Tyler Hobbs
Associate Broker

Tyler Hobbs joined CBRE | The Boulos Company as an Associate in 2011. Mr. Hobbs focuses on helping owners and tenants satisfy their office, retail, industrial and investment property needs in the Central and Southern Maine region.

Mr. Hobbs, a Falmouth, Maine native, earned a Bachelor of Arts in Economics at Gettysburg College in Pennsylvania where he was actively involved in Student Senate and served as Secretary of his senior class. He then gained experience in the insurance industry working for the Liberty Mutual Group in Weston, Massachusetts. Here he managed and resolved general liability, property and auto claims for policyholders along the eastern seaboard.

Mr. Hobbs is active in the local community and currently serves as co-Director for the Libra Foundation's annual Summer in Maine program.

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PORTLAND'S CLASS A OFFICE MARKET MIDYEAR SNAPSHOT

Despite the months of lower than average temperatures, there was a great deal of activity on the Portland Peninsula in the first half of 2014. Since CBRE | The Boulos Company released its 2014 Market Outlook in December 2013, three premier hotels have opened for business, a fourth hotel is under construction, several restaurants and retailers have successfully entered the market and a new cruise line has come to town. Suffice it to say, these are positive signs for sustained growth and longevity in the Portland marketplace.

The aforementioned is very encouraging and prompts the question: what about the state of the current downtown office market? Is there evidence of said growth and expansion in this market, too? For over sixteen years, CBRE | The Boulos Company's office market survey has been a local barometer for assessing the health of the downtown Class A office market. By tracking available square footage and vacancy rates for the 24 Class A buildings on the Portland Peninsula, we're able to assess overall vacancy shifts/trends in the office sector and make predictions on where the market is headed.

Considering the abundance of activity in 2013, one would assume this will continue for the foreseeable future. In an effort to support this assumption with facts, we've collected data on the 2014 office market thus far.

Historical Trends in the Marketplace

The Downtown Portland Class A office market has shown significant improvement in recent years. Although there has been a lack of additional office product via new construction, the recovering economy and renewed confidence from locally based companies has led to a significant increase in leasing. Of the 2,025,616± SF Class A product in Downtown Portland, overall vacancy in December 2013 was 167,848± SF, down from 250,322± SF in 2012 and 295,359± SF the year before that. Vacancy rates have decreased significantly from 14.57% in 2011 to 12.37% in 2012. Finally, the Class A vacancy rate reached single digit status at 8.29% in 2013.

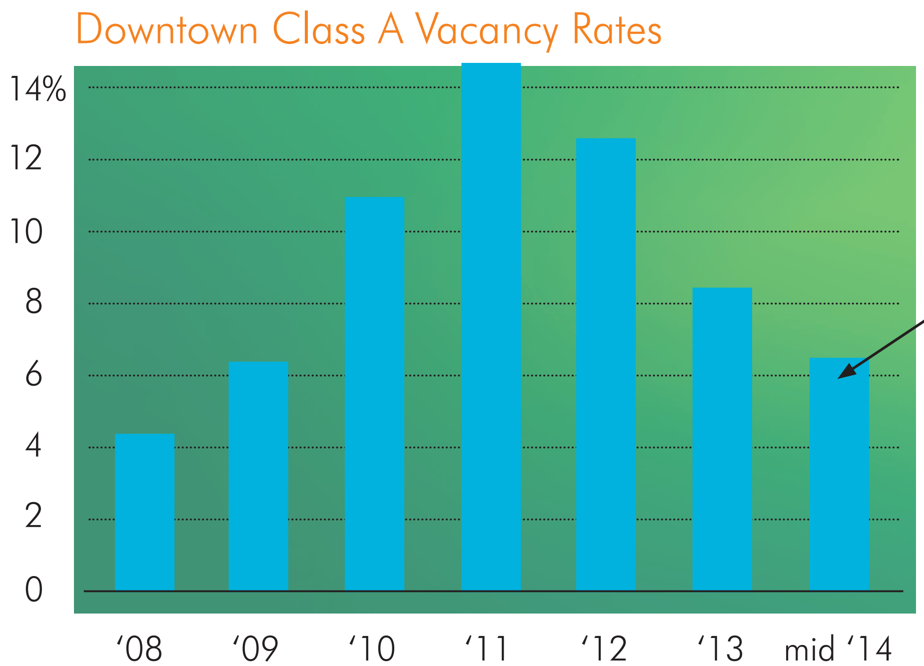
A number of lease deals bodes well for the overall market so far this year:

One Monument Square
Portland

- 254 Commercial Street (Merrill's Wharf) - Nova Star Cruises signed a 3,100± SF office lease
- 100 Middle Street - RBS Citizens signed a 3,346± SF office lease renewal
- Two Portland Square - Raymond James & Associates signed a 8,160± SF office lease
- 25 Pearl Street - Cash Star signed a 21,550± SF office lease
- One Canal Plaza - Gilman & Pattershall signed a 2,529± SF office lease
- One Portland Square - Low Income Housing Corp signed a 3,684± SF office lease
- One Monument Square - Putney signed a 25,340± SF office lease

One can assume that the office market is on a healthy and stable track. What do the numbers say?

Current Vacancy Data



Mid 2014 Vacancy SF	158,410± SF
Mid 2014 Vacancy Rate	6.76%

This mid-year rate of 6.76% is a significant decrease from a vacancy rate of 8.29% less than a year ago. Our prediction holds true for now and we are pleased with the current path of the downtown office market. Assuming the inventory of Class A product does not change in the next six months, overall vacancy should continue to tighten in 2014, and there may be new office development on the horizon which is very encouraging.