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Tremendous opportunities for tenants and plenty of willing buyers with capital for sellers

January 24, 2013 - Spotlights

It's hard to condense an annual forecast for Maine in such a small article, but here I go. While at a Chamber event last night I was asked several times about the market. While I believe it may take 3-5 years for us to truly feel an upswing in the market there are some tremendous opportunities in the marketplace for buyers or tenants and plenty of willing buyers with capital for sellers that are ready to sell. While planning for 2013, I reviewed sales in 2012 and was surprised to learn how much commercial activity is still taking place. Cumberland and York County stand ahead in volume with strong activity in Lewiston/Auburn and Augusta as well.

I believe this market is one that will be talked about for decades. I still hear stories on occasion about deals that "could have been bought" from the market crash of 1988. Real estate values are down and with interest rates at historic lows, the time is perfect for well capitalized investors or owner users to buy and also for strong tenants to take advantage of landlords willingness to negotiate and lock in some great lease rates for long term leases. Proof of this lies with a recent sale I completed that allowed an operating company that has been in the same leased space for 19 years to purchase a 95,000 s/f manufacturing facility and reduce their costs of space by more that 50% and take advantage of the benefits of ownership.

Multi-family properties are starting to see a rebound in both Lewiston/Auburn and Southern Maine. As the rental market starts to stabilize, investors are looking at great returns and taking advantage of the low interest rates as well. Residential real estate in Maine is very strong with home sales up over 20% in 2012.

There is vast inventory in the marketplace and buyers/tenants need to weed through a lot of data and information to find the right property for them. Caution is a key word in this market and due diligence is highly recommended. While the time is perfect to take advantage of this market, we are still faced with low confidence and high unemployment. Turn around is still a few years down the road.

I am bullish about Maine's real estate market and believe that fortunes will be made over the next decade.

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