

NAR Commercial Real Estate Metro Market Report | 2022.Q1

Bangor, ME

Core-Based Statistical Area Code:

12620

The Bangor, ME commercial real estate market is not as strong compared to the overall U.S. market.

NAR Commercial Real Estate Market Conditions Index*

40.0

Overall economic conditions are not as strong than nationally.
 The apartment property market is not as strong than nationally.
 The office property market is stronger than nationally.
 The industrial property market is not as strong than nationally.
 The retail property market is not as strong than nationally.
 The hotel/lodging property market is stronger than nationally.

I. Economic and Demographic

Economic	Bangor, ME			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	68	68	65	149,912	150,352	143,308	
Y/Y chg. in nonfarm payroll employment ('000)	3	3	(3)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	4.5%	4.5%	-4.1%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	3.5%	4.1%	4.6%	3.6%	3.9%	6.0%	Unemployment rate is lower than nationally
Average weekly wages	\$864	\$885	\$853	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	1.4%	2.3%	6.6%	4.7%	5.2%	6.9%	Wages are rising at a slower pace than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-1.6%	2.2%	2.1%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	0.1	0.2	0.2	0	0	0	Area is experiencing net domestic in-migration
Population ('000)	152	152	152	331,501	328,330	326,838	
Population growth (%)	0.12%	0.02%	0.01%	0.97%	0.46%	0.53%	Population growth is slower than nationally

II. Multifamily

Demand indicators	Bangor, ME			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	2.9%	1.9%	1.0%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	(13)	(17)	2	58,097	61,951	187,113	
Absorption of units in past 12 months	(27)	(12)	30	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	-1.9%	-0.8%	2.1%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$1,001	\$982	\$961	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	4.1%	2.7%	4.4%	11.4%	11.3%	2.4%	
Effective rent per unit	\$997	\$980	\$958	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	4.1%	2.9%	4.3%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	13.3%	12.7%	12.9%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory	1,430	1,443	1,458	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	-	-	18	387,022	391,271	417,342	
Net delivered units, as % of inventory	-	-	1.2%	2.2%	2.3%	2.5%	
Units under construction	-	-	-	774,864	744,997	732,144	
Units under construction, as % of inventory	-	-	-	4.5%	4.3%	4.4%	
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	-	-	(155.6)	17.1	17.2	(15.9)	
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$3	-	-	\$50,395	\$113,844	\$30,199	
Transaction sales price per unit	\$117,045	-	-	\$220,078	\$227,367	\$157,676	
Market cap rate	7.4%	7.3%	7.2%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

III. Office

Demand indicators	Bangor, ME			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	3.7%	3.5%	4.3%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(7,202)	(10,058)	33,810	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	21,387	62,399	93,547	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	0.6%	1.9%	2.8%	0.1%	-0.6%	-1.7%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$16.5	\$16.4	\$16.3	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	1.0%	0.8%	0.6%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg. in professional/business services jobs ('000) (as of latest available month of the quarter)	0.3	0.3	0.1	1,153	1,161	(283)	Stronger office job creation than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory in sq. ft.	3,308,875	3,316,077	3,287,488	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	-	-	-	54,741,303	57,123,296	47,997,877	
Net delivered units, as % of inventory	-	-	-	0.8%	0.8%	0.7%	
Under construction in sq.ft.	-	-	-	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	-	-	-	2.0%	2.0%	2.1%	
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$0	\$4	\$0	\$26,711	\$35,335	\$17,487	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$182	\$349	\$88	\$324	\$295	\$325	Prices are rising faster nationally
Market cap rate	9.2%	9.2%	9.2%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

