

PREPARED FOR:

**Thomas Kittredge**  
*Economic Development Director*  
City of Belfast, ME



# Brownfields Revitalization Study

City of Belfast, ME

PREPARED BY:



120 West Avenue, Suite 303  
Saratoga Springs, NY 12866  
518.899.2608  
[www.camoinassociates.com](http://www.camoinassociates.com)

## CAMOIN 310

# ABOUT CAMOIN ASSOCIATES

Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. Through the services offered, Camoin Associates has had the opportunity to serve economic development organizations and local and state governments from Maine to California; corporations and organizations that include Lowes Home Improvement, FedEx, Amazon, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects in excess of \$6 billion. Our reputation for detailed, place-specific, and accurate analysis has led to projects in 32 states and garnered attention from national media outlets including Marketplace (NPR), Crain's New York Business, Forbes magazine, The New York Times, and The Wall Street Journal. Additionally, our marketing strategies have helped our clients gain both national and local media coverage for their projects in order to build public support and leverage additional funding. We are based in Saratoga Springs, NY, with regional offices in Portland, ME; Boston, MA; Richmond, VA and Brattleboro, VT. To learn more about our experience and projects in all of our service lines, please visit our website at [www.camoinassociates.com](http://www.camoinassociates.com). You can also find us on Twitter [@camoinassociate](https://twitter.com/camoinassociate) and on **Facebook**.

## THE PROJECT TEAM

Jim Damicis

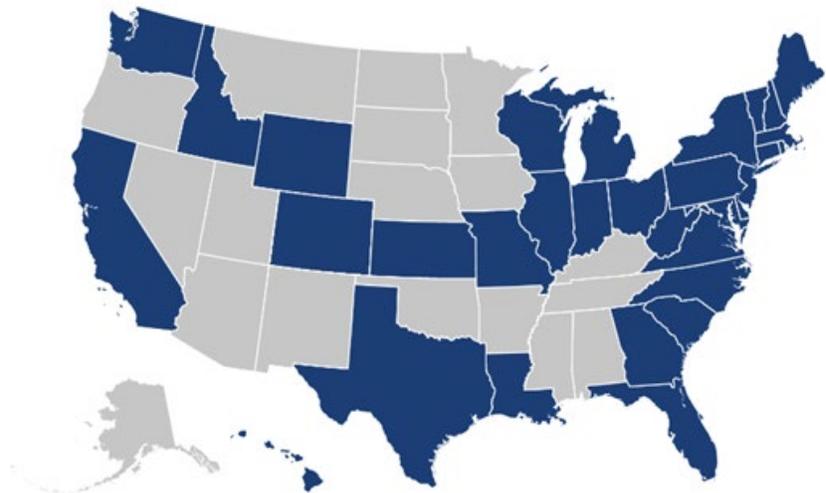
*Senior Vice President, Project Principal*

Dan Stevens, AICP

*Senior Project Manager*

Andy Marzo

*Analyst*



CAMOIN 310



1. Economic Overview .....	6
2. Real Estate Market Analysis.....	8
3. Inventory of Spaces .....	14
4. Parking Inventory.....	18
5. Undeveloped Land Inventory.....	19
6. Fiber Optic Availability.....	20
7. Development Return on Investment Financial Feasibility .....	22
8. Property Build-Out Analysis.....	26
9. 115 Congress Street .....	27
10. Proximity Impacts .....	30
Technical Appendices .....	32



As part of a broader brownfield revitalization study process that was financially supported by the United States Environmental Protection Agency (USEPA), the City of Belfast engaged Camoin 310 to perform a comprehensive market study and evaluation looking at various economic, real estate, and property specific trends in the City of Belfast and in the surrounding region. As part of this study, several technical reports were developed to provide a comprehensive understanding of existing conditions, development potential, and future development considerations. The technical reports are listed below and attached as appendices. Each report is summarized on the following pages of the study.

- ◆ Economic Overview
- ◆ Real Estate Market Analysis
- ◆ Inventory of Spaces
- ◆ Parking Inventory
- ◆ Undeveloped Land Inventory Analysis
- ◆ Fiber Optic Availability
- ◆ Development Return on Investment Financial Feasibility
- ◆ Property Build-Out Analysis
- ◆ 115 Congress Street
- ◆ Proximity Impacts

In order to inform the property specific considerations, a comprehensive property owner survey was developed and distributed to property owners within the Study Area to further evaluate local trends and get feedback that enhanced and contributed to the findings and outcomes of the technical reports.

## STUDY AREA

The specific area within the City of Belfast that is the focus of the Brownfield Revitalization Plan consists of two noncontiguous areas that are both located within the U.S. Route 1 bypass, one that is approximately 73 acres in size and includes the vast majority of the City's downtown and waterfront districts ("Study Area #1") and another that is approximately 4.2 acres in size and consists exclusively of the City-owned parcel located at 115 Congress Street ("Study Area #2).

CAMOIN 310

**STUDY AREA MAP**



# 1. ECONOMIC OVERVIEW

## MARKET STUDY AREA BUSINESS PROFILE

- ◆ **The Study Area, which includes the Downtown and Waterfront Area, is an employment hub.** Approximately 140 businesses and 840 jobs are located in the Study Area, predominantly clustered along Main Street and High Street. The jobs in the study area account for approximately 12% of all jobs in the City.
- ◆ **There is a concentration of small businesses in the Study Area.** Approximately 70% of these businesses have five or fewer employees, and nearly 40% of them have two or fewer employees.

## DEMOGRAPHIC ANALYSIS

- ◆ **Population growth could increase demand for housing.** The City of Belfast and Waldo County have been growing over the past decade, with the City gaining approximately 430 people during this time. Positive local population gains indicate there may be potential for future housing development in the City and Study Area.
- ◆ **Millennials and empty nesters are two clear population groups in Study Area.** While only approximately 236 people live in the Study Area, this resident population group has a relatively high concentration of millennials (aged 25-34) and “empty nesters” (aged 55-69). These groups may reflect broader patterns of demand for housing in the study area from these two age cohorts.
- ◆ **The Study Area population has generally higher levels of education – but lower income levels.** Over 70% of residents in the Study Area have an Associate Degree or higher, which is significantly higher than the education levels found in the City of Belfast and Waldo County. Despite obtaining higher levels of educational attainment, the study area population has a lower median household income (approximately \$34,500), compared to that of the City of Belfast overall (approximately \$43,000).
- ◆ **Many residents live and work in Belfast.** Of Belfast’s residents that work, more work in the City of Belfast (1,242) than commute to jobs outside of the City (1,026). Bangor and Rockland are the two communities that residents most frequently commute to for employment.
- ◆ **Residents work in three major industries.** Over half of Belfast’s employed residents work in either Administrative and Support, Waste Management and Remediation (22%) (including jobs such as janitors/cleaners, stockers, landscaping workers, building maintenance, office clerks, and security guards), Health Care and Social Assistance (21%), and Retail Trade (14%).

## REGIONAL ECONOMIC ANALYSIS

- ◆ **Many local jobs filled by commuters.** Approximately 80% of all jobs in the City are filled by those commuting in from outside of the City. The communities that Belfast workers commute from most frequently are Bangor and Camden; however, Belfast workers are well-dispersed throughout the region in terms of where they reside.
- ◆ **The Health Care and Social Assistance industry is an economic strength and potential demand driver.** The sector, anchored by Waldo County General Hospital, is the largest industry in the City with over 1,400 jobs (20% of the total) and is particularly concentrated in the City of Belfast, compared to Waldo County, the State of Maine, and the United States. The average annual earnings in the sector in the City of Belfast are approximately \$60,000. Over the past decade, the industry has also been one of the fastest growing in the City, with a 27% increase in the number of jobs. This industry is projected to grow further in the future, which may generate demand for medical office and related space in the City and potentially within the Study Area.

## CAMOIN 310

- ◆ **Tourism-related sectors have been expanding.** The City has seen growth in its Accommodation and Food Services and Retail Trade sectors, which are closely linked with the tourism industry. Retail is the second-largest sector in the City and is one that added nearly 80 jobs over the past decade. It also has a local strength relative to the broader region, which has less positive industry metrics. Accommodation and Food Services accounts for just over 600 jobs in the City, but grew by 17% over the past decade. Average annual earnings in the Retail Trade sector are \$32,000 and average annual earnings in the Accommodation and Food services sector are \$22,300.
- ◆ **Belfast has strength in manufacturing.** Manufacturing accounts for the third-highest number of jobs in the City with 688. While the industry either remained stagnant or saw losses in Maine over the past decade, it grew in Belfast and Waldo County. Average annual earnings in this sector are approximately \$48,800. Wood product manufacturing is a particularly strong subsector, adding 47 jobs in the City over the past decade. Boat Building is another strong manufacturing subsector, led by Front Street Shipyard. This subsector grew by nearly 160 jobs over the past decade. Frozen Fruit, Juice, and Vegetable Manufacturing is also strong and should the Nordic Aquafarms aquaculture project move forward, it would add additional jobs related to food production and manufacturing.
- ◆ **Food Production and Processing is an existing but also emerging strength.** Belfast is home to Penobscot McCrum, which has a value-added potato specialty manufacturing facility in the City. Ducktrap River of Maine, which has a seafood smokehouse in Belfast, recently undertook a \$5 million expansion to increase production by 75%. Nordic Aquafarms' planned project, an indoor Atlantic Salmon farm, would add another major seafood businesses to the City.

# 2. REAL ESTATE MARKET ANALYSIS

## HOUSING

- ◆ **The City of Belfast and Study Area #1 have existing unmet and future demand for a variety of housing types and price points.** This includes affordable housing, market-rate apartments, condominiums, and single-family homes. The Study Area has strong housing demand relative to other portions of the City given the access to amenities and the waterfront. There is little apartment vacancy downtown and rental units lease very quickly when available.
- ◆ **There is market potential for the City to absorb approximately 150 housing units over 5-years.** Based on pre-COVID conditions, the market demand analysis found that the City will see projected demand for up to approximately 66 rental units and 77 owner-occupied units over five years (13 units and 15 units annually, respectively).
- ◆ **The COVID-19 crisis has added uncertainty to the market demand picture.** The unprecedented global pandemic has dramatically affected economic and market conditions in 2020. Factors that will affect housing demand include the duration of the health crisis, whether an urban exodus of residents materializes over time and to what extent, the degree to which telecommuting arrangements become permanent, and the impact that the crisis has on the cost of raw materials which may affect short-term construction of housing projects.
- ◆ **Housing demand is being driven by changing housing needs and preferences.** Belfast and its surrounding region are getting older, which is generating demand for new senior housing. Additionally, a substantial portion of housing demand is being driven by households that are either upsizing through growing families or downsizing through the creation of new empty nester households.
- ◆ **Empty-nester and nearing-retirement households are a significant driver of housing demand.** Belfast is a retirement destination and a significant portion of housing demand in the City is driven by households nearing retirement and seeking to purchase a home in the City to use for seasonal/occasional use, and/or as a primary residence in retirement. These households are attracted by the city’s quality of life, downtown amenities such as unique and independently-owned shops and restaurants, and proximity to the waterfront.
- ◆ **Young professionals and older millennials are also expected to drive housing demand.** Belfast has become more attractive to this demographic for a variety of reasons, including it’s proximity to major urban areas of the state, adjacency to outdoor recreation amenities, and the City’s downtown amenities including restaurants, bars, and boutique shops.
- ◆ **There is a lack of affordable workforce and senior housing options in Belfast.** A majority of housing in both the City of Belfast and Study Area is unaffordable for median income households, which is a likely primary driver for why approximately 80% of the City’s workforce is commuting from the surrounding region. Additionally, the need for affordable housing for seniors is particularly acute with low-income residents age 75+ expected to grow locally and regionally over the next five years.

Study Area Multi-Family Market Demand: 5-Year Absorption Potential		
<b>Multi-Family Housing</b>	<b>Units</b>	<b>SF</b>
Overall study area demand	66	49,500
<b>Rate</b>	<b>Assumption</b>	<b>SF</b>
Subsidized/voucher	5%	2,475
Affordable/workforce	45%	22,275
Market rate	50%	24,750
<b>Occupancy</b>	<b>Assumption</b>	<b>SF</b>
Occupied by owner	5%	2,475
Occupied long term by non-owner	45%	22,275
Occupied short term by non-owner	50%	24,750
<b>Location</b>	<b>Assumption</b>	<b>SF</b>
Below ground level	0%	-
First floor/ground level	10%	4,950
Second floor and above floors	90%	44,550

## CAMOIN 310

- ◆ **High-end housing potential with waterfront proximity and/or views.** There is an unmet demand, and untested market, for high-end residential housing options in Study Area #1. While waterfront housing has been proposed in the past, there have not been any residential construction projects that capture the value and potential of Belfast’s waterfront. A significant premium for units, both rentals and owner occupied (including condominiums) could be realized for units that are located within immediate proximity to the waterfront or provide quality views of the Passagassawakeag River and Belfast Bay.
- ◆ **Despite market demand, critical barriers and constraints are limiting development of new housing.** The housing market can be characterized as having a supply-side problem with several factors making housing development extremely challenging from a financial feasibility perspective, as indicated below. As a result of these factors, there has been little construction of new housing.
  - **Relatively high property tax rates:** Belfast’s current property tax rate is among the highest in the region, making it difficult for developers to achieve a sufficient return on investment to undertake projects.
  - **High cost of construction:** Local and regional construction costs are well above national averages, which reduces the margin on development projects as a factor making new construction relatively cost prohibitive.
  - **Market rates don’t support cost of construction:** Market rates for apartments are generally in the \$1,200 to \$1,400 range for a quality apartment in the city, which, given the costs of construction, are generally not sufficient to make multi-family rental unit development feasible.
  - **Speculative land prices:** Interviews indicated that local land prices are generally above market-rate, with landowners speculating on future value, which has elevated prices above their natural market value.
  - **Unproven housing market:** The City isn’t a “proven” market for housing with virtually no significant successful housing development projects existing that demonstrate that the local market can support new projects. This is both a perception issue for potential private developers who must gauge market risk when considering new investments, and an issue related to financing as lenders desire to see market comparables as they evaluate risk when providing financing for development projects.
- ◆ **Developer interest and proposed projects may generate momentum.** There are several projects in the City and within the Study Area in various phases of planning that include housing components. This interest is indicative of perceived market demand among the private sector. Furthermore, the completion of housing projects will demonstrate demand (and rent potential), which will likely spur additional investment after the market is “proven.”

## OFFICE

- ◆ **A lack of new commercial office space construction over the last decade in the region, coupled with an equilibrium in net absorption rates indicates that there is little demand for new space.** Waldo County has had no new office space come online in the last ten years. While net absorption rates have varied in Waldo County over the last decade, 2019 and 2020 have seen rates around zero, indicating a general equilibrium in regards to supply of and demand for leased space in the county.
- ◆ **While office-utilizing industries are projected to remain stagnant in Belfast in the coming years, interviews with local stakeholders suggest that demand exists for small office spaces in the City.** While stagnant and/or decreasing projected job growth trends in office-utilizing industries in Belfast and the region indicate that the market may not support additional new office space (traditional or medical) in Belfast unless it is for a specific, unanticipated, and potentially highly-specialized user; interviews conducted point to demand for small office space similar to those found in Belfast Center. The COVID-19 crisis may also have an impact on further demand for these types of spaces. Demand projections indicate the potential need for only an additional 4,620 square feet (SF) of traditional office space over the next five years.

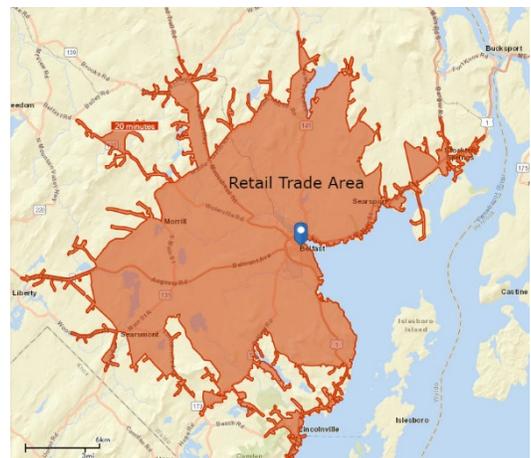
CAMOIN 310

- ◆ **The COVID-19 Crisis has added uncertainty to the commercial office market demand picture.** The COVID-19 pandemic has dramatically affected economic and market conditions in 2020 and the implications on future demand for commercial office space are difficult to forecast. The pandemic has had a significant negative impact on demand for commercial office space nationally that is likely to exacerbate existing demand trends in Belfast and the region. Factors that will affect commercial office demand include the duration of the health crises, the degree to which telecommuting arrangements become permanent, and future long-term implications to space usage requirements that promote social distancing and other recommended guidelines.
- ◆ **The Bank of America office campus is a unique asset that offers the potential for future redevelopment or reuse by one or multiple office users.** The campus could be utilized and marketed to one significant tenant, or potentially redeveloped to cater to multiple users who may share synergies in regard to the goods and/or services that they produce. It could also be utilized as a multi-use shared work space for companies who may need options for employees who convert to permanent telecommuters due to implications from the COVID-19 pandemic.
- ◆ **Medical office space is expected to drive additional demand in the future due to the regions aging populations, and growth in the health and social services industry.** An aging local and regional population will also continue to drive demand for this space. Projections indicate that Belfast may see demand for an additional 8,800 SF of medical office space over the next five years.

