

Off-market sales becoming the norm

Supply and demand is by far the primary economic principal that impacts all real property assets. Today, the supply of commercial real estate for sale is scarce, while demand is high.

In Greater Portland and Southern Maine, the dynamics of supply and demand have swung from the post-recession days, when buyers controlled market pricing and terms, to the point that sellers are now in command. The lack of supply is not

restricted to the commercial real estate market. Residential properties in Greater Portland are also being affected.

There are many signs of an under-supplied real estate market. Some common indicators I follow as an appraiser are low days on market; offers in excess of listing prices; and contracts that have quick closings and minimal requirements, such as financing, inspections or appraisals.

Another sign of a sellers' market is pocket listings, or off-market offerings. Typically, sellers need to expose a property to a broad spectrum of buyers. But when supply falls short of demand, brokers often keep such opportunities off-market.

This is particularly true in the commercial investment market, where the timing of buying and selling an asset is critical. Listing agents with such private offerings then seek out specific buyers, knowing what their criteria is and matching the asset to the buyer needs. This type of exclusivity to a buyer often results

in premium pricing to the seller. Over the past few years, such transactions have become rather common in Southern Maine's commercial real estate market.

For example, Joe Porta of Porta Commercial Real Estate reported that about half of the sale transactions he is currently involved with are off-market. Porta detailed his most recent off-market sale, of 274 Western Ave. in Augusta, which closed at \$11.2 million. This 41,234-square-foot premium retail plaza sits on a five-acre site that was formerly the Kennebec Journal printing building and was purchased five years ago by Northland Enterprises.

Over that period, Porta helped Northland procure leases that would maximize the capability of the site, in hosting some of the strongest national retail users in the Northeast. At the time of sale, to Casey Investments, LLC, the rent roll included Five Guys, Starbucks, Supercuts, US Cellular, Men's Wearhouse, Goodwill and a land lease to Bangor Savings Bank.

All the tenants reported strong numbers, and the longterm security of the tenancy made the address an ideal property for a 1031 Exchange buyer, with proceeds coming from a California disposition that was in need of a hands-off stabilized cash flowing asset.

Porta, a 10-year industry veteran who recently opened his own office, echoed the belief of many commercial brokers – matching buyer and seller needs and goals is an art, and timing is a key when brokering such a transaction.

Josh Soley of Compass Commercial Brokers also attested to the effective-

ness of off-market Transactions. Soley just sold 106-108 High St. in Portland, on the corner of Spring and High streets, for \$1.325 million. (Little Tap House and Flask Lounge are on the first floor of the 8,400-square-foot building.) Like Porta, Soley was able to align seller and buyer (Cornfield LLC) at the right time.

Soley noted that “the obvious con of an off-market deal is limited exposure of the property. Investors may feel they've missed out when a quality property is sold without their knowledge. Such buying opportunities are especially difficult for out-of-state investors who have no local-market representation.

“Although a 'pocket listing' isn't made public, that doesn't mean it sells for less. In fact, investors like the exclusivity of seeing a property before the general public does.

“There is a notion that a listed property will incite more competition, and that the competition scares many buyers and brokers away,” Soley continued. “I've had much more success communicating my pocket listings directly to my clients and friends in the real estate industry. I often send properties to other brokers so they may present the property directly to their buyers as well.



The recent \$11.2 million sale of 274 Western Ave. in Augusta is but one example of the trend toward off-market transactions.

“Many brokers have developed a network when working with either an exclusive property or an aggressive buyer. Off-market properties may not get the same exposure as a listed property, but I would argue that listed properties get less attention.”

When real estate cycles swing too far, like a pendulum in motion, at some point supply and demand will swing in the opposite direction. When is anyone's guess; but at some point, market exposure will again become the norm. Until then, if you are an investor in real estate, you should be linked to the brokerage world, which has the inside track.

SALES

Frank Billings purchased The Pet Nanny, business only, Greater Portland. Cheri Bonawitz, **Cardente Real Estate**; Lee Edwards, **Maine Business Brokers**.

Lebanon Crossing, LLC purchased the 12.5-acre parcel at 291 Carl Broggi Highway, Lebanon. Karen Rich, **Cardente Real Estate**; Brenda McCarthy, **RE/MAX Realty One**.

Bermeside, LLC purchased two lots totaling 5.09 acres and improved with a 2,065-square-foot building and a shed at 607-619 Bridgton Road, Westbrook. Roxane Cole, **Roxane Cole Commercial Real Estate**.

Foreside Place, LLC purchased the 7,616-square-foot office building at 50 Depot Road, Falmouth. Greg Boulos, **CBRE | The Boulos Company**; Steve Baumann, **Compass Commercial Brokers**.

Jeffrey Timm, LLC purchased a 33,000-square-foot industrial building on 5.6 acres at 80 Anthony Ave., Augusta. Chris Paszy, **CBRE | The Boulos Company**; Greg Hastings, **NAI The Dunham Group**.

Cronies, LLC purchased a 42,000-square-foot industrial building on 3.25 acres at 360 Civic Center Drive, Augusta. Chris Paszy, **CBRE | The Boulos Company**; Marc Fishman, **Fishman Realty**.

