THE BOULOS COMPANY

2020 GREATER PORTLAND MARKET OUTLOOK

A MESSAGE FROM OUR MANAGING DIRECTOR

Is this the year? Is this the last year of our country's unprecedented trend of economic expansion and bull markets? While history tells us that this real estate cycle should be coming to an end, we expect 2020 to be another strong year. We closed out 2019 as the most successful year in our company's history with over $420,000,000 in sale and lease transaction volume. Upcoming projects suggest significant demand and business growth in multiple sectors – particularly in medical, senior housing, professional services, and light industrial.

In 2020, our clients can expect continued challenges from 2019. A lack of good-quality office and industrial space makes it difficult for growing companies to find an adequate location. While interest rates and demand for new commercial space remain strong, construction costs and the tight construction labor market continue to be limiting factors impacting new construction starts. Investment product remains in high demand, and a lack of available product continues to inflate property values.

Despite these challenges, the forecast isn't negative. In fact, Greater Portland is experiencing a resurgence and construction boom. On the peninsula, we are witnessing hotel, condominium, and office construction. Current projects under development for Sun Life, WEX, and Covetrus will add an additional 330,000 sf of commercial space on the eastern waterfront.

Off the peninsula, there are massive developments underway at The Downs in Scarborough and Rock Row in Westbrook while plans for future development in the Maine Mall area continue. The demand for residential apartments, houses and condominiums remains very strong, and additional development is expected in these sectors in 2020.

Those interested in the past and future development of Maine should subscribe to our company's podcast, The Boulos Beat. We interview local developers and serial entrepreneurs from the real estate industry in northern New England. We look forward to interviewing more interesting folks from the real estate industry over the coming year and creating an oral history of Maine's real estate development community. This series can be found on our website at www.boulos.com. I would like to personally thank Greg Boulos for this innovative idea and a special thanks to our first guests who participated in 2019. If we call on you for an interview, I hope you take the opportunity to join in the evolving conversation and share your stories.

We would like to thank all of our customers, clients, and friends for your trust and support. Our team is eager to work on your behalf to help you make 2020 another great year. We wish you all the best throughout the year.

Sincerely,

Drew Sigfridson, SIOR

TABLE OF CONTENTS

Maine
One Canal Plaza, Suite 500
Portland, ME 04101
+1 207 772 1333

New Hampshire
14 Manchester Sq, Suite 235
Portsmouth, NH 03801
+1 603 427 1333

www.boulos.com
mainemarketoutlook.com

PHOTO:
Monument Square, Portland

OFFICE MARKET OVERVIEW

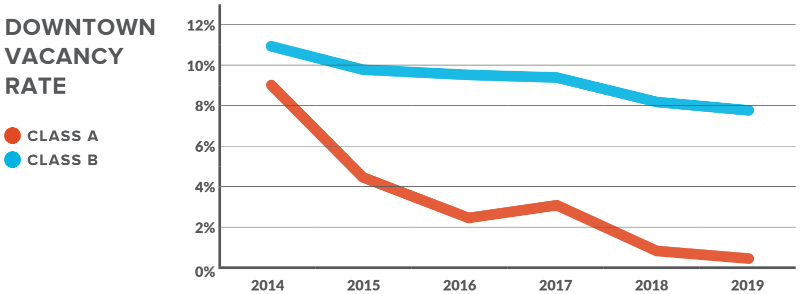
NATE STEVENS *Partner*

For the first time in ten years, the Greater Portland office market vacancy rate increased after steadily declining year after year. The Boulos Company conducted its annual survey of over 12 million square feet in almost 350 Class A and Class B office buildings across seven submarkets. The 2019 overall vacancy rate, including sublease space, increased to 6.66%. While still well below the height of the recession, this is a dramatic increase from 4.61% in 2017 and 4.18% in 2018. The increase is primarily due to activity in the suburban market as vacancy rates in all five of its submarkets increased in 2019. Due to the relatively small market size, this significant increase is mainly due to just a few buildings and speaks to the demand being unable to keep pace with new vacancies.

Downtown

The only submarket that continued to improve is downtown Portland. Vacancy rates for both Class A and Class B buildings fell slightly to 4.18%, with a total of less than 10,000 sf of Class A space available across 25 buildings. With a vacancy rate of just 0.40%, this is the tightest Class A market since 2001, down from 1.04% in 2018. Supply in the downtown towers continues to be a significant issue in Portland, which has sparked new construction over the last couple of years and is even causing some longtime downtown tenants to seek space in the suburban markets. Class B properties fell for the fifth consecutive year to 7.72%, down from 8.59% in 2018. Unlike 2018, this decrease in vacancy was a result of numerous smaller deals under 5,000 sf, rather than one large transaction or conversion to residential. Downtown tenants seeking higher-end Class B product have very few options with less than one-third of the availabilities located in recently renovated or modern buildings. Once again, there was a lack of substantial urban transactions due to a limited number of large availabilities. SMRT Architects and Engineers signed a lease for 18,559 sf at 75 Washington Avenue. In late 2019, Certify, which occupies multiple smaller spaces throughout the city, leased 38,072 sf at 21-39 Commercial Street. The largest lease signed on Portland's peninsula in 2019 was Sun Life U.S., which leased 77,000 sf in a to-be-built office building at the Portland Foreside development, continuing the downtown building boom. While this building will not break ground until 2021, this will mainly impact the suburban market as Sun Life will vacate its two locations near the Maine Mall.

DOWNTOWN VACANCY RATE

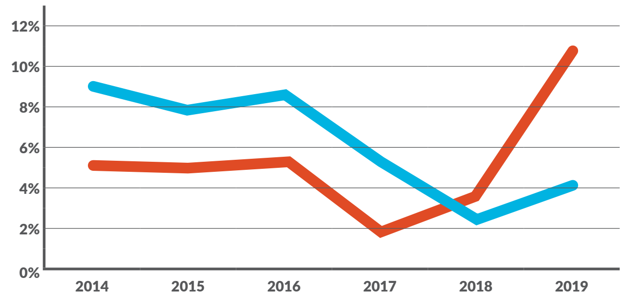


Suburbs

Vacancies in all five suburban submarkets increased in 2019 . The direct vacancy rate for these submarkets, which includes suburban Portland, South Portland/Scarborough, Maine Mall area, Westbrook, and the Falmouth/Cumberland/Yarmouth areas, increased sharply from 3.76% in 2018 up to 8.75% in 2019. This is the highest vacancy rate since 2012 as the suburban market is starting to experience the effects of new construction coupled with a substantial consolidation. These are the principal culprits for the spike in vacancy over the last 12 months. The limited number of large transactions in the suburban market did not provide enough absorption to counteract UNUM consolidating into two of their three buildings on outer Congress Street in Portland, resulting in a 200,000 sf vacancy. Though, to be fair, this will be a short term vacancy as the building is recently vacated, under construction, and significant portions of the

SUBURBAN VACANCY RATE

● CLASS A
● CLASS B



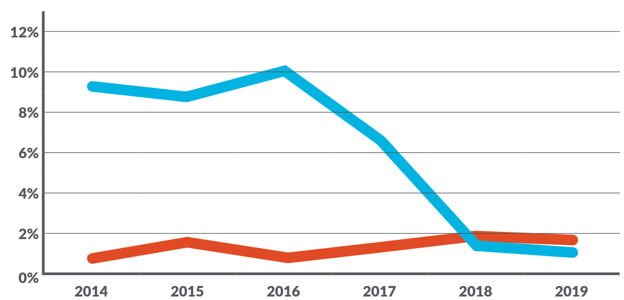
building are under contract. In addition, WEX completed its move in early 2019 from the Maine Mall area to a new building in downtown Portland resulting in 72,000 sf of vacancy in the suburban market. These two vacancies represented almost 80% of the added square footage in 2019. The only significant new lease in the suburban market was Stantec, which relocated from 482 Payne Road to 20,820 sf at 2211 Congress Street (the previously mentioned UNUM building). Stantec downsized by approximately 18,000 sf in this planned relocation.

