

# LEWISTON-AUBURN MARKET OUTLOOK

**NOAH STEBBINS | ASSOCIATE BROKER**

2022 proved to be another exciting year for commercial real estate in Lewiston-Auburn, with numerous development projects and new tenants entering the market. With a potential recession looming, it's difficult to predict how the market will be impacted; however, let's begin on a positive note and recap a record-setting year.

## **MULTI-FAMILY REPORT**

Record sale prices, substantial rent growth, and new development, coupled with motivated city officials, helped Lewiston-Auburn have a record year in the multi-family space. According to comparable sales provided by MLS from 2020-2021, there wasn't a single multi-family in Lewiston-Auburn that sold for over \$100,000/unit; this was not the case for 2022. Notable sales over the past year included:

### **1 Tourmaline Drive & 10 Almond Avenue, Lewiston (Off-Market Transaction)**

Sale price=\$10,200,000  
#/units=65  
\$/unit=\$156,923

### **84 Lisbon Street, Lewiston (Off-Market Transaction)**

Sale price=\$745,000  
#/units=6 (included one 1st floor commercial unit)  
\$/unit=\$124,167

### **79 Ridgewood Avenue, Lewiston**

Sale price=\$710,000 (asking \$600,000)  
#/units=6  
\$/unit=\$118,333

### **1 Buckley Street, Lewiston**

Sale price=\$925,000  
#/units=8  
\$/unit=\$115,625

### **1172 & 1176 Lisbon Street, Lewiston**

Sale price=\$3,404,000 (asking \$3,199,000)  
#/units=37  
\$/unit=\$92,000

### **251 Minot Avenue, Auburn**

Sale price=\$700,000  
#/units=12  
\$/unit=\$58,333

It's important to note that record-low interest rates, inflation, and pent-up demand from the investor community likely led to record-setting sales in 2021-2022. Sellers will inevitably be forced to adjust pricing in today's economic climate for deals to pencil out as interest rates continue to climb.

## **INDUSTRIAL REPORT**

Over the last three years, Lewiston-Auburn's industrial market has experienced high demand with historically low supply, like elsewhere across the state. As a result, we've experienced a substantial rise in sale price and lease rates. However, is there a reason to be concerned? According to a recent article published by the Wall Street Journal, "E-commerce-related distribution centers and other warehouses are facing a squeeze from a surge in construction and softening demand." Maine is usually slow to feel the impact of national trends, and Lewiston-Auburn's industrial market shows no signs of slowing down, and we've seen a significant wave of speculative industrial development.

Notable new projects include the following:

### **22 Gendron Drive, Lewiston**

43,698± SF  
Features 8 loading docks, 4 drive-in doors, and 18'-20' ceilings.  
Construction is expected to be completed late 2022 or early 2023.

### **855 Lisbon Street, Lewiston**

64,800± SF  
Features 8 loading docks, two drive-in doors, and 30' ceilings.  
Construction is complete.

### **1775 Lisbon Street, Lewiston**

50,000± SF  
Currently configured as an office, and the owner plans to convert to industrial.  
The space will feature eight loading docks, 16' ceilings, and a 5:1 parking ratio.



## OFFICE/HEALTHCARE REPORT

The office sector, like elsewhere throughout the state and country is still largely impacted by the pandemic and work-from-home model. Although smaller office users are somewhat active in the market, larger tenants are still trying to figure out their long-term strategies. According to data from the New England Commercial Property Exchange, there were zero traditional office leases over 10,000± SF in 2022, and there were only two traditional office sales over 10,000± SF.

On a positive note, the healthcare sector has been thriving. Exciting new development projects include the ConvenientMD under development at 600 Center Street in Auburn. ConvenientMD plans to construct a 5,000± SF facility with 25 parking spaces. Across the bridge in Lewiston, Fresenius Medical Care plans to construct a one-story, wood-framed building for a dialysis clinic at 42 Mollison Way. It's expected to open late 2023 or early 2024.

As for notable completed projects, Central Maine Healthcare opened its new \$37 million cancer center in Lewiston earlier this summer. It's a state-of-the-art medical center, exemplifying CMMC's long-term investment in the L-A market. According to an article published in the Sun Journal, "The Cancer Care Center will bring CMMC's surgical oncology, radiation oncology and chemotherapy units together under one roof, an improvement for patients who walk across campus to access cancer services on opposite ends."

## RETAIL REPORT

Despite soaring costs for rent and healthcare, compounded by inflation, U.S. retail sales have remained largely unchanged. During the peak of the pandemic, many retailers were forced to adapt and re-evaluate their strategies. According to a recent Bisnow report, "retail availability nationwide is at its lowest

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level since before the Great Recession...Asking rents are growing faster than they have in more than ten years as the pace of new construction hits record lows and retail demolition speeds up." The bankruptcies of some of the weaker players have adjusted the market and led to fewer retailer bankruptcies through June of 2022 than any other year since 2015. On a national scale, fast-casual restaurants and grocery stores (among others) have been seeing some of the strongest overall performances. This trend seems to have taken shape locally as there have been several new restaurants entering the Lewiston-Auburn market.

Notable projects in development include a new 6,600± SF Olive Garden restaurant at 649 Turner Street in Auburn; Target is opening a new store later this year at 603 Center Street in Auburn; Subway is opening a new store at the former Holy Donut space at 910 Minot Avenue in Auburn. Notable openings this past year include Five Guys at 223 Center Street in Auburn; Aroma Joe's at 791 Kittyhawk Avenue in Auburn; Otto Pizza at 730 Center Street; and Jersey Mike's at 600 Center Street.

With several national tenants in the Lewiston-Auburn market looking at development sites and/or existing space, 2023 is shaping up to be another exciting year.

#### **SOURCES:**

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### SIGNIFICANT SALE TRANSACTIONS

PROPERTY SOLD: STREET ADDRESS	PROPERTY CITY	SALE PRICE	PROPERTY SF	PROPERTY TYPE AT CLOSE
119 Lisbon Street	Lisbon	\$22,917,681	293,763	Industrial
1 Tourmaline Drive & 10 Almond Avenue	Lewiston	\$10,200,000	63,840	Multifamily
490 Pleasant Street	Lewiston	\$6,445,000	88,034	Hotel
198-200 Main St/3 Lowell Street	Lewiston	\$5,300,000	65,982	Office
774 Center Street	Auburn	\$4,520,000	12,619	Mixed-Use

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