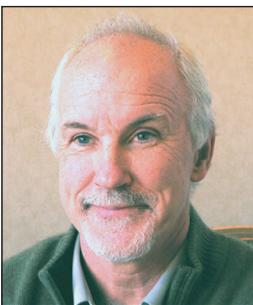


'Call for offers' technique highlights unprecedented strength of market

Three recent southern Maine transactions demonstrate successful use of the strategy.

In the last two years, southern Maine's commercial real estate market has enjoyed previously unseen activity and pricing. Portland, and in particular its peninsula, has experienced an explosion of new growth (residential) and wealth entering the market. One result of this phenomenon is unsatisfied demand.



By **DAVID HARRIGAN**
Maineland Consultants

Recent Portland sale transactions not only set new levels, but also used a marketing technique – “call for offers” – that can succeed only when demand has exceeded the equilibrium point. As the

phrase suggests, offers are solicited and potential buyers invited to step forward, but there is no asking price. Instead, that amount is determined by the market.

Joe Malone of Malone Commercial Brokers explained that this selling strategy is not suited to all properties, and can be futile unless market conditions (supply and demand) are ideal.

“The best scenario for this method is to know that there will be sufficient interest in the property to have multiple prospective purchasers,” he observed.

“Having multiple buyers creates an expectation that the property will receive legitimate offers. ‘Call for offers’ works very well in a heated market such as we are now experiencing in the Portland area.”

Recent noteworthy transactions that used this technique include:



The recent sales of 88½ Exchange St. (left), and of three apartment complexes including Tamarlane in Portland (top right) and Foxcroft in Portland (bottom right), concluded successful marketing using the “call for offers” approach.



- 88½-90 Exchange St., Portland. The 7,092-square-foot, three-story, mixed-use building on 0.066 acres was sold to Rivendell Real Estate LLC by Whaleback Associates LLC. The price was \$1.675 million, or \$236 per square foot of gross building area.

Malone and Jennifer Small of Malone Commercial Brokers, and Joe Porta of CBRE|The Boulos Company, brokered the deal, which closed Dec. 4.

- The Ocean Gateway Garage and 1.3 acres of land on Fore, India, Hancock and Thames Streets in Portland was sold to Portland Norwich Group for \$20 million, by Ocean Gateway Garage LLC and LRAR LLC.

The new owner plans a mixed-use commercial

project for the premier waterfront development site. NAI The Dunham Group and Jones Lang LaSalle negotiated the sale.

- Three apartment complexes totaling 309 units – Tamarlane in Portland, and Foxcroft and Coach Lantern in Scarborough – sold on Dec. 2 for \$50.25 million.

Joe Porta of CBRE|The Boulos Company and Simon Butler of CBRE New England represented the buyers (Chestnut Realty Management, a Massachusetts-based investment company) and sellers (Resource Real Estate, an affiliate of a Philadelphia-based real estate investment firm) respectively.

These three sales share a common thread: They

represent real estate assets that are in short supply, and when offered to the open market, experienced buyer demand that resulted in new price points in each of their respective market segments.

ANOTHER SIGNIFICANT “transaction” must be noted this month: The retirement of John Schwartz, a senior commercial appraiser with Maineland Consultants since 1992. Schwartz entered the profession directly from college in 1973 and became a recognized expert in the valuation of complex properties.



JOHN SCHWARTZ
Maineland Consultants

With Maineland, Schwartz has performed more than 1,000 appraisal assignments, of ski areas, amusement parks, ice arenas, movie theaters, golf courses, senior retirement developments, aviation and transport right of ways, and a host of other property types.

He has been recognized as an expert witness in the field of appraising in five states; been an active board member of the Portland Regional FCU since 2001, and has taught at the University of Southern Maine and the Maine Revenue Services' Tax Divisions.

Schwartz is a member of golf's Hole in One Club, an avid bridge player, and a talented photographer. He is a veteran of the United States Navy and a Purple Heart recipient. Maineland Consultants wishes him a well-deserved and happy retirement, and we thank him for his service.

DECEMBER TRANSACTIONS

SALES

Sherman Street Properties, LLC

purchased two apartment buildings totaling 19 units and 9,025 square feet, and a 4,750-square-foot parking lot at 123, 127 and 131 Sherman St., Portland. Jeff Davis, **Town & Shore Associates**.

Downtown Lodging, LLC purchased a 50-unit rooming house consisting of two buildings and a parking lot at 263, 267 and 273 Cumberland Ave., Portland. Jay Sparrow, **RE/MAX Allied**.

Lake Creek Properties, LLC purchased a 28,580-square-foot industrial building at 600 County Road, Westbrook. Greg

Hastings, Tom Dunham, **NAI The Dunham Group**.

Portland Norwich Group, LLC purchased 1.3 acres at the Intercontinental Site on Fore Street, Portland Frank O'Connor, Katie Millett, **NAI The Dunham Group**.

167 Fore Street, LLC purchased a 211,771-square-foot parking garage at the Intercontinental Site, Fore Street, Portland. Frank O'Connor, Thomas Moulton, **NAI The Dunham Group**.

Northeast Investors, LLC purchased a 243,000-square-foot parking garage at 315 Cumberland Ave., Portland. Thom-

as Moulton, **NAI The Dunham Group**.

River Gate, LLC purchased Building No. 2, a 51,400-square-foot, four-story building at 110 Main St., Saco Island, Saco. Dan Greenstein, Chris Paszyc, **CBRE|The Boulos Company**.

Dog Days, LLC purchased 8,230 square feet of residential and separate office space on 2.6 acres at 626 U.S. Route 1, Scarborough. Craig Young, **CBRE|The Boulos Company**.

Larry S. and Jill R. Nixon Trust purchased a 1,680-square-foot warehouse condominium at 120 Thaddeus St., South Portland. Andrew Ingalls,

CBRE|The Boulos Company; Ed Herczeg, **Keller Williams Realty**.

Venture III holdings, LLC purchased the 2,704-square-foot former bank site at 6 Barra Rd., Biddeford. Greg Perry. Karen Rich, **Cardente Real Estate**.

Developers Collaborative Predevelopment, LLC purchased a 16,593-square-foot multi-unit at 140 Park St., Portland. Joe Malone, Jennifer Small, **Malone Commercial Brokers**.

Boris Moreno purchased a 6,360-square-foot multi-unit at 202-204 Blake St., Lewiston. Kevin Fletcher, **Malone Commercial Brokers**.

LEASES, OFFICE

Priority Learning, LLC leased 4,334 square feet at 707 Sable Oakes Drive, South Portland. Craig Church, **Magnusson Balfour**; Craig Young, **CBRE|The Boulos Company**.

Grace Street Services leased 4,438 square feet at 72 Auburn St., Portland. Kelli Brewer, **Sperry Van Ness|The Urbanek Group**; Andrew Ingalls, Anthony Struzziero, **CBRE|The Boulos Company**.

Duane Morris leased 2,065 square feet

See **TRANSACTIONS**