Medical

The medical office market vacancy rate throughout Greater Portland steadily declined over the last six years, and that was no different in 2019 as the vacancy rate dropped slightly from 1.82% in 2018 to 1.42% in 2019 for both Class A and Class B medical buildings. There are limited availabilities throughout the market, with only three small vacancies across 56 medical buildings throughout Greater Portland. Medical office tenants must renovate existing office space, which, with current construction costs, is extremely difficult and expensive. Like the downtown Class A market, many medical tenants are contemplating new construction despite the high costs associated with ground-up development.

MEDICAL VACANCY RATE

● CLASS A
● CLASS B



Office Market Forecast for 2020

The 2019 numbers show a possible shift in the overall market moving into 2020, and this should continue for the next 12-24 months. New office buildings that are currently under construction, such as the 172,000 sf Covetrus building downtown as well as Certify's consolidation and relocation, are creating a spike in the amount of "shadow space" downtown—space currently occupied by tenants who have signed a lease elsewhere and will be moving out, in this case, sometime in 2020. These moves should create an increase in the downtown Class A and Class B vacancy rates, which will provide a much-needed supply of larger office suites downtown and put an end to the extremely tight submarket. The suburban market shouldn't experience another increase as it did in 2019, pending any surprises, and even a possible decrease based on what we know moving into the New Year. Larger options in the suburban market are creating opportunities for companies seeking over 20,000 sf, and unlike 2019 there will likely be a few substantial transactions to report next year.

PHOTOS:
2211 Congress Street, Portland
Galt Block, Portland

2019 VACANCY RATE SUMMARY

AT A GLANCE

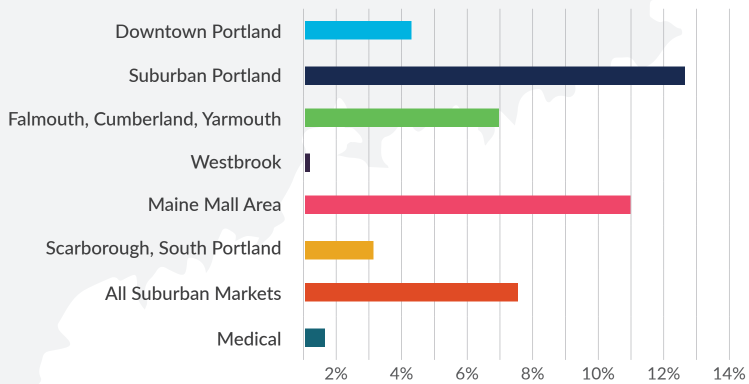
12.1.2019 TOTAL SF OCCUPIED

11,405,045

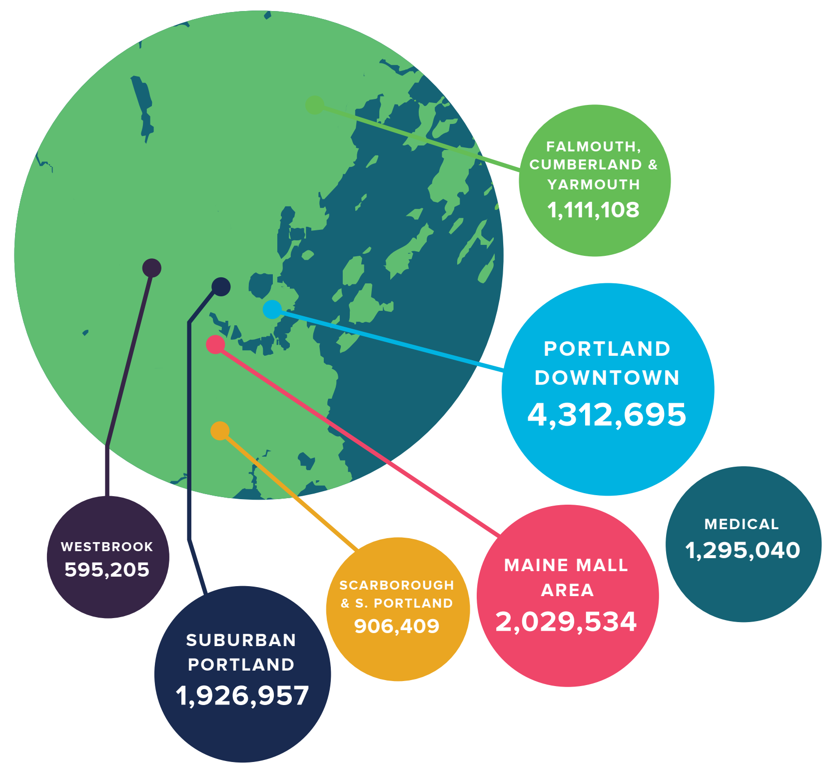
VACANCY RATE

6.66%

2019
TOTAL VACANCY RATES



SUBMARKET SIZE



All data represented as of December 1, 2019.

LOCATION	CLASSIFICATION	TOTAL RENTABLE '19	AVAILABLE SF '18	VACANCY RATE '18	AVAILABLE SF '19	VACANCY RATE '19	SUBLEASE '19
DOWNTOWN PORTLAND	Class A	2,111,126	22,156	1.04%	8,500	0.40%	17,420
	Class B	2,201,569	190,417	8.59%	169,976	7.72%	9,243
	Subtotal	4,312,695	212,573	4.90%	178,476	4.14%	26,663
SUBURBAN PORTLAND	Class A	994,643	17,962	1.84%	172,180	17.31%	-
	Class B	932,314	57,474	6.16%	71,790	7.70%	-
	Subtotal	1,926,957	75,436	3.95%	243,970	12.66%	-
FALMOUTH, CUMBERLAND, YARMOUTH	Class A	869,319	64,016	7.36%	61,626	7.09%	5,000
	Class B	241,789	13,425	3.73%	16,222	6.71%	-
	Subtotal	1,111,108	77,441	6.30%	77,848	7.01%	-
WESTBROOK	Class A	382,544	-	-	-	0.00%	-
	Class B	212,661	-	-	2,000	0.94%	-
	Subtotal	595,205	-	-	2,000	0.34%	-
MAINE MALL AREA	Class A	1,644,244	84,175	5.12%	206,773	12.58%	7,826
	Class B	385,290	5,751	1.49%	15,251	3.96%	-
	Subtotal	2,029,534	89,926	4.43%	222,024	10.94%	-
SCARBOROUGH, SOUTH PORTLAND	Class A	382,014	7,689	2.03%	25,161	6.59%	12,826
	Class B	524,395	-	-	4,000	0.76%	-
	Subtotal	906,409	7,689	0.85%	29,161	3.22%	-
ALL SUBURBAN MARKETS	Class A Suburban Total	4,272,764	173,842	4.09%	465,740	10.90%	-
	Class B Suburban Total	2,296,449	76,650	3.17%	109,263	4.76%	-
	Subtotal	6,569,213	250,492	3.76%	575,003	8.75%	-
MEDICAL	Class A	992,925	19,357	1.93%	15,857	1.60%	-
	Class B	302,115	6,249	1.53%	2,567	0.85%	-
	Subtotal	1,295,040	25,606	1.82%	18,424	1.42%	-
Class A Downtown, Suburban & Medical		7,376,815	215,355	2.92%	490,097	6.64%	30,246
Class B Downtown, Suburban & Medical		4,800,133	273,316	5.42%	281,806	5.87%	9,243
Total Office Space and Vacancy - Direct Lease		12,176,948	488,671	3.94%	771,903	6.34%	-
Sublease Space			30,694	0.25%	39,489	0.32%	
TOTALS		12,176,948	519,365	4.18%	811,392	6.66%	

DOWNTOWN CLASS A SPACE AND ASKING RATES

	ONE CANAL PLAZA	TWO CANAL PLAZA	THREE CANAL PLAZA	ONE CITY CENTER	TWO CITY CENTER	145 COMMERCIAL STREET	254 COMMERCIAL STREET	511 CONGRESS STREET	7 CUSTOM HOUSE STREET	280 FORE STREET	300 FORE STREET	0 HANCOCK STREET	54 MARGINAL WAY
BUILDING SF	129,780	44,273	64,495	202,754	26,753	30,400	95,000	128,400	49,600	69,481	61,129	95,000	50,989
AVAILABLE SF	1,738	-	1,675	-	-	-	1,748	-	-	-	-	-	-
PRICE/SF MG	$27.00	-	$23.75	-	-	-	$24.50	-	-	-	-	-	-
OCCUPANCY	98.66%	100%	97.40%	100%	100%	100%	98.16%	100%	100%	100%	100%	100%	100%
SUBLEASE	7,536	-	-	-	-	-	6,284	-	-	-	-	-	-
FLOORS	10	4	6	13	5	3	5	9	5	5	6	4	5
BUILT	1970	1972	1980	1984	1985	2000	1900	1974	2000	2004	2007	2018	2002