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Bangor, ME

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IV. Industrial

	Bangor, ME			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	2.5%	1.9%	3.7%	4.1%	4.2%	5.3%	The area has lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(25,000)	13,219	(35,558)	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	58,216	47,658	58,451	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	1.3%	1.0%	1.3%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$6.3	\$5.1	\$5.7	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	9.1%	8.3%	6.4%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
Supply indicators							
Inventory in sq. ft.	4,642,097	4,667,097	4,583,881	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	-	-	-	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	-	-	-	1.9%	1.8%	1.8%	
Under construction in sq.ft.	-	-	-	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	-	-	-	3.5%	3.2%	2.4%	
Sales transactions							
Total investment acquisitions (in million \$)	-	-	\$2	\$21,817	\$51,629	\$16,323	
Transaction sale price per sq.ft.	-	-	\$30	\$140	\$136	\$105	
Market cap rate	8.1%	8.1%	8.0%	6.3%	6.3%	6.3%	Cap rates are higher than nationally

V. Retail

	Bangor, ME			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	4.2%	5.1%	4.9%	4.5%	4.7%	5.1%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	50,821	(64,307)	(29,283)	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	37,633	(42,471)	(9,795)	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	0.4%	-0.5%	-0.1%	0.8%	0.7%	-0.2%	The area has lower absorption than nationally
Market rent per sq.ft.	\$11.9	\$11.8	\$11.5	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	2.8%	3.3%	1.2%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.40	0.10	0.10	570.90	382.90	(187.70)	The area has stronger retail trade job creation than nationally
Supply indicators							
Inventory in sq. ft.	8,610,060	8,559,239	8,566,828	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	-29,129	19,100	19,100	19,624,738	21,905,704	37,703,262	Relatively fewer units delivered than nationally
Net delivered units, as % of inventory	-0.3%	0.2%	0.2%	0.2%	0.2%	0.3%	Less delivered space relative to inventory than nationally
Under construction in sq.ft.	12,000	12,000	-	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.1%	0.1%	-	0.5%	0.5%	0.5%	Construction activity is slower than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$6	\$2	\$2	\$22,755	\$33,245	\$12,773	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$214	\$170	\$168	\$219	\$226	\$182	Prices are rising faster nationally
Market cap rate	7.9%	7.9%	7.9%	6.8%	6.8%	6.8%	Cap rates are higher than nationally

VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	5.9	5.9	4.9	14,939	14,804	12,876	
Y/Y change ('000)	1.0	1.4	(1.4)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is stronger than nationally
% share to nonfarm payroll employment	8.7%	8.7%	7.6%	10.0%	9.8%	9.0%	Lower fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

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Lewiston-Auburn, ME

Core-Based Statistical Area Code:

30340

The Lewiston-Auburn, ME commercial real estate market is not as strong compared to the overall U.S. market.

NAR Commercial Real Estate Market Conditions Index*

36.0

Overall economic conditions are not as strong than nationally.

The apartment property market is not as strong than nationally.

The office property market is stronger than nationally.

The industrial property market is not as strong than nationally.

The retail property market is not as strong than nationally.

The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

Economic	Lewiston-Auburn, ME			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	50	50	49	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	1	0	(1)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	1.4%	0.6%	-2.4%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	3.8%	4.5%	4.9%	3.6%	3.9%	6.0%	Unemployment rate is higher than nationally
Average weekly wages	\$963	\$974	\$891	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	8.1%	8.4%	-1.0%	4.7%	5.2%	6.9%	Wages are rising faster than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-0.7%	2.1%	3.6%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	(0.0)	0.1	0.3	0	0	0	Area is experiencing net domestic out-migration
Population ('000)	111	108	108	331,501	328,330	326,838	
Population growth (%)	2.47%	0.35%	0.45%	0.97%	0.46%	0.53%	Population is growing faster than nationally

