scarborough, Falmouth, Westbrook and Cape Elizabeth.

# Greater Portland Asking Lease Rates

		2013	2012	
	Range	Average	Average	% Change
Prime Market	\$10-\$25	\$17.06	18.23	-6.44%
Secondary Market	\$8-\$20	\$12.42	12.36	0.45%
Overall Changes	\$8-\$25	\$14.42	14.63	-1.46%



# Major New Store Openings

BON♦TON

NORDSTROM

rack

***MARKET  
BASKET®***

**"MORE FOR YOUR DOLLAR"**

**Pier1 imports®**

# New Retail Store Openings



## ARISTELLE

Bra Fitting & Fine Lingerie



Edgecomb Potters  
edgecomb · freeport · portland



## Clarks



## MATTRESSFIRM

Save Money. Sleep Happy.™

## EARTHBOUND

# Mainers Love Their Restaurants





# New Old Port & Portland Restaurants



vinland



OUTLIERS  
EATERY

PICCOLO



# Old Port & Portland Happenings

- Positive, positive, positive news on the retail front in Downtown and Old Port
- Restaurants – local and national absorbing every possible location
- New national franchises moving in
- Extremely low vacancy rates
- Average leases:      Lower Exchange, Wharf and Commercial: \$30-\$40 PSF MG  
                                 Other Old Port areas: \$25-\$30 PSF MG
- Conversion of Office to Retail with great success
- Portland is a major Foodie city and on the national map!

# Southern Maine Retail

## Biddeford

- The big news in Biddeford this past year was the opening of the 1<sup>st</sup> Market Basket in Maine, an approximately 107,000 SF store. Previously occupied by Lowe's

## Brunswick

- Sale of Pizza Hut
- Five Guys opens

## Freeport

- Freeport Village Station 100% occupied with addition of Old Navy
- Several new retailers and restaurants

## Windham

- New 10,000 SF Dollar Tree
- Sale of Tractor Supply as investment property
- Low 2.49% Vacancy Rates

## Saco

- Relatively quiet year along Main St. area
- Some absorption of car dealerships

## Topsham

- New construction of 8,000 SF Topsham Fair Mall
- Starbucks and Firehouse Subs (1<sup>st</sup> Maine Location.)

# Significant Retail Sale Transactions in 2013



• Biddeford Crossing	\$51,300,000
• Lowe's – North Windham	\$12,000,000
• Old Port Portfolio (Fore & Wharf Street Package)	\$5,350,000
• Cascade Plaza and Radley's Shop and Save - Old Orchard Beach	\$4,000,000
• Tractor Supply – North Windham	\$3,000,000
• Rite Aid, Westbrook	\$2,600,000
• Maine Mall Road Land (Building for Starbuck and Mattress Firm)	\$1,700,000
• 290 Congress Street Plaza	\$2,750,000



# New Construction



Commercial Street Conversion:  
Office to Retail



Topsham Fair Mall

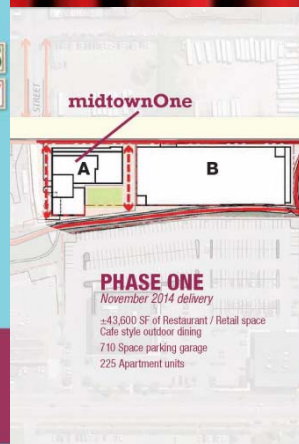
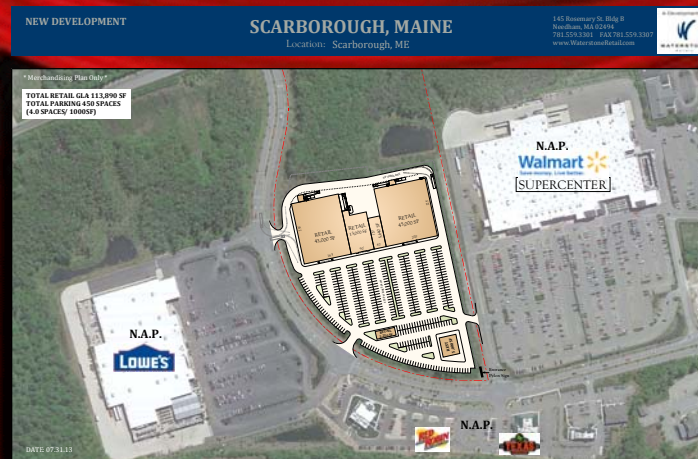




# Retail Trends

- Hourglass economy still in effect.
- Online shopping continues to increase.
- Internet retailing has experienced unbelievable growth.
- How will e-commerce continue to affect bricks and mortar retail?
- Retailers will continue to shrink their retail store size as their requirements diminish for showroom space and inventory storage.
- Retailers will position themselves to appeal to shoppers on-line and off-line. More consumers will shop online and pick up purchases at store. Will offer better shopping experience to ensure customer loyalty.
- Groceries are the next frontier for e-commerce.

# Coming Attractions for 2014



# Looking Forward to 2014

- As most of the vacant retail space is absorbed, retail construction will commence.
- Midtown will begin construction on 30,000 SF retail on 1<sup>st</sup> floor of parking garage.
- Scarborough Gallery will begin construction of next phase.
- Dollar General will purchase sites throughout Maine.
- Kohl's closing in Biddeford, rebuilding and reopening in a smaller store by year end.
- Vacancy rates will continue to decline.
- Lease Rates will escalate slightly.
- Shoppers will continue to integrate on-line and in store shopping.
- More national franchises will look to come to Maine.
- Retailers and restaurants already here will expand into new markets.
- 2014 is shaping up to be a good year for Retail!

# ...and Beyond

**Retail in Maine**

**25 Years from now**

