

Market Analysis of Topsham's Commercial Corridors

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Agenda

- Introductions
- About the Market Analysis
- Key Findings
- Next Steps
- Questions

Market Analysis Study

Project Purpose

- Evaluate future real estate development potential in the Town of Topsham, focusing on determining market-supported development along its commercial corridors
- 2 Tasks
 - #1: Real Estate Market Analysis
 - #2: Development Feasibility Analysis

Key Findings

Overall Themes

- Topsham and Brunswick part of same localized market
- Immediate I-295 access is a critical asset
- Escalating price points in immediate Portland area are an opportunity
- Office and retail sector transformations
- Focus on one or two mixed-use nodes
- Potential development of the Crooker site

Residential

- Homeownership has dominated, but demand for rental housing is increasing
- Demand for 86 new rental units and 295 owned units over the next five years based on projected household growth
- Region is at an inflection point with demand accelerating beyond projections
- Strong pipeline: 1,400 housing units recently completed, under construction, approve, or proposed in Topsham, Brunswick, and Freeport
- Strong financial feasibility for for-sale townhouses



Retail & Restaurant

- Moderate demand, Topsham Fair Mall continues to be an opportunity
- Most retail needs of residents are already met
- Growth to come from service-oriented businesses or stores with a hybrid model
- Limited financial feasibility for apartments/retail mixed use



Industrial

- Steady demand for space, particularly logistics
- Small to medium sized spaces are competitive
- Regional demand could support 200,000 SF of new space, but Topsham has few shovel ready sites
- Borderline/moderate financial feasibility for a distribution center



Office

- Most competitive space will have high-quality amenities
- Demand for medical office space expected to be stronger than general office space
- Topsham could support 13,000 SF of new medical office space based on demand from within Topsham and capture a portion of demand for 240,000 SF of space in the broader area
- Strong financial feasibility for medical office



Hospitality

- Demand in Midcoast Maine is recovering; leisure travel is strong but low rates of business travel
- No significant lodging properties in Topsham
- Longer term opportunity for demand to support a 50-100 room hotel
- Strong financial feasibility



Financial Feasibility Analysis

Purpose and Results

- Gain a high-level insight into the development potential of multiple property types by determining the general financial feasibility of developing these property types in Topsham
- Demonstrate whether development is financially feasible given construction costs, lease rates, operating expenses, and financing options
- Scenarios:
 - Medical Office Building: 2 story, 12,000 SF
 - Single-Tenant Distribution Center: 200,000 SF
 - 80-room, upper midscale hotel
 - Mixed-Use: 10 rental apartments over 5,000 SF retail
 - For-Sale Townhouses: 24 units

Summary of Development Scenarios

Market Demand and Financial Feasibility

Development Scenario	Market Demand	Financial Feasibility
Medical Office	Strong	High
Distribution Center	Moderate	Medium
Hotel	Moderate	High
Mixed Use - Apartments/Retail	Strong	Low
Townhouses	Strong	High

Next Steps

Build on the 2019 Comprehensive Plan to create one or more Corridor or District Master Plans

Assess economic and fiscal impacts on the Town associated with various development types

Adjust zoning and land use policies in targeted areas to support the type of development desired

Ensure available incentive programs are aligned with desired development outcomes

Use this market analysis as a marketing tool for potentially interested developers, businesses, and investors