



Greater Portland Retail Review & Forecast

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Vacancy Rate

By City



LOCATION	TOTAL AREA	VACANCY	% VACANT	% OF TOTAL
Cape Elizabeth	34,735 SF	0 SF	0%	0%
Falmouth	557,502 SF	4,998 SF	0.9%	8.44%
Portland	1,326,110 SF	36,959 SF	2.8%	20.08%
Scarborough	1,377,466 SF	13,574 SF	1.0%	20.86%
South Portland	2,872,007 SF	152,620 SF	5.3%	43.49%
Westbrook	435,906 SF	71,005 SF	16.3%	6.60%
TOTALS	6,603,726 SF	279,156 SF	4.23%	100%

Large Vacancies

2022 vs. 2021



YEAR END	2022	2021
Maine Mall Area	129,935 SF (Sears space)	175,111 SF
Pine Tree Shopping Center	12,500 SF	17,000 SF
Walgreens (Portland)	8,519 SF	38,056 SF
Mallside Plaza	4,200 SF	14,352 SF
Shops at Clark's Pond	3,192 SF	12,132 SF
Westbrook Crossing	67,025 SF (Shaw's space)	0 SF
TOTALS	225,371 SF	169,332 SF

Vacancy Rates: National vs. Greater Portland

- National retail vacancy rate at the end of Q3* 2022 was 4.3% - the lowest it's been in 15 years
- Greater Portland retail vacancy rate at the end of 2022 was 4.23%



*Q4 2022 National vacancy report still not out

Average Lease Rates

2022 vs 2021

	2022 NNN RANGE	2022	2021
Primary Market	\$17.00 - \$26.50	\$26.10	\$23.30
Secondary Market	\$12.00 - \$20.00	\$14.63	\$17.20
Overall Averages	\$12.00 - \$26.50	\$17.68	\$20.19

Old Port & Downtown Portland Average Lease Rates



Old Port

STREET	LEASE RATE
Commercial Street	\$30 - \$55/SF MG
Fore Street	No vacancies, but current rates are close to \$40-\$50/SF MG, depending on proximity to Exchange and Moulton Streets

Downtown

STREET	LEASE RATE
Lower Exchange Street	\$50-\$75/SF MG, depending on size and space
Milk Street	\$30-\$50/SF MG
Upper Exchange Street	\$35-\$50/SF MG, depending on size and space
Congress Street Area	\$25-\$35/SF MG
Middle Street	\$40-\$65/SF MG

Significant Sales



PROPERTY	TYPE/SF	BROKERS	PRICE	PRICE/SF
Union Station Plaza, Portland	Shopping Plaza 117,814± SF	Joe Malone and Mark Malone of Malone Commercial Brokers; John Gendron of Gendron Commercial	\$16.875M	\$143/SF
211 Fore Street, Portland	Retail Condo 7,000± SF	Roger Daigle of Daigle Commercial Group (restaurant space)	\$2.85M	\$407/SF
936 Brighton Avenue, Portland	Retail 11,180± SF	Joe Malone and Jennifer Small of Malone Commercial Brokers; Chris Paszyc and Nick Lucas of The Boulos Co.	\$2M	\$178/SF
1 Cabela Boulevard, Scarborough	Retail 6,115± SF	Mark Malone of Malone Commercial Brokers (former restaurant space)	\$1.5M	\$245/SF
383 Commercial Street, Portland	Retail Condos 3,487± SF	Joe Malone, Jennifer Small and Mark Malone of Malone Commercial Brokers	\$1.046M	\$300/SF
341 Fore Street, Portland	Restaurant Condo 1,425± SF	Peter Harrington of Malone Commercial Brokers (next door 2,310± SF condo sold in 2021 for \$171/SF)	\$535K	\$375/SF
269 Foreside Road, Falmouth	Retail / 4,021± SF	Town Landing Market sold to local restaurant group	\$1.8M	\$448/SF
465 Maine Mall Road South Portland	Restaurant 6,250± SF	Frank O'Connor of The Dunham Group	\$1.75M	\$280/SF
100 Clark's Pond Parkway South Portland	Retail 6,328± SF	Greg Boulos of The Boulos Company	\$1.75M	\$276/SF
Freeport Portfolio	Retail 48,886±	Mark Malone of Malone Commercial Brokers; Josh Soley of Maine Realty Advisors	Undisclosed	\$152/SF
35 Main Street, Freeport	Retail / 22,760± SF	Mark Malone of Malone Commercial Brokers	Undisclosed	\$250/SF