63 MARGINAL WAY	84 MARGINAL WAY	16 MIDDLE STREET	100 MIDDLE EAST TOWER	100 MIDDLE WEST TOWER	130 MIDDLE STREET	ONE MONUMENT SQUARE	TWO MONUMENT SQUARE	25 PEARL STREET	27 PEARL STREET	ONE PORTLAND SQUARE	TWO PORTLAND SQUARE	TOTALS
34,000	102,804	42,154	106,149	99,600	32,000	114,400	119,442	32,000	46,767	186,230	145,000	**2,111,126**
-	-	-	-	-	-	-	3,339	-	-	-	-	**8,500**
-	-	-	-	-	-	-	$21.50	-	-	-	-	
100%	100%	100%	100%	100%	100%	100%	97.2%	100%	100%	100%	100%	**99.6%**
-	-	-	-	-	-	-	-	-	-	-	3,600	**17,420**
4	10	5	7	7	4	10	9	3	4	10	7	
2007	2008	2017	1986	1986	1981	1973	1980	1989	1971	1987	1990	

CAPITAL MARKETS OUTLOOK

CHRIS PASZYC *CCIM, SIOR, Partner*

As we drop into the unknown of 2020, will the capital markets continue an impressive ten-year run, or will that unending flow of investor capital into commercial real estate (CRE) suddenly be turned off at the spigot? It is widely accepted that economic expansions end because of investor tolerance for risk, both real and perceived. Indicators of risk include growth moderating, credit tightening, earnings under pressure, and contradicting economic policy. All are factors weighing on investors in their decision to invest in CRE. As of this publication, the U.S. CRE market continues to experience energetic deal flow with increased lending activity. As we head into the 2020 presidential election year, however, the level of anxiety and uncertainty is increasing with every tweet both at home and abroad. US-China trade tensions, Brexit, economic deceleration abroad—the world is seeking stability and predictability in an environment that is anything but. The CRE sector is not immune to this paradox. Are these concerns warranted, or will the perception create a false narrative? More importantly, cutting through the hyperbole, where are the opportunities?

National Trends

The pricing of CRE investment properties has been steady across all asset types. This constancy is, in part, due to continued job growth and the rising costs of construction. Pricing stability has also been impacted by growing efficiencies in CRE, particularly in the retail and office sectors. Non-traditional property sectors such as student housing, manufactured housing, and self-storage facilities have seen the most price appreciation. Additionally, continued low-interest rates have increased lending activity across all asset types. Multiple outlets who track lending reported the volume of commercial and multifamily originations jumped significantly year-over-year. We have also seen the rise of non-bank lenders in this sphere. With extended interest-only (I/O) periods, high loan-to-values (LTV), extended amortization (±30 years), prepayment flexibility, forward rate-lock for longer periods, loosening underwriting, and "covenant-lite" loan docs, lenders have made refinancing or new acquisitions more appealing. Aggressive lending behavior, however, is one precursor to economic slowing. Recent indicators predicting a future rate increase also point to a slowing of capital markets activity. It should also be noted that 2019 saw the "inversion" of the bond yield curve, which has preceded every recession since 1955.

There is a growing consensus that the commercial real estate market has peaked in the cycle and is now experiencing a deceleration. Given healthy CRE fundamentals and accelerating construction costs keeping the new supply in check, however, indications are we should experience a soft landing and perhaps stave off a recession altogether.

Local Trends

Traditionally, Maine has been a stable market, somewhat resistant to the volatility that the rest of the country experiences. Provided we see steady employment statistics, and capital is available, we expect continued strong demand for investment property statewide. While interest rates have decreased over 2019, cap rates were essentially unchanged in most markets and sectors. Substantial multifamily assets and single-tenanted buildings with "A" credit long-term leases continue to trade in the lowest cap rate range. Similar to 2018, long-term fixed debt and historically low rates have been available for investors all year. There also continues to be a steady mix of out-of-state capital and local buyers demanding product throughout the State of Maine. Experts predict a rising interest rate environment will eventually impact commercial real estate pricing, though we have yet to experience the shift.

The Boulos Company facilitated more than $420 million in transactions on behalf of clients in 2019. Over $100 million of that volume represents investment transactions. The office sector alone accounted for 61% of the total sale transaction volume at over $101 million.

In conclusion, there will be more investment product available than in previous years to satisfy demand. We expect robust activity into the first and second quarter of 2020 as several investment properties are coming to market to capitalize on late-cycle market dynamics.

2019 CAPITAL MARKETS TRANSACTIONS

BUILDING NAME	STREET NAME	CITY	SALE PRICE	SIZE	CAP RATE	TYPE
Post Office Square	120 Exchange/400 Congress	Portland	$22,122,500	111,389 SF	7.90%	Office
Bayside Village Apartments	132 Marginal Way	Portland	$20,850,000	238,301 SF	N/A	Multifamily
The Commerce Center	51 Commerce Center Drive	Augusta	$19,176,996	105,500 SF	6.60%	Office
Former Portland Public Market	25 Preble Street	Portland	$12,000,000	52,239 SF	N/A	Office
Galt Block Office Building	21-39 Commercial Street	Portland	$10,500,000	38,072 SF	N/A	Office
41 Hutchins Drive	41 Hutchins Drive	Portland	$10,200,000	57,572 SF	7.75%	Office
One Monument Way	One Monument Way	Portland	$7,250,000	49,200 SF	7.37%	Office
The Fidelity Building	465 Congress Street	Portland	$7,000,000	84,180 SF	N/A	Office
Lewiston Gateway Portfolio	500 Canal Street	Lewiston	$6,387,500	58,356 SF	12.71%	Office
Aroostook Center Mall	830 Main Street	Presque Isle	$4,650,000	422,882 SF	6.67%	Retail
Former Nissen Building Condo	75 Washington Avenue, 3rd Floor	Portland	$4,600,000	30,000 SF	N/A	Office
12 Sky View Drive	12 Sky View Drive	Cumberland	$4,000,000	41,525 SF	7.74%	Industrial
First Look Plaza	273 Payne Road	Scarborough	$3,300,000	17,984 SF	7.00%	Retail
245 Center Street	245 Center Street	Auburn	$3,200,000	32,281 SF	8.50%	Retail
Seville Place	9-10 Seville Place	Lewiston	$3,150,000	48,168 SF	10.05%	Multifamily
1041 Brighton Avenue	1041 Brighton Avenue	Portland	$2,991,443	24,150 SF	8.00%	Retail
64 Lisbon Street	64 Lisbon Street	Lewiston	$2,800,000	21,540 SF	10.60%	Retail
30 Long Creek Drive	30 Long Creek Drive	South Portland	$2,500,000	15,000 SF	7.73%	Office
76 Warren Avenue	76 Warren Avenue	Portland	$2,215,000	21,400 SF	8.90%	Self-Storage
Cinnamon Building	1 Pleasant Street	Portland	$1,950,000	12,500 SF	6.1%	Office
Westbrook Inn Portfolio	24-26 Cumberland Street	Westbrook	$1,850,000	17,776 SF	5.29%	Multifamily
Park East Retirement Villa	335 Stillwater Avenue	Bangor	$1,700,000	18,022 SF	10.98%	Multifamily
126 Main Street	126 Main Street	Topsham	$1,555,000	17,709 SF	8.70%	Retail
777-785 Main Street	777-785 Main Street	Lewiston	$1,550,000	54,661 SF	12.00%	Industrial
55 Portland Street	55 Portland Street	Portland	$1,400,000	18,597 SF	N/A	Office
46-48 Main Street	46-48 Main Street	Freeport	$1,200,000	15,661 SF	N/A	Retail
17 Eastward Lane	17 Eastward Lane	Ellsworth	$1,000,000	13,500 SF	10.60%	Office

National Trends (sources include Brian D. Bailey, Federal Reserve Bank of Atlanta, Deloitte, Price Waterhouse Cooper, Mortgage Bankers Association, RICS Commercial Property Monitor, CBRE Capital Markets, Bank of America/Merrill Lynch and NorthMarq Capital)

PHOTOS:
Post Office Square, Portland
51 Commerce Center Drive, Augusta
465 Congress Street, Portland


BACK COVE
PORTLAND
FOREST AVENUE
295
MARGINAL WAY
FRANKLIN STREET
CONGRESS STREET
HIGH STREET
COMMERCIAL STREET
FORE RIVER PARKWAY
FORE RIVER
SOUTH PORTLAND
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

SPOTLIGHT:
DOWNTOWN DEVELOPMENT

BRICE O'CONNOR *Associate*

Year after year, Portland continues to receive accolades on various "best of" lists, giving cause for developers' sustained optimism in the downtown market.

