



Greater Portland Retail Review & Forecast

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Vacancy Rate

By City



LOCATION	TOTAL AREA	VACANCY	% VACANT	% OF TOTAL
Cape Elizabeth	34,735	0	0.0%	0.53%
Falmouth	544,682	3,676	0.7%	8.25%
Portland	1,326,110	79,423	6.0%	20.08%
Scarborough	1,391,266	13,700	1.0%	21.06%
South Portland	2,872,007	238,990	8.3%	43.48%
Westbrook	435,906	15,292	3.5%	6.60%
TOTALS	6,604,706	351,081	5.32%	100.0%

Large Vacancies

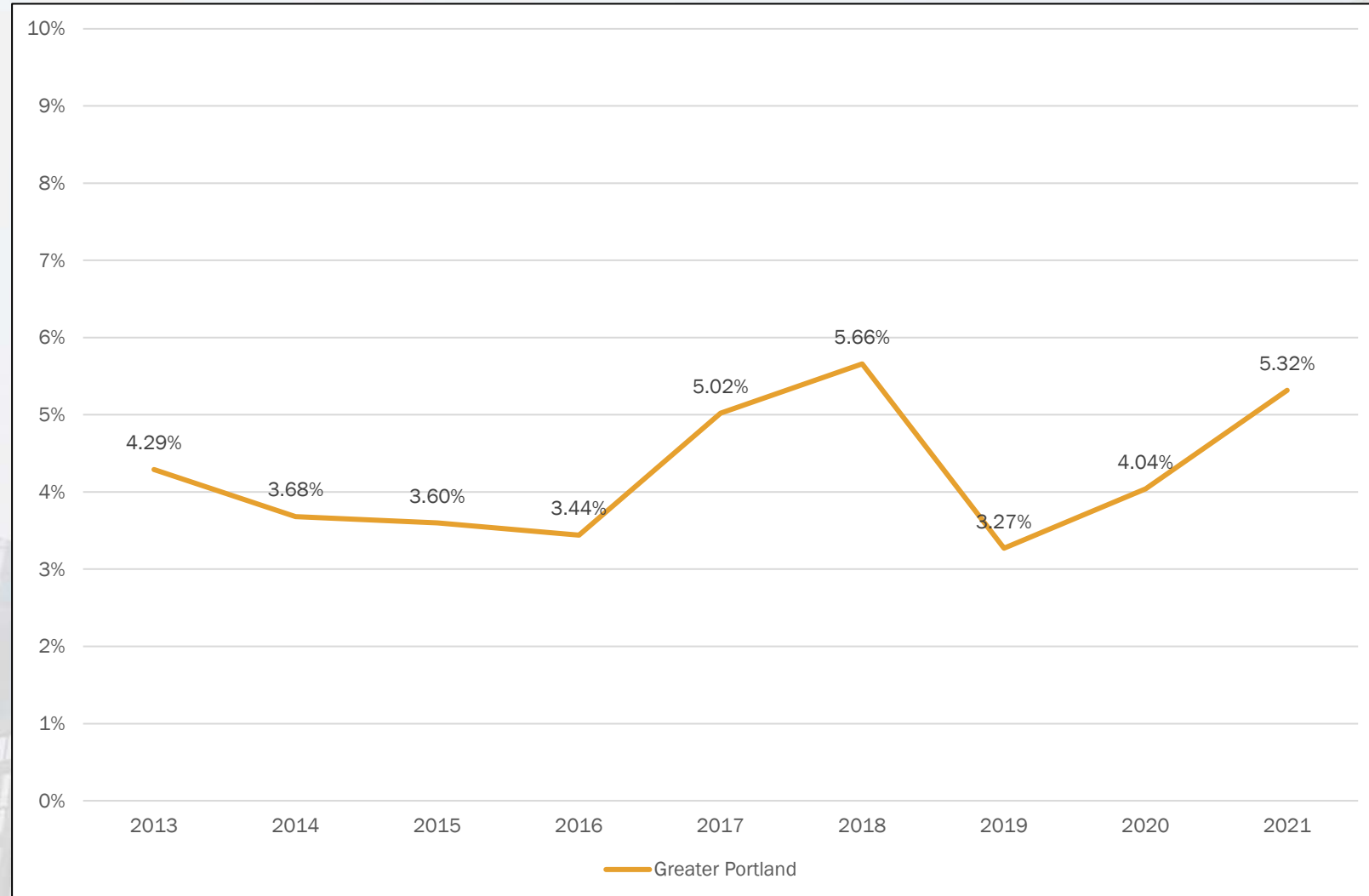
2021 vs. 2020



YEAR END	2021	2020
Maine Mall	175,111 SF	10,888 SF
Pine Tree Shopping Center	17,000 SF	21,698 SF
Walgreens (Brighton, Forest & Allen Avenues, Portland)	38,056 SF	38,056 SF
Mallside Plaza	14,352 SF	14,952 SF
Shops at Clark's Pond	12,132 SF	11,252 SF
TOTALS	169,332 SF	85,958 SF

Greater Portland Lease Vacancy Rates

- The national retail vacancy rate continued its downward trend as of December 9, 2021, to 4.7% and down 10 basis points from Q3.
- The national mall vacancy rate was the only retail property type with an increase in vacancy rate in Q4, a 0.4% increase from Q3 to 8.4%.



Average Lease Rates

2020 vs 2021

	2021 NNN RANGE	2021	2020
Primary Market	\$16.00-\$40.00	\$23.30	\$19.22