Significant Leases – Non Old Port/Downtown



PROPERTY	TENANT	BROKERS	SIZE
340 Allen Avenue Portland	Dollar General	Charlie Craig of The Dunham Group	14,096± SF
Mallside Plaza South Portland	Flaming Grill of Maine	Mark Malone of Malone Commercial Brokers	10,152± SF
936 Brighton Avenue Portland	Allspeed	Joe Malone and Jennifer Small of Malone Commercial Brokers (purchased by Muscle City Investments LLC, leased to Allspeed)	9,066± SF
701 Forest Avenue Portland	WBRC Inc	Jessica Estes of The Boulos Company (conversion from retail to office)	6,500± SF
211 Marginal Way Portland	ConvenientMD	Mark Malone of Malone Commercial Brokers and Joe Porta of Porta & Co	4,000± SF
127 Marginal Way Portland	Dedalus Wine Group	Joe Malone and Jennifer Small of Malone Commercial Brokers and Syllas Hatch of The Dunham Group	3,040± SF
170 Brighton Avenue Portland	The Continental	Peter Harrington of Malone Commercial Brokers	2,173± SF

Significant Old Port/Downtown Portland Leases



PROPERTY	TENANT	BROKERS	SIZE
31 Diamond Street	Toad & Co.	Thomas Moulton of The Dunham Group	7,826± SF* *warehouse with small retail component
101 York Street	Wedding Angels Bridal Boutique	Derek Miller of The Boulos Company	7,391± SF
75 Market Street	Madewell	Peter Harrington of Malone Commercial Brokers	5,532± SF
211 Marginal Way	ConvenientMD	Mark Malone of Malone Commercial Brokers and Joe Porta of Porta & Co	4,000± SF
5 India Street	The Fish & Bone	Peter Harrington of Malone Commercial Brokers	2,500± SF
424 Fore Street	Bar Futo	Peter Harrington of Malone Commercial Brokers	2,662± SF

Maine Mall & Maine Mall Area Update



Maine Mall Recent/Upcoming Openings

- Showcase: 1,200± SF
- Boba: 200± SF leased
- Lululemon: 4,200± SF
- Auntie Anne's: 200± SF
- Rack Attack: 5,000± SF

Recent Closings

- Olympia Sports: 6,575± SF
- Origins: 900± SF
- The Body Shop: 600± SF
- US Cellular: 900± SF

2023 OUTLOOK

- A National retailer negotiating for 20,000± SF (non-apparel)
- No retailer “post-holiday purge” expected
- Sears remains vacant
- Multi-use opportunities under evaluation including office, medical and residential components

MALL OCCUPANCY 98.5%

MALL SALES UP CLOSE TO 5%

Maine Mall Area

- Mallside Plaza leased 10,000± SF
- 54,000± SF, former Burlington Coat Factory under contract with a change of use user