Study Area Commercial Office Market Demand: 5-Year Absorption Potential		
<b>Commercial Office</b>	<b>SF</b>	
Overall study area demand	10,780	
<b>Rate</b>	<b>Assumption</b>	<b>SF</b>
Traditional Office	30%	4,620
Medical Office	70%	8,800
<b>Occupancy</b>	<b>Assumption</b>	<b>SF</b>
Occupied by owner	15%	1,617
Occupied by long term by non-owner	40%	4,312
Occupied short term by non-owner	45%	4,851
<b>Location</b>	<b>Assumption</b>	<b>SF</b>
Below ground level	10%	1,078
First floor/ground level	35%	3,773
Second floor and above floors	55%	5,929

**RETAIL**

- ◆ **Belfast is a retail hub in the county and region.** In 2019, 65% of the total retail industry jobs in Waldo County were located within Belfast. This industry is also forecasted to grow by 6% in Belfast over the next ten years.
- ◆ **Retail has been hit hard by the COVID-19 crisis and will likely be slow to recover.** The regional and local retail industry has been negatively impacted by the ongoing pandemic and recovery in the market will likely be slow and span several years with great uncertainty over the course of the existing crisis.
- ◆ **There is current and projected demand for additional retail space in Belfast associated with both resident and visitor spending, based on pre-Covid conditions.** A retail gap analysis indicated that there is enough existing demand to potentially support 14,600 SF over five years (2,900 SF annually) of additional retail space in the City.



CAMOIN 310

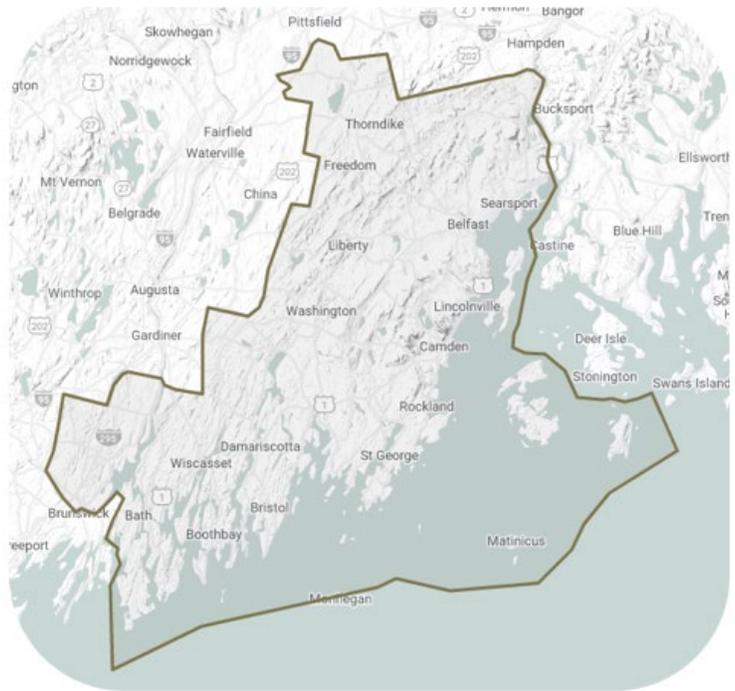
- Projections and demand attributable to resident retail leakage recapture indicate that there is enough demand to support approximately 4,900 SF (980 SF annually) of space for various retail over the next five years.
- When the 4,900 SF of demand potential attributed to recapturing spending leakage is removed, it is estimated that there is demand potential for 9,700 SF of retail space attributable to visitors over five years (1,940 SF annually)

Study Area Retail Market Demand: 5-Year Absorption Potential		
<b>Commercial Office</b>	<b>SF</b>	
Overall study area demand	14,600	
<b>Rate</b>	<b>Assumption</b>	<b>SF</b>
Demand attributable to leakage recapture	34%	4,900
Demand attributable to tourism spending recapture	64%	9,700
<b>Occupancy</b>	<b>Assumption</b>	<b>SF</b>
Occupied by owner	10%	1,460
Occupied long term by non-owner	40%	5,840
Occupied short term by non-owner	50%	7,300
<b>Location</b>	<b>Assumption</b>	<b>SF</b>
Below ground level	0%	-
First floor/ground level	90%	13,140
Second floor and above floors	10%	1,460

- ◆ **Retail industry groups with the highest potential** based on the retail gap and the retail goods, services, and expenditures analyses include:
  - Clothing and Clothing Accessory Stores
  - Book, Periodical, and Music Store
  - Jewelry, Luggage and Leather Goods Stores
  - Furniture and Home Furnishing Stores
  - General Merchandise Stores
- ◆ **Demand for retail on Main Street is very strong.** This demand is driven by the existing retail amenities within walking distance of one another, and its desirable location and notoriety as a retail destination for both residents and tourists. Additionally, there is little to no availability of spaces on Main Street resulting in an extremely low vacancy rate. Many retail spaces that become vacant are re-leased immediately and do not sit on the market. This suggests there is demand for additional retail space that is not currently being met in the market. Interviews suggest that location is a critical factor with spaces off of the Main Street corridor being much less desirable.
- ◆ **Restaurants and other eating places will continue to be in demand in Belfast for the foreseeable future.** Demand will not only be driven by residents and other consumers in the region who may visit Belfast specifically due to the presence of a restaurant or other eating establishment, but also by tourists who are attracted to Belfast due to its mix of retail and other amenities. Additionally, the restaurant industry is projected to grow by 4% or 21 jobs in Belfast over the next five years. The brick-and-mortar retail industry has been impacted particularly hard since the COVID-19 pandemic began due to customers not being able to shop at physical store locations. Additionally, retail stores in tourist destinations have been hit particularly hard due to a lack of consumer demand experienced with previous tourist seasons. These trends may continue and are likely to hinder growth in the retail industry in Belfast for the immediate term, but some experts predict that tourism levels will return to or exceed those at the national level before the pandemic due to pent up consumer demand.

## TOURISM

- ◆ **The COVID-19 crisis has hurt the regional tourism industry and threatens the market potential for tourism-related investment moving forward.** The uncertainty of the pandemic has significant implications for the tourism industry, which is not anticipated to rebound in a meaningful way in the near future. Current expectations are that investment in hotels and other tourism-related enterprises will be slow to recover.
- ◆ **Belfast is part of Maine’s MidCoast and Islands Region, which is touted as being a great fit for travelers who seek relaxation or adventure.** The region provides world-renowned coastlines, quaint downtown villages, and vibrant working waterfronts.
- ◆ **Belfast is a desirable tourism destination in the region due to its location and unique mix of various amenities.** Located along Route 1 and adjacent to the water, Belfast offers tourists a unique mix of retail options and outdoor activities, and hosts a variety of different festivals throughout the year which act as catalysts to spur additional tourism in the City.
- ◆ **A mix of lodging facilities that appeal to all different types of travelers makes Belfast appealing to a different types of tourists.** Currently, Belfast is home to lodging establishments that range from quaint bed-and-breakfast establishments, to short-term rentals, to larger economy motels and hotels.
- ◆ **The hospitality industry is a crucial employment and financial contributor to Belfast’s economy.** Hotels and Motels contributed \$3.7 million dollars (the highest of any tourism-based industry) to the City of Belfast’s Gross Regional Product (GRP)<sup>1</sup> in 2019, in addition to contributing 60 jobs to the City. The industry grew by 33 jobs from 2009 to 2019 (this equates to a 121% change from 2009).
- ◆ **A number of different factors point to the potential demand for an additional lodging establishment in Belfast.** Factors include a large stock of existing short-term rentals located in Belfast’s core downtown area with high historical occupancy rates, projected growth in Hotel and Motel industry jobs over the next five years, and an increasing notoriety of the city as a tourist destination in the region.



*Maine’s Mid-Coast & Island Region*

<sup>1</sup> Gross Regional Product (GRP) is simply GDP for the region of study. More commonly, GRP is GDP for any region smaller than the United States, such as a city, state, or metro area. GRP measures the final market value of all goods and services produced in the region of study.

## INDUSTRIAL/FLEX

- ◆ **Future market demand for industrial/flex space in Belfast will likely be driven by manufacturing-based industries.** Approximately 150 new jobs are projected to be added in Waldo County in industries (primarily manufacturing and construction) that would be appropriate to occupy light industrial/flex real estate in the downtown area of the City. Based on projected job growth, an additional 76500 SF of light industrial/flex space could be supported in Waldo County by these industries, with conservative projections indicating that total demand, or 7,650 SF of space, could be supported in the Study Area.

Study Area Industrial/Flex Market Demand: 5-Year Absorption Potential		
Industrial/Flex Space	SF	
Overall study area demand	7,650	
Rate	Assumption	SF
Demand attributable to manufacturing industries	75%	5,738
Demand attributable to construction industries	25%	1,912
Occupancy	Assumption	SF
Occupied by owner	10%	765
Occupied long term by non-owner	50%	3,825
Occupied short term by non-owner	40%	3,060
Location	Assumption	SF
Below ground level	0%	-
First floor/ground level	80%	6,120
Second floor and above floors	20%	1,530

- ◆ **It is unlikely that large- to mid-sized industrial tenants are going to fulfill projected demand for industrial development in the Study Area.** This is due to a variety of reasons including smaller parcel sizes, transportation barriers related to truck access, and higher property prices compared to the broader region. Additionally, the City of Belfast may also be averse to large industrial development in the Study Area due to its proximity to the downtown core and other residential areas.
- ◆ **Industrial demand in Study Area will be closely associated with Front Street Ship Yard, and whether further development occurs on waterfront properties.** While industrial development has occurred over the last decade, there is currently limited expansion plans for development over the next five years.
- ◆ **Industrial users that are likely to fill demand for industrial space in the Study Area are more likely to focus on and benefit from the existing retail environment in Belfast.** Examples of these users include small-scale boutique manufacturers that could sell their products directly to consumers in Belfast, or micro-food and/or -beverage producer industries such as micro-brewery/distillery producers.
- ◆ **Demand for industrial/flex space may also be driven by any unanticipated existing or future tenants entering or exiting the market.** In addition to job growth, demand for industrial/flex space could also be influenced by the entry or exit of current or future unanticipated tenants. Two examples of existing tenants in Belfast that occupy relatively large industrial/flex space include Penobscot McCrum and Front Street Shipyard.
- ◆ **The boat and ship building industries will be a driver of future demand for industrial/flex space in Belfast.** The Transportation and Equipment Manufacturing industry is projected to realize the highest

## CAMOIN 310

projected job growth of all light manufacturing industries in Belfast over the next decade, and growth is driven primarily by the boat building industry (specifically Front Street Shipyard).

- ◆ **Additional industrial/flex space could be utilized in the future by one anchor user, or multiple users participating in small scale manufacturing.** A diverse mix of industrial and flex space geared towards a variety of different types of tenants will help Belfast position itself for future market demand. Larger spaces could be occupied by one core anchor user who focuses on light manufacturing and is able to utilize the entire space, or space that could be built or modified to include a combination of small and/or shared spaces that could be utilized by a variety of different occupants who participate in small-scale manufacturing.
- ◆ **Industrial sectors have been the least impacted by the COVID-19 pandemic** and have the potential to see increased operations in the future due to a national focus on supply chain mitigation and resiliency efforts, and the reshoring of manufacturing that may have previously operated overseas.

## 3. INVENTORY OF SPACES

The Inventory of Spaces provides a comprehensive documentation of the built spaces in the Study Area. The inventory includes a detailed breakdown by type of use, occupancy, location within a building, lease rate, and historic status, among other key metrics.

### SPACE INVENTORY ANALYSIS

#### Inventory Overview

##### Summary of Key Findings

For this analysis, a space is considered a defined room/area within a property, as indicated by those responding to the property owner survey or provided by the City of Belfast. A total of 411 spaces were included in the inventory analysis, with the highest number of spaces classified as office (130 spaces) and multi-family (129 spaces). ‘Other commercial’ space had the highest footprint by SF at almost 390,000 SF. The two largest spaces within the “other commercial” space category were located at the Front Street Shipyard and Penobscot McCrum.

Summary of Spaces and Total Area (SF) by Location and Use Type						
	# of Spaces	% of Total Spaces	Below Ground	First Floor / Ground Level	Second Floor and Above	Total SF
Single-Family	17	4%	N/A	N/A	N/A	38,054
Multi-Family	129	31%	275	17,480	124,526	142,281
Office	130	32%	1,514	42,032	73,924	117,470
Retail	57	14%	14,441	110,018	6,020	130,479
Restaurant	20	5%	8,945	53,574	6,231	68,750
Other Commercial	58	14%	22,766	294,682	69,834	387,282
<b>Total</b>	<b>411</b>	<b>100%</b>	<b>47,941</b>	<b>517,786</b>	<b>280,535</b>	<b>884,316</b>

Source: Property Owner Survey; City of Belfast

## CAMOIN 310

Summary of Spaces and Total Area (SF) by Location and Use Type						
	# of Spaces	% of Total Spaces	Below Ground	First Floor / Ground Level	Second Floor and Above	Total SF
Single-Family	17	4%	N/A	N/A	N/A	38,054
Multi-Family	129	31%	275	17,480	124,526	142,281
Office	130	32%	1,514	42,032	73,924	117,470
Retail	57	14%	14,441	110,018	6,020	130,479
Restaurant	20	5%	8,945	53,574	6,231	68,750
Other Commercial	58	14%	22,766	294,682	69,834	387,282
<b>Total</b>	<b>411</b>	<b>100%</b>	<b>47,941</b>	<b>517,786</b>	<b>280,535</b>	<b>884,316</b>

Source: Property Owner Survey; City of Belfast

## Space Inventory by Lease Rate

### Summary of Key Findings

With only one space being classified as affordable/workforce, a majority of spaces are considered 'market rate' from a lease perspective. Other commercial space had the highest average lease rate at \$9.47/SF<sup>2</sup>, followed by retail space at \$5.48/SF. With an average time of one week, restaurant space had the shortest average length of time between leases, while commercial office had the longest at an average of six weeks.

## Space Inventory by Occupancy Type

### Summary of Key Findings

At approximately 235,000 SF, owner-occupied other commercial space had the highest footprint by total SF of any space type, followed by renter-occupied multi-family residential space at approximately 121,600 SF. At approximately 36,000 SF, other commercial space represented the largest amount of space that is unoccupied and available for rent or sale, followed by office space at approximately 30,000 SF. At approximately 60,000 SF, other commercial space represented the largest amount of space that is unoccupied and currently considered unusable.

Total Area (SF) by Use and Occupancy Type				
	Owner	Renter	Unoccupied, But Available for Rent or Sale	Unoccupied, and Not Unusable
Single-Family	31,205	6,849	-	-
Multi-Family	9,202	121,640	3,939	7,500
Office	11,132	76,333	30,005	-
Retail	50,606	71,540	8,333	-
Restaurant	39,638	14,653	12,859	1,600
Other Commercial	234,289	56,878	35,990	60,125

Source: Property Owner Survey; City of Belfast

<sup>2</sup> Lease rates expressed on an annual basis unless otherwise noted.

## CAMOIN 310

Looking at renter-occupied spaces, retail space had the highest average lease rate at \$5.55/SF, followed by other commercial space at \$5.02/SF. The average lease rate for space that is unoccupied but available for sale or rent is higher than the average lease rates for renter-occupied spaces for all space use types.

Looking at renter occupied space, restaurants had the shortest length of time between leases, at an average of one week.

### Space Inventory by Location

#### Summary of Key Findings

At approximately 295,000 SF, first floor / ground level other commercial space had the highest footprint by total SF of any space type, followed by second floor and above multi-family residential space at approximately 125,000 SF. Average lease rates for spaces at the first floor / ground level were the highest in all use types, with the highest average rate being retail space at \$9.48/SF. Spaces that were below ground generally had the highest average length of time between leases, with other commercial office space having the longest average duration amongst all below-ground spaces, at five weeks.

### Space Inventory by Historic Status

#### Summary of Key Findings

A majority of space is classified as neither individually listed nor contributed to a historic district, with other commercial office having the highest footprint at approximately 343,000 SF. Average lease rates for other commercial spaces within properties classified as neither individually listed or contributing to a historic district were the highest of all use types at \$10.50/SF. At an average of \$0.85/SF, office space within properties classified as not listed but contributing to a historic district had the lowest lease rate, followed by restaurant space at \$0.91/SF. Spaces that are within properties classified as neither individually listed or contributing to a historic district generally had a shorter length of time between leases than any other category.

## SPACE INVENTORY SALES ANALYSIS

### Inventory Overview

#### Summary of Key Findings

At 6 total spaces, single family spaces had the highest number of total sales from 2010 to 2019, followed by multi-family spaces (five). At approximately \$216/SF, other commercial space had the highest average sale price per SF, followed by single-family residential space at approximately \$193/SF. Retail space had the lowest average sale price per SF at \$85.19/SF. Looking at the top 50% sale price ranges by use type, the biggest variation can be seen in other commercial space which had spaces range from \$166.67/SF to \$314.81/SF.

### Space Inventory Sales by Sale Rate

#### Summary of Key Findings

All spaces sold between 2010 and 2019 were classified as market rate, with no spaces offering subsidized/voucher or affordable/workforce lease rates. At approximately \$216/SF, other commercial space had the highest average sale price, followed by single-family residential space at approximately \$193/SF. Retail space had the lowest average sale price at \$85.19/SF. Looking at the top 50% sale price ranges by use type, the biggest variation can be seen in other commercial space, which ranged from \$166.67/SF to \$314.81/SF. The largest number of total sales came in 2014 where a total of seven spaces were sold, followed by 2017 where 6 spaces were sold.

### Space Inventory Sales by Occupancy Type

#### Summary of Key Findings

At approximately \$240/SF, renter-occupied other commercial space had the highest average sale rate per SF followed by owner-occupied single-family residential spaces at approximately \$193/SF. At \$56.22/SF, office space

## CAMOIN 310

that is unoccupied but available for rent or sale has the lowest average sale rate per SF. There were no properties sold with space that is considered unoccupied and unusable from 2010 to 2019.

### Space Inventory Sales by Location

#### Summary of Key Findings

At approximately \$315/SF, other commercial space located on the first floor / ground level had the highest average price followed multi-family residential space located on the second floor and above, at approximately \$184/SF. At approximately \$56/SF, office space located below ground, and retail space located on the second floor and above had the lowest sale price.