Secondary Market	\$10.50-\$20.25	\$17.20	\$17.65
Overall Averages	\$10.50-\$37.00	\$20.19	\$18.22

Old Port & Downtown Portland Average Lease Rates



Old Port

STREET	LEASE RATE
Commercial Street	\$25-\$48/SF MG
Fore Street	\$30-\$40/SF MG

Downtown

STREET	LEASE RATE
Lower Exchange Street	\$40-\$55/SF MG
Milk Street	\$30-\$45/SF MG
Upper Exchange Street	\$30-\$40/SF MG
Congress Street Area	\$25-\$38/SF MG

Significant Sales



PROPERTY	TYPE	BROKERS	PRICE
198 Maine Mall Rd, South Portland	Shopping Center	Mark Malone, Malone Commercial Brokers; Scott Schubert, Anagnost Realty & Development	\$20,000,000 7.36% Cap
2 Market St, Portland	60% Retail	Joe Malone & Jennifer Small, Malone Commercial Brokers; Steve Baumann, Compass Commercial Brokers	\$6,110,000
35 Foden Rd, South Portland	Retail/Service	Justin Lamontagne & Greg Hastings, The Dunham Group; Kirk Butterfield, Keller Williams	\$2,264,000
279 Main St, South Portland	Retail	Kevin Fletcher, The Fletcher Group; Bob Stolkin, First Street Inc.	\$2,092,500
140 Maine Mall Rd, South Portland	Retail	Craig Young & Noah Stebbins, The Boulos Company	\$1,800,000
701 Forest Ave, Portland	Retail	Tony McDonald & Jessica Estes, The Boulos Company	\$1,590,000