II. Multifamily

Demand indicators	Lewiston-Auburn, ME			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	6.5%	3.6%	4.3%	4.9%	4.8%	6.0%	The area has a higher vacancy rate than nationally
Absorption of units over the quarter	(92)	(17)	(37)	58,097	61,951	187,113	
Absorption of units in past 12 months	(70)	(15)	(37)	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	-2.4%	-0.5%	-1.2%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$820	\$810	\$815	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	0.6%	2.1%	7.7%	11.4%	11.3%	2.4%	
Effective rent per unit	\$815	\$807	\$812	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	0.4%	2.0%	7.6%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	9.7%	9.5%	10.5%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory	2,968	3,060	3,038	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	-	-	-	387,022	391,271	417,342	
Net delivered units, as % of inventory	-	-	-	2.2%	2.3%	2.5%	
Units under construction	35	35	35	774,864	744,997	732,144	
Units under construction, as % of inventory	1.2%	1.1%	1.2%	4.5%	4.3%	4.4%	Construction is weaker than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	-	-	-	17.1	17.2	(15.9)	
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$0	-	\$0	\$50,395	\$113,844	\$30,199	Sales transactions are rising faster than nationally
Transaction sales price per unit	\$/b,000	-	\$/b,000	\$220,078	\$227,367	\$157,676	Prices are rising faster nationally
Market cap rate	9.4%	9.3%	9.2%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

III. Office

Demand indicators	Lewiston-Auburn, ME			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	10.2%	10.3%	10.5%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	3,906	(11,969)	(48,993)	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	10,617	(42,282)	(67,736)	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	0.3%	-1.1%	-1.8%	0.1%	-0.6%	-1.7%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$15.2	\$15.2	\$15.1	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	1.0%	0.8%	0.6%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	(0.2)	(0.4)	(0.2)	1,153	1,161	(283)	Stronger office job creation than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory in sq. ft.	3,699,643	3,695,737	3,689,026	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	-	-	-	54,741,303	57,123,296	47,997,877	
Net delivered units, as % of inventory	-	-	-	0.8%	0.8%	0.7%	
Under construction in sq.ft.	23,000	23,000	23,000	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	0.6%	0.6%	0.6%	2.0%	2.0%	2.1%	Construction activity is slower than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$0	\$0	\$0	\$26,711	\$35,335	\$17,487	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$69	\$0	\$165	\$324	\$295	\$325	Prices are not rising as fast than nationally
Market cap rate	9.8%	9.7%	9.7%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

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Lewiston-Auburn, ME

Core-Based Statistical Area Code:

30340

IV. Industrial

	Lewiston-Auburn, ME			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	2.3%	2.6%	1.8%	4.1%	4.2%	5.3%	The area has lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	35,498	(88,390)	30,667	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	(61,871)	(66,702)	57,319	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	-0.5%	-0.6%	0.5%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$6.0	\$5.8	\$5.5	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	9.6%	8.9%	6.9%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
Supply indicators							
Inventory in sq. ft.	12,044,056	12,008,558	12,105,927	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	-	-	-	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	-	-	-	1.9%	1.8%	1.8%	
Under construction in sq.ft.	-	-	-	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	-	-	-	3.5%	3.2%	2.4%	
Sales transactions							
Total investment acquisitions (in million \$)	-	\$0	-	\$21,817	\$51,629	\$16,323	
Transaction sale price per sq.ft.	-	\$120	-	\$140	\$136	\$105	
Market cap rate	7.4%	7.4%	7.4%	6.3%	6.3%	6.3%	Cap rates are higher than nationally
V. Retail							
Demand indicators							
Vacancy rate	1.9%	2.6%	3.2%	4.5%	4.7%	5.1%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	59,958	7,110	8,155	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	114,560	62,757	20,968	94,035,968	73,627,144	(22,757,808)	The area has stronger absorption than nationally
Absorption in past 12 months as % of inventory	1.4%	0.8%	0.3%	0.8%	0.7%	-0.2%	
Market rent per sq.ft.	\$10.9	\$10.9	\$10.6	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	2.3%	2.8%	1.1%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.20	0.00	(0.10)	570.90	382.90	(187.70)	The area has stronger retail trade job creation than nationally
Supply indicators							
Inventory in sq. ft.	7,922,118	7,862,160	7,807,558	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	9,000	15,995	6,995	19,624,738	21,905,704	37,703,262	Relatively more units delivered than nationally
Net delivered units, as % of inventory	0.1%	0.2%	0.1%	0.2%	0.2%	0.3%	Less delivered space relative to inventory than nationally
Under construction in sq.ft.	-	-	9,000	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	-	-	0.1%	0.5%	0.5%	0.5%	
Sales transactions							
Total investment acquisitions (in million \$)	\$4	\$5	\$5	\$22,755	\$33,245	\$12,773	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$134	\$239	\$206	\$219	\$226	\$182	Prices are not rising as fast than nationally
Market cap rate	7.9%	8.0%	8.3%	6.8%	6.8%	6.8%	Cap rates are higher than nationally
VI. Hotel/Lodging							
2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)		
Leisure and hospitality payroll workers ('000)	3.7	3.7	3.6	14,939	14,804	12,876	
Y/Y change ('000)	0.1	0.4	(0.2)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is stronger than nationally
% share to nonfarm payroll employment	7.4%	7.4%	7.3%	10.0%	9.8%	9.0%	Lower fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