### Space Inventory Sales by Historic Status

#### Summary of Key Findings

At approximately \$240/SF, other commercial space considered neither individually listed on the National Register of Historic Places, or a contributing property to the historic district had the highest average sale rate per SF. The highest number of space sales from 2010 to 2019 were in properties classified as neither individually listed nor contributing to the historic district.

# 4. PARKING INVENTORY

## KEY FINDINGS

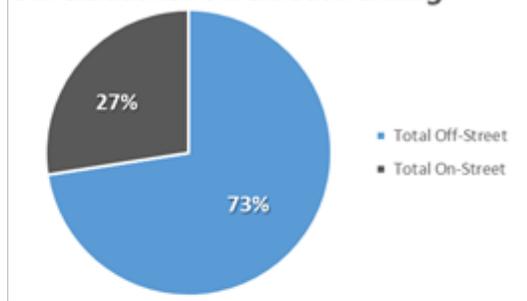
The parking inventory examined the current parking supply in the Study Area, including the number of public and private spaces. The Study Area has an estimated 1,727 total parking spaces, including public and private spaces and both on- and off-street spaces. Off-street parking represents the largest share of parking with 1,253 or 73% of the total. Private off-street parking outnumbers public off-street parking by a ratio of more than 2:1. However, when public on-street parking spaces are considered, there are slightly more public spaces (878) than private spaces (849).

Overall, there are 404 off-street parking spaces in the Study Area owned by the City of Belfast. Other publicly owned parking includes parking for other governmental buildings in the study area including the Post Office and the recently constructed Waldo Judicial Center.

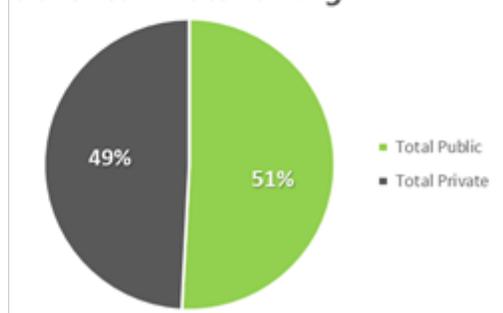
Study Area Parking Inventory		
Off-Street		
Ownership/Type	Spaces	% of Total
Public Parking Lot	352	20%
Public Building	53	3%
<b>Total Public Off-Street</b>	<b>405</b>	<b>23%</b>
Private - Public Uses	551	32%
Private - Private Uses	298	17%
<b>Total Private Off-Street</b>	<b>849</b>	<b>49%</b>
<b>Total Off-Street</b>	<b>1,254</b>	<b>73%</b>
On-Street		
<b>Total On-Street</b>	<b>474</b>	<b>27%</b>
Total Parking		
<b>Total Public</b>	<b>879</b>	<b>51%</b>
<b>Total Private</b>	<b>849</b>	<b>49%</b>
<b>Total</b>	<b>1,728</b>	<b>100%</b>

Source: Google Streetview; City of Belfast Property Tax Records; Visual Inventory

Off-Street vs. On-Street Parking



Public vs. Private Parking



## 5. LAND INVENTORY

The Undeveloped Land Inventory documented the vacant/undeveloped parcels within the study area.

### KEY FINDINGS

According to the City of Belfast, there are currently 18 vacant parcels located in the Study Area, with five of the parcels containing either paved or unpaved parking areas/lots. These parcels have no existing vertical structures on them.

The largest concentration of individual parcels (4) are located on Washington Street. Ownership of vacant parcels include various individuals, limited liability companies (LLCs), or in the case of the 59 Bridget Street parking lot the City of Belfast. Thirteen of the parcels are primarily zoned as Downtown Commercial, with the remaining parcels zoned as Residential-1, Residential-2, or Waterfront Mixed Use 1.

Undeveloped Land Parcels by Address, Study Area					
Address	Description	Map Lot	Account #	Primary Zone	Secondary Zone
8 Field Street	Parking Area	013-048-A	3354	Residential-2	None
6 River	Vacant Land	013-057	2013	Residential-2	None
40 Main Street	Vacant Land	011-059	1715	Downtown Commercial	None
56 Bridge Street	Vacant Land	013-080	2023	Residential-1	None
49 Bridge Street	Vacant Land	013-083	2033	Residential-1	Exprt Av Comm
59 Bridge Street	Parking Area	013-089	2038	Downtown Commercial	Exprt Av Comm
28 Washington Street	Vacant Land	011-081	1740	Downtown Commercial	None
12 Washington Street	Parking Area	011-078	1738	Downtown Commercial	None
22 Washington Street	Vacant Land	011-080	1739	Downtown Commercial	None
30 Washinton Street	Vacant Land	011-082	1741	Downtown Commercial	None
70 Front Street	Vacant Land	011-128	1777	Downtown Commercial	None
64 Front Street	Vacant Land	011-127	1776	Downtown Commercial	None
47 Main Street	Vacant Land	011-121-A	4324	Downtown Commercial	None
2 Pendleton Street	Parking Area	011-069	1729	Downtown Commercial	None
40 Pierce Street	Parking Area	013-070-A	3558	Waterfront Mixed Use 1	None
1 Miller Street	Vacant Land	011-151	1793	Downtown Commercial	None
6 Spring Street	Vacant Land	011-154	1794	Waterfront Mixed Use 1	None
17 Spring Street	Vacant Land	011-052	1712	Downtown Commercial	None

Source: City of Belfast

# 6. FIBER OPTIC AVAILABILITY

## KEY FINDINGS

According to BroadbandNow, there are 11 internet service providers in Belfast, with Viasat Internet (Excede), and HughesNet having the largest coverage in Belfast.

Summary of Internet Providers by Type, City of Belfast	
Provider	Type
Consolidated Communications (formerly FairPoint Communications)	Residential Only
Bluestreak	Residential & Business
Charter Spectrum	Residential & Business
UniTel	Residential & Business
LCI	Residential Only
Great Works Internet (GWI)	Residential Only
OTELCO	Residential & Business
Viasat Internet (Excede)	Residential Only
HughesNet	Residential Only
Verizon Business	Business Only
GTT Communications	Business Only

Source: BroadbandNow

Top 5 Internet Providers by Coverage Availability, City of Belfast	
Provider	Coverage Availability
Viasat Internet (Excede)	100%
HughesNet	100%
Consolidated Communications (formerly FairPoint Communications)	95%
Bluestreak	82%
Charter Spectrum	81%

Source: BroadbandNow

In addition to these current providers of fiber infrastructure in Belfast, in December of 2020 the board of directors of the Finance Authority of Maine (FAME) approved up to \$1.9 million in loan insurance and a \$1 million direct loan to help support increased access to broadband in the City of Belfast. FAME was provided with information, letters of support, and public testimony from City officials from Belfast and South Portland, as well as the ConnectMaine Authority. Arctaris Broadband Company, LLC (ABC), will act as the distribution agent and lessor owning the network. GWI will serve as lessee and build and operate the fiber network in both cities.

A \$1 million FAME Direct Loan was approved as well and will be used for post-construction capital expenditures and working capital. FAME’s financing is expected to benefit numerous businesses and homes, including low-income families. The action is expected to help retain a total of 51 Maine jobs at GWI and have additional positive impacts on indirect job growth in the areas as projects progress and businesses grow<sup>3</sup>.

### FIBER OPTIC BROADBAND COVERAGE

While general broadband service data is required by the Federal Communications Commission (FCC) to be reported, proprietary data pertaining to the locations of fiber networks is not a reporting requirement. Fiber broadband providers generally do not disclose information on the locations of their fiber networks due to a variety

<sup>3</sup> <https://www.penbaypilot.com/article/fame-approves-financing-support-expanded-internet-belfast/142155>

## CAMOIN 310

of different factors including concerns over security of fiber networks, and concerns that access to this proprietary fiber data will give competing providers and advantage as they look to expand their own fiber networks.

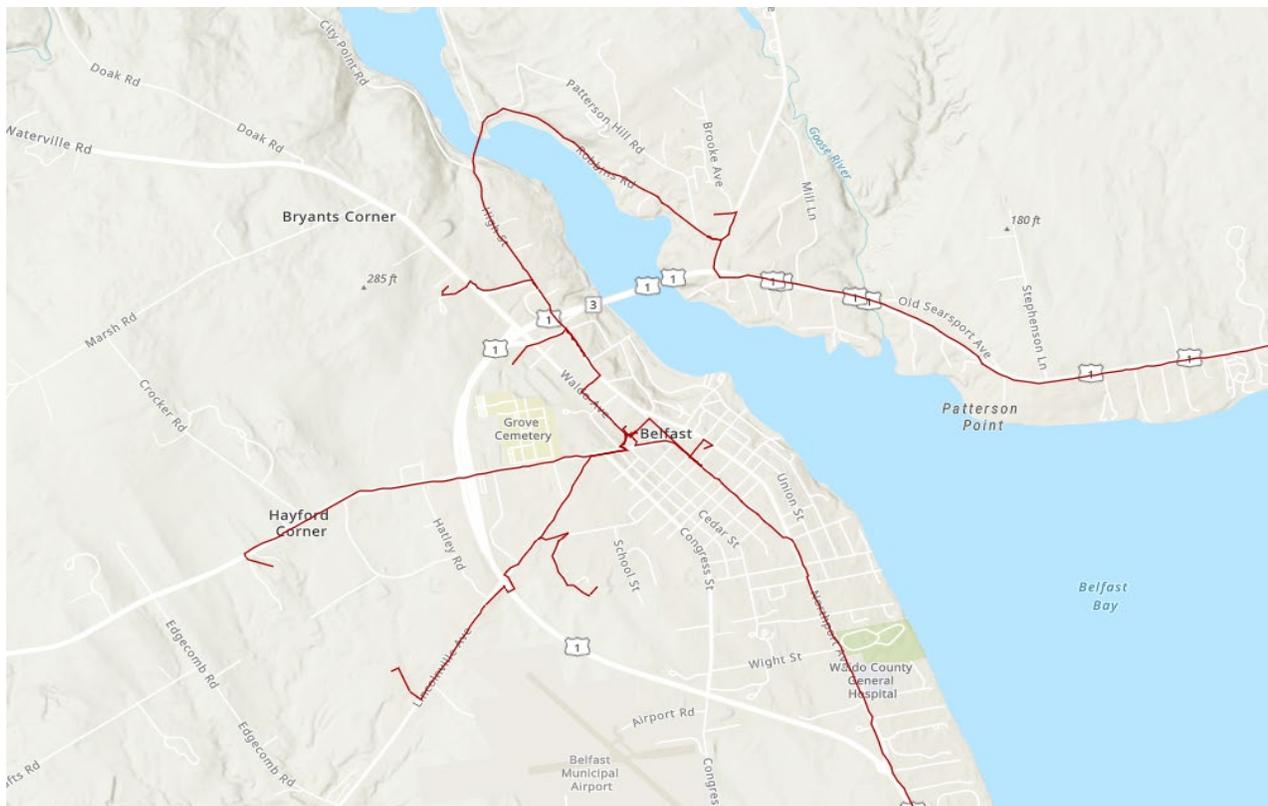
While they do not provide any specific mapping of networks, according to BroadbandNow, 23% of people living in Belfast currently have fiber service available to them, compared to only 6% of people in the State of Maine.

### MAINE'S THREE RING BINDER FIBER NETWORK

According to the City of Belfast's website, the Maine Fiber Company (now known as FirstLight) was formed to oversee the construction, maintenance, and leasing of a 1,100-mile, high-capacity fiber optic network in the state of Maine, known as the 'Three Ring Binder.' This network is a 'dark fiber' asset and provides the fiber for telecommunications carriers to provide service to their customers. FirstLight leases this fiber on an open-access, non-discriminatory basis, meaning that any responsible entity may lease fiber along the route, including any institutional customer, telecommunications carrier, or internet service provider, and that all users will have access at the same pricing and substantially similar terms and conditions relative to their use of the network.

More than seven miles of the network's southern ring run through Belfast's east side and through its downtown, along portions of Searsport Avenue, Robbins Road, High Street, Church Street, and Northport Avenue, with additional spurs extending out along Belmont Avenue and Lincolnville Avenue. Below is a map of the Three Ring Binder fiber network in Belfast, according to ConnectME.

Maine Three Ring Binder Fiber Network Map, City of Belfast



Source: City of Belfast

# 7. DEVELOPMENT RETURN ON INVESTMENT FINANCIAL FEASIBILITY

## KEY FINDINGS

### Summary of Key Findings - Development Feasibility

From a return on investment perspective, the combination of high construction costs and low lease rates pose a significant challenge to the development of new office, multifamily residential ('multifamily'), restaurant, retail, or single-family residential (single-family) construction and/or renovation projects in Belfast. All development scenarios were found to be financially infeasible. Additionally, higher-than-average real estate taxes in Belfast may also contribute to challenges from a return standpoint, and in attracting and encouraging development. The analysis does not factor in any subsidies or incentives, such as tax increment financing, that could potentially make development more feasible. Development may also be more feasible for those willing to hold the property over the long term, in which case the return on investment may turn positive with sustained rent growth.

### Summary of Key Findings – New Construction Development Assumptions

New construction assumptions included in this ROI analysis are based on data from RSMeans. RSMeans provides up-to-date construction cost per square foot information for a range of building types. RSMeans construction cost data was regionally adjusted to account for expected local construction costs. In order to illustrate various ROI scenarios based on these construction cost assumptions, a 1,000 square foot (SF) area was used as an example space in a baseline scenario. The following table provides an overview of the key analysis assumptions. Additional assumption information is included in this report for each type of use.

Return on Investment Assumptions Summary (New Construction)						
	Space Size (SF)	Construction Cost Per SF	Revenue Per SF	Return on Cost Threshold	Equity Contribution %	
<b>Retail</b>						
Below Ground	1,000	\$ 168.21	\$14.74	20%	30%	
Ground Floor	1,000	\$ 132.57	\$15.49	20%	30%	
Upper Floor	1,000	\$ 149.85	\$14.89	20%	30%	
<b>Restaurant</b>						
Below Ground	1,000	\$ 249.44	\$14.73	20%	30%	
Ground Floor	1,000	\$ 214.52	\$19.11	20%	30%	
Upper Floor	1,000	\$ 245.30	\$14.73	20%	30%	
<b>Office</b>						
Below Ground	1,000	\$ 233.51	\$21.29	20%	30%	
Ground Floor	1,000	\$ 197.42	\$24.14	20%	30%	
Upper Floor	1,000	\$ 236.84	\$23.12	20%	30%	
<b>Multifamily</b>						
Below Ground	1,000	\$ 209.43	\$18.48	20%	30%	
Ground Floor	1,000	\$ 174.15	\$22.29	20%	30%	
Upper Floor	1,000	\$ 201.15	\$20.46	20%	30%	
	Space Size (SF)	Total Cost of Lot	Construction Cost Per SF	Return on Cost Threshold	Sale Price Per SF	
<b>Single-Family</b>						
	1,500	\$91,346	\$ 123.18	20%	\$ 118.00	

CAMOIN 310

### Summary of Key Findings – New Construction Development Feasibility

New construction projects may be particularly challenging from a development perspective as all scenarios in the table below were found to have a negative return on cost. These returns are substantially lower than the 20% return on cost threshold that was utilized to indicate if a project is viable or not. Of all the new construction scenarios presented, the scenarios with the highest return on cost (although negative) are ground-floor scenarios focused on new construction of office, multi-family residential, and retail space. Restaurant space has the lowest return on cost in every scenario.

Return on Investment Project Viability Summary (New Construction)							
	Development Cost (Per 1,000 SF)	Annual Revenue (Per 1,000 SF)	Annual Expenses (Per 1,000 SF)*	Annual Cashflow After Financing (Per 1,000 SF)	Annual Equity Dividend Rate	Return on Cost	Project Viability (Yes/No)
<b>Retail</b>							
Below Ground	\$ 168,210	\$13,999	(\$13,398)	\$601	1.2%	-45.4%	No
Ground Floor	\$ 132,570	\$14,716	(\$11,954)	\$2,761	6.9%	-26.3%	No
Upper Floor	\$ 149,850	\$14,146	(\$12,599)	\$1,547	3.4%	-37.9%	No
<b>Restaurant</b>							
Below Ground	\$ 249,435	\$13,994	(\$16,969)	(\$2,976)	-3.5%	-65.6%	No
Ground Floor	\$ 214,515	\$18,155	(\$16,510)	\$1,644	2.3%	-43.8%	No
Upper Floor	\$ 245,295	\$13,994	(\$16,792)	(\$2,798)	-3.4%	-65.0%	No
<b>Office</b>							
Below Ground	\$ 233,505	\$20,226	(\$18,722)	\$1,503	2.0%	-44.4%	No
Ground Floor	\$ 197,415	\$22,933	(\$17,826)	\$5,107	7.8%	-22.8%	No
Upper Floor	\$ 236,835	\$21,968	(\$19,303)	\$2,665	3.4%	-39.1%	No
<b>Multifamily</b>							
Below Ground	\$ 209,430	\$17,552	(\$17,554)	(\$2)	0.0%	-47.2%	No
Ground Floor	\$ 174,150	\$21,171	(\$16,784)	\$4,388	9.3%	-19.2%	No
Upper Floor	\$ 201,150	\$19,433	(\$17,631)	\$1,802	3.3%	-37.3%	No
	Development Cost (Per 1,000 SF)	Total Cost	Total Revenue	Net Profit (Pre Tax)			Project Viability (Yes/No)
<b>Single-Family</b>							
	\$ 123,176	(\$291,862)	\$177,000	(\$114,862)			No

\*Annual expenses include operating expenses, real estate taxes, and debt service payments

## CAMOIN 310

## Summary of Key Findings – Renovation Development Assumptions

Renovation assumptions included in this ROI analysis are also based on data from RSMeans. The following renovation assumptions were developed under the assumed conditions that each space/property has adequate substructure (foundation elements), and superstructure/exterior enclosure (floor, roof, walls, windows) elements leaving primarily unfinished space to be renovated. To illustrate various ROI scenarios based on these construction cost assumptions, a 1,000 SF area was used as an example space in a baseline scenario. The following table provides an overview of the key assumptions used in the renovation ROI analysis.