Significant Leases

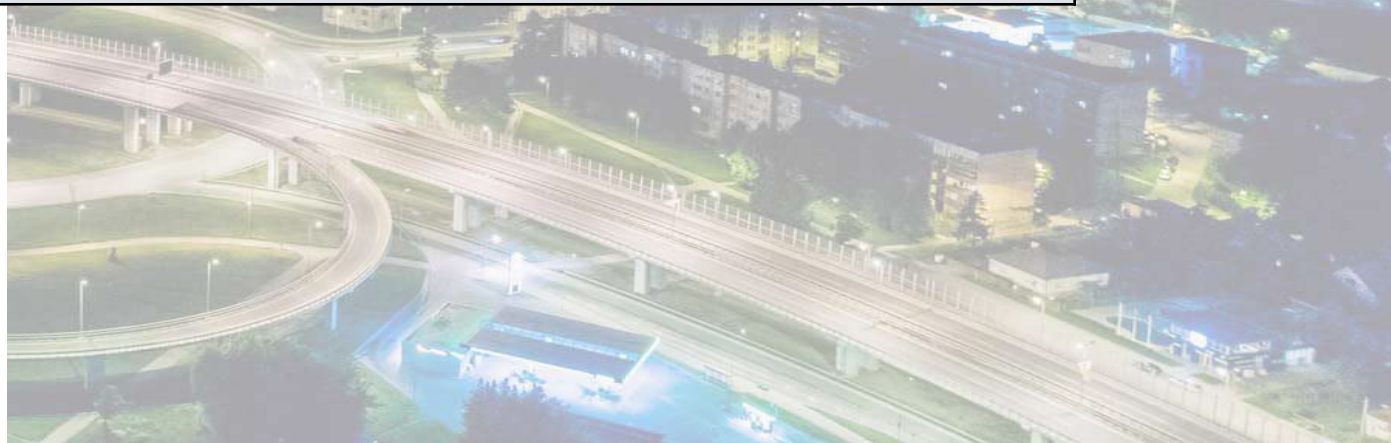


PROPERTY	TENANT	BROKERS	SIZE
200 Gorham Rd, South Portland	The Shaky Crab	Steve Baumann & Jack Orne, Compass Commercial Brokers	8,484± SF
1041 Brighton Ave, Portland	Calvary Chapel Greater Portland	Michael Anderson, Malone Commercial Brokers	7,000± SF
139 Riverside St, Portland	Stacks Pancake Co.	Mark Malone, Malone Commercial Brokers	5,202± SF
Clarks Pond Parkway, South Portland	Morton Cinemas	Steve Baumann, Compass Commercial Brokers	25,000± SF

Significant Old Port/Downtown Portland Leases



PROPERTY	TENANT	BROKERS	SIZE
101 York St, Portland	X-Golf Portland	Derek Miller, The Boulos Company	7,858± SF
127 Middle St, Portland	Cellar Door Winery	Peter Harrington, Malone Commercial Brokers; Anthony Struzziero, Porta & Co	3,512± SF
123 Commercial St, Portland	Seabags	Peter Harrington, Malone Commercial Brokers	2,587± SF



