

COMMERCIAL REAL ESTATE REPORT Q3 2022

Portland-South Portland, ME Metro Area

Demographics and Economy

Demographics

0.9%	25.8%	-3.9%	60.4%
population growth (2020-2021) U.S.: 0.7%	share of renters (2021) U.S.: 34.5%	renter household formation (2021) U.S.: 2.6%	share of inbound moves (Jan-Sept 2022)

Economy

1.0%	9,800	4.7%	3.2%
GDP growth (2021) U.S.: 5.9%	12-month job creation (September 2022)	1-year job growth (September 2022) U.S.: 3.9%	1-year wage growth (September 2022) U.S.: 4.8%
\$56,050	2.8%	22.8%	64.8%
Average wage per year (September 2022) U.S.: \$49,100	unemployment rate (September 2022) U.S.: 3.5%	share of workers teleworking (2021) U.S.: 17.9%	inbound businesses moves (Jan-Sept 2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **stronger than nationwide** as this area has a faster absorption of office space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	77,287	363,802	1.9%	\$20	4.5%
Q3 2021	41,735	133,964	2.0%	\$20	4.9%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
Q3 2022	26,829,789	117,314	274,549	\$18,665,236	8.3%
Q3 2021	26,555,240	0	239,616	\$49,436,132	8.3%

2. Multifamily

Demand for multifamily space is **stronger than nationwide** as this area has a faster absorption of multifamily space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
Q3 2022	148	361	7.1%	\$1,657	\$1,652	2.8%
Q3 2021	200	635	6.9%	\$1,548	\$1,544	3.5%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
Q3 2022	15,758	168	268	6.3%		
Q3 2021	15,490	147	621	6.4%		

3. Retail

Demand for retail space is **weaker than nationwide** as this area has a slower absorption of retail space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	14,766	128,005	1.9%	\$16	2.5%
Q3 2021	131,699	158,878	1.9%	\$16	2.9%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
Q3 2022	40,027,559	7.9%	\$75,590,632	\$158	
Q3 2021	40,038,973	7.9%	\$23,258,448	\$117	

4. Industrial

Demand for industrial space is **weaker than nationwide** as this area has a slower absorption of industrial space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	-70,522	338,777	9.7%	\$9	1.8%
Q3 2021	361,828	376,167	7.3%	\$8	2.5%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
Q3 2022	32,764,970	68,088	115,164	7.4%	\$26,142,500
Q3 2021	32,649,806	42,516	100,521	7.3%	\$14,154,041

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, USPS, CoStar

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