Return on Investment Assumptions Summary (Renovation)					
	Space Size (SF)	Renovation Cost Per SF	Revenue Per SF	Return on Cost Threshold	Equity Contribution %
<b>Retail</b>					
Below Ground	1,000	\$ 141.64	\$14.74	20%	30%
Ground Floor	1,000	\$ 106.00	\$15.49	20%	30%
Upper Floor	1,000	\$ 123.28	\$14.89	20%	30%
<b>Restaurant</b>					
Below Ground	1,000	\$ 202.73	\$14.73	20%	30%
Ground Floor	1,000	\$ 167.81	\$19.11	20%	30%
Upper Floor	1,000	\$ 198.59	\$14.73	20%	30%
<b>Office</b>					
Below Ground	1,000	\$ 187.46	\$21.29	20%	30%
Ground Floor	1,000	\$ 151.37	\$24.14	20%	30%
Upper Floor	1,000	\$ 190.79	\$23.12	20%	30%
<b>Multifamily</b>					
Below Ground	1,000	\$ 168.80	\$18.48	20%	30%
Ground Floor	1,000	\$ 133.52	\$22.29	20%	30%
Upper Floor	1,000	\$ 160.52	\$20.46	20%	30%
	Space Size (SF)	Total Cost of Lot	Construction Cost Per SF	Return on Cost Threshold	Sale Price Per SF
<b>Single-Family</b>					
	1,500	\$91,346	\$ 88.40	20%	\$ 118.00

## CAMOIN 310

## Summary of Key Findings – Renovation Development Feasibility

Renovation projects, although more feasible than new construction projects from an ROI standpoint due to lower development costs, will be similarly challenging from a development perspective as all scenarios except for two have a negative return on cost indicating a likely lack of incentive for developers to pursue projects in Belfast. The two scenarios that have a positive return on cost (although substantially lower than the 20% threshold) include ground floor multifamily (5.3%) and ground floor office space (0.6%). Similar to new construction scenarios, restaurant space has the lowest return on cost in every renovation scenario. The tables below summarize the assumptions, outcomes, and viabilities of each new construction and renovation development scenario with further detail included in the following appendices.

Return on Investment Project Viability Summary (Renovation)								
	Development Cost (Per 1,000 SF)	Annual Revenue (Per 1,000 SF)	Annual Expenses (Per 1,000 SF)*	Annual Cashflow After Financing (Per 1,000 SF)	Annual Equity Dividend Rate	Return on Cost	Project Viability (Yes/No)	
<b>Retail</b>								
Below Ground	\$ 141,642	\$13,999	(\$12,188)	\$1,811	4.3%	-35.2%	No	
Ground Floor	\$ 106,002	\$14,716	(\$10,744)	\$3,971	12.5%	-7.8%	No	
Upper Floor	\$ 123,282	\$14,146	(\$11,389)	\$2,757	7.5%	-24.6%	No	
<b>Restaurant</b>								
Below Ground	\$ 202,734	\$13,994	(\$14,964)	(\$971)	-1.4%	-57.6%	No	
Ground Floor	\$ 167,814	\$18,155	(\$14,505)	\$3,649	6.4%	-28.1%	No	
Upper Floor	\$ 198,594	\$13,994	(\$14,787)	(\$793)	-1.2%	-56.7%	No	
<b>Office</b>								
Below Ground	\$ 187,461	\$20,226	(\$16,715)	\$3,510	5.7%	-30.8%	No	
Ground Floor	\$ 151,371	\$22,933	(\$15,819)	\$7,114	14.2%	0.6%	No	
Upper Floor	\$ 190,791	\$21,968	(\$17,296)	\$4,672	7.4%	-24.4%	No	
<b>Multifamily</b>								
Below Ground	\$ 168,795	\$17,552	(\$15,624)	\$1,928	4.2%	-34.5%	No	
Ground Floor	\$ 133,515	\$21,171	(\$14,854)	\$6,318	17.5%	5.3%	No	
Upper Floor	\$ 160,515	\$19,433	(\$15,701)	\$3,732	8.6%	-21.4%	No	
	Development Cost (Per 1,000 SF)	Total Cost	Total Revenue	Net Profit (Pre Tax)			Project Viability (Yes/No)	
<b>Single-Family</b>								
	\$ 88,404	(\$239,768)	\$177,700	(\$62,068)			No	

\*Annual expenses include operating expenses, real estate taxes, and debt service payments

# 8. PROPERTY BUILD-OUT ANALYSIS

The build-out analysis examined how much extra area can be built under the City of Belfast’s current zoning requirements regarding allowable heights.

## KEY FINDINGS

It is estimated that 97% of the properties analyzed as a part of this study could accommodate additional space under current zoning regulations. The total estimated potential area that could be added is 2,423,048 SF of space, which equates to approximately 120% more space than currently exists. On average, the potential additional area that could be added per property is 12,300 SF.



The following table summarizes the estimated additional build-out capacity (SF) by zoning classification. At approximately 1,943,000 or 80% of the new potential build-out space, a majority of space could be developed in properties with a Downtown Commercial zoning classification.

Additional Build-Out Capacity (SF) by Zoning Classification		
Zoning Classification	Estimated Additional Build-Out Capacity (SF)	Percent (%) of Total Additional Build-Out Capacity
Downtown Commercial	1,943,049	80%
Waterfront Mixed Use 1	232,711	10%
Residential 1	201,623	8%
Waterfront Mixed Use 2	45,665	2%
<b>Total</b>	<b>2,423,048</b>	<b>100%</b>

Source: City of Belfast; Property Owner Survey

According to existing zoning requirements, the additional build-out space by zoning classification outlined above could be broken down into one or multiple uses according to the following table:

Allowable Build-Out Uses by Zoning Classification						
Zoning Classification	Single-Family Residential	Multi-Family Residential	Restaurant	Retail	Office	Other Commercial
Downtown Commercial	Y	Y	N	N	N	N
Waterfront Mixed Use 1	N	Y*	Y	Y	Y	Y
Residential 1	N	Y*	Y	Y	Y	N
Waterfront Mixed Use 2	N	Y*	Y	Y	Y	Y

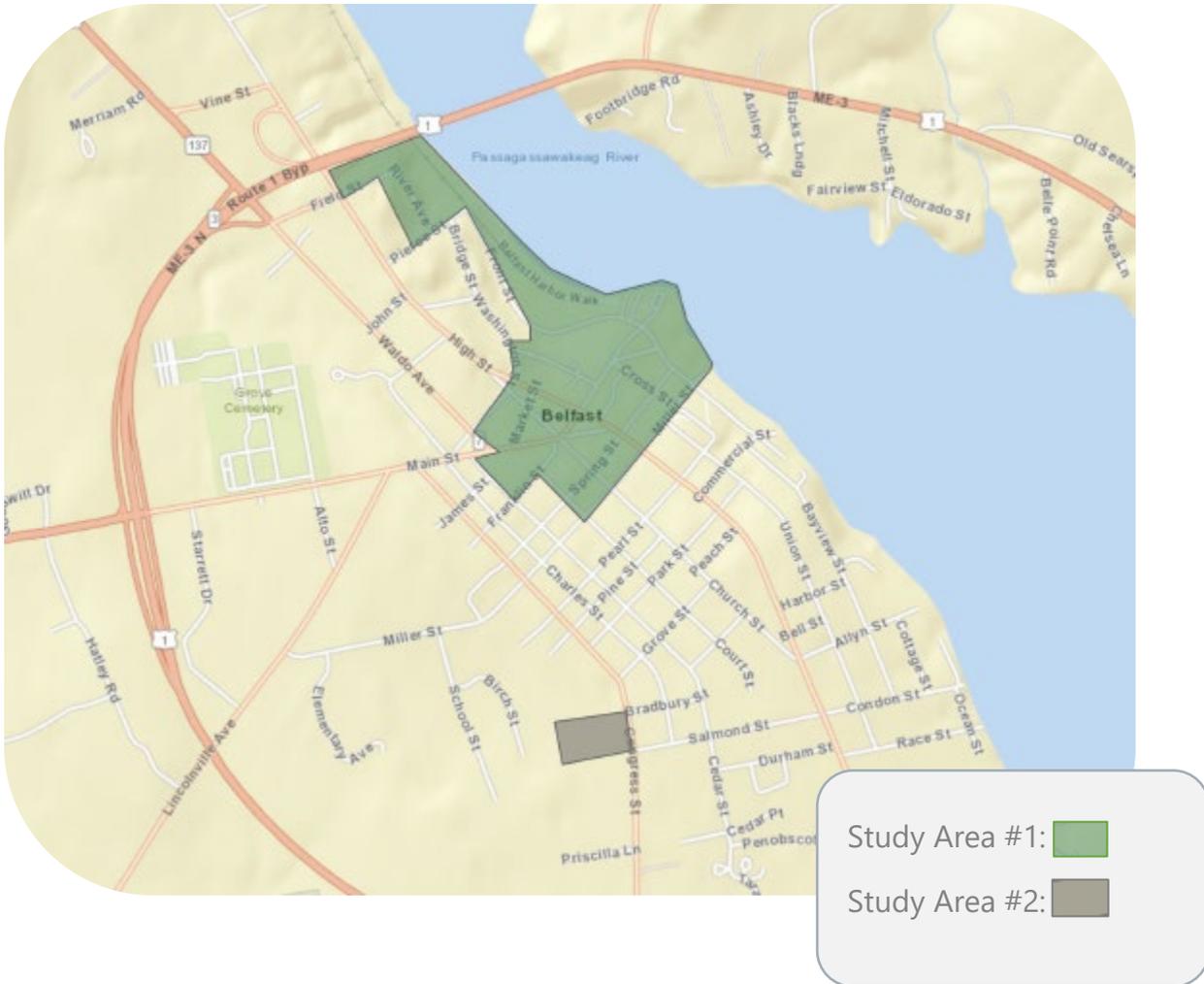
\*Upper Floor Only  
Source: City of Belfast

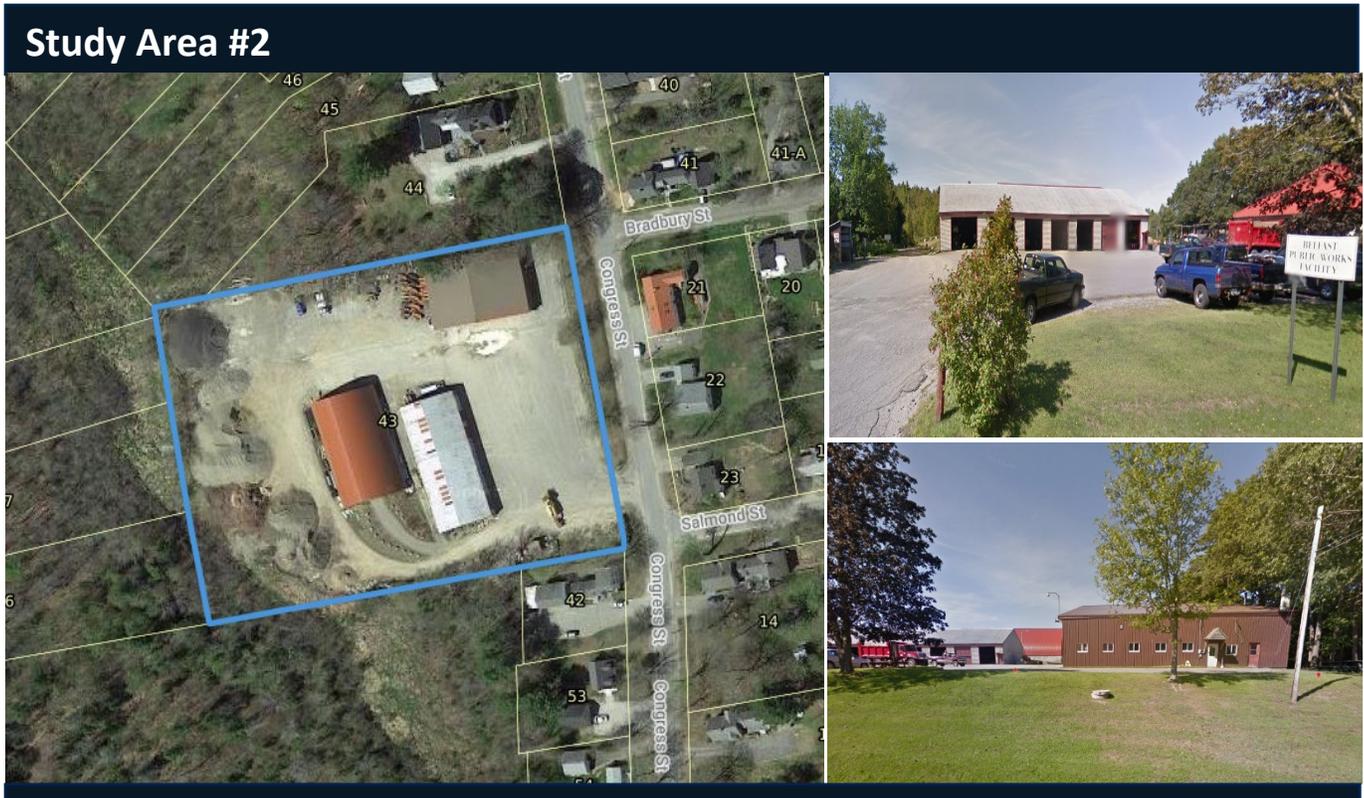
CAMOIN 310

# 9. 115 CONGRESS STREET

The City of Belfast engaged Camoin 310 to conduct an economic overview focusing on two non-contiguous study areas. This analysis focuses on Study Area #2, which is comprised of a 4.5-acre parcel owned by the City of Belfast and located at 115 Congress Street, Belfast.

Study Area Map





### Study Area #2 Property Profile

Study Area #2 consists of one 4.5-acre City-owned parcel located at 115 Congress Street in Belfast. The current assessed value of the parcel is \$267,800. The parcel is currently zoned residential (Residential 2). Study Area #2 is located in a primarily residential neighborhood that is slightly south of Belfast’s main downtown area and north of the Belfast Municipal Airport. It also has immediate access to Route 1 and Route 52, both of which can be accessed within 0.5 miles of the Study Area.

The following are amenities located within a mile of the Study Area:

- ◆ **Belfast Post Office (Downtown):** 0.6 miles
- ◆ **Belfast Public Landing:** 0.7 miles
- ◆ **Hannaford Supermarket Plaza:** 0.9 miles
- ◆ **Belfast City Park:** 1.0 miles
- ◆ **Waldo County General Hospital:** 1.0 miles

**Address:** 115 Congress Street, Belfast

**Description:** Vacant land

**Primary Zoning:** Residential 2

**Map-Lot:** 035-043

**Account #:** 2818

**Acres:** 4.5

**Owner:** City of Belfast

**Total Valuation:** \$267,800

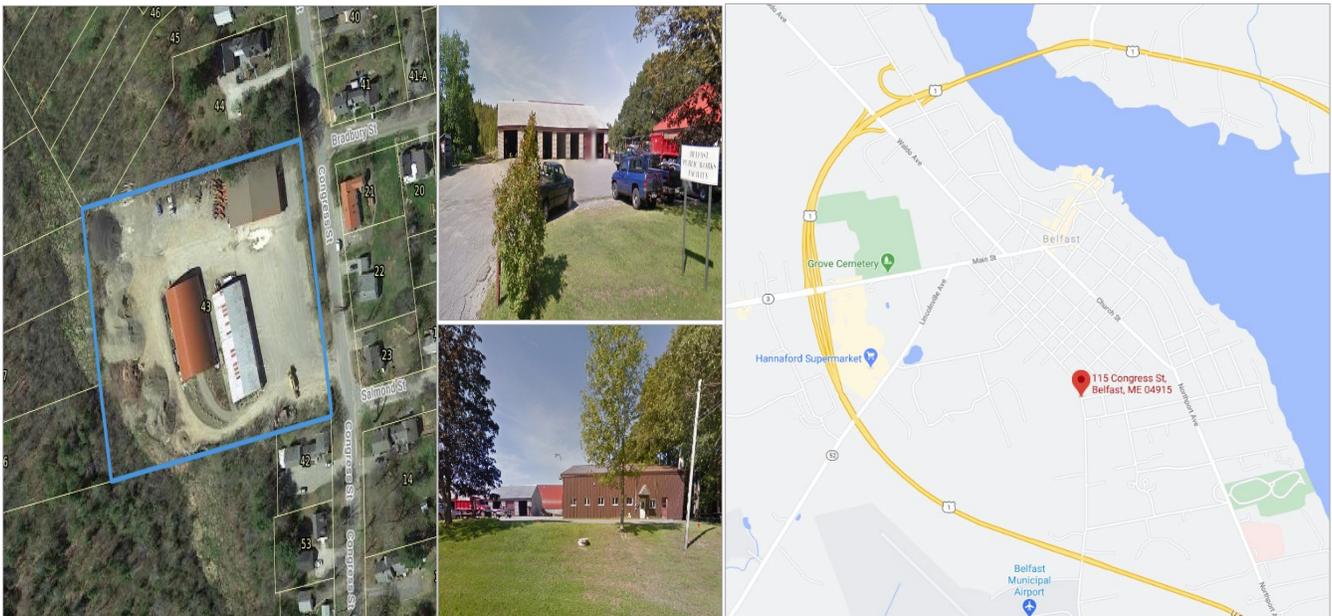
*Source: City of Belfast*

## CAMOIN 310

## KEY FINDINGS

Based on the findings outlined in the real estate market demand analysis, the parcel located within Study Area #2 would be best suited for future multifamily housing development in Belfast.