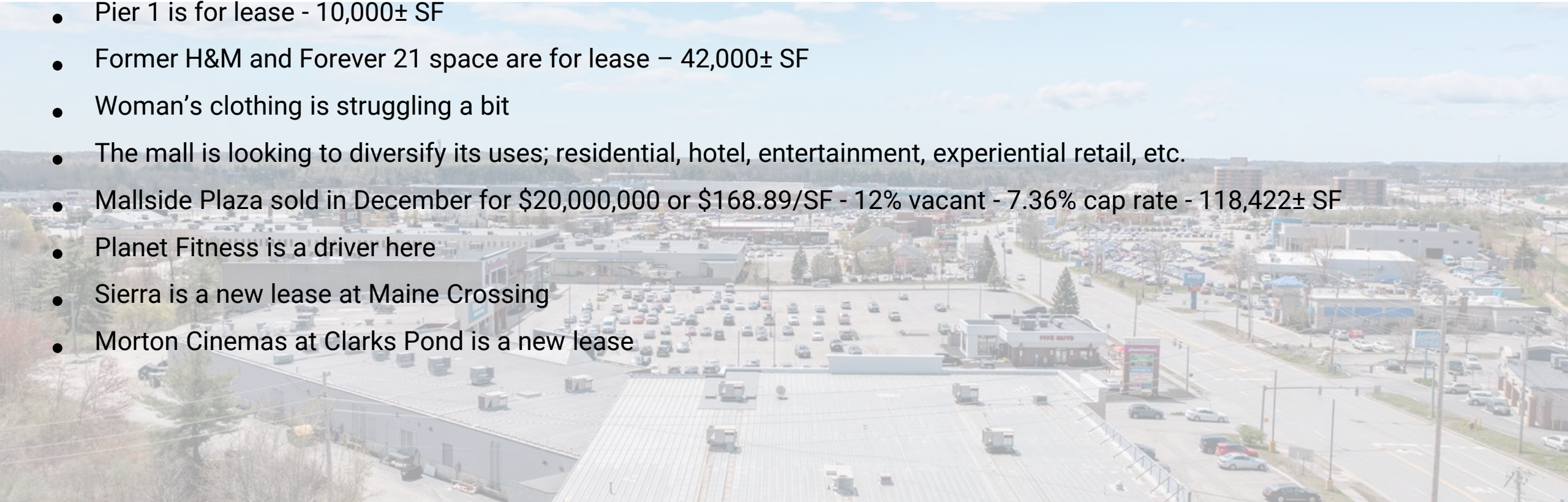
Drivers

- Recovering economy
- Pent up demand from people being stuck at home – travel was much stronger in 2021 vs. 2020. This helped Maine and the Portland area - we are still Vacationland.
- Government stimulus in 2020 & 2021 – unprecedented amounts of government support
- Covid vaccines and treatments
- Strong housing market – home goods, appliances, contractor services and furniture
- Home equity wealth effect
- Recovering restaurants, Doordash and takeout
- Recreational activities – biking, skiing, etc.
- Home gym equipment
- Athleisure wear and casual clothing
- Experiential retail – yoga at a retail store, a ropes course at Jordan's Furniture
- The Old Port is successful for retailers and restaurants partly because it's a great experience walking this historic area on the ocean

Maine Mall & Maine Mall Area Update



- About 8% vacant currently in the Maine Mall
- Sears is available for sale – \$11,000,000; 11± AC; 113,111± SF (Not owned by the Mall)
