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CBRE | The Boulos Company releases its 2015 Greater Portland market outlook

February 05, 2015 - Northern New England

According to CBRE | The Boulos Company, northern New England's largest commercial real estate services firm, 2014 was a strong year for commercial real estate across all sectors, with investment sales playing a particularly important role in the recovery of the market.

CBRE | The Boulos Company released its 2015 Greater Portland Market Outlook recently. This much anticipated report is the result of months of research and collaboration between employees and brokers in the firm. CBRE | Boulos, which started producing a similar report called the "Office Market Survey" in 1989, changed the title in 2014 to better reflect the company's knowledge and expertise in all aspects of commercial real estate. While the main focus is still on the Greater Portland office market, the report covers other sectors which impact the overall market. This year there is a focus on multifamily sales, the retail market in Maine and, most significantly, investment properties.

While office and retail leasing had a solid year, investment sales were the strongest they've ever been, according to Drew Sigfridson, managing director of the company. "In 2014 we saw the highest volume of investment sales in our company's 40-year history," he said. "The demand from out-of-state investors and low interest rates created an environment for historically low cap rates, enticing owners to sell their properties at the high point in the cycle."

The company's investment sales in 2014 included retail, office, industrial, multifamily and mixed use properties.

Many of the properties sold were never on the open market. CBRE | Boulos' brokers get calls and inquiries regularly from both in-state and out-of-state investors looking to place capital in commercial real estate. They've been pro-active with this information, reaching out to property owners, some of who are not traditional sellers and have owned their buildings for a long period of time. However, once the broker educates the owner about market dynamics and a likely sale price, many will take a closer look at selling. "Lack of available product and low interest rates coupled with an improving rental market where tenants are willing to sign longer-term leases has allowed sellers to command a premium for their properties," said Sigfridson, "but buyers are finding fundamentally sound investments." That's because they're placing their capital in solid properties with long term leases, at historically low interest rates. "It's the best of all worlds. We're very fortunate to be in a position to help put these buyers and sellers together," he said.