- ◆ The parcel is currently zoned residential and located within a residential neighborhood. From a planning and placemaking perspective, the development of additional housing would ultimately fit in well and cause the least amount of disruption to the neighborhood.
- ◆ There is market potential for the City to absorb approximately 150 housing units over 5-years. Based on pre-COVID conditions, the market demand analysis found that the City will see projected demand for up to approximately 66 rental units and 77 owner-occupied units over five years (13 units and 15 units annually, respectively).
- ◆ The parcel is located within a mile of a number of different amenities that would be attractive to residential tenants. Amenities include but are not limited to grocery stores, bars and restaurants, retail options, the Belfast City Park and adjacent waterfront, the Belfast Post Office, The Waldo County General Hospital, and the Belfast Marina.
- ◆ There is a lack of affordable workforce and senior housing options in Belfast. A majority of housing in the City of Belfast is unaffordable for median-income households, which is likely a primary driver of why 80% of the city's workforce is commuting from the surrounding region. Additionally, the need for affordable housing for seniors is particularly acute with low-income residents age 75+ expected to grow locally and regionally over the next five years.
- ◆ There are several projects in Belfast that include housing components (several of which that are located less than 0.5 miles from Study Area #2) that are in various phases of planning. This interest is indicative of perceived market demand among the private sector. Furthermore, the completion of housing projects will demonstrate demand (and rent potential), which will likely spur additional investment after the market is “proven.”



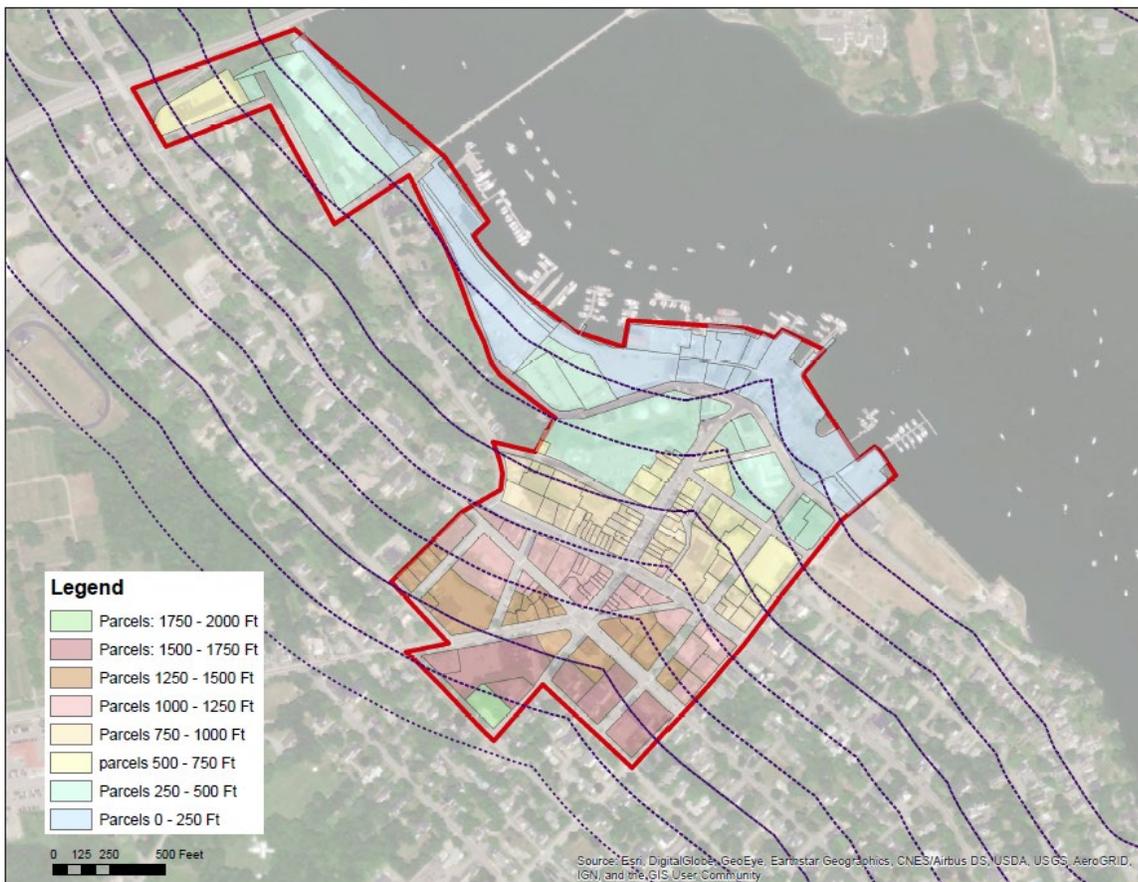
# 10. PROXIMITY IMPACT REPORT

The property value impact report analyzed whether or not proximity to the waterfront, marinas, or parking has any impact on sales prices or lease rates.

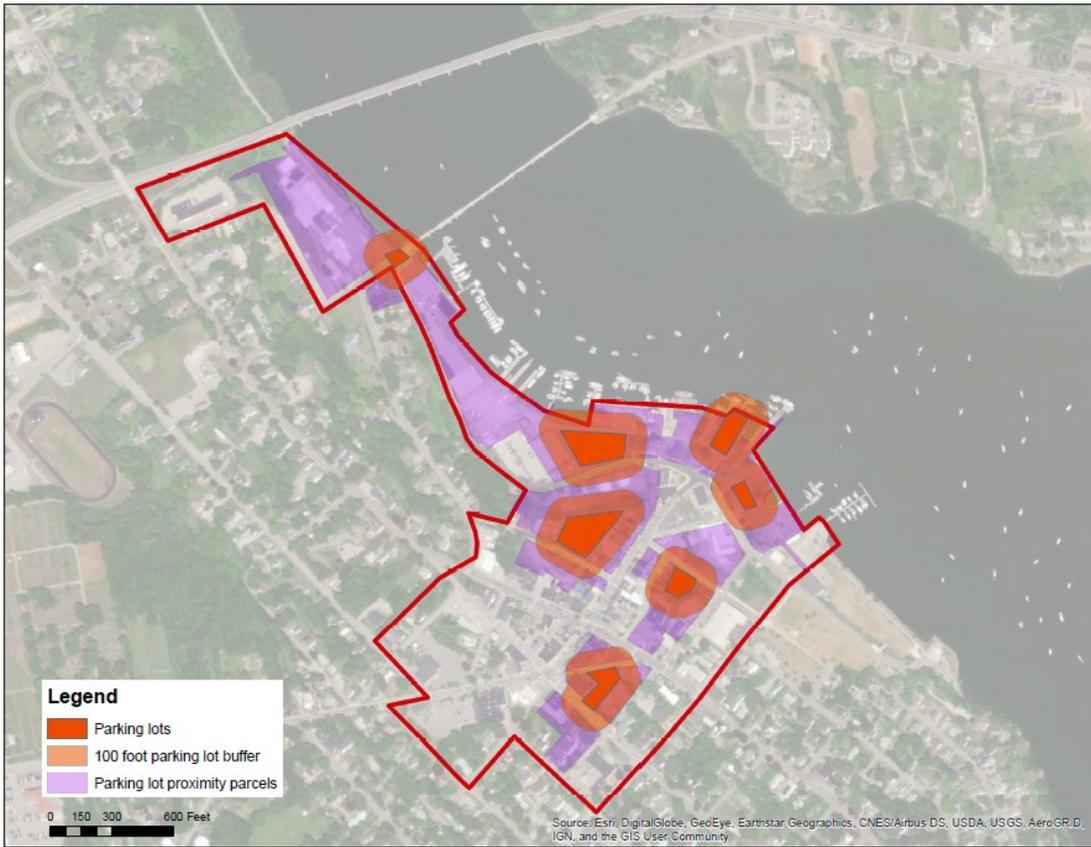
## RESULTS AND LIMITATIONS

The results of each analysis were inconclusive due primarily to data limitations. There were insufficient sales data to draw statistically significant results for the sales impact analysis. Additionally, adequate lease data was not available for the parcels in each analysis. Of the parcels in the Study Area, lease data was only available for 21% of the properties due to the large proportion of property owners that declined to provide this information for the study. Similarly, among the parcels in close proximity to parking areas, only 22% had available lease information.

## WATERFRONT PROXIMITY IMPACT ANALYSIS MAP



### PARKING PROXIMITY IMPACT ANALYSIS MAP



# TECHNICAL APPENDICES

The following technical appendices are included as part of the City of Belfast’s Brownfield Revitalization Plan:

- 1.** Economic Overview
- 2.** Real Estate Market Analysis
- 3.** Inventory of Spaces
- 4.** Parking Inventory
- 5.** Undeveloped Land Inventory
- 6.** Fiber Optic Availability
- 7.** Development Return on Investment Financial Feasibility
- 8.** Property Build Out Analysis
- 9.** 115 Congress Street
- 10.** Proximity Impacts Analysis

**Technical Report 1**

Economic Overview

# EXECUTIVE SUMMARY

As part of a broader brownfields revitalization study process that was financially supported by the United States Environmental Protection Agency (USEPA), the City of Belfast engaged Camoin 310 to perform an economic overview and market analysis. As part of this analysis, Camoin 310 performed a competitive assessment evaluating how the City of Belfast compares to broader regional and the national economies by analyzing data focused on past, current, and projected industry job trends; industry concentration; and industry competitiveness. In addition, a targeted business profile analysis and regional demographic analysis was performed to complement and add broader context to the industry analysis. Key findings from the economic overview and market analysis are summarized as follows:

## MARKET STUDY AREA BUSINESS PROFILE

- ◆ **The Study Area, which includes the Downtown and Waterfront Area, is an employment hub.** Approximately 140 businesses and 840 jobs are located in the Study Area, predominantly clustered along Main Street and High Street. The jobs in the study area account for approximately 12% of all jobs in the City.
- ◆ **There is a concentration of small businesses in the Study Area.** Approximately 70% of these businesses have five or fewer employees, and nearly 40% of them have two or fewer employees.

## DEMOGRAPHIC ANALYSIS

- ◆ **Population growth could increase demand for housing.** The City of Belfast and Waldo County have been growing over the past decade, with the City gaining approximately 430 people during this time. Positive local population gains indicate there may be potential for future housing development in the City and Study Area.
- ◆ **Millennials and empty nesters are two clear population groups in Study Area.** While only approximately 236 people live in the Study Area, this resident population group has a relatively high concentration of millennials (aged 25-34) and “empty nesters” (aged 55-69). These groups may reflect broader patterns of demand for housing in the study area from these two age cohorts.
- ◆ **The Study Area population has generally higher levels of education – but lower income levels.** Over 70% of residents in the Study Area have an Associate Degree or higher, which is significantly higher than the education levels found in the City of Belfast and Waldo County. Despite obtaining higher levels of educational attainment, the study area population has a lower median household income (approximately \$34,500), compared to that of the City of Belfast overall (approximately \$43,000).
- ◆ **Many residents live and Work in Belfast.** Of Belfast’s residents that work, more work in the City of Belfast (1,242) than commute to jobs outside of the City (1,026). Bangor and Rockland are the two communities that residents most frequently commute to for employment.
- ◆ **Residents work in three major industries.** Over half of Belfast’s employed residents work in either Administrative and Support, Waste Management and Remediation (22%) (including jobs such as janitors/cleaners, stockers, landscaping workers, building maintenance, office clerks, and security guards), Health Care and Social Assistance (21%), and Retail Trade (14%).

## REGIONAL ECONOMIC ANALYSIS

- ◆ **Many local jobs filled by commuters.** Approximately 80% of all jobs in the City are filled by those commuting in from outside of the City. The communities that Belfast workers commute from most frequently are Bangor and Camden; however, Belfast workers are well-dispersed throughout the region in terms of where they reside.

## CAMOIN 310

- ◆ **The Health Care and Social Assistance industry is an economic strength and potential demand driver.** The sector, anchored by Waldo County General Hospital, is the largest industry in the City with over 1,400 jobs (20% of the total) and is particularly concentrated in the City of Belfast, compared to Waldo County, the State of Maine, and the United States. The average annual earnings in the sector in the City of Belfast are approximately \$60,000. Over the past decade, the industry has also been one of the fastest growing in the City, with a 27% increase in the number of jobs. This industry is projected to grow further in the future, which may generate demand for medical office and related space in the City and potentially within the Study Area.
- ◆ **Tourism-related sectors have been expanding.** The City has seen growth in its Accommodation and Food Services and Retail Trade sectors, which are closely linked with the tourism industry. Retail is the second-largest sector in the City and is one that added nearly 80 jobs over the past decade. It also has a local strength relative to the broader region, which has less positive industry metrics. Accommodation and Food Services accounts for just over 600 jobs in the City, but grew by 17% over the past decade. Average annual earnings in the Retail Trade sector are \$32,000 and average annual earnings in the Accommodation and Food services sector are \$22,300.
- ◆ **Belfast has strength in manufacturing.** Manufacturing accounts for the third-highest number of jobs in the City with 688. While the industry either remained stagnant or saw losses in Maine over the past decade, it grew in Belfast and Waldo County. Average annual earnings in this sector are approximately \$48,800. Wood product manufacturing is a particularly strong subsector, adding 47 jobs in the City over the past decade. Boat Building is another strong manufacturing subsector, led by Front Street Shipyard. This subsector grew by nearly 160 jobs over the past decade. Frozen Fruit, Juice, and Vegetable Manufacturing is also strong and should the Nordic Aquafarms aquaculture project move forward, it would add additional jobs related to food production and manufacturing.
- ◆ **Food Production and Processing is an existing but also emerging strength.** Belfast is home to Penobscot McCrum, which has a value-added potato specialty manufacturing facility in the City. Ducktrap River of Maine, which has a seafood smokehouse in Belfast, recently undertook a \$5 million expansion to increase production by 75%. Nordic Aquafarms' planned project, an indoor Atlantic Salmon farm, would add another major seafood businesses to the City.

# INTRODUCTION

The City of Belfast engaged Camoin 310 to conduct an economic overview focusing on two non-contiguous study areas, which when combined together are referenced in this report as the ‘Study Area’:

- ◆ **Study Area #1:** An area approximately 73 acres in size including the vast majority of the City’s downtown and waterfront districts (which includes a City-owned parcel located at 45 Front Street); and
- ◆ **Study Area #2:** An area approximately 4.2 acres in size adjacent to Congress Street (entirely consisting of a vacated City-owned parcel located at 115 Congress Street).

## Study Area



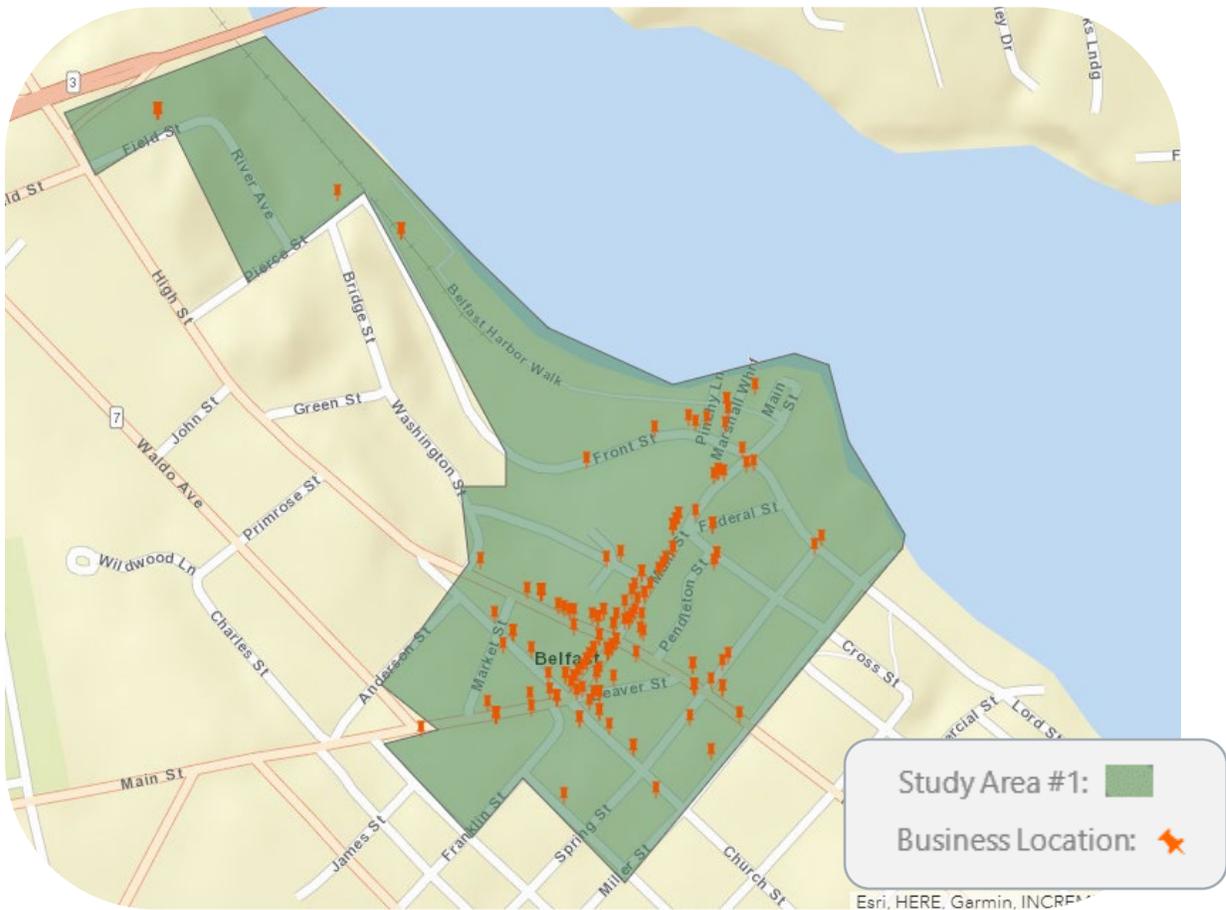
This economic overview, focused on the Study Area in context of the City and regional economy, establishes a baseline of understanding of key economic strengths and trends that are likely to affect future real estate development and business growth potential in the Study Area.