- Town Buffet is for lease - 10,000± SF
- Pier 1 is for lease - 10,000± SF
- Former H&M and Forever 21 space are for lease – 42,000± SF
- Woman's clothing is struggling a bit
- The mall is looking to diversify its uses; residential, hotel, entertainment, experiential retail, etc.
- Mallside Plaza sold in December for \$20,000,000 or \$168.89/SF - 12% vacant - 7.36% cap rate - 118,422± SF
- Planet Fitness is a driver here
- Sierra is a new lease at Maine Crossing
- Morton Cinemas at Clarks Pond is a new lease



Rock Row Update

- **Phase 1**

- Now Open: Market Basket, The Paper Store, REI, Starbucks, Chick-Fil-A, Chase Bank, Big Fin Poke, Firehouse Subs, US Cellular
- Under Construction: The Drip Bar, Sport Clips, Cowbell Burger Bar
- Three more tenants to be announced

- **Opening 2023**

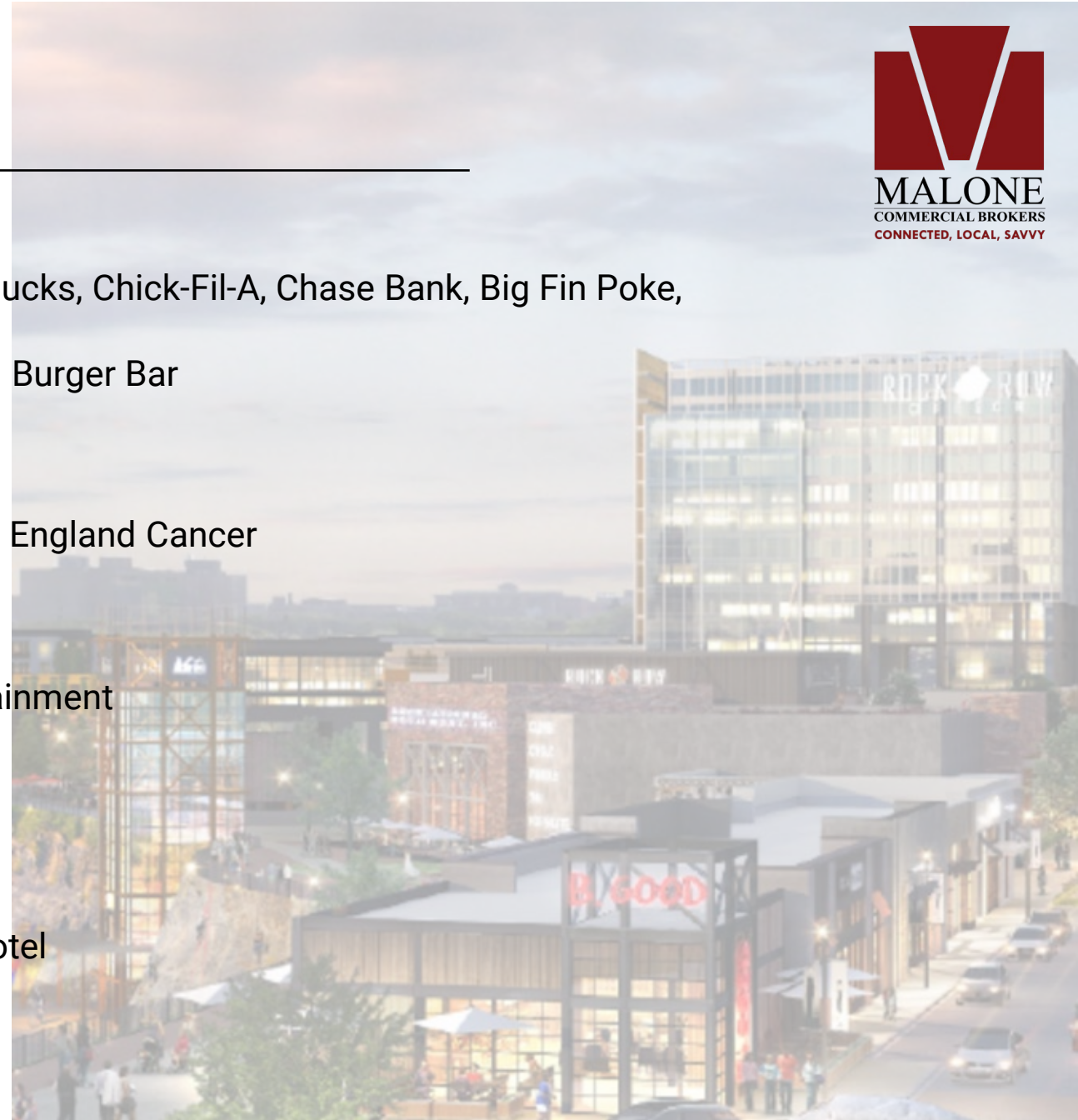
- 150,000± SF medical office building anchored by New England Cancer
- First 300 apartment units by Cathardes

