

### First Quarter Perspectives - 2004



Jim Harnden  
President

Leasing and sale activity continued to move forward at a robust pace in the 1<sup>st</sup> quarter, with a jump in tenant activity and continued demand for buyers. More specifically:

- The number of leases signed by tenants in the Greater Portland office market increased 63% in the 1<sup>st</sup> quarter when compared to the same period last year. The smaller office tenant remains active and a significant number of larger office tenants (as measured by 4,000 s.f. or greater) are currently looking to relocate or expand.
- Interest rates remain low, prolonging investor and owner-user demand. Demand should remain strong, given that the Federal Reserve is hinting that rates may remain low.

The Town of Scarborough is poised for significant commercial growth along the Route One corridor, with projects underway or planned for the future that include:

- **Haigis Parkway** – With the infrastructure development finally underway in this several-hundred acre business park, the stage is set for large-scale commercial development.
- **Venture Center** – Redevelopment of a former 87,438 s.f. shoe manufacturing facility into first class biotech/flex space.
- **Enterprise Business Park** – A 36-lot commercial subdivision with approvals expected this month.
- **360 US Route One** – Recently approved for new construction of over 22,000 s.f. of office/retail space (future home of Allied Home Mortgage).
- **304/306 US Route One** – New construction of over 25,000 s.f. of office space.
- **Mercedes/Land Rover/Jaguar Dealerships** – Expansion and new development of high-end car dealerships expands the retail market along Route One.
- **Sudzie Project** – New construction near the former Scarborough Drive-In of an 11,000 s.f. building that includes a car wash and 3,500 s.f. of retail space.
- **Sullivan Tire** – Redevelopment of a former scrap yard site into new construction of warehouse with a retail façade.



Roxane A. Cole  
CCIM, Principal

The City of Portland is also facing an assortment of development projects that should significantly impact the landscape of the city. Notably, these include:

- **East Commercial Street Changes** – The City's RFP for the development of a 600-car parking garage with associated office and retail space in the East End garnered four local finalists and appears to be narrowed to one group. The project compliments the city's \$14 million Ocean Gateway passenger terminal and other anticipated development off Commercial Street.
- **Marginal Way Changes** – The Bayside Development District is moving this revitalization project forward. The removal of two existing scrap yards and the extension of Chestnut Street is planned for later this year. In addition, the City continues to work through the RFP process for the development of its site at the corner of Marginal Way and Preble Street (planned for mixed-development of office/retail/residential).
- **Top of the Old Port Project** – Discussions are in the works surrounding the development of a convention center with office and hotel space, as well as a parking garage, at the Top of the Old Port parking lot site and the adjacent Blethen Maine Newspapers site.



David J. Caron  
Associate Broker

In addition to the above projects, the former Spring Harbor Psychiatric Hospital at 175 Running Hill Road, South Portland was sold to a local group for redevelopment.

**The Greater Portland commercial real estate market is ever changing. For up-to-the-minute insight on the market, call the professionals at Ram Harnden.**



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