Rock Row/Westbrook Update

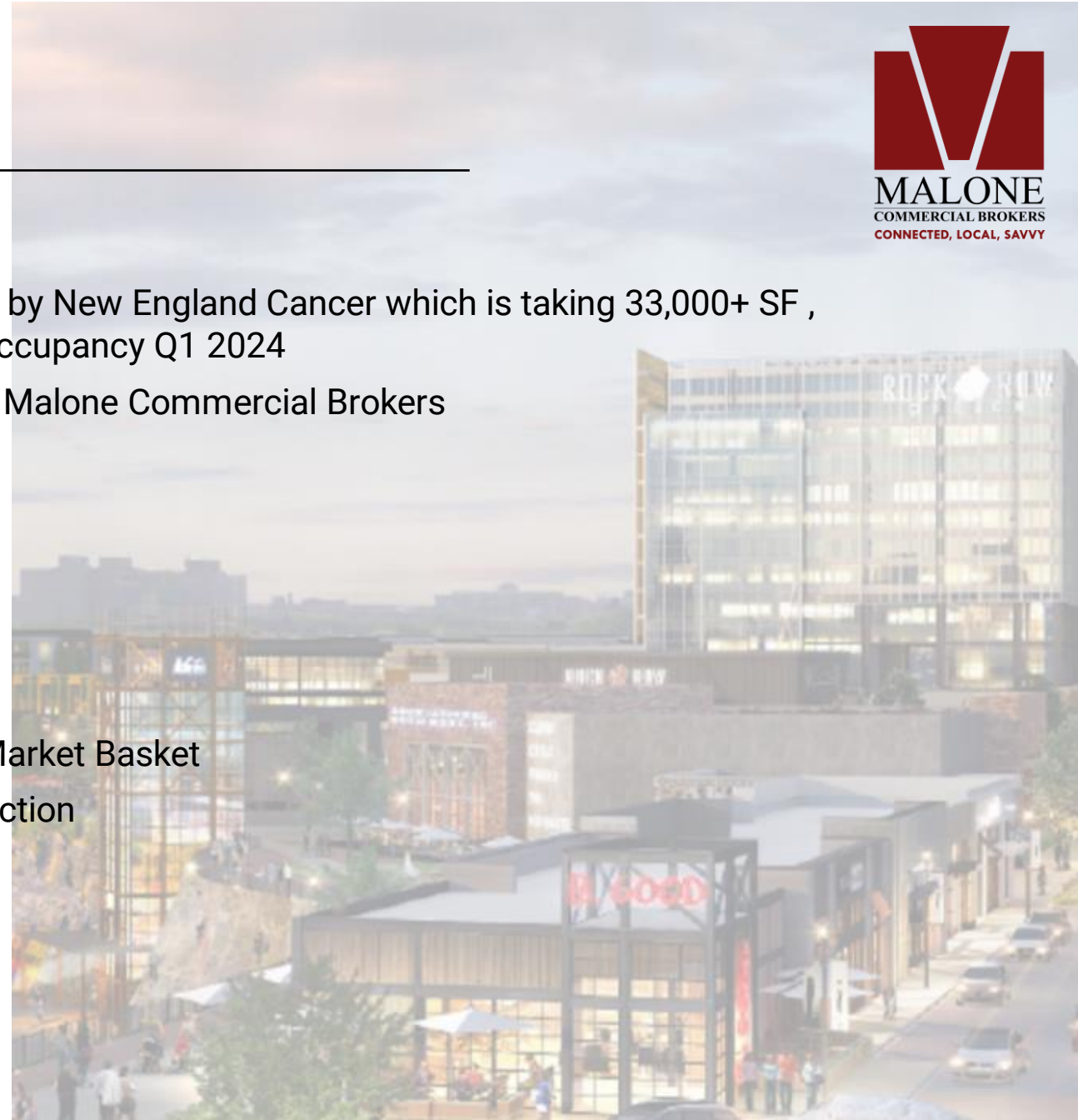


Rock Row

- Broke ground 150,000± SF medical office building anchored by New England Cancer which is taking 33,000+ SF , brokered by Mark Malone of Malone Commercial Brokers, occupancy Q1 2024
- Saco Bay PT leased 9,000± SF, brokered by Mark Malone of Malone Commercial Brokers
- Reyes Imaging
- Orange Theory and Cowbell Burger set to open Q1 2023
- First 300 apartment units by Cathardes
- Rock Row had 2.7M annual visitors in 2022

Westbrook

- Shaw's closed their Westbrook store across from the new Market Basket
- A 70,000± SF vertical hydroponic greenhouse under construction
- The VIP retail store is on the market



Scarborough Update



- Sea Dog Brewing Co. now open in Cabela's Plaza
- Maine's first Costco site work has begun – opening either late 2023 or early 2024
- 246 US Route One, the former Police/Fire Station won the Scarborough Economic Development Project of the Year
- Pat's Pizza in Oak Hill sports bar expansion opens Jan/Feb 2023



Old Port/Downtown/Portland Update

- 1 Canal Plaza- 22,542± SF major \$10M capital improvement renovations have started
- Madewell opened in November
- Construction updates: Hobson's Wharf, new Post Office Square building
- Fore Street garage construction finished – Paper Tiger and Bar Futo opened
- Starbucks on Exchange and Middle closed, Peruvian Link closed and Dobra Tea is relocating to a smaller space
- Swiss Time closed, The Grill Room is expanding into the space
- Marriner's Church building sold, the Old Port Tavern is available for lease



New Restaurants

Now Open:

- Bar Futo
- Dok Mali
- Indy's Sandwich
- The Friendly Toast
- Regards
- Smalls
- Paper Tiger
- Twelve

Coming Soon:

- George & Leon's in Westbrook (formerly George's North Shore food truck)
- Bistro Leluco in South Portland
- Bread and Friends in Portland
- Lenora in Portland
- Papi in Portland
- Quanto Basta in Portland (formerly a food truck)
- The Continental in Portland
- The Ugly Duckling in Portland

Looking Ahead / Drivers to Retail



Positive Traction Heading into 2023

The Greater Portland Retail Vacancy Rate at the end of 2022 stands at 4.23% for the retail spaces we track, down from 5.32% at the end of 2021.

The retail market has bounced back from recent years of bankruptcies, empty store fronts and unloved enclosed mall space during the pandemic.

A lack of new construction because of expense to build and a lack of risk taking in retail by developers have also helped keep vacancies low.

E-commerce merchants have also been expanding their physical presence.

In post pandemic times (if that's possible), consumers have been out spending, browsing, trying on new clothes, eating and drinking out. All of this in spite of rising interest rates and high inflation. The US economy has been resilient, we have had great job and income growth.

In the Downtown and Old Port, foot falls have increased dramatically as more tourists travel to Portland, along with a steady flow of new residents to the Portland Peninsula and Greater Portland area.

In 2023, I believe the Retail Market will remain strong. Vacancies should remain low and lease rates should continue to rise. I don't believe there will be much in the way of new retail construction, helping vacancy and lease rates.

Risks to Retail

Of course, the biggest risk to retail is the strength and confidence of the consumer. We have seen layoffs in certain industries, like Technology. Interest rates are also taking a toll on equity and cash out home financing. I do expect the home renovation market will begin to slow faster in 2023 and this will have a negative impact on several types of retailers. Hopefully interest rates have peaked. If we have a deeper recession in 2023, this will be an issue for the retail sector.



THANK YOU!



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