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## **CRE market update on businesses for sale in Vermont - by Kendra Kenney**

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As the weather gets warmer, flowers begin to bloom and Vermonters start to transition to warm weather activities, the Vermont market is starting to see not only the spring/summer resurgence, but also a continued uptick in people looking to relocate to the Green Mountain State. Throughout the pandemic, Vermont saw an enormous increase in out-of-state residential buyers, throwing the residential market into an upward spiral of high prices, high demand, and low inventory for buyers to choose from. Now that they are here, how are these new residents going to contribute to our economy and quality of life and leisure?

Generally, these new Vermonters are looking for our Vermont lifestyle. A good work-life balance, with an occupation that affords them time to enjoy all that Vermont has to offer. Business brokerage is up significantly in the last six months, and a large majority have been out-of-state buyers looking to relocate and enhance their Vermont lifestyle, in both home and work. The higher demand has motivated several business owners to put their businesses on the market.

The North Hero House, in North Hero, VT is the perfect example of the quintessential Vermont waterfront Inn and restaurant. Established in 1891 and sitting directly on Lake Champlain, the 26-room inn offers a step back in time to its guests. With a 75-seat acclaimed restaurant, marina and sandy beach, this inn is the epitome of the B&B Vermont lifestyle. This building and business are currently on the market for \$1.99 million\*.

Central Vermont has a rare opportunity to own a historic and sought after building and business. Café Provence is a 20+ year chef-owned restaurant offering French infused cuisine with a casual touch. This establishment is highly reviewed by the local community and has seen record high numbers post-pandemic. The 7,000 s/f building, which is included in the sale, sits in the heart of downtown Brandon, VT. The top level is an open concept restaurant with ample patio seating, lower level has bar/casual dining and a kitchen/bakery and entertainment space currently used for cooking classes. This the perfect investment for a chef looking to get out of a big city and enjoy all that Vermont has to offer. This building and business are currently on the market for \$1.5 million\*.

If out-of-staters are looking for more of the “ski-town” lifestyle, they must look no further than the Village Tavern at 55 Church St. in Jeffersonville, VT. This historic and revered local restaurant and bar has been the local go-to for skiers, hikers, winter, and summer vacationers alike. This tavern is just five miles from the base of Smuggler’s Notch and one of the only bar/restaurant options on your way home from Smuggler’s. The upper-level restaurant offers seating for 65 and the lower-level tavern offers seating for 85 plus outdoor patio seats as well. This business is currently on the market for \$265,000\*.

Looking for something off the beaten path? Eden, VT located about 30 minutes north of Stowe, VT is a quiet country setting with a welcoming local community. Just listed was the Eden Market, occupying a 6,000 s/f building conveniently situated on 2.5 +/- acres on busy VT Rte. 100. There is a genuine feeling of warmth and community as you walk through the doors. The market provides groceries, beverages and deli items to a clientele of folks who live and work nearby and the 100’s of travelers who journey north and south on Vermont Rte. 100 to take in all that the Northeast Kingdom provides. This building and business are currently on the market for \$2.8 million\*.

Restaurants, bars, and inns are not all that Vermont is selling. A variety of businesses are looking for new ownership. Little Laker’s Academy in Colchester, VT is a 5-star accredited daycare business with capacity for 60 children. This sale includes equipment, both indoor and out (fully fenced outdoor area), with a competitive lease in place. Staff and current students would stay with the new buyer. This business is currently on the market for \$415,000\*.

These are just a small sampling of the businesses that have recently come on the market in Vermont. Local Vermonters have seen that there is a high demand not only to relocate and live in the state, but also to work here. While Vermont’s job market can be tough to break into, starting a business, or taking over an existing business is a great way people are transitioning to the state.

#### Commercial Real Estate Update:

On the commercial real estate front, retail space is finally starting to rebound. Large Church St. vacancies are filling up and we are seeing both local and national groups re-entering the market and ready to sign on for long term leases. June 1 was college student moving day for the city of Burlington, and with the return of students from three surrounding universities and colleges, downtown Burlington’s retail sector is starting to see strong signs of life. Vacancy rates in the Central Business District (CBD) came down from 8.3% in December 2020 to now 7.9% and rental rates in both the CBD and suburban sectors are starting to stabilize.

The office market in Vermont is taking a bit more time to rebound. Pre-pandemic Vermont already had relatively high vacancy rates for office space. Now we are faced with 892,000 s/f, or 10%, vacancy in Chittenden County, which is nearly a full percentage point higher than June 2020. The elevated vacancy rate is partially due to new construction in early 2020 but made worse by the COVID-19 pandemic. While we are seeing a decline, this remains above the long-term average.

Keeping in line with national trends, Vermont’s industrial market remains strong. We are seeing

upward pressure on rents and historically low vacancy rates. Currently Chittenden County has 3.4% vacancy which remains well below the 20-year average of 6.5%.

\*Listed by Pomerleau Real Estate

Data Source: Allen, Brooks & Minor Report June 2021

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