CAMOIN 310

# STUDY AREA BUSINESS PROFILE

This section includes business specific data for the Study Area, and is informed by data from our proprietary industry focused data source, Economic Modeling Specialists International (EMSI). This data can be utilized to understand business and industry specific trends in the Study Area. The Study Area only includes the previously referenced ‘Study Area #1’, as the second study area is owned by and has been vacated by the city.

## Study Area Business Map



The Study Area has 143 businesses/employers within its boundaries, employing 842 employees. A majority of businesses/employers are located along Church, High, and Main Streets. Study Area #2 was vacated by the City of Belfast in late 2019.

Table 1

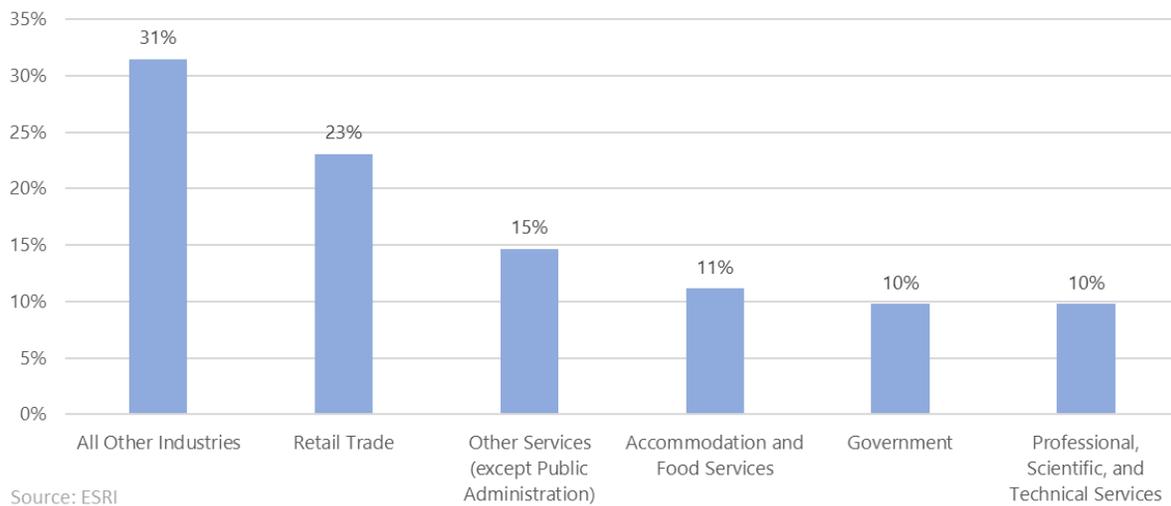
Top 5 Locations of Businesses by Street, Study Area (2019)		
Street Name	# of Businesses	% of Total Businesses
Main Street	66	8%
High Street	38	5%
Church Street	15	2%
Beaver Street	4	0%
Spring Street	3	0%
Total	143	17%

Source: ESRI

A majority of businesses in the Study Area are small businesses, having less than 5 employees. In all, 37% of businesses have between 0-2 employees and 33% have between 3-5 employees. Business within the Study Area are primarily concentrated in the Retail Trade; Other Services (except Public Administration); and Accommodation and Food Services industries.

Figure 1

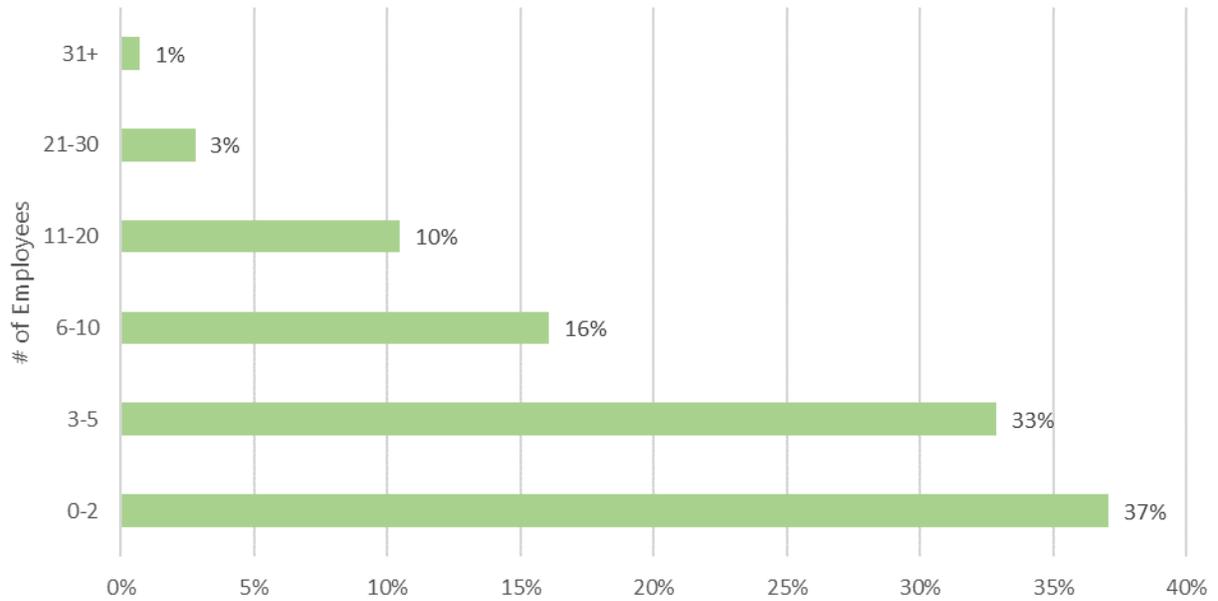
Percent of Total Businesses by Industry, Study Area (2019)



Source: ESRI

Figure 2

### Percent of Businesses by Number of Employees, Study Area (2019)



# REGIONAL DEMOGRAPHIC ANALYSIS

The following are key demographic metrics and trend analyses focused on the Study Area, the City of Belfast, Waldo County, and the State of Maine. In this section, data for the Study Area was available in our proprietary data source ESRI. The Study Area encompasses the vast majority of the City’s downtown and waterfront districts.

Population, household income, and other demographic data and trends are important to further understand the composition of an economy, and when combined with industry data can help set a comprehensive baseline of understanding of local and regional economies that can be leveraged in future strategic planning efforts.

## POPULATION

As of 2019, 7,096 people lived within the City of Belfast. Since 2010, Belfast’s population has increased by 6%. The Study Area, Waldo County, and the State of Maine also saw their respective populations increase during this time period. In fact, population percent growth in the Study Area outpaced the city, county, and state.

Table 2

Total Population Growth, Regional Comparison (2010-2019)				
	2010 Population	2019 Population	Change	% Change
Study Area	217	236	19	9%
City of Belfast	6,664	7,096	432	6%
Waldo County	38,817	41,527	2,710	7%
Maine	1,328,983	1,381,874	52,891	4%

Source: ESRI

The median age in 2019 in the City of Belfast was 51, which was slightly lower than the median age in the Study Area, but was higher than the median age both in Waldo County and the State of Maine.

Table 3

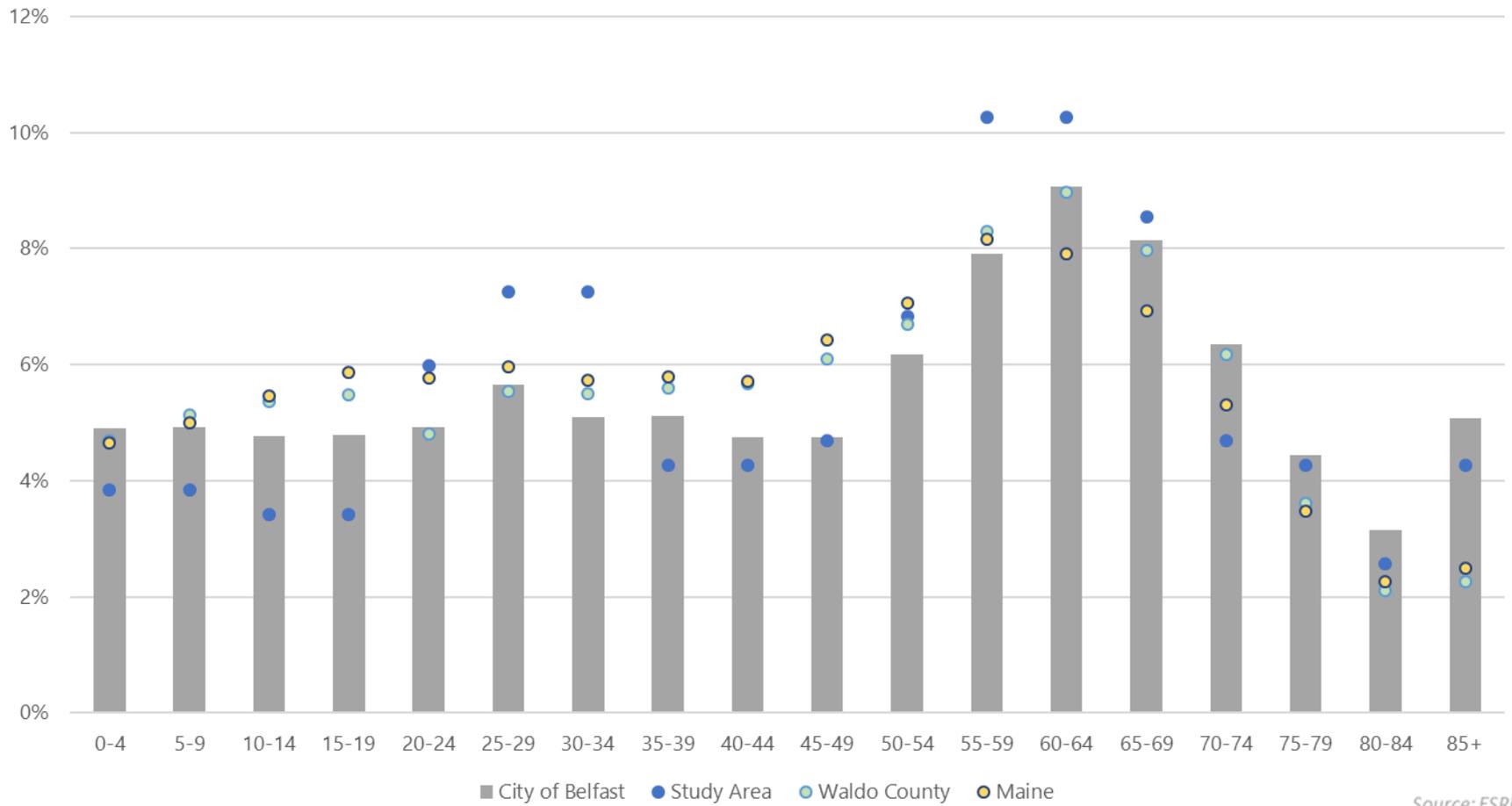
Median Age, Regional Comparison (2019)	
	Median Age
City of Belfast	50
Study Area	51
Waldo County	47
Maine	45

Source: ESRI

The City of Belfast’s population distribution by age generally aligns with those seen in Waldo County and the State of Maine, with a slightly higher proportion of its overall population being above the age of 70. While only approximately 236 people live in the Study Area, this resident population group has a relatively high concentration of millennials (aged 25-34) and “empty nesters” (aged 55-69). These groups may reflect broader patterns of demand for housing in the Study Area from these two age cohorts.

Figure 3

Population by Age Cohort, Regional Comparison (2019)



Source: ESRI

CAMOIN 310

## HOUSEHOLDS AND INCOME

As of 2019, the median household income in the City of Belfast was \$43,002, which is approximately 20% higher than the median household income in the Study Area, 5% lower than the median household income in Waldo County, and 23% lower than the State of Maine.

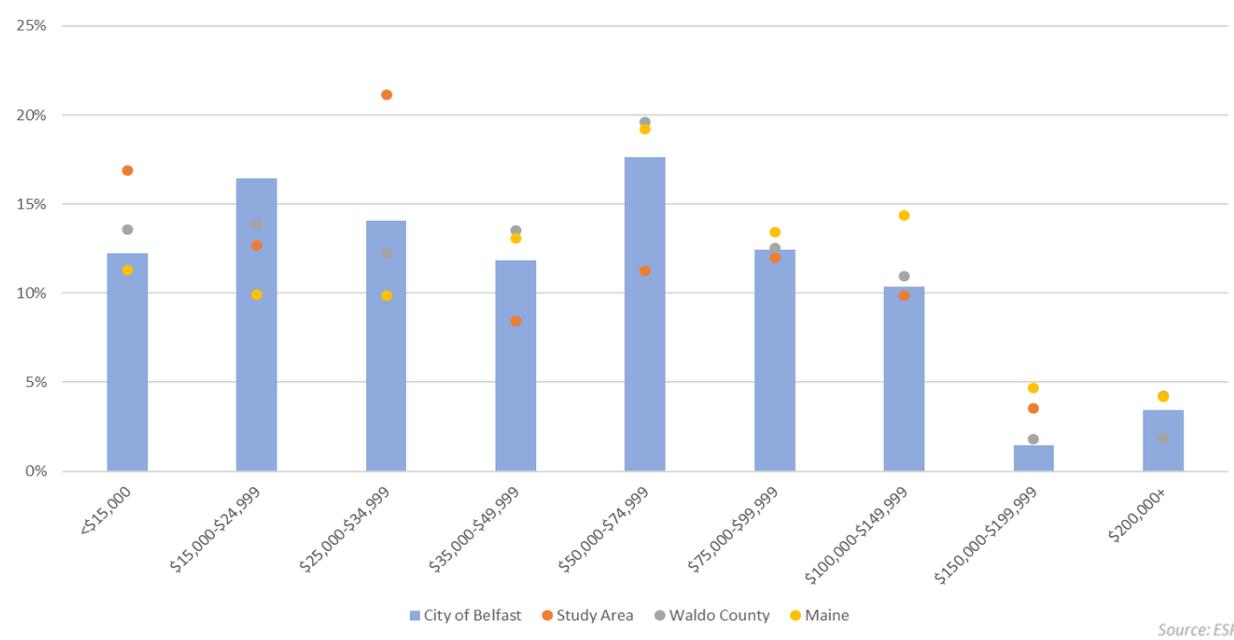
Table 4

Median Household Income Regional Comparison (2019)	
	Median Household Income
Study Area	\$ 34,535
City of Belfast	\$ 43,002
Waldo County	\$ 45,525
Maine	\$ 55,597

Source: ESRI

Looking at household distribution by income cohort, approximately 70% of households in the City of Belfast have household incomes less than \$50,000, which generally aligns with the other regional geographies. The Study Area had a higher percentage of households (51%) with incomes less than \$35,000 than any of the other comparison geographies.

Figure 4  
Households by Income Cohort, Regional Comparison (2019)



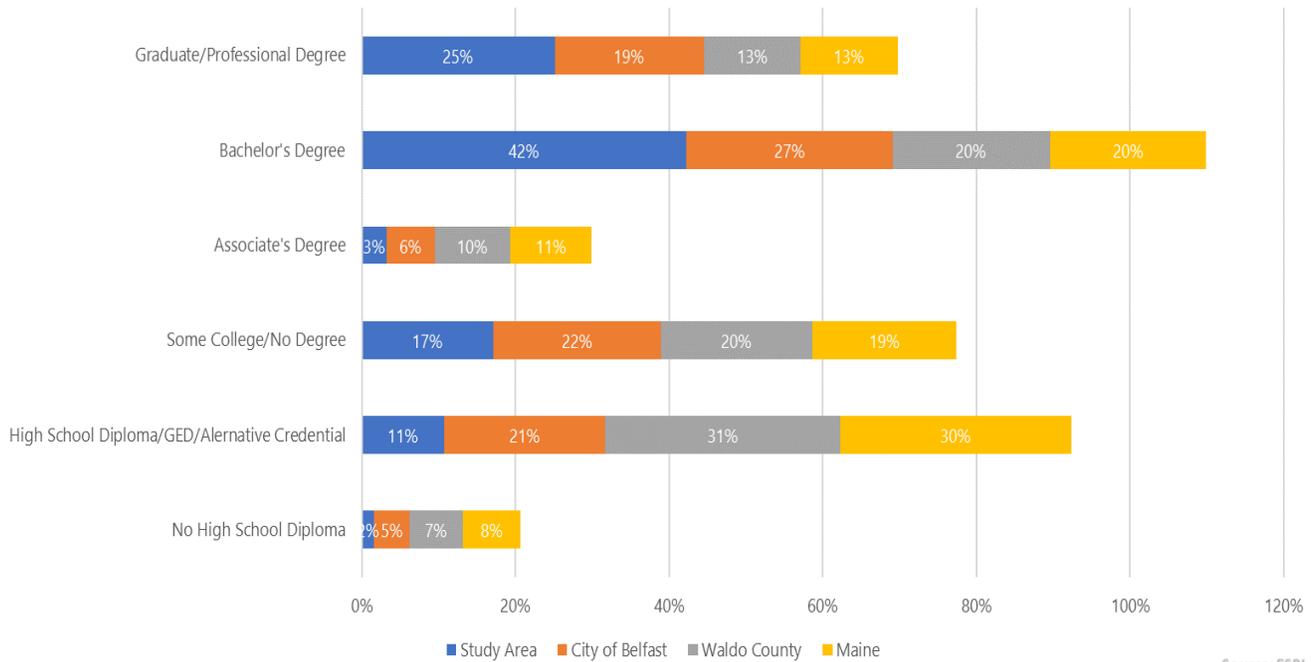
CAMOIN 310

## EDUCATIONAL ATTAINMENT

The percentage of the City of Belfast’s population with an Associate Degree or higher (53%) is greater than Waldo County (43%) and the State of Maine (44%), but less than the Study Area (71%).