Riverside Street Property, LLC purchased a 34,200-square-foot industrial building on 4.5 acres at 1173 Riverside St., Portland. Dan Greenstein, **CBRE | The Boulos Company**.

160 Elm Street, LLC purchased a 9,368 square-foot investment property consisting of two fully-leased buildings at 160 Elm St., Biddeford. Vince Ciampi, **CBRE | The Boulos Company**; Michael Cardente, **Cardente Real Estate**.

105 Spring Road Property, LLC purchased a 7,730-square-foot investment property on four acres at 105 Spring Road, Pittsfield. Chris Paszy, **CBRE | The Boulos Company**.

Jade Integrated Health of Portland purchased a 2,150-square-foot office building on 1.58 acres at 12 Windorf Circle, Brunswick. Tim Millett, **CBRE | The Boulos Company**; David Gleason, **Coldwell Banker Residential Brokerage**.

Northland Enterprises, LLC purchased 6.9 acres at 1945 Congress St., Portland. Greg Boulos, **CBRE | The Boulos Company**; Mark Malone, **Malone Commercial Brokers**.

Amari Holdings, LLC purchased a 2.25-acre development parcel at 933 Portland Road, Saco. Drew Sigfridson, **CBRE | The Boulos Company**.

Checkpoint 70, Inc., purchased 6,240 square feet of turnkey restaurant space at 678 Roosevelt Trail, Windham. John Doyon, **Malone Commercial Brokers**.

T.A.S.K. Holdings, LLC purchased a 3,600-square-foot mixed-use building at 672 Main St., Westbrook. Peter Harrington, Jessamyn Mackey, **Malone Commercial Brokers**; Marc Fishman, **Fishman Realty**.

McCap, LLC purchased a 13,340-square-foot industrial building at 72 Daggett Hill Road, Greene. Kevin Fletcher, **Malone Commercial Brokers**.

Ella Properties, LLC purchased a 7,070-square-foot multi-family on 0.1226 acres at 77-79 Congress St., Portland. Sylas Hatch, TC Haffenreffer, **NAI The Dunham Group**; David Banks, Teddy Piper, **RE/MAX By The Bay**.

LEASES, OFFICE

Saco Bay Physical Therapy leased 2,200 square feet at 45 Western Ave., South Portland. Karen Rich, **Cardente Real Estate**; Jason Blank, **Jackson Cross Partners**.

Southern Maine Health Care leased 20,202 square feet at 4 Shape Drive, Kennebunk. Erik Urbanek, **SVN | The Urbanek Group**.

Liberty Bay Recovery Center, LLC leased 24,000 square feet at 343 Forest Ave., Portland. Erik Urbanek, **SVN | The Urbanek Group**.

Clark Insurance leased 25,100 square feet at 1945 Congress St., Portland. Roxane Cole, **Roxane Cole Commercial Real Estate**.

Primerica leased 1,350 square feet at 94 Auburn St., Portland. Elisabeth Echevarria, **Compass Commercial Brokers**.

Two Keys Counseling, LLC leased 288 square feet at 31 Main St., Gray. Juliana Tonini, **Magnusson Balfour**.

Dube Travel Agency leased 506 square feet at Baker Building #204, Stevens Commons, Hallowell. Dennis Wheelock, **Magnusson Balfour**.

Susan Farnsworth, Attorney at Law leased 1,520 square feet at Baker Building, Suite 1C, Stevens Commons, Hallowell. Dennis Wheelock, **Magnusson Balfour**.

Baxter Academies of Maine leased 31,984 square feet at 185 Lancaster St., Portland. Nate Stevens, Joe Porta, **CBRE | The Boulos Company**.

Robert W. Baird & Co. Incorporated sub-leased 3,512 square feet at 131 Middle St., Suite 200, Portland. Drew Sigfridson, **CBRE | The Boulos Company**; Peter Harrington, Jessamyn Mackey, **Malone Commercial Brokers**.

Ramblers Way Farm, Inc., leased 2,180 square feet at 4-6 Main St., Kennebunk. Catie Seavey, **CBRE | The Boulos Company**; John Anderson, **Investcomm Commercial Group**.

Innovative Processing Solutions, Inc., leased 2,170 square feet at 778 Main St., South Portland. Craig Young, **CBRE | The Boulos Company**.

Robert Half International, Inc., leased 2,123 square feet at 100 Middle St., Portland. Tony McDonald, Nate Stevens, **CBRE | The Boulos Company**; Brian Knies, Jones Lang LaSalle.

Veritas Prime, LLC leased 2,090 square feet at 115 Middle St., Portland. Catie Seavey, Tony McDonald, **CBRE | The Boulos Company**; Peter Harrington, Jessamyn Mackey, **Malone Commercial Brokers**.

Interim HealthCare leased 2,003 square feet at 336 Center St., Auburn. Tim Millett, **CBRE | The Boulos Company**.

J.B. Hunt Transportation, Inc., leased 1,785 square feet at 500 Washington Ave., Portland. Catie Seavey, **CBRE | The Boulos Company**; John Robinson, **RE/MAX Shoreline**.