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For information about this report, email data@nar.realtor.

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NAR Commercial Real Estate Metro Market Report | 2022.Q1

Portland-South Portland, ME

Core-Based Statistical Area Code: 38860

The Portland-South Portland, ME commercial real estate market is not as strong compared to the overall U.S. market.

NAR Commercial Real Estate Market Conditions Index* 44.0

Overall economic conditions are stronger than nationally.
 The apartment property market is about the same than nationally.
 The office property market is stronger than nationally.
 The industrial property market is not as strong than nationally.
 The retail property market is not as strong than nationally.
 The hotel/lodging property market is about the same than nationally.

I. Economic and Demographic

Economic	Portland-South Portland, ME			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	204	206	200	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	4	3	(7)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	1.9%	1.7%	-3.3%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	3.2%	3.6%	4.5%	3.6%	3.9%	6.0%	Unemployment rate is lower than nationally
Average weekly wages	\$1,063	\$1,071	\$1,023	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	3.9%	6.7%	11.6%	4.7%	5.2%	6.9%	Wages are rising at a slower pace than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-1.4%	2.2%	3.5%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	3.0	3.1	3.3	0	0	0	Area is experiencing net domestic in-migration
Population ('000)	552	540	536	331,501	328,330	326,838	
Population growth (%)	2.22%	0.72%	0.69%	0.97%	0.46%	0.53%	Population is growing faster than nationally

II. Multifamily

Demand indicators	Portland-South Portland, ME			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	2.7%	3.1%	4.4%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	82	118	92	58,097	61,951	187,113	
Absorption of units in past 12 months	586	596	499	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	3.9%	4.0%	3.5%	3.3%	4.1%	3.0%	The area has stronger absorption than nationally
Market asking rent per unit	\$1,572	\$1,527	\$1,477	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	6.4%	5.8%	5.5%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,569	\$1,521	\$1,468	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	6.9%	5.9%	5.2%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	17.0%	16.3%	16.5%	16.5%	16.3%	15.4%	Renting is less affordable than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory	14,929	14,847	14,343	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	333	429	468	387,022	391,271	417,342	
Net delivered units, as % of inventory	2.2%	2.9%	3.3%	2.2%	2.3%	2.5%	
Units under construction	982	982	373	774,864	744,997	732,144	
Units under construction, as % of inventory	6.6%	6.6%	2.6%	4.5%	4.3%	4.4%	Construction is stronger than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	11.7	7.9	(14.7)	17.1	17.2	(15.9)	Fewer jobs per delivered units than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$9	\$194	\$7	\$50,395	\$113,844	\$30,199	Sales transactions are not rising as fast than nationally
Transaction sales price per unit	\$240,948	\$296,864	\$158,352	\$220,078	\$227,367	\$157,676	Prices are rising faster nationally
Market cap rate	6.5%	6.6%	6.5%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