With low commercial vacancies, developers are introducing new inventory in the form of mixed-use projects to meet growing demand. By diversifying the tenant mix of a project, developers are able to offer attractive amenities to their cohabitating tenants. Whether it's a new Class A office tower or a new apartment building, the addition of restaurants, gyms, and other retail uses supports the trending desire to live, work, and play in our urban community.

Recent years have brought this re-urbanization and transformation to the downtown Portland landscape, and 2020 is positioned to continue the upward trajectory. Highlighted herein, you will find several of Portland's major development projects currently underway, as well as some planned developments on the horizon.

UNDER CONSTRUCTION

1. 383 COMMERCIAL STREET-HOBSON'S LANDING
469,000 SF mixed-use development.
Aloft Hotel, 299 residential units, first-floor retail & parking garage.

2. 40 FREE STREET
57,563 SF mixed-use building.
51 residential units with first-floor retail.

3. 100 FORE STREET
100,000 SF mixed-use building.
Office, retail & fitness facility.

4. 190 ST JOHN STREET
MAINE MED PARKING GARAGE
812,797 SF parking garage.
2,400 spaces.

5. 86 NEWBURY STREET
270,000 SF mixed-use development.
Office, lab, residential, retail, hotel & structured parking.

6. 1 CENTER STREET
112,046 SF hotel.
135 rooms with rooftop bar & first-floor restaurant.

7. 58 HAMPSHIRE STREET
65,000 SF mixed-use building.
30 residential units & first-floor retail.

8. 178 KENNEBEC STREET
46,000 SF senior housing facility.
51 residential units.

APPROVED

9. 170 FORE STREET
50,000 SF mixed-use building.
Office with first-floor retail.

PENDING APPROVAL

10. 58 FORE STREET-PORTLAND FORESIDE
Multiple buildings are proposed that include office, residential, retail & structured parking.

11. 3 PORTLAND SQUARE
150,000 SF mixed-use development.
Office, first-floor retail & 850-space parking garage.

PROPOSED

12. 385 CONGRESS STREET
460,000 SF mixed-use development.
Office, hotel, residential, retail, & covered parking.

13. THOMPSON'S POINT
90,000 SF hotel.
148 rooms.

14. WEST COMMERCIAL STREET
62,000 SF outpatient clinic.
382-space parking garage.

15. MERCY HOSPITAL: FORE RIVER PARKWAY
89,879 SF hospital expansion.

SITES TO WATCH

16. CANAL PLAZA- SURFACE LOT
East Brown Cow discussing the construction of a 20 to 25-story building.

17. MIDTOWN PROJECT-SOMERSET STREET
Mixed-use development with retail, residential & parking garage.

18. MERCY HOSPITAL RELOCATION: 144 STATE STREET
Redevelopment of Mercy's current hospital.

19. TIME & TEMPERATURE BUILDING-477 CONGRESS STREET
Plans for this property have not been made public, but significant redevelopment is expected.

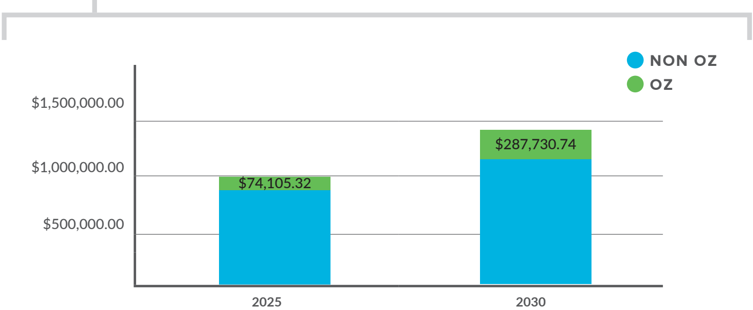
OPPORTUNITY ZONES

CHARLES MASTERSON *Research Analyst*

In addition to significant rate reductions for America's corporations, the 2017 Tax Cuts and Jobs Act created a new tax deferral vehicle—the Opportunity Zone. The primary intent was to drive long-term private capital into historically under-invested areas. The creation of Opportunity Zones received, praise from community development agencies across the country, and rare bipartisan support in Congress.

In brief, the program is geared towards individuals or entities with significant accruals of capital gains. Following the bill's enactment, an investor can roll these gains into a real estate or business venture located within a Qualified Opportunity Zone (QOZ) to receive compelling tax benefits. If the investor holds this investment for five years, they are eligible to receive a 10% step-up in basis on their original investment, reducing the amount of their taxable, capital gains. Even more attractive, if the investment is held for 10 years, its appreciation can be completely sheltered from any capital gains tax.[1] The graphic below illustrates these benefits in a hypothetical $1 million QOZ capital gain investment:

OZ VS. NON-OZ INVESTMENT COMPARISON



Note: This hypothetical assumes a federal capital gains tax rate of 23.8% and a 5% annual rate of return. It depicts the projected after-tax net proceeds following the sale of the asset in years 5 and 10.

What Qualified?

U.S. governors had until March 21, 2018 to nominate their state's Opportunity Zones.[2] Each governor could nominate 25% of their state's "low-income community" (LIC)[3] census tracts as QOZs, in addition to a limited number of non-LIC census tracts.[4] These non-LIC census tracts were required to be contiguous to a designated LIC tract, and their corresponding median family income could not exceed 125% of the adjacent LIC tract. In Maine, there are currently 128 "low-income community" tracts. Governor LePage's selections resulted in 32 LIC QOZ designations and 2 non-LIC designations.[5]

Over 8,700 census tracts were designated as QOZs across the country, with each governor taking a slightly different approach to try to maximize their state's return on public investment. Some nominated areas had pre-existing low levels of investment, while others trended conversely. Overall, the tracts that were designated had lower incomes, higher poverty rates, and higher unemployment rates than eligible, non-designated tracts.[6]

It has now been over a year since the designations and the expectation of an immediate influx of private capital has yet to materialize. Despite the trillions of dollars in unrealized capital gains eligible for QOZ investment, many Qualified Opportunity Funds (QOFs) have fallen short of their initial fundraising goals. Individuals and institutions seemed wary to commit to these 10-year investments prior to the finalization of their corresponding regulations. In an effort to embolden investors, the bill provided an additional 5% basis step-up on capital gains investments made prior to year-end 2019. While the OZ market's first movers were able to reap this additional benefit, the majority of investors did not let this deadline hasten them. The more patient investors understood that the primary benefit, a permanent exclusion from capital gains taxes on a 10 year investment's appreciation, would remain in place. In the closing weeks of 2019, The Treasury Department and IRS published the final regulations on Opportunity

Zone investments in an effort to give investors more confidence and clarity surrounding this incentive going forward.

Investors' slow start also stems from what appears to be a constrained supply of viable investment opportunities. Community Development Corporations (CDCs) and private developers have not had enough time to put this incentive into practice; creating profitable revitalization plans and ground-up real estate developments in low-income areas has proven to be a relatively slow-moving process.

Now that local entities have had time to strategize and coordinate local initiatives with the Opportunity Zone incentive, more investment opportunities in low-income communities should be on their way. As the pre-development stages of CDC backed projects are completed, and final regulations are enacted, the natural progression of this program points to an increasing number of socially impactful developments equipped to give private capital competitive returns. Despite early criticism, there is still hope for Opportunity Zone's long-term goals of revitalizing under-invested communities across the country—it will just take more time and coordination.