Fedcap Rehabilitation Services, Inc., leased 1,748 square feet at 89 Court St. Machias. Ty Hobbs, **CBRE | The Boulos Company**.

DAVO Technologies, LLC renewed its lease of 1,540 square feet at 565 Congress St., Portland. Nate Stevens, **CBRE | The Boulos Company**.

The Friends of the Kotschmar Organ leased 432 square feet at 22 Monument Square, Portland. Nate Stevens, **CBRE | The Boulos Company**.

Wade R. Fleming and Dina Skrabalak renewed their lease of 425 square feet at 565 Congress St., Portland. Nate Stevens, **CBRE | The Boulos Company**.

Graham Architects leased 410 square feet at 4-6 Main St., Kennebunk. Catie Seavey, **CBRE | The Boulos Company**.

Southern Maine Neuropsychology leased 272 square feet at 2178 Post Road, Wells. Ty Hobbs, **CBRE | The Boulos Company**; Kirk Butterfield, **Investcomm Commercial Group**.

Veronika Kreckova leased 800 square feet at 396 Fore St., Portland. Kevin Fletcher, **Malone Commercial Brokers**; David Tucci, **Fishman Realty**.

Maine Medical Center leased 4,934 square feet at 509 Forest Ave., Portland. Mark Malone, **Malone Commercial Brokers**.

Support Solutions leased 4,690 square feet at 99 Danville Corner Road, Auburn. Kevin Fletcher, John Doyon, **Malone Commercial Brokers**.

Eyecare Medical Group leased 2,500 square feet at 51 Sewall St., Portland. Mark Malone, **Malone Commercial Brokers**.

Shaw Aerow, LLC leased 2,000 square feet at 380 Riverside St., Portland. Thomas Moulton, **NAI The Dunham Group**.

SKH Solutions leased 1,400 square feet at 51 U.S. Route 1, Scarborough. Chris Craig, **NAI The Dunham Group**.

Matson, Driscoll, Damico, LLC leased 910 square feet at 2 Monument Square, Portland. Thomas Moulton, Katie Millett, **NAI The Dunham Group**.

Opportunity Enterprises leased 1,099 square feet at 550 Forest Ave., Portland. Justin Lamontagne, Katie Millett, **NAI The Dunham Group**.

EMI, Inc., leased 2,200 square feet at 1 Madison St., South Portland. Thomas Mouton, **NAI The Dunham Group**.

RETAIL

Broken Crow, LLC leased 2,562 square feet at the Hay Building, 594 Congress St., Portland. Cheri Bonawitz, **Cardente Real Estate**.

Gus & Ruby Letterpress, LLC leased 950 square feet at 28 Exchange St., Portland. Peter Harrington, Jessamyn Mackey, **Malone Commercial Brokers**; Jennifer Davies, **Compass Commercial Brokers**.

Cellular Sales of Maine, LLC leased 3,104 square feet at 206 U.S. Route 1, Falmouth. Steve Baumann, **Compass Commercial Brokers**.

Newport Tire Center leased 4,760 square feet at 80 Moosehead Trail, Newport. Scott Balfour, **Magnusson Balfour**.

Krouse Holdings, LLC leased 520 square feet at 680 Gray Road, Gorham. Juliana Tonini, **Magnusson Balfour**.

Juiced, LLC leased 2,760 square feet at 561 Forest Ave., Portland. Catie Seavey, Cole Smith, **CBRE | The Boulos Company**.

Veterinary Quick Care leased 2,136 square feet at 180 Waterman Drive, South Portland. Catie Seavey, **CBRE | The Boulos Company**; John Doyon, **Malone Commercial Brokers**.

Blanche + Mimi renewed its lease of 1,025 square feet at 180 Middle St., Portland. Nate Stevens, **CBRE | The Boulos Company**.

Steady Cuts leased 942 square feet at 1041 Brighton Ave., Portland. Cole Smith, Vince Ciampi, **CBRE | The Boulos Company**.

Burns Cleaning Service lease 2,500 square feet at 321 Lincoln St., South Portland. Brad Moll, **NAI The Dunham Group**.

Beauty Mark, Co. leased 1,917 square feet at 250 Commercial St., Portland. Sylas Hatch, TC Haffenreffer, **NAI The Dunham Group**; Peter Harrington, Jessamyn Mackey, **Malone Commercial Brokers**.

INDUSTRIAL

Webber Supply, Inc., leased 24,000 square feet at Building 1, 155 Rumery St., and 5,760 square feet at Building 2, 155 Rumery St., South Portland. Roxane Cole, **Roxane Cole Commercial Real Estate**; Derek Miller, **CBRE | The Boulos Company**.

Mac-Gray Services, Inc., renewed its lease of 7,969 square feet at 5 Karen Drive, Units 7 & 12, Westbrook. Craig Young, **CBRE | The Boulos Company**.

Meetinghouse Design leased 960 square feet at 110 Breakwater Annex. Thomas Moulton, **NAI The Dunham Group**.

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