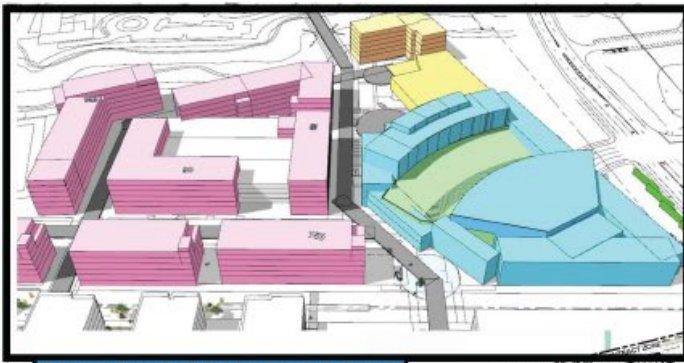
- **Opening 2024**

- Retail/restaurants/breweries/boutique fitness/entertainment
- 150,000± SF cross-laminated timber office building
- Additional 500 apartment units
- Element Hotel

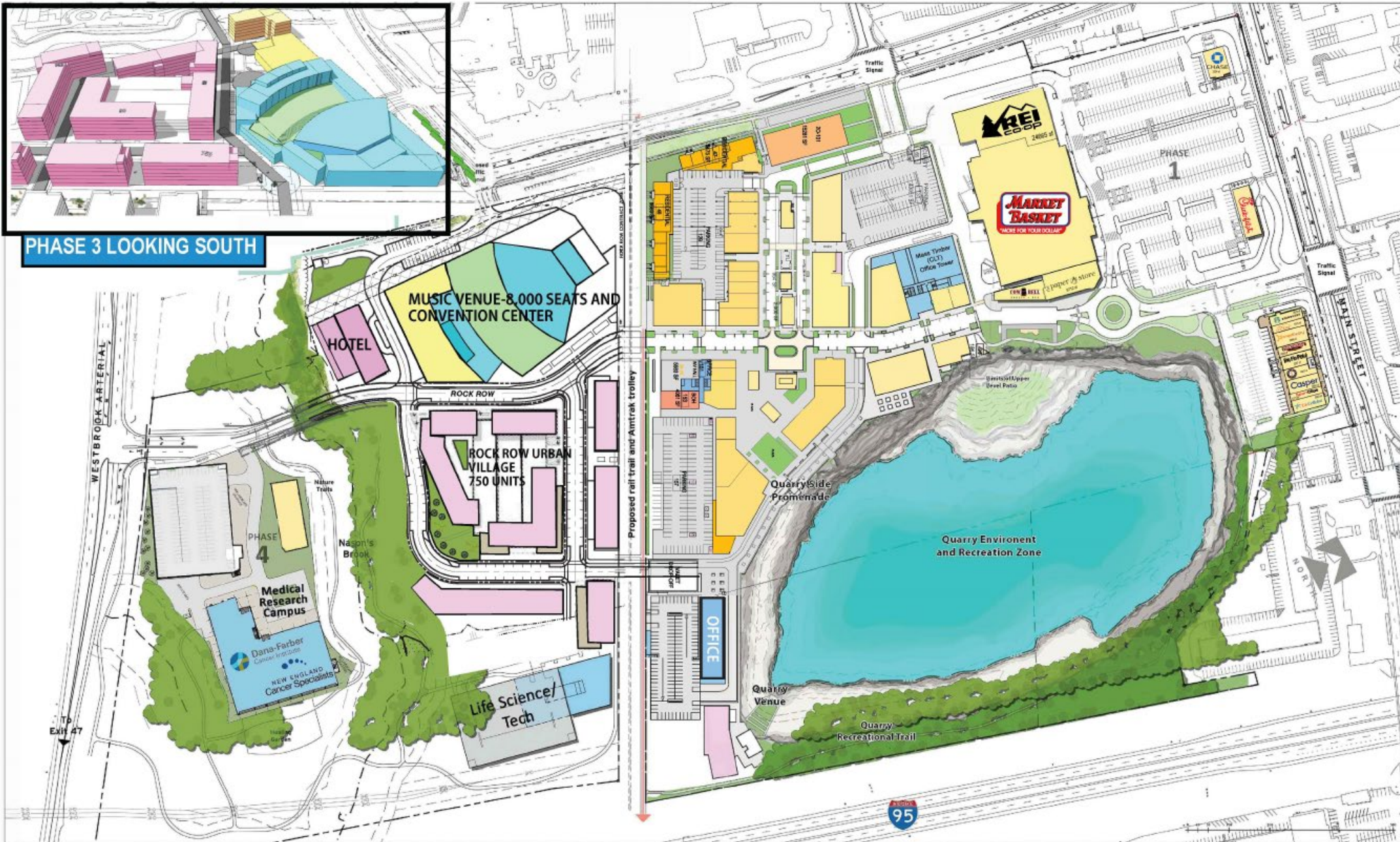
- **Opening 2025**

- Convention center, indoor/outdoor concert venue & hotel
- Three parking decks with a total of 1,500 spaces





PHASE 3 LOOKING SOUTH



Scarborough Update

- Something cool is coming to Scarborough – an adaptive combination reuse experiential/retail community center
- The former fire/police station on Route One is converting into a town center retail/service/residential center
- Harbor Fish Market, Rosemont Market, Bruno's Wood Fired Pizza, Maniac Fitness, Stretch Lab, Raise Playspace (a children's learning & play center) and 31 senior housing units by Avesta are springing to life on this 2.76± AC site
- This is another example of the future of retail. Live, workout, shop, eat, drink and learn. People from 1 to 100 will use this site at various times of day into the night. All the different site visits help everyone