Figure 5

Educational Attainment, Regional Comparison (2019)



CAMOIN 310

## HOUSING

The median home value in the Market Study Area is approximately 10% higher than in the City of Belfast. The median home value in the City of Belfast is approximately 20% higher than Waldo County.

The highest percentage of homes in the City of Belfast fall in the \$100,000 to \$150,000 range, followed closely by homes in the \$200,000 to \$250,000 range.

The City of Belfast housing market is primarily composed of owner-occupied housing units, while the Market Study Area is primarily composed of renter-occupied housing.

Percentage Growth in the amount of housing in the City and Study Area have generally aligned with those seen in the County and State over the last decade.

Table 5

Median Home Value, Regional Comparison (2019)	
	Median Home Value
Study Area	\$230,769
City of Belfast	\$209,402
Waldo County	\$174,092
Maine	\$198,000

Source: ESRI

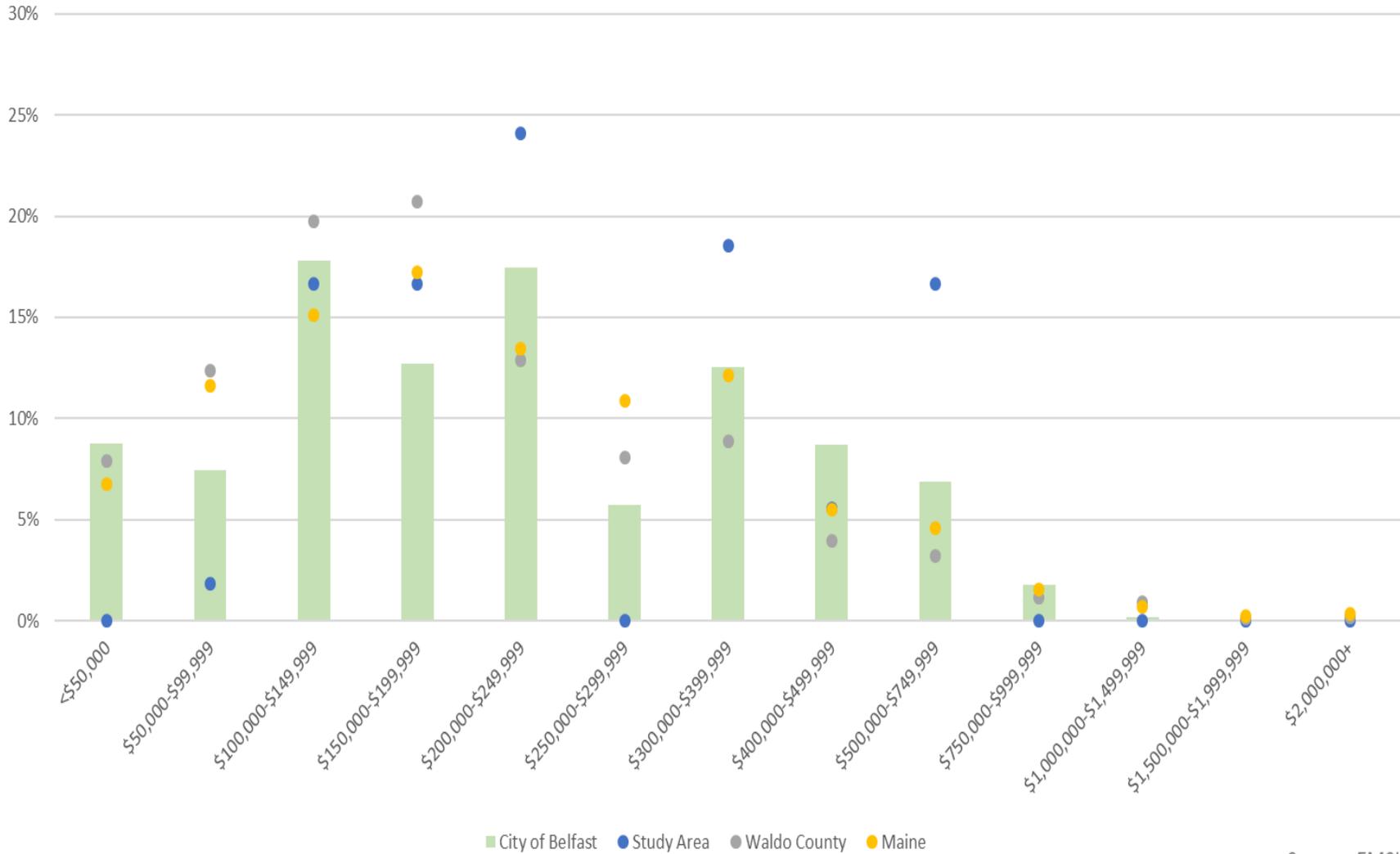
Table 6

Study Area				
	2010	2019	% of Total (2019)	% Change (2010-2019)
Owner-Occupied	51	54	30%	6%
Renter-Occupied	81	88	48%	8%
Vacant	36	40	22%	10%
Total	168	182	100%	8%
City of Belfast				
	2010	2019	% of Total (2019)	% Change (2010-2019)
Owner-Occupied	1,872	1,963	51%	5%
Renter-Occupied	1,177	1,274	33%	8%
Vacant	533	605	16%	12%
Total	3,582	3,842	100%	7%
Waldo County				
	2010	2019	% of Total (2019)	% Change (2010-2019)
Owner-Occupied	12,900	13,696	59%	6%
Renter-Occupied	3,531	3,887	17%	9%
Vacant	5,135	5,812	25%	12%
Total	21,566	23,395	100%	8%
Maine				
	2010	2019	% of Total (2019)	% Change (2010-2019)
Owner-Occupied	397,417	410,952	54%	3%
Renter-Occupied	159,802	168,310	22%	5%
Vacant	164,611	180,656	24%	9%
Total	721,830	759,918	100%	5%

Source: ESRI

Figure 6

Home Values, Regional Comparison (2019)



Source: EMSI

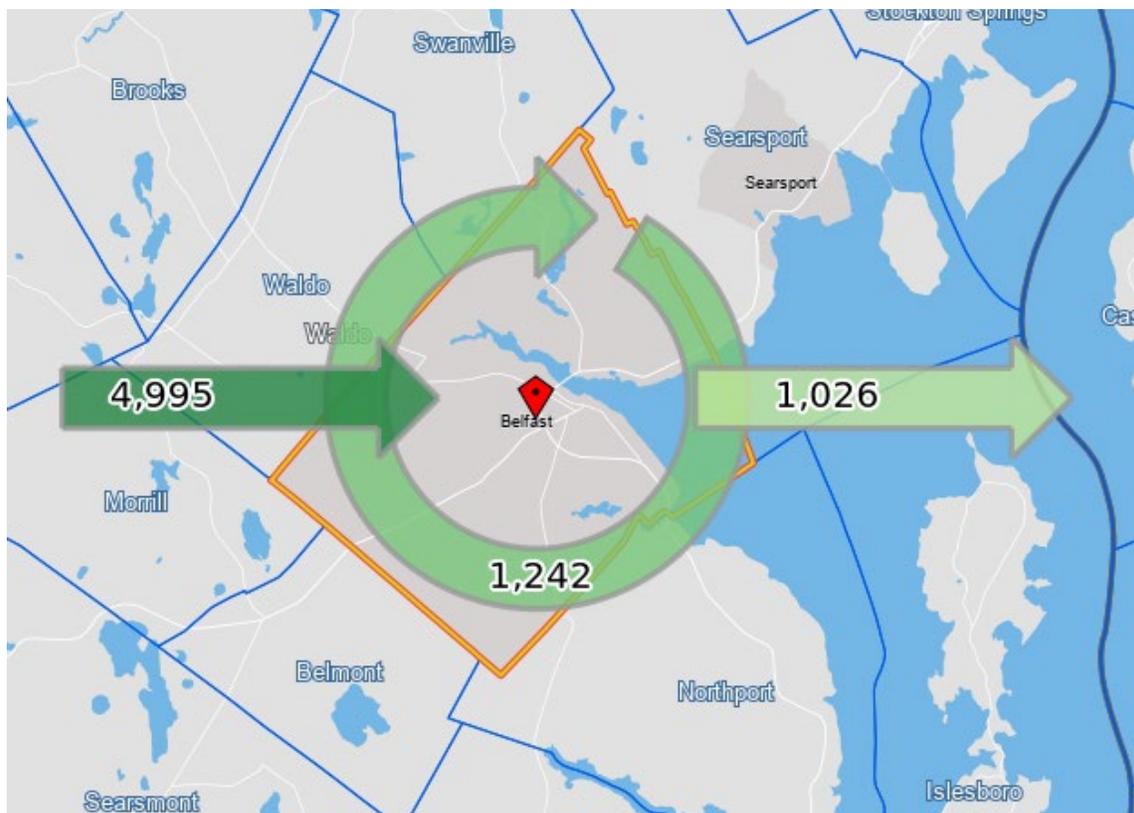
## CAMOIN 310

## COMMUTE PATTERNS

Commuting pattern data is crucial in further understanding demographic trends within an economy, and the characteristics of residents and workers who live in a specific area or region. The following are highlights from commute pattern analysis focused on the City of Belfast:

- ◆ The City of Belfast is a net importer of labor with 1,026 residents leaving the town every day for employment and another 4,995 workers commuting into the city for employment.
- ◆ The City of Belfast has 1,242 residents who live and work within the city's boundaries.
- ◆ Other than living within the City of Belfast, the highest concentration of Belfast workers reside in Bangor and Camden.
- ◆ Looking at the top ten places where City of Belfast residents work, the highest percentage of resident workplaces, outside of the City of Belfast, are in Bangor (4.4%) and Rockland (2.6%).
- ◆ The highest percentage of workers in the City of Belfast work in the Administration & Support, Waste Management and Remediation (21.9%); Health Care and Social Assistance (20.7%); and Retail Trade (13.7%) industries.

Figure 7



CAMOIN 310

Table 7

Top 10 Places of Residence City of Belfast Workers (2017)		
Place of Residence	# of Workers	% of Workers
Belfast	1,242	19.9%
Bangor	122	2.0%
Camden	99	1.6%
Searsport	97	1.6%
Rockland	74	1.2%
Bucksport	66	1.1%
Portland	47	0.8%
Winterport	47	0.8%
Augusta	37	0.6%
Hampden	33	0.5%
<b>Total (Top 10)</b>	<b>1,864</b>	<b>29.9%</b>
<b>All Other Locations</b>	<b>4,373</b>	<b>70.1%</b>

Source: US Census 2017 OnTheMap

Table 8

Top 10 Places of Work City of Belfast Residents (2017)		
Place of Residence	# of Workers	% of Workers
Belfast	1,242	54.8%
Bangor	100	4.4%
Rockland	60	2.6%
Augusta	41	1.8%
Searsport	36	1.6%
Camden	30	1.3%
Portland	23	1.0%
Waterville	23	1.0%
Ellsworth	22	1.0%
Brewer	20	0.9%
<b>Total (Top 10)</b>	<b>1,597</b>	<b>70.4%</b>
<b>All Other Locations</b>	<b>671</b>	<b>29.6%</b>

Source: US Census 2017 OnTheMap

Table 9

Workers by Industry Type, City of Belfast (2017)		
Industry	# of Workers	% of Workers
Administration & Support, Waste Management and Remediation	1,363	22%
Health Care and Social Assistance	1,288	21%
Retail Trade	855	14%
Finance and Insurance	773	12%
Accommodation and Food Services	530	8%
Manufacturing	501	8%
Other Services (excluding Public Administration)	211	3%
Construction	165	3%
Arts, Entertainment, and Recreation	105	2%
Professional, Scientific, and Technical Services	86	1%
Transportation and Warehousing	82	1%
Real Estate and Rental and Leasing	57	1%
Management of Companies and Enterprises	50	1%
Educational Services	50	1%
Wholesale Trade	49	1%
Information	41	1%
Agriculture, Forestry, Fishing and Hunting	19	0%
Utilities	12	0%
Mining, Quarrying, and Oil and Gas Extraction	-	-
Public Administration	-	-
<b>Total</b>	<b>6,237</b>	<b>100%</b>

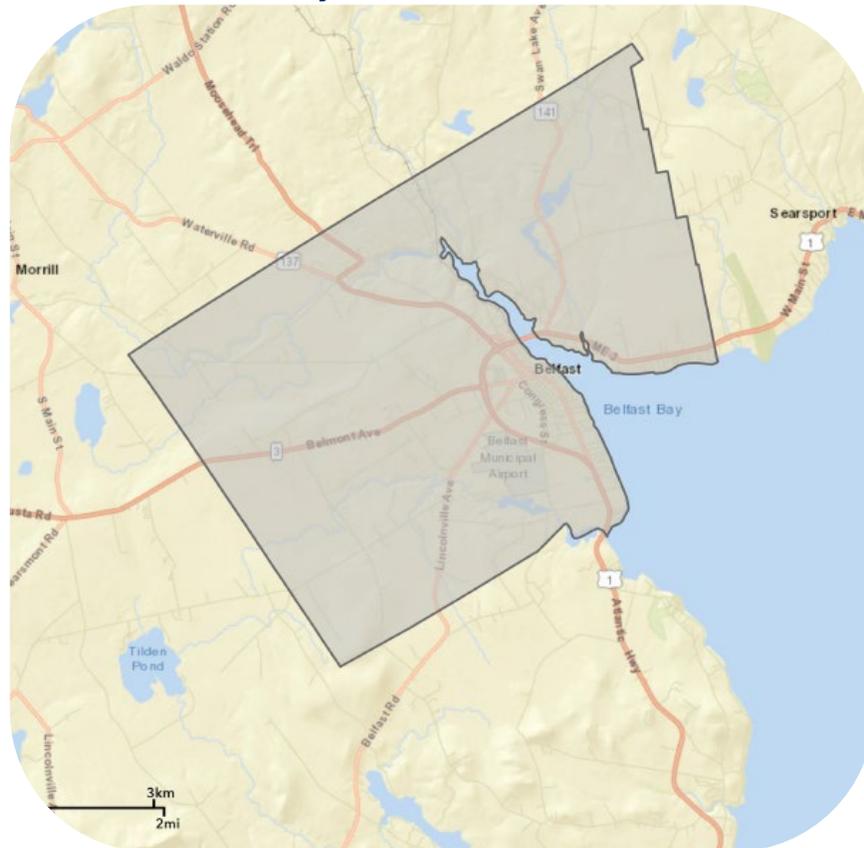
Source: US Census 2017 OnTheMap

# REGIONAL ECONOMIC ANALYSIS

Data from our proprietary industry focused data source, Emsi, is unavailable at the Study Area level, so this section provides an analysis of economic trends and industry performance for the City of Belfast, Waldo County, a customized multi-zip code area referenced in this report as the 'Belfast Region' (see Appendix A for a detailed list of the ZIP codes making up the Belfast Region, in addition to the map below), and the State of Maine.

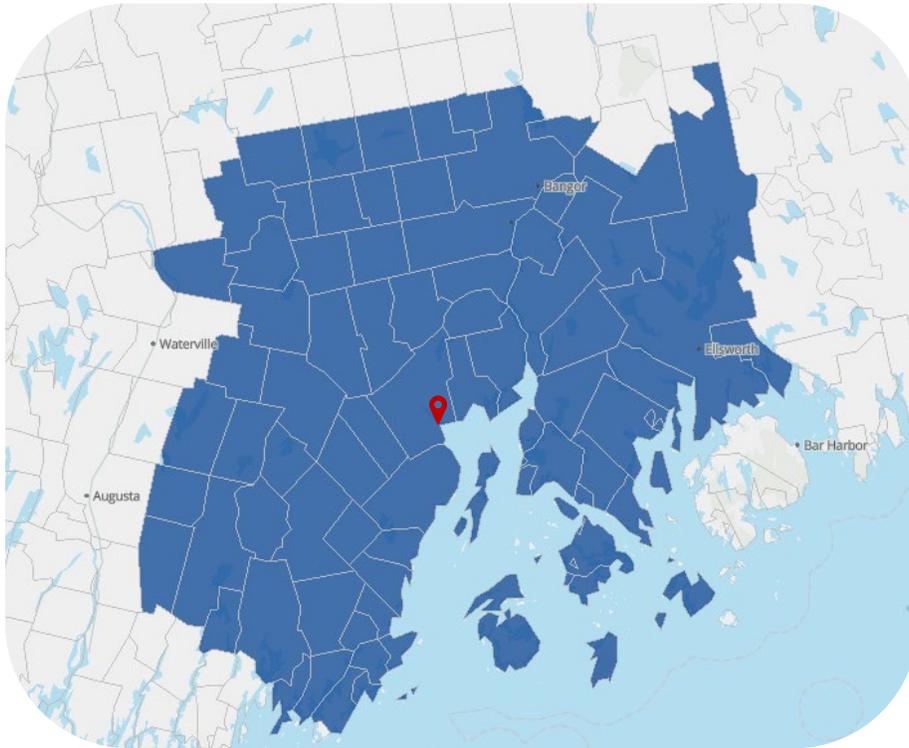
This analysis will look at economic activity by industry cluster, as classified in the North American Industry Classification System (NAICS). NAICS are divided into different levels, 2-digit to 6-digit. 2-digit codes are broader industry classifications like Finance and Insurance or Health Care and Social Assistance, while 6-digit codes are more detailed sectors like Credit Card Issuers (with Finance and Insurance) or General Medical and Surgical Hospitals (within Health Care and Social Assistance). Analyzing various levels of industry data provides a more complete picture of the City of Belfast's economic outlook and helps provide additional insights into the region's industrial composition.

City of Belfast, Maine



CAMOIN 310

### Belfast Region



### Waldo County, Maine



### State of Maine



 City of Belfast

## CURRENT, HISTORIC, AND PROJECTED JOB TRENDS

### City of Belfast

#### Current Industry Analysis (2019)

The City of Belfast had 7,099 jobs in 2019, with the highest percentage of total jobs in the Health Care and Social Assistance; Retail Trade; and Manufacturing industries. Together these three industries represented 46% of total jobs in the City of Belfast in 2019.

