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By John Leahy - 2011 has been anything but slow for Southern Maine commercial real estate market

September 08, 2011 - Northern New England

The first eight months of 2011 has been encouraging for Southern Maine's commercial real estate market. Although we are still experiencing relatively low activity, there have been several high profile commercial real estate projects and success stories. These include a proposed convention center/arena development, additional proposed development for Bayside, substantial office leases in Lewiston and Pierce Atwood's downtown Portland relocation.

The Forefront at Thompson's Point

Two principal owners of the Maine Red Claws NBA D-League Basketball Team announced plans in April for a \$100 million convention center and arena, hotel and office development on Thompson's Point. This 30+ acre waterfront site sits conveniently just off Congress St. and adjacent to the Portland Regional Transportation Center. John Jennings and William Ryan Jr. envision a 48,000 s/f convention center with 3,500-seat arena for the Red Claws attached to a music hall and hotel. The project also calls for a 700-car parking garage and two buildings consisting of approximately 300,000 s/f build-to-suit mixed-use office and medical office space. The project has completed conceptual ideas with permitting and approvals in progress. A large-scale marketing plan to pre-lease the facility is in full swing with Drew Sigfridson, SIOR, designated broker at CBRE | The Boulos Company.

"We are excited to market this mixed-use project. The combination of hospitality, entertainment, retail and office will truly make the Forefront and Thompson's Point a destination location. Our marketing efforts will center on two prominent office buildings at the edge of the peninsula. Office users seeking high visibility and convenient access to public transportation will be quite interested in this opportunity with space availability in early 2013" said Sigfridson,

This exciting project will serve as a highly visible "Gateway" to the city of Portland. It has immediate access to the Transportation Center with bus and Amtrak terminals and has close proximity to both I-295 and the Portland Jetport. This project is one that will transform an under utilized site into a focal point of Portland the citizens can all be proud of.

Continued Progress in Bayside

The Federated Companies purchased the struggling Bayside Village student housing complex on Marginal Way in January. The 100-unit, 400-bed project was built in 2007 and in the process of foreclosure with Key Bank. Federated was back in the news in May announcing a deal to acquire approximately 3.25± acres of development land from the city of Portland on Somerset and Elm Sts. The proposed development calls for a mix of first-floor retail space, structured parking, office and medical space along with apartments and condominiums.

This is another exciting project for the rapidly redeveloping Bayside and Marginal Way area of Portland. The Bayside area has also recently gained a well known Maine non-profit, The Community

Counseling Center. Other recent tenants include InterMed, Drummond Woodsum, Gorham Savings Bank and Trader Joe's.

Substantial Lewiston Office Leases

Lewiston, Maine has long been known as an industrial/warehouse epi-center serving as a logistical hub for state-wide distribution but we've seen a flurry of office market activity over the past three months with several large new tenants and employers. Carbonite, Inc. leased 22,592 s/f of office space at 18-24 Mollison Way, within the Fairgrounds Business Park. Carbonite, a Boston-based company is planning to eventually hire up to 250 people. Founded in 2005, Carbonite provides online backup services for consumers and small businesses. Last year, it was ranked as the 9th fastest growing private company and the fastest growing IT services company by Inc. magazine.

In the same building, Community Health Care recently leased 7,000 s/f and across the street at 15 Mollison Way, St. Mary's Hospital leased 10,000 s/f. Also within the Fairgrounds, Seniors Plus renewed 16,480 s/f and McKesson renewed 60,000 s/f in 2010. All of these are excellent examples of positive trends in Lewiston, hopefully one that continues with more leased space and new jobs.

Pierce Atwood Move Leads to Increased Vacancy

One of the biggest stories from 2010 that has followed us into 2011 is Pierce Atwood, Northern New England's largest law firm, and their upcoming relocation from 76,000 s/f at One Monument Sq. to 258 Commercial St., a five-story, waterfront former self-storage facility. The century and a half old structure is currently under complete renovations with a scheduled occupancy date of November 2011.

Other significant transactions in 2011 include:

- * The Bank of Maine leased two floors at Two Canal Plaza for a new branch and executive offices.
- * Martin's Point has broken ground at their Washington Ave. Campus for a new 18,300 s/f medical office building.
- * Cole Haan is relocating their entire 38,000 s/f operation to 6 Ashley Dr. in Scarborough.
- * Stone Coast Fund Services has leased over 22,000 s/f of office space at Two Portland Sq.

This small sampling of Maine activity and success proves that 2011 has been anything but slow. Southern Maine's commercial real estate sector is continuing its solid recovery from the effects of the national recession and I'm positive this trend of closing sizeable deals and creative new development will continue.

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