III. Office

Demand indicators	Portland-South Portland, ME			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	3.9%	4.7%	5.2%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	197,131	84,900	(97,972)	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	406,672	111,569	(392,907)	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	1.6%	0.4%	-1.6%	0.1%	-0.6%	-1.7%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$19.9	\$19.9	\$19.6	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	1.7%	1.9%	3.1%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	0.2	(0.3)	0.7	1,153	1,161	(283)	Stronger office job creation than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory in sq. ft.	25,352,024	25,154,892	24,945,352	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	92,018	114,277	(36,723)	54,741,303	57,123,296	47,997,877	More delivered space relative to inventory than nationally
Net delivered units, as % of inventory	0.4%	0.5%	-0.1%	0.8%	0.8%	0.7%	
Under construction in sq.ft.	391,159	411,159	381,175	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	1.5%	1.6%	1.5%	2.0%	2.0%	2.1%	Construction activity is slower than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$36	\$5	\$22	\$26,711	\$35,335	\$17,487	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$135	\$95	\$122	\$324	\$295	\$325	Prices are rising faster nationally
Market cap rate	8.4%	8.3%	8.5%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

NAR Commercial Real Estate Metro Market Report | 2022.Q1

Portland-South Portland, ME

Core-Based Statistical Area Code:

38860

IV. Industrial

	Portland-South Portland, ME			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	2.1%	2.3%	3.7%	4.1%	4.2%	5.3%	The area has lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	98,469	251,983	22,477	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	631,756	555,764	(318,710)	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	2.0%	1.7%	-1.0%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$8.4	\$8.2	\$7.7	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	8.5%	7.9%	6.4%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
Supply indicators							
Inventory in sq. ft.	32,010,368	31,911,900	31,378,614	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	83,392	85,201	37,005	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	0.3%	0.3%	0.1%	1.9%	1.8%	1.8%	Less deliveries relative to inventory than nationally
Under construction in sq.ft.	203,088	214,908	140,736	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	0.6%	0.7%	0.4%	3.5%	3.2%	2.4%	Less delivered space relative to inventory than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$13	\$85	\$11	\$21,817	\$51,629	\$16,323	Sales transactions are not rising as fast as nationally
Transaction sale price per sq.ft.	\$96	\$80	\$62	\$140	\$136	\$105	Prices are rising faster nationally
Market cap rate	7.5%	7.4%	7.5%	6.3%	6.3%	6.3%	Cap rates are higher than nationally

V. Retail

	Portland-South Portland, ME			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Demand indicators							
Vacancy rate	2.8%	2.7%	3.1%	4.5%	4.7%	5.1%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(2,992)	80,054	18,463	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	173,213	194,668	(21,732)	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	0.4%	0.5%	-0.1%	0.8%	0.7%	-0.2%	The area has lower absorption than nationally
Market rent per sq.ft.	\$15.9	\$15.8	\$15.7	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	1.7%	1.9%	1.1%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.60	(0.40)	0.10	570.90	382.90	(187.70)	The area has stronger retail trade job creation than nationally
Supply indicators							
Inventory in sq. ft.	38,947,680	38,950,672	38,774,464	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	47,945	50,386	170,289	19,624,738	21,905,704	37,703,262	Relatively fewer units delivered than nationally
Net delivered units, as % of inventory	0.1%	0.1%	0.4%	0.2%	0.2%	0.3%	Less delivered space relative to inventory than nationally
Under construction in sq.ft.	12,000	30,584	89,813	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.0%	0.1%	0.2%	0.5%	0.5%	0.5%	Construction activity is slower than nationally
Sales transactions							
Total investment acquisitions (in million \$)	\$14	\$46	\$12	\$22,755	\$33,245	\$12,773	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$162	\$184	\$119	\$219	\$226	\$182	Prices are rising faster nationally
Market cap rate	8.0%	8.0%	8.0%	6.8%	6.8%	6.8%	Cap rates are higher than nationally

VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	17.1	17.7	15.8	14,939	14,804	12,876	
Y/Y change ('000)	1.3	2.1	(4.9)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is stronger than nationally
% share to nonfarm payroll employment	8.4%	8.6%	7.9%	10.0%	9.8%	9.0%	Lower fraction of workers in leisure industry than nationally

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