[1] Both of these benefits are conditional to other more minute, but equally important, contingencies. https://www.irs.gov/pub/irs-drop/reg-120186-18-nprm.pdf
[2] Qualification was subject to the approval of the Secretary of Treasury
[3] In general, the term ''low-income community'' applies to a population census tract if — (A) the poverty rate for such tract is at least 20 percent, or (B)(i) in the case of a tract not located within a metropolitan area, the median family income for such tract does not exceed 80 percent of statewide median family income, or (ii) in the case of a tract located within a metropolitan area, the median family income for such tract does not exceed 80 percent of the greater of statewide median family income or the metropolitan area median family income https://www.irs.gov/pub/irs-drop/rp-18-16.pdf
[4] The total number of non-LIC census tracts each state could designate was limited to 5% of the number of LIC census tracts designated by that same state
[5] https://www.irs.gov/pub/irs-drop/rp-18-16.pdf; A list of all of Maine's QOZ's can be found at: https://www.maine.gov/decd/sites/maine.gov.decd/files/inline-files/Opportunity-Zone-List.pdf
[6] Brett Theodos, Brady Meixell, and Carl Hedman, Did States Maximize Their Opportunity Zone Selections?, Urban Institute, May 21, 2018, at https://www.urban.org/research/publication/did-states-maximize-their-opportunity-zoneselections/

PHOTOS:
Portland Opportunity Zone Snapshot
Portland Opportunity Zone Map, Source: Portland Press Herald

MONUMENTAL CHANGES

SAMANTHA MARINKO *Associate*

Easily recognized by a towering bronze statue, Monument Square and the immediate Congress Street area was once full of streetcars and trolleys. Formerly known for its hotels, and then for its fashionable shops, skyscrapers of the time, and large department stores, the dynamic square has a rich history of business and development. While welcoming the steady evolution, the Monument Square area purposefully maintains crucial and historic reminders of its transformation over the years.

Despite its undeniable charm, Monument Square has fluxed in and out of popularity with investors in recent years. The most recent recession hit this area hardest as downtown tenants migrated toward the waterfront, leaving Monument Square with a reputation for outdated, inexpensive commercial space. In recent years, the immediate Monument Square buildings account for roughly 80% of the overall downtown vacancy. Once an area devoid of growth or investment, times have changed—its popularity is now peaking and landlords are investing here.

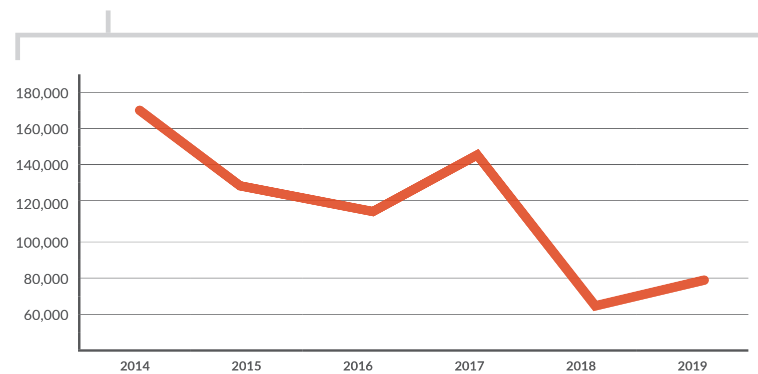
These recent investments, coupled with several exciting projects on the horizon, are expected to continue to make a positive impact on the area's growth and maintain Monument Square's rising popularity for years to come.

The sales, though significant, are not the only story in Monument Square over the last few years. Vacancy rates in Monument Square are among the lowest in over a decade. This improvement is due to a combination of factors including lower lease rates, better parking options than other areas of downtown, and quicker access to the highway.

Interestingly, this significant drop in vacancy over the last few years is not due to just one or two large tenants moving into the square, skewing the numbers, and scooping up all the undervalued square footage. Rather, the real story is how impactful and significant numerous small office users can be. The vacancy in Monument Square in 2019 is roughly half of what it was just five years ago. Many of the users that have filled this considerable amount of space have been small office users, under 3,000 sf. For example, 22 Monument Square had a substantial amount of vacancy just last year. Following recent renovations and upgrades, nine transactions for a total of 10,658 sf were completed in 2019. The building is now 100% occupied.

These leases, however small, collectively created a significant change in the vacancy of Monument Square.

MONUMENT SQUARE AVAILABLE SF



This chart includes vacancies affiliated with 477 Congress Street prior to being removed from the survey in 2017 due to property conversion.

The recent activity in Monument Square is indicative of the overall strong demand and interest in downtown Portland real estate by local, regional, and national investors. Following several significant sales of revered historic Portland buildings and the renovations that often follow, Monument Square is poised to continue this pattern of growth and revitalization.

PHOTOS:
465 Congress Street Circa 1910, Source: Maine Memory Network
Current 465 Congress Street
Historic Monument Square, Source: Maine Today
Current Monument Square

RECENT SALE TRANSACTIONS IN MONUMENT SQUARE

18 MONUMENT SQUARE
Sold 10/2017 for $1.265 million
The building does not currently advertise any vacancy.

22 MONUMENT SQUARE
Sold 1/2018 for $2.1 million
The building underwent renovation and is currently 100% occupied.

50 MONUMENT SQUARE
Sold 4/2018 for $4.25 million
Floors being converted to apartments were removed from our survey.

477 CONGRESS STREET
Sold 10/2018 for $9.3 million
Plans for the building are not public but this building was removed from our survey as it will likely not be renovated as office space.

ONE MONUMENT WAY
Sold 4/2019 for $7.25 million
The building is currently 100% occupied.

465 CONGRESS STREET
Sold 6/2019 for $7 million
Currently undergoing significant renovations. The building currently has a mix of tenants; vacant suites are listed for lease.

15 MONUMENT SQUARE
Sold 10/2019 for $2.2 million
The building currently has a mix of tenants; vacant suites are listed for lease.

SPOTLIGHT: THE DOWNS

JON RIZZO *Associate Broker*

Off to the Races

At this time last year, the redevelopment of the iconic Scarborough Downs property was still in the planning phase, but a lot has changed in the past twelve months. The vision of The Downs—as the development is now named—as a modern mixed-use development is quickly becoming a reality for both the commercial and residential aspects of the site.

The developers are approaching this project in a calculated way and are not just taking any deal put in front of them. This approach is not only benefiting the project, but also the town of Scarborough and its surrounding communities. The opportunities are seemingly endless given the size of the development site and the zoning ordinance which allows for considerable flexibility for its end users.

Residential? Check.
Industrial? Check.
Office? Check.
Retail? Check.
Hospitality? Check.

Let's put this development in perspective as it relates to size. Take a guess on how many football fields fit into 525 acres. **Four hundred football fields.**

Take a look at the snapshot (far right) of the overall project.

The Master Plan of The Downs is planned to comprise three main parts: a residential component, a commercial component, and a town center. The vision is to have the residential development on the Route 1 side of the project, and the commercial development towards Payne Road. These two components are intended to extend towards the center of the site and blend into the town center.

Residential

The first phase of this development is the residential phase along Route 1 which consisted of 126 units. The residential area comprises apartments, duplexes, condos, and single family homes. All 126 units are currently under contract or sold, indicating demand for Phase 2 of the residential component which is scheduled to break ground in April 2020. Additionally, there is a 12-unit memory care facility under construction and an approved affordable, age 55+ apartment community that will break ground in 2020. The overall plan calls for 1,500 – 2,000 residential units. Based on the demand in Phase 1, this plan meets consumer demand which is a main decision-making factor for the developers of The Downs.

Commercial

The next area of focus is on the Payne Road side of the development with the approval of the Innovation District subdivision. This 54-lot subdivision offers "ready to build" lots for end users. This is a unique and welcomed offering that eliminates the guesswork from the construction equation. The developers are delivering lots cleared to subgrade with utilities stubbed to the site and storm water management taken care of. An end user who is looking to construct a new building will be able to avoid the headache of site selection and other unknowns in a typical permitting process.

