Inventory shortage prompts buyers to adapt

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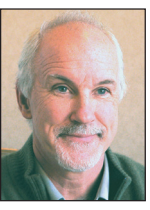

Portland's Commercial Real Estate has several segments. One key submarket is the industrial sector, which is experiencing the overall shift in dynamics from a buyer to a seller's market.

The lack of current inventory for sale has led buyers, especially owners-users, to seek out alternative solutions. One emerging strategy is buyers' willingness to adapt to the lack of supply. A prime example of this type of transaction was recently conveyed to me by Justin Lamontagne of NAI The Dunham Group.

Last summer, Lamontagne was hired by Jeff Messer, the owner of Messer Petroleum Equipment, who sought to relocate from leased space to a 10,000-15,000-square-foot industrial space he could purchase.

"With the industrial market seeing historically low vacancy rates, we were unable to come up with anything suitable, even considering land options to build new," Lamontagne said.

"Fortunately, we were able to extend (Messer's) lease for another year to buy additional time.

"In early 2016, opportunity struck. At a meeting, Brad Moll (of the company's industrial team) described a new listing at 184 Main St., South Portland. At 23,000 square feet it was larger than Jeff needed, but it included several small tenants who could remain.

"The very next morning we toured it, and days later, were able to negotiate a deal with the seller."

"The sale closed 60 days later on March 31 for $1.2 million," Lamontagne continued.

"M.P.E. will occupy most of the building and collect rental income for the balance from a variety of tenants. During that 60-day period, Brad was able to relocate the seller's business, Pine State Services, into a location in Westbrook.

"The M.P.E. buyer representation assignment was indicative of current conditions in this competitive and tight market. We had to be patient in our search, flexible in the requirement, and aggressive when the right fit presented itself," Lamontagne said.

There are many other examples of owner-users buying an asset that can be adapted, modernized or repurposed to meet their needs, Lamontagne noted.

As demand continues to outstrip supply, these alternative buying options should continue to shape the market.

This Main Street, South Portland property was purchased for $1.2 million by Messer Petroleum Equipment. The company will share its new, 23,000-square-foot headquarters with tenants.

APRIL TRANSACTIONS

SALES

Cianbro Properties, LLC purchased a 10,000 square-foot-office building on 6.48 acres at 360 U.S. Route 1, Falmouth. Jim Harnden, **Harnden Commercial Brokers**; Justin Lamontagne, **NAI The Dunham Group.**

Lisciotti Development purchased a 1.6-acre parcel at 184 Ossipee Trail, Limington. Juliana Tonini, **Magnusson Balfour**; Andrew Callahan, **Venture Retail Partners.**

Delta Realty, LLC purchased 11,190- square-foot Building 4 at 470 Riverside St., Portland. Roxane Cole, **Roxane Cole Commercial Real Estate**; Mark Malone, **Malone Commercial Brokers.**

B&T Pallets purchased a 22,000-square-foot industrial building on 1.55 acres at 17 Dumais Ave., Lewiston. Chris Paszyc, **CBRE | The Boulos Company.**

Vanator, LLC purchased a 4,734-square-foot investment property at 30 Western Ave., Biddeford. Catie Cardner, Dan Greenstein, **CBRE | The Boulos Company**; John Graham, **John Graham Real Estate.**

S&T Management, LLC purchased 1,092 square feet of office space at 50 Park Road, Unit 2, Westbrook. Anthony Struzziero, Andrew Ingalls, **CBRE | The Boulos Company**; Justin Lamontagne, Sylas Hatch, **NAI The Dunham Group.**

Injac Properties purchased an 840-square-foot retail building at 220 Riverside St., Portland. Dan Greenstein, **CBRE | The Boulos Company.** Reginald Butts, **Butts Commercial Brokers.**

John Tompkins purchased a two-unit investment property at 9 Mayo St., Portland. Mike Cobb, **Cardente Real Estate**; Erik Carlson, **Benchmark Real Estate.**

Shira Gotshalk purchased a three-unit property at 33 Smith St., Portland. Mike Cobb, **Cardente Real Estate**; Vanessa Greco, **Portside Realty Group.**

Treehouse LLC purchased an 18,512-square-foot industrial building at 89 Industrial Park Road, Saco. Brad Moll, **NAI The Dunham Group**; Kevin Fletcher, **Malone Commercial Brokers.**

1304 Lisbon St. LLC purchased a 2,320-square-foot retail/service building at 1304 Lisbon St., Lewiston. Mark Malone, **Malone Commercial Brokers.**

Morgan Acquisitions purchased a 1,698-square-foot retail building at 230 Western Ave., Augusta; a 2,864-square-foot retail building at 848 Minot Ave., Auburn; and a 3,526-square-foot retail building at 458 Center St., Auburn. Mark Malone, **Malone Commercial Brokers;** Scott Burdett, **Flaum Management Company**.

Hawk Down East 1, LP purchased a 14-unit, 12,038-square-foot building at 471-473 Cumberland Ave., Portland. Jeff Davis, **Town & Shore Associates**; Thomas Gadbois, **F.O. Bailey Real Estate**.

