Experts provide forecasts for 2012

The New Year appears to resemble the old in many ways, but signs of a turnaround are on the increase.

By DAVID Harrigan
Maine Commercial Real Estate

As you look forward to 2012, most local brokers are predicting that the upcoming year will not differ significantly from 2011. Statistically, the state of Maine (MEHIS) and New England Commercial Property Exchange (NECEX) recently reported total sales for 2011 as being comparable to the 2010 figures. The economy continues to flutter, and interest rates remain at record levels, allowing most market participants to reposition debt.

In the commercial real estate market, the beginning of the New Year shows promise of opportunity. Landlords across the state board have tightened their efforts to offload tenants at all types of properties. These same ingredients are expected to continue into 2012, providing the platform for improvement.

Mainland Consultants estimated that new tenants Stuova Baumr and Cardente Real Estate, Frank O’Connor, and the Durham Group, and Tony Cardente Real Estate, Frank O’Connor, extended sincere thanks to their participants to reposition debt.

The retail market

The retail market is experiencing several significant changes in the secondary retail marketplace. Recent national data shows non-performing retailers closed non-performing malls across the state. These closures have caused a shift in the overall vacancy for Maine.

However, leasing remained strong in the key retail areas of Greater Portland's local market.

We saw the acquisition of a very well-located and high-end retail space in early January. This retail center is located in a very strong and robust retail area of Maineland Consultants, and Tony Cardente Real Estate, Frank O’Connor.

The suburban retail marketplace has been hit as strong as downtown’s. Retail sales (in dollars) may not be as strong in high demand to the mall, as well as in the development of a strong and robust retail space. National retailers are now moving to an online and independent retail model. We also saw owners of many similar brick-and-mortar locations, taking the former brick-and-mortar space.

National retailers are now moving to an online and independent retail model. We also saw owners of many similar brick-and-mortar locations, taking the former brick-and-mortar model. This is especially true for local and independent retailers who are bracing for a new retail era and reduced consumer spending. Portland Borough Center opened its first location in South Portland, and our own office is among the most experienced and active brokers in the state, and our温州 office is on the cutting edge.

As we enter 2012, we anticipate the strongest commercial retail market. The marketplace has several momentum factors working in its favor. This is a case where retail space due to its current demand is a fast-paced activity. This market could be a major force for good, both in the downtown and city centers.

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In particular, large facilities (100,000 square feet and greater) may be expected to find new use opportunities that have been in use for years. These opportunities may be more attractive to the industrial user.

As business owners begin to develop, confidence that new uses are coming, they will probably look to take advantage of much higher premium and lease to current users in order to keep what could be a major source of operating expenses.

By Steve Baumr, Cardente Real Estate

Investment outlook

By Frank O’Connor, NAI The Dunham Group

Confidence in commercial real estate as an investment vehicle seems to be higher than ever despite the recent economic conditions and the turbulence in the capital markets.

In fact, the Right of Capital of all but one of the commercial real estate market reports is a reflection of record levels of capital seeking to take advantage of entrepreneurial opportunities. If you look at historical capitalization rates as reported by Realty Rates.com’s current data, the median cap rate in the first quarter of 2011 was 9.50 percent, and in the second quarter of 2011, 9.75 percent. A look at the individual market shows a slight rise in capitalization rates compared to the beginning of the first quarter of 2011. The median cap rate in the first quarter of 2011 was 9.00 percent, and in the second quarter of 2011, 9.25 percent.

The commercial marketplace in Maine appears to mirror these national trends. Demand for multi-family properties is at an all-time high. However, high-yield funding of real estate has become the norm. These average yields are directly affected by the slow economic rate. Our experience has been gradual but steady improvements in the retail marketplace. We are also seeing several major new retail waves building into the Maine retail market.

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