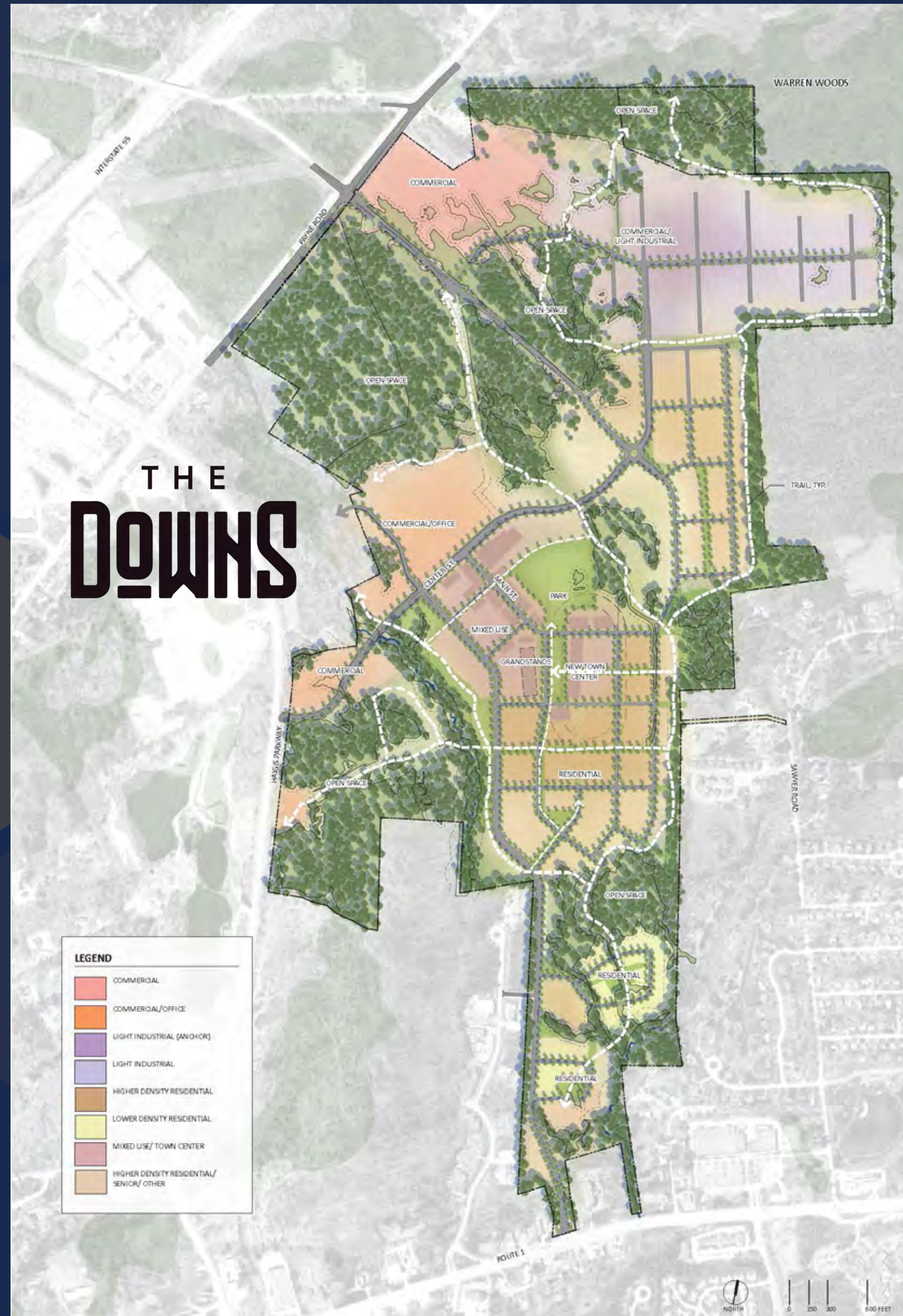
The Innovation District itself will be completed in three phases. Phase 1 is underway with end users who have already started construction and several others that plan to break ground in the spring of 2020. Where is this demand coming from in Innovation District? Location is certainly a factor as the site is less than 2 miles from Exit 42 on I-95 which offers easy access to Portland, Lewiston/Auburn, Brunswick and Bangor to the North and Saco/Biddeford, York County, and Greater Boston to the south.

Another driving factor, and perhaps the most significant, is the demand for industrial product and the serious lack of inventory in the market. We are seeing a vacancy rate in the industrial sector under 2.5%. With such a low vacancy rate, pricing for existing buildings naturally increases, therefore making new construction pricing more appealing. A business owner or tenant can design the building specific to their business and growth plans. Is this worth the premium of new construction? Many end users seem to think so.

Live. Work. Play.

The overall plan of The Downs embraces the idea of "Live, Work, Play" and is creating a community around this model. The piece of the puzzle that brings Innovation District together with the residential component of the project will be the Town Center. Residents and guests of Scarborough will have a mixed-use Town Center comprised of office, retail, and residential that will tie together the commercial and residential bookends of the development. There will be a new road built from Haigis Parkway leading into the Town Center, offering access to The Downs from three different points – Route 1, Payne Road, and Haigis Parkway. There will be a 10-mile trail system throughout the development and plenty of open space along with plans for a comprehensive sports complex to ensure that "play" is a part of everyday life at The Downs.

The redevelopment of Scarborough Downs has been a topic of conversation for years. If I were to have written this article five years ago, I could have speculated what a redevelopment *could have* looked like, but now we can see the incredible vision taking shape of what this extraordinary piece of property will look like.



FOOD HALLS

NOAH STEBBINS *Associate*

In 2019, Portland's culinary scene saw a significant number of well-established restaurants close their doors, citing rising rents, a shortage of labor, and the increase in the minimum wage as the driving force behind the difficult decision. While established restaurant owners often see opportunities in these closures, many aspiring restaurateurs are looking for alternatives to the transitional brick-and-mortar restaurant set up to test their concept. As a result, the Greater Portland area has embraced various food incubator-type setups including, food trucks, the Public Market, Fork Food Lab, and now a to-be-constructed food hall.

Throughout the country, food halls have become a viable development option for landlords looking to create an attractive destination at their mixed-use office and multifamily projects. Unlike traditional food courts, which mainly comprise chain restaurants in a mall setting, food halls typically feature budding chefs and local boutique restaurant operators attracted by the lower startup costs, smaller footprint, and reduced staff.

For landlords, the benefits of incorporating a food hall in their portfolio are abundant. Food halls not only fill vacant space, but also drive foot traffic, attract and retain tenants, and create a sense of community. Further, instead of providing long-term leases with hefty tenant improvement allowances for restaurateurs with limited experience, many landlords are opting for short-term licenses. These short-term licenses provide landlords with greater flexibility while allowing rising restaurateurs to test the market, creating a mutually beneficial scenario for both landlords and tenants. According to a recent Cushman & Wakefield report, Food Halls 3.0: The Evolution Continues, in 2016, there were roughly 120 food halls spread across the country. Still, that number is expected to grow to nearly 450 by the end of 2020. So that begs the question; when does Maine plan to join in on the food hall craze?

With the recent closures of several established restaurants throughout Greater Portland, it was a matter of time before Bon Appétit's 2018 "Restaurant City of the Year" embraced the trend. Rock Row, a new mixed-use development in Westbrook, will feature the country's first food and craft beer hall as part of its destination retail, an outdoor concert pavilion, recreation space, residential units, and Class A office space. The 25,000 sf food and beer hall will allow small, fast-casual and food truck operators to test the market while creating an experiential destination through locally inspired dishes.

As Maine's first modern food hall is underway, only time will tell when other parts of the state will follow suit. Similar to other sectors of the economy, the restaurant industry is undergoing a rapid transformation. Millennials spend a large portion of their food-allotted allowance on eating out while seeking experiences rather than traditional purchases. Keeping this in mind, coupled with Maine's robust culinary scene, food halls will provide an excellent opportunity for local restaurants to grow their brand through brick-and-mortar locations while creating a fun, bustling environment for visitors and residents alike.