LEASES, OFFICE

John Perry Electric leased 315 square feet at 184 Main St., 2C, South Portland. Craig Church, **Magnusson Balfour**.

Noora Abd leased 208 square feet at 184 Main St., 2D, South Portland. Craig Church, **Magnusson Balfour**.

Casco Bay Eyecare, PA, LLC leased 5,000 square feet at 1440 Congress St., Portland. Andrew Ingalls, **CBRE | The Boulos Company.**

GEI Consultants, Inc., renewed its lease of 4,650 square feet at 5 Milk St., Portland. Derek Miller, **CBRE | The Boulos Company.**

Collaborative Consulting, LLC renewed its lease of 3,310 square feet at 10 Water St., Waterville. **Boulos Asset Management.**

Surgi-Care, Inc., renewed its lease of 2,274 square feet at 190 Riverside St., Unit 6A, Portland. Amy Booth, **Boulos Asset Management.**

Theriault Chiropractic & Massage leased 2,340 square feet at 381 Main St., Unit 3, Gorham. Anthony Struzziero, Craig Young, **CBRE | The Boulos Company.**

Miracle Ear leased 1,121 square feet at 2 Livewell Drive, Kennebunk. Ty Hobbs, **CBRE | The Boulos Company**; Ed Herczeg, **KW Commercial.**

Chart Metalworks, Inc., renewed its lease of 1,000 square feet at 1 Pleasant St., Suite 2W, Portland. Andrew Ingalls, **CBRE | The Boulos Company.**

Fizz, LLC renewed its lease of 810 square feet at the Dana Warp Mill, 90 Bridge St., Westbrook. **Boulos Asset Management.**

Wade Fleming and Dana Skrabalak leased 425 square feet at 565 Congress St., Suite 305, Portland. Nate Stevens, **CBRE | The Boulos Company.**

CRH Enterprises leased space at 1 Dana St., Portland. Jennifer Davies, **Compass Commercial Brokers.**

Mainely SEO leased 2,700 square feet at 377 Fore St., Portland. Steve Baumann, **Compass Commercial Brokers.**

Ibec Creative renewed its lease of 4,250 square feet at 100 Fore St., Portland. Thomas Moulton, **NAI The Dunham Group**; Craig Church, **Magnusson Balfour.**

Marsh & McLennan Companies leased 760 square feet at 360 Main St., Southwest Harbor. Matthew Barney, **Malone Commercial Brokers.**

RETAIL

Dube's Music leased 1,980 square feet at 140 Main St., Freeport. Sam LeGeyt, **Harnden Commercial Brokers.**

Pine Tree State Five V, LLC leased 2,424 square feet at 274 Western Ave., Augusta. Joe Porta, Shawn Gilbert, **CBRE | The Boulos Company.**

The United States Postal Service renewed leases of 2,004 square feet at 295 Water St., Augusta; 1,392 square feet at 997 Main St., Waterboro; and 919 square feet at 62 Village Road, Rockwood. Ty Hobbs, **CBRE | The Boulos Company.**

Rococo Ice Cream, LLC leased 1,772 square feet at 40-75 Wells Plaza, Suite 13, Wells. Chris Paszyc, Ty Hobbs, **CBRE | The Boulos Company.**

Alison Bogannan leased 1,008 square feet at 499 Ocean St., South Portland. Nate Stevens, **CBRE | The Boulos Company.**

M&J PC Repair leased 450 square feet at 357 Main St., Winthrop. Chris Paszyc, Tim Millett, **CBRE | The Boulos Company.**

Laurie Andrews Event Design leased 3,200 square feet at 979 Riverside St., Portland. Kelli Brewer, **SVN | The Urbanek Group;** Craig Young, Anthony Struzziero, **CBRE | The Boulos Company.**

Love Kupcakes leased 1,092 square feet at 2 Portland Square, Portland. Kelli Brewer, **SVN | The Urbanek Group**; Catie Cardner, **CBRE | The Boulos Company.**

Workout Fitness leased 1,400 square feet at 200 Gorham Road, South Portland. Josh Soley, **Compass Commercial Brokers.**

Green Life Garden Supply leased 2,700 square feet at 380 Elm St., Biddeford. Frank O'Connor, **NAI The Dunham Group.**

Rain Dog Shawarma leased 1,476 square feet at 89 Anderson St., Portland. Justin Lamontagne, **NAI The Dunham Group**; Drew Sigfridson, **CBRE | The Boulos Company.**

CP Westbrook, LLC leased 3,564 square feet at 64 Auburn St., Portland. Chris Craig, **NAI The Dunham Group**; Patrick Casalinova, **KW Commercial.**

Lamey Wellehan leased 8,609 square feet at Falmouth Village Center, Falmouth. Mark Malone, Peter Harrington, **Malone Commercial Brokers.**

INDUSTRIAL

Brickell Brands, LLC leased 4,000 square feet at 125 John Roberts Road, Unit 2, South Portland. Ty Hobbs, **CBRE | The Boulos Company**; Cheri Bonawitz, **KW Commercial.**