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Greater Portland mid-year industrial space update; the industrial market remains on solid ground - by Samantha Marinko

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In a world that seems to be ever-changing and racked with uncertainty, there is one thing that the commercial real estate community can be sure of, and that's the strength of the Greater Portland industrial market.

Pre-COVID, the industrial market was already flourishing, due to a variety of not just traditional warehousing users, but also fitness users, breweries and cannabis-related businesses. The demand has only gone up over the last few months, with transactions consistently coming together.

At the end of 2019, a few large vacancies in Greater Portland gave the illusion of a market that had ample supply to support the demand. One of those vacancies was 7 Rand Rd. in Portland, a 242,000+/- s/f industrial facility. April 1, 2020, the sale of the building closed to an owner-user who will be moving into the facility in the next few months and absorbing the entirety of that vacancy. The 167,154+/- s/f property they are vacating on Read St. in Portland is on the market with multiple prospects already lined up.

On March 27, 2020, Federal Express Corporation renewed their lease of 33,973+/- s/f at 95 Hutchins Dr., a relatively significant transaction, especially considering that we were just getting into the crux of the pandemic.

On May 7, 2020, a 126,072+/- s/f industrial building sold to Calare Properties, Inc., who immediately leased the entire property to Abbott Diagnostics.

The difficulty in finding the right space only increases when you have a client with a particular requirement; be it an exceptionally high clear height, a need for a substantial amount of docks or parking, a need for floor drains, et cetera – the more specific the requirement, the more unlikely it is to exist in the market. When requirements like these exist, the prospect of new construction can look very appealing.

For example, the Innovation District at Scarborough Downs has seen a consistent flurry of activity. Four lots have sold and over a dozen are poised to sell in the coming weeks and months, with a number of other additional users likely to go under contract soon. That kind of activity speaks to a resounding confidence in the industrial market in Greater Portland.

The growth in the market we see now is not likely to change. Noah Stebbins, associate at The Boulos Company said, “I expect many industrial companies to start reshoring their operations back to the U.S., as the virus exposed many companies who heavily rely on importing/manufacturing goods outside of the country, which will more than likely lead to even more industrial demand in the coming years.” With companies coming back into an already very saturated market, we will likely see an uptick in new industrial projects in near future.

Overall, uncertainty is still a certainty as we navigate the pandemic, but the industrial market in Greater Portland appears to be the most resilient and reliable as we enter into the second half of 2020.

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