LOWER FLOOR
Fresh PICKED DAILY
MARKET GRILL
SEAFOOD

THE INCREDIBLE MEDICAL MARKET

JESSICA ESTES *Partner, Designated Broker*

According to the Department of Labor, there are 518,990 jobs in the State of Maine. Over 110,000 of those jobs were part of the NAICS code 62-Health Care and Social Assistance. The medical field employs a surprisingly high percentage of the entire workforce. In 2017, healthcare passed manufacturing and retail trades to be the largest source of jobs in the US. What's behind this growth? On a macro scale, healthcare jobs are resistant to globalization and automation, so while retail and manufacturing jobs have suffered, healthcare employment seems poised to continue its upward trajectory. The healthcare sector is expected to account for a third of all new employment in the next decade, according to the Bureau of Labor statistics.

The anticipated growth in the medical field, along with shifting trends in the sector nationally, has made healthcare organizations significant drivers of the commercial real estate market. In early October of 2019, the Portland Press Herald sponsored a breakfast to discuss how the healthcare industry is impacting our commercial real estate market locally. I was a panelist along with Jim Damicis, from Camoin Associates and Charlie Therrien from Northern Light Health/Mercy Hospital. The highlights of this discussion included local news, such as Mercy's planned hospital, and broader national trends in the sector.

Here are some factors that impact how healthcare companies use their built environments:

- Healthcare companies continue to trend toward locating in retail settings
- Telemedicine, or telehealth, increasingly plays a role in patient care
- A growing number of surgeries are performed as outpatient services, reducing hospital stays
- Americans are living longer with terminal diseases, and require ongoing care and medications to manage their illnesses

Historically low vacancy rates in Greater Portland's medical office market are impacting how many local healthcare organizations embrace some of these national trends. Smaller medical practices, such as Saco Bay Physical Therapy, Falmouth Family Dental, and Pine Tree Dental Care, opened new locations in shopping centers that were previously occupied by traditional retail stores. Additionally, Maine's large healthcare organizations are looking to national trends to stay relevant and provide an optimal patient experience. As a result, several significant expansion projects are underway at existing hospitals and medical buildings.

- MaineHealth's expansion of its Maine Medical Center campus continues, with work nearing completion on a parking garage for over 2,000 cars
- Mercy is planning to relocate its flagship hospital to the Fore River Campus
- Maine Medical Center received approvals from the town of Scarborough to construct a $59mm medical office building on its Scarborough campus
- Central Maine Healthcare is planning a $38mm cancer center in Lewiston

The sector, which is a chief driver of our economy (health spending accounts for 17.9% of our GDP), is undergoing a transformation, and the real estate it occupies must adapt to accommodate the changes. Looking forward, we expect to see additional projects announced in 2020 that will continue to reflect the different ways our population gets its healthcare. National trends that have not yet taken hold in Maine include Micro Hospitals and Free-Standing emergency rooms. We may see them in our future, but for the next few years, look for continued consolidation in the provider landscape, more healthcare options in retail settings, and modernization in services performed. And we predict that you, or someone you know, will get your healthcare from your armchair at some point in 2020 as telemedicine's clear cost advantage continues to take hold.

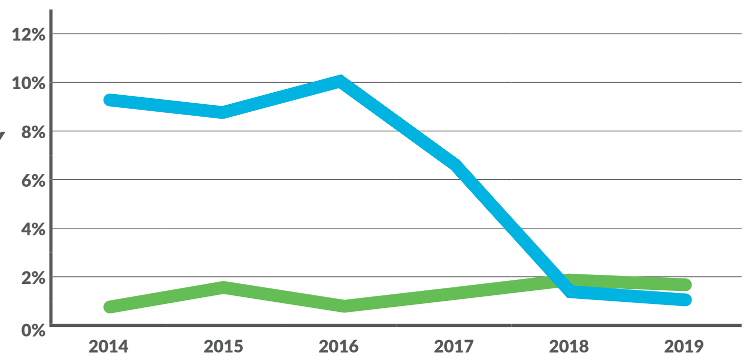
PHOTOS:
Maine Medical Center East Tower Expansion Rendering, Source: Maine Health

MEDICAL LEASES SIGNED IN 2019

Maine Medical Center	41 Donald B Dean Drive, South Portland	18,200 SF
Catholic Charities, MentalHealth	420 Cumberland Avenue, Portland	16,611 SF
CSL Plasma	264 Gorham Road, South Portland	11,890 SF
Maine Medical Center	75 John Roberts Road, South Portland	11,233 SF
Compassus	163 US Route One, Scarborough	5,000 SF
Dirigo Pediatric Dentistry	701 US Route One, Yarmouth	4,721 SF
Ben Liess MD	144 US Route One, Scarborough	3,515 SF
Maine Comprehensive Pain Management	400 Enterprise Drive, Scarborough	3,300 SF
Falmouth Family Dental	251 US Route One, Falmouth	2,912 SF
Pine Tree Dental Care	251 US Route One, Falmouth	2,011 SF
Saco Bay Orthopedic & Sport	180 Waterman Drive, South Portland	1,867 SF
Reform Physical Therapy	374 US Route One, Yarmouth	1,800 SF
Tree of Life Chiropractic	73 Bell Street, Portland	1,022 SF

MEDICAL VACANCY RATE

- CLASS A
- CLASS B



INDUSTRIAL MARKET OVERVIEW

JOHN MEADOR *Associate Broker*

In 2019, the Greater Portland industrial market continued to solidify itself as one of the most sought after investments in the region. Strong fundamentals and a national shift in consumer tendencies have resulted in an increased buyer/tenant pool within secondary markets, as well as a deal-making environment that heavily favors industrial landlords and sellers, respectively. Climbing construction costs (up almost 30% YOY in some instances) challenge industrial users with a decision: renew in place and "make it work" through significant investments in the space OR accept that their all-in rent obligations will potentially increase 30-50% by choosing to move into one of the market's few turnkey build-to-suit solutions. Similar to many other markets within New England, Greater Portland has hit an inflection point. First, a high percentage of industrial product is user-owned, eliminating significant square footage from the quoted 19 million sf market size that even becomes available for lease. Second, of the remaining "leasable" assets, a considerable number of buildings, based on either physical specifications or distribution capabilities failing to meet tenant demand, are quickly becoming functionally obsolete. Lastly, land that offers a suitable location and reasonable construction economics for industrial product is diminishing.

The Greater Portland industrial market has a current vacancy rate of approximately 2.5%, and there are very few large tenants currently on the move that will impact that vacancy level in the near-term. We expect the vacancy rate to remain between 2.5-3.0% for the foreseeable future as limited development will commence without an anchor tenant in hand or an entirely pre-leased facility. Also, the demand side of the equation remains extremely strong as organic growth within the Maine industrial sector continues, and as out-of-market users that once questioned the validity of this market will formally expand their operations into the Greater Portland region. Much of the latter user base, however, requires a minimum clear height, column spacing, and loading dock ratio that the majority of existing buildings in the market can't accommodate.

Drilling down on clear height alone, if a tenant is seeking more than 5,000 sf of industrial space in Greater Portland and needs a minimum clear height of 21 feet (in many cases they need even higher), there are **FOUR** buildings available in a market of 500+. The average asking rent, off of which the tenant has very little room to negotiate, is approximately $7.75 per square foot NNN. If the tenant also happens to need ample truck court depth for 53-foot trailers, their options shrink to **TWO**, and landlords will, in many cases, name the rent.

As positive leasing fundamentals within the Greater Portland industrial market combine with an increased demand from local high net worth capital and larger regional operators to get into space, investment activity has remained strong in 2019. Cap rates for well-located product that provides certain physical specifications have now dipped below 7% and per-square-foot pricing is exceeding $100 per square foot—both historic levels for the Greater Portland market—and with similar investors seeing comparable markets trade 100+ bps inside of ours, we expect yields to continue to decrease as long as interest rates remain low. While bid pricing will continue to increase from this investment community, the qualifier to transactions actually closing within this yield range will ultimately be determined by owners who can find a suitable way to replace the cash flow they enjoy at the property.