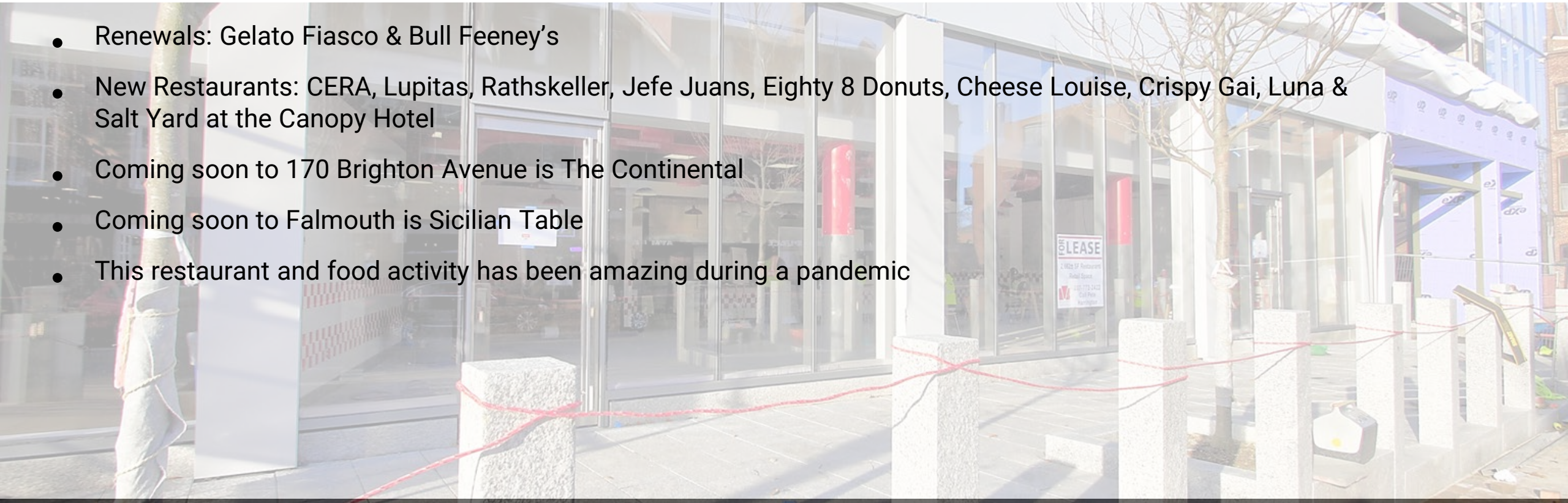
Old Port/Downtown/Portland Update



- 15 retail marijuana retail stores opened in Portland
- Not a significant number of new leases; most retailers had a great season – Summer through Christmas
- Restaurants rebounded dramatically
- Travel to Portland was off the charts this summer. Many airlines added flights to Portland. It's become a must-see travel destination. The lack of international travel helped as well - this year hotels and Airbnb's were full
- Cruise ships weren't missed – tremendous foot traffic in the Old Port and Downtown Portland without them
- Realignment in the drug store industry
- East Brown Cow is completing a beautiful multimillion dollar renovation of the Fore Street Garage. They are also renovating 1 Canal Plaza's first and ground floors into retail space - another sign of the strength of the area's retail market
- The India Street area and Eastern Waterfront are also seeing significant development. 5 India Street is a new apartment building with 2,500± SF of retail on the first floor – Covetrus and Sun Financial are also nearly complete – Cambria's first hotel/Shipyard's Brewtel is under construction
- Canopy Hotel & Aloft Hotel opened on Commercial Street in 2021

New Restaurants

- Second generation restaurant spaces were snapped up in 2021. Cost to build a new restaurant are prohibitive
- New restaurants taking over old restaurants: Lobster shack -> Paper Tiger; Pizzarino -> Bread & Friends; Arabica -> Brickyard Hollow; Walters -> Lenora Taco Bar; Emilista -> Regards; Friends x Family -> Vinland
- Renewals: Gelato Fiasco & Bull Feeney's
- New Restaurants: CERA, Lupitas, Rathskeller, Jefe Juans, Eighty 8 Donuts, Cheese Louise, Crispy Gai, Luna & Salt Yard at the Canopy Hotel
- Coming soon to 170 Brighton Avenue is The Continental
- Coming soon to Falmouth is Sicilian Table
- This restaurant and food activity has been amazing during a pandemic



Looking Ahead



Positive Traction Heading into 2022

- The future for Greater Portland and the Southern Maine retail market is bright. There are challenges, there always are, but they are outweighed by the positives
- Portland, Maine will continue to be an attractive place to visit and live
- The work from home trend will continue to attract people and talent to Maine
- Portland in particular has become a must visit place for travelers - food and beverage culture are big drivers

Risks to Retail

- Rising interest rates. The federal reserve is signaling a quick, more aggressive rise in rates which will lead to higher rates for consumers. They will also not be provided as much stimulus, and they plan to shrink their balance sheet. We have already seen a steady rise in interest rates
- Inflation – this will begin to hurt expansion, new development and cut spending power
- Online retail shopping
- Lack of labor – finding employees is as difficult as it's ever been
- We don't anticipate a large number of new vacancies and we think absorption of existing vacancies should slow. We also don't see a great deal of new retail properties being built. This could help the sale of existing retail buildings



THANK YOU!



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