2019 SIGNIFICANT SALE TRANSACTIONS

ADDRESS	SQ FT	PRICE	PRICE PSF	CAP RATE
203 Read Street Portland (Pending)	167,000	Confidential	Confidential	N/A (Vacant)
7 Rand Road Portland (Pending)	175,352	Confidential	Confidential	N/A
29 Sanford Drive Gorham	21,000	$1,750,000	$83	N/A (Vacant)
12 Sky View Drive Cumberland	33,514	$4,000,000	$119	7.75%
48 Spiller Drive & 600 County Road Westbrook	162,580	$11,500,000	$70	7.75%

2019 SIGNIFICANT LEASE TRANSACTIONS

ADDRESS	TENANT	SQ FT	TYPE
7 Rand Road Portland	Modula, Inc.	74,000	New Deal
53 Wallace Avenue South Portland	New England Gypsum Supply	36,000	New Deal
125 Industrial Way Portland	Eimskip USA	100,000	New Deal / Sublease
6 Lincoln Avenue Scarborough	Alere Scarborough Inc.	17,500	New Deal
12 Rice Street Portland	ABC Supply	30,000	Renewal
15 Saunders Way Westbrook	Aero Heating	30,000	New Deal

PHOTOS:
12 Sky View Drive, Cumberland
7 Rand Road, Portland

SPOTLIGHT: AUGUSTA AREA

NICK LUCAS *Associate Broker*

Augusta
Investors continue to remain bullish on downtown Augusta's revitalization efforts. There is an energy downtown that has been absent for decades as new restaurants and eateries open on Water Street and developers are taking notice. The Vickery Building, which overlooks the Kennebec River on Water Street is an 8,000 sf building that is currently undergoing significant renovations. Through a federal historic preservation grant, the developers will restore the façade to its original design from 1865 and convert the building into an energy efficient, upscale apartment building with retail suites on the first floor.

Outside of downtown, the office market has continued to remain steady, with MaineGeneral and the State of Maine being significant economic drivers of the community. MaineGeneral's Workplace Health opened a new 13,000 sf facility at 21 Enterprise Drive in 2019 and will be expanding into the remaining 5,400 sf in 2020. The Maine State Housing Authority is currently renovating a two-story, 79,126 sf office building at 26 Edison Drive. Construction will be completed in 2020 and the agency will be vacating 38,000 sf from 353 Water Street as a result of its relocation. Similarly, the State of Maine's Public Utilities Commission (PUC) will be relocating to 19 Katherine Drive from 101 Second Street in Hallowell. The PUC will be renovating 22,700 sf of office space formerly occupied by Brookfield Energy with plans to occupy the building in 2020. The Maine State Housing Authority and PUC relocations will result in over 60,000 sf of office space coming to market in 2020.

We anticipate more government and medical-related office requirements in 2020, such as the RFP that was issued in Augusta for a new 50,000 sf office for Veterans Affairs (VA). We expect that their new location will be announced in 2020.

Gardiner
MaineGeneral was also active in Gardiner as they completed the construction of a 16,000± sf medical office building located at 5 Central Maine Crossing. This building is home to several MaineGeneral practices including Gardiner Family Medicine and MaineGeneral Express Care which opened their doors the fall of 2019.

There were several notable transactions in the Gardiner area in 2019. John F. Murphy Homes, an organization serving adults and children with intellectual and developmental disabilities, purchased the former TC Hamlin School in Randolph in effort to open their first location in this market. Additionally, five buildings occupied by Central Maine Meats in Gardiner were brought to auction in the fall of 2019. The properties were all industrial buildings and/or meat processing facilities located at 7-8 ABJ Drive, 563 Brunswick Ave, and 55 Industrial Drive, and sold for a combined price of $2.1 million.

Waterville
Waterville's Main Street continued to see an economic boom in 2019. Colby College plans to start construction on the Lockwood Hotel, a 53-room hotel featuring a restaurant on its ground floor. It should be completed in late 2020. Just across the street, two vacant buildings at the Lockwood Mill Complex were purchased for $1.5 million. These buildings are well positioned for redevelopment as they have stunning views overlooking the Kennebec River. The planning and design process has commenced and construction of this exciting mixed-use project is slated to begin in fall of 2020.

INVESTMENT TRANSACTION HIGHLIGHTS

51 COMMERCE CENTER DRIVE, AUGUSTA
Sale price: $19,176,966
105,500 SF office building
Tenants include: Maine Office of Information Technology and Maine Revenue Service

JFK PLAZA, WATERVILLE
Sale price: $7,800,000
151,000 SF shopping center
Tenants include: Hannaford, TJ Maxx, Tractor Supply, JOANN Fabrics and Crafts

10 WHITTEN ROAD, AUGUSTA
Sale price: $3,200,000
214,900 SF shopping center
Tenants include: Christmas Tree Shop, Texas Road House, Petco

PINE RIDGE ESTATE, MONMOUTH
Sale price: $1,200,00
24-unit apartment complex

PHOTOS:
Lockwood Hotel, Waterville
19 Katherine Drive, Hallowell
51 Commerce Center Drive, Augusta

ABOUT US

The Boulos Company is a commercial real estate firm dedicated to serving owners, investors, and tenants, blending Maine and New Hampshire market knowledge with a national and regional perspective through our SIOR and CCIM relationships.

Along with Boulos Asset Management, we offer a full array of services including leasing and sales; property, facilities, project, and investment management; valuation, research, investment strategy, and consulting.

In addition to our depth of services, we also offer a deep bench of qualified, professional agents. Our partners and experienced brokers are seasoned experts in every commercial real estate sector, from office and retail to industrial, investment, and multifamily property; and our systemized, in-depth training program ensures that their knowledge is shared with each new generation.

All of this reach, experience, expertise, and depth adds up to market leadership. And for clients, that means success. When it comes to New Hampshire and Maine commercial real estate opportunities, Boulos brings you more.

NOTES & CREDITS

Information contained herein is researched and provided by our in-house staff of administrative assistants, associates, associate brokers, and brokers.

We have included, to the best of our knowledge, all Class A and Class B office buildings in the Greater Portland area. Please feel free to contact us if we have inadvertently missed one.

Survey data collected is current as of 12/1/2019. Rents are shown as modified gross and defined as all expenses included, except electricity for lights and plugs, tenant's janitorial, and parking. Rents not quoted as modified gross were converted by the addition of an estimated $1.50 for HVAC and common area maintenance expenses as reported by owner.

Retail space is not included in this Survey.

Net Absorption measures the total amount of SF leased over a period of time minus space vacated during the same period.

Rental rates outlined in this Survey reflect rates for direct lease availabilities. When a range of rental rates are available, the prevailing rate is reported. Only direct lease rates are quoted in cases when direct and sublease space is available. When only sublease space is available, no rate is quoted. Subleased spaces that were occupied as of 12/1/2019 were not included as part of this Survey.

Definitions of Class A and B office buildings vary between markets. We define Class A office buildings as those that are investment-grade properties that feature a unique design with immediate access to parking. They must be ADA-compliant and benefit from highly professional property management. Class B office buildings are considered to offer utilitarian space without special amenities, are of ordinary design, except for historic, renovated buildings and feature good maintenance with all floors handicapped accessible.

Please note that outside the context of this report, the Greater Portland market uses many definitions and thus any building noted herein may, as a matter of opinion, fall into a different category in the open marketplace.

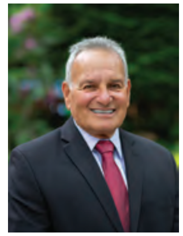
THE BOULOS COMPANY

BROKERAGE TEAM

Drew Sigfridson
SIOR, Managing Director

Greg Boulos
Partner, Broker

Jessica Estes
Partner, Designated Broker



Dan Greenstein
Partner, Broker

Tony McDonald
CCIM, SIOR, Partner, Broker

Chris Paszyc
CCIM, SIOR, Partner, Broker

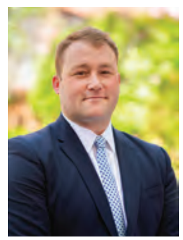
Nate Stevens
Partner, Broker

Craig Young
CCIM, Partner, Broker

Ty Hobbs
Associate Broker

Nick Lucas
Associate Broker

John Meador
Associate Broker



Derek Miller
Associate Broker

Jon Rizzo
Associate Broker

Samantha Marinko
Associate

Brice O'Connor
Associate

Noah Stebbins
Associate

Chelsea Britten
Executive Assistant

Micki Francombe
Assistant Office Manager

Abigail Henderson
Marketing Manager

Charles Masterson
Research Analyst

Kim Paquette
Administrative Assistant

Carly Parent
Administrative Assistant

Catie Seavey
Project Manager