Average annual earnings<sup>4</sup> were \$49,361 in the City of Belfast. The highest average earnings are seen in the Utilities and Management of Companies and Enterprises industries.

Table 10

Total Jobs by Industry, City of Belfast (2019)				
NAICS	Description	2019 Jobs	% of Total Jobs	Average Earnings
62	Health Care and Social Assistance	1,436	20%	\$59,119
44	Retail Trade	1,130	16%	\$31,956
31	Manufacturing	688	10%	\$48,789
52	Finance and Insurance	631	9%	\$72,260
72	Accommodation and Food Services	604	9%	\$22,305
90	Government	551	8%	\$53,368
55	Management of Companies and Enterprises	435	6%	\$100,314
23	Construction	409	6%	\$41,986
81	Other Services (except Public Administration)	355	5%	\$29,749
56	Administrative and Support and Waste Management and Remediation Services	181	3%	\$29,691
54	Professional, Scientific, and Technical Services	145	2%	\$59,890
71	Arts, Entertainment, and Recreation	109	2%	\$18,446
48	Transportation and Warehousing	97	1%	\$41,060
61	Educational Services	71	1%	\$32,911
53	Real Estate and Rental and Leasing	70	1%	\$46,888
42	Wholesale Trade	64	1%	\$69,921
11	Agriculture, Forestry, Fishing and Hunting	63	1%	\$38,502
51	Information	39	1%	\$29,910
22	Utilities	19	0%	\$117,136
21	Mining, Quarrying, and Oil and Gas Extraction	-	0%	-
<b>Total</b>		<b>7,099</b>	<b>100%</b>	<b>\$49,361</b>

Source: EMSI

<sup>4</sup> Average Earnings is the total average pre-tax industry earnings per job for a region. Earnings include wages, salaries, supplements (additional employee benefits), and proprietor income.

## CAMOIN 310

## Historic Industry Analysis (2009-2019)

From 2009 to 2019, the City of Belfast realized a 3% overall gain in total jobs which accounted for a gain of 208 jobs over the last ten years.

From 2009 to 2019, the largest overall job losses were realized in the Finance and Insurance industry, while the largest overall job gains were in the Management of Companies and Enterprises; and Health Care and Social Assistance industries.

Table 11

Total Jobs by Industry, City of Belfast (2009-2019)					
NAICS	Description	2009 Jobs	2019 Jobs	2009-2019 Change	2009-2019 % Change
55	Management of Companies and Enterprises	32	435	403	1259%
62	Health Care and Social Assistance	1,129	1,436	307	27%
72	Accommodation and Food Services	517	604	87	17%
44	Retail Trade	1,052	1,130	78	7%
81	Other Services (except Public Administration)	317	355	38	12%
48	Transportation and Warehousing	61	97	36	59%
31	Manufacturing	665	688	23	3%
54	Professional, Scientific, and Technical Services	125	145	20	16%
42	Wholesale Trade	47	64	17	36%
51	Information	23	39	16	70%
53	Real Estate and Rental and Leasing	61	70	9	15%
22	Utilities	16	19	3	19%
71	Arts, Entertainment, and Recreation	106	109	3	3%
21	Mining, Quarrying, and Oil and Gas Extraction	-	-	-	0%
56	Administrative and Support and Waste Management and Remediation Services	187	181	(6)	-3%
23	Construction	419	409	(10)	-2%
61	Educational Services	93	71	(22)	-24%
11	Agriculture, Forestry, Fishing and Hunting	127	63	(64)	-50%
90	Government	617	551	(66)	-11%
52	Finance and Insurance	1,297	631	(666)	-51%
<b>Total</b>		<b>6,891</b>	<b>7,099</b>	<b>208</b>	<b>3%</b>

Source: EMSI

## CAMOIN 310

## Projected Industry Analysis (2019-2029)

The City of Belfast is projected to realize overall job growth of 6% from 2019 to 2029.

The Finance and Insurance industry is projected to continue to realize significant job losses, while the largest job gains are projected in the Management of Companies and Enterprises; Health Care and Social Assistance; and Manufacturing industries.

Table 12

Total Jobs by Industry, City of Belfast (2019-2029)					
NAICS	Description	2019 Jobs	2029 Jobs	2019-2029 Change	2019-2029 % Change
55	Management of Companies and Enterprises	435	804	369	85%
62	Health Care and Social Assistance	1,436	1,577	141	10%
31	Manufacturing	688	802	114	17%
44	Retail Trade	1,130	1,203	73	6%
54	Professional, Scientific, and Technical Services	145	179	34	23%
81	Other Services (except Public Administration)	355	389	34	10%
56	Administrative and Support and Waste Management and Remediation Services	181	208	27	15%
48	Transportation and Warehousing	97	117	20	21%
23	Construction	409	426	17	4%
71	Arts, Entertainment, and Recreation	109	123	14	13%
51	Information	39	47	8	21%
61	Educational Services	71	77	6	8%
42	Wholesale Trade	64	68	4	6%
72	Accommodation and Food Services	604	608	4	1%
21	Mining, Quarrying, and Oil and Gas Extraction	-	-	-	0%
53	Real Estate and Rental and Leasing	70	70	-	0%
22	Utilities	19	18	(1)	-5%
11	Agriculture, Forestry, Fishing and Hunting	63	48	(15)	-24%
90	Government	551	512	(39)	-7%
52	Finance and Insurance	631	222	(409)	-65%
Total		7,099	7,498	399	6%

Source: EMSI

## Detailed Industry Analysis

The following figures analyze top five existing, historical, and/or projected industries in the City of Belfast at the 6-digit NAICS level. This level of analysis provides additional clarity and context surrounding positive and negative job trends in the City of Belfast. The following are highlights of this analysis:

- ◆ The General Medical and Surgical Hospitals (643 jobs); Credit Card Issuing (519 jobs); and Corporate, Subsidiary, and Regional Managing Offices (435) industries had the highest concentration of jobs in the City of Belfast in 2019.
- ◆ The Credit Card Issuing industry accounted for a significant portion of overall job loss in the City of Belfast from 2009 to 2019, with a total loss of 689 jobs over the last decade. This industry is also projected to experience the highest amount of job losses from 2019 to 2029 (-420 jobs).

CAMOIN 310

- ◆ The Corporate, Subsidiary, and Regional Managing Offices (403 jobs); General Medical and Surgical Hospitals (221 jobs); and Boat Building (158 jobs) industries all saw the most significant job gains in the City of Belfast from 2009 to 2019. These three industries are also projected to realize the most overall job growth from 2019 to 2029 (369 jobs).

Table 14

Top 5 Industries by Historical Job Growth and Decline City of Belfast (2009-2019)			
Historic Job Growth (2009-2019)			
NAICS	Description	2009-2019 Change	2009-2019 % Change
551114	Corporate, Subsidiary, and Regional Managing Offices	403	1259%
622110	General Medical and Surgical Hospitals	221	52%
336612	Boat Building	158	790%
452319	All Other General Merchandise Stores	77	66%
623220	Residential Mental Health and Substance Abuse Facilities	51	165%
Historic Job Decline (2009-2019)			
NAICS	Description	2009-2019 Change	2009-2019 % Change
522210	Credit Card Issuing	-689	-57%
624310	Vocational Rehabilitation Services	-67	-56%
315280	Other Cut and Sew Apparel Manufacturing	-58	-100%
314910	Textile Bag and Canvas Mills	-50	-68%
112000	Animal Production	-46	-61%

Source: EMSI

Table 13

Top 5 Industries by Forecasted Job Growth and Decline City of Belfast (2009-2029)			
Forecasted Job Growth (2019-2029)			
NAICS	Description	2009- 2019 Change	2009- 2019 % Change
551114	Corporate, Subsidiary, and Regional Managing Offices	369	85%
336612	Boat Building	128	72%
622110	General Medical and Surgical Hospitals	87	14%
452319	All Other General Merchandise Stores	81	42%
623220	Residential Mental Health and Substance Abuse Facilities	35	43%
Forecasted Job Decline (2019-2029)			
NAICS	Description	2009- 2019 Change	2009- 2019 % Change
522210	Credit Card Issuing	-420	-81%
621610	Home Health Care Services	-30	-37%
445110	Supermarkets and Other Grocery (except Convenience) Stores	-28	-12%
903611	Elementary and Secondary Schools (Local Government)	-26	-6%
311411	Frozen Fruit, Juice, and Vegetable Manufacturing	-21	-14%

Source: EMSI

## CAMOIN 310

## Regional Industry Analysis

The following tables compare current, historic, and projected job growth in the City of Belfast to those in Waldo County, the Belfast Region, and the State of Maine. By comparing the City of Belfast's economy to broader economic regions, we can see which industry trends are more localized, and which may be due to larger overarching industry trends at the regional and state levels. The following are highlights of this regional industry comparison:

### Waldo County

- ◆ The highest percentages of 2019 total jobs in Waldo County are concentrated in the Health Care and Social Assistance (13%); Retail Trade (12%); and Government (12%) industries.
- ◆ Waldo County has realized 7% growth in total jobs from 2009 to 2019. This has translated into a little over 900 jobs. The largest job gain was in the Administrative and Support and Waste Management (-573 jobs); and Management of Companies and Enterprises (439 jobs) industries. The largest amount of total job losses were in the Finance and Insurance (-600 jobs); and Government (-227 jobs) industries.
- ◆ The Waldo County economy is projected to grow by 3% from 2019 to 2029. The Management of Companies and Enterprises industry is projected to realize the highest growth from a total jobs standpoint (400 jobs), while the Finance and Insurance industry is projected to realize the highest amount of total job losses (-409 jobs).

### Belfast Region

- ◆ The highest percentage of 2019 total jobs in the Belfast Region are concentrated in the Health Care and Social Assistance (18%); Retail Trade (15%); and Government (12%) industries. Together these four industries represented 45% of the Belfast Region's total jobs in 2019.
- ◆ The Belfast Region realized 2% total job growth from 2009 to 2019. The Administrative and Support and Waste Management (1,751 jobs); Health Care and Social Assistance (1,368 jobs); and Accommodation and Food Services (1,299) industries realized the highest overall job growth. The Government (-1,308 jobs); Finance and Insurance (-825 jobs); and Retail Trade (-792) industries realized the highest amount of overall job decline.
- ◆ The Belfast Area is projected to realize 0% job growth from 2019 to 2029. The Health Care and Social Assistance (1,068 jobs) industry is projected to realize the most significant overall job gains from 2019 to 2019, while the Retail Trade (-930 jobs) and Government (-921 jobs) industries are projected to realize the most significant job declines.

### State of Maine

- ◆ The highest percent of 2019 total jobs in the State of Maine are concentrated in the Health Care and Social Assistance (16%); Government (15%); and Retail Trade (12%) industries.
- ◆ The State of Maine experienced 5% total job growth from 2009 to 2019.
- ◆ The State of Maine is projected to realize a 1% total job growth from 2019 to 2029.

## Waldo County (2009-2029)

Table 15

Total Jobs by Industry, Waldo County (2009-2029)								
NAICS	Description	2009 Jobs	2019 Jobs	% of 2019 Jobs	2009 - 2019 Change	2009 - 2019 % Change	2019 - 2029 Change	2019 - 2029 % Change
11	Agriculture, Forestry, Fishing and Hunting	371	316	2%	(55)	(15%)	(14)	(4%)
21	Mining, Quarrying, and Oil and Gas Extraction	<10	<10	Insf Data	Insf. Data	Insf. Data	Insf. Data	Insf. Data
22	Utilities	17	24	0%	7	41%	1	4%
23	Construction	1,295	1,351	9%	56	4%	137	10%
31	Manufacturing	1,322	1,345	9%	23	2%	122	9%
42	Wholesale Trade	170	247	2%	77	45%	13	5%
44	Retail Trade	1,643	1,758	12%	115	7%	78	4%
48	Transportation and Warehousing	241	325	2%	84	35%	40	12%
51	Information	130	138	1%	8	6%	3	2%
52	Finance and Insurance	1,328	668	5%	(660)	(50%)	(409)	(61%)
53	Real Estate and Rental and Leasing	102	123	1%	21	21%	5	4%
54	Professional, Scientific, and Technical Services	469	456	3%	(13)	(3%)	98	21%
55	Management of Companies and Enterprises	35	474	3%	439	1254%	400	84%
56	Administrative and Support and Waste Management and Remediation Services	620	1,193	8%	573	92%	(105)	(9%)
61	Educational Services	434	497	3%	63	15%	36	7%
62	Health Care and Social Assistance	1,818	1,931	13%	113	6%	65	3%
71	Arts, Entertainment, and Recreation	227	221	2%	(6)	(3%)	(29)	(13%)
72	Accommodation and Food Services	834	1,007	7%	173	21%	12	1%
81	Other Services (except Public Administration)	773	888	6%	115	15%	81	9%
90	Government	1,941	1,714	12%	(227)	(12%)	(127)	(7%)
	Total	13,778	14,682	100%	904	7%	404	3%

Source: EMSI

## CAMOIN 310

## Belfast Region (2009-2029)

Table 16

Total Jobs by Industry, Belfast Region (2009-2029)								
NAICS	Description	2009 Jobs	2019 Jobs	% of 2019 Jobs	2009 - 2019 Change	2009 - 2019 % Change	2019 - 2029 Change	2019 - 2029 % Change
11	Agriculture, Forestry, Fishing and Hunting	2,887	3,126	3%	239	8%	(94)	(3%)
21	Mining, Quarrying, and Oil and Gas Extraction	37	21	0%	(16)	(43%)	(1)	(5%)
22	Utilities	281	413	0%	132	47%	69	17%
23	Construction	8,637	8,787	7%	150	2%	347	4%
31	Manufacturing	7,446	6,872	6%	(574)	(8%)	84	1%
42	Wholesale Trade	2,995	3,189	3%	194	6%	(65)	(2%)
44	Retail Trade	18,612	17,820	15%	(792)	(4%)	(930)	(5%)
48	Transportation and Warehousing	3,270	3,492	3%	222	7%	(139)	(4%)
51	Information	1,976	1,554	1%	(422)	(21%)	(213)	(14%)
52	Finance and Insurance	4,018	3,193	3%	(825)	(21%)	(363)	(11%)
53	Real Estate and Rental and Leasing	1,354	1,623	1%	269	20%	115	7%
54	Professional, Scientific, and Technical Services	4,377	4,082	3%	(295)	(7%)	218	5%
55	Management of Companies and Enterprises	707	1,553	1%	846	120%	450	29%
56	Administrative and Support and Waste Management and Remediation Services	5,376	7,127	6%	1,751	33%	289	4%
61	Educational Services	2,553	3,027	2%	474	19%	266	9%
62	Health Care and Social Assistance	21,146	22,514	18%	1,368	6%	1,068	5%
71	Arts, Entertainment, and Recreation	1,764	1,542	1%	(222)	(13%)	(67)	(4%)
72	Accommodation and Food Services	9,490	10,789	9%	1,299	14%	160	1%
81	Other Services (except Public Administration)	5,996	6,145	5%	149	2%	(29)	(0%)
90	Government	16,382	15,074	12%	(1,308)	(8%)	(921)	(6%)
	Total	119,303	121,955	100%	2,652	2%	250	0%

Source: EMSI

## Regional Comparison (2009-2029)

Table 17

Percent of Total Jobs by Industry, Regional Comparison (2019)					
NAICS	Description	City of Belfast	Waldo County	Belfast Region	Maine
11	Agriculture, Forestry, Fishing and Hunting	1%	2%	3%	2%
21	Mining, Quarrying, and Oil and Gas Extraction	0%	0%	0%	0%
22	Utilities	0%	0%	0%	0%
23	Construction	6%	9%	7%	6%
31	Manufacturing	10%	9%	6%	8%
42	Wholesale Trade	1%	2%	3%	3%
44	Retail Trade	16%	12%	15%	12%
48	Transportation and Warehousing	1%	2%	3%	3%
51	Information	1%	1%	1%	1%
52	Finance and Insurance	9%	5%	3%	4%
53	Real Estate and Rental and Leasing	1%	1%	1%	1%
54	Professional, Scientific, and Technical Services	2%	3%	3%	5%
55	Management of Companies and Enterprises	6%	3%	1%	2%
56	Administrative and Support and Waste Management and Remediation Services	3%	8%	6%	5%
61	Educational Services	1%	3%	2%	3%
62	Health Care and Social Assistance	20%	13%	18%	16%
71	Arts, Entertainment, and Recreation	2%	2%	1%	2%
72	Accommodation and Food Services	9%	7%	9%	9%
81	Other Services (except Public Administration)	5%	6%	5%	4%
90	Government	8%	12%	12%	15%

Source: EMSI

Table 18

Percent of Total Job Growth by Industry, Regional Comparison (2009-2019)					
NAICS	Description	City of Belfast	Waldo County	Belfast Region	Maine
11	Agriculture, Forestry, Fishing and Hunting	-50%	-15%	8%	8%
21	Mining, Quarrying, and Oil and Gas Extraction	0%	Insf. Data	-43%	47%
22	Utilities	19%	41%	47%	-10%
23	Construction	-2%	4%	2%	1%
31	Manufacturing	3%	2%	-8%	0%
42	Wholesale Trade	36%	45%	6%	0%
44	Retail Trade	7%	7%	-4%	-3%
48	Transportation and Warehousing	59%	35%	7%	11%
51	Information	70%	6%	-21%	-17%
52	Finance and Insurance	-51%	-50%	-21%	1%
53	Real Estate and Rental and Leasing	15%	21%	20%	3%
54	Professional, Scientific, and Technical Services	16%	-3%	-7%	15%
55	Management of Companies and Enterprises	1259%	1254%	120%	70%
56	Administrative and Support and Waste Management and Remediation Services	-3%	92%	33%	19%
61	Educational Services	-24%	15%	19%	28%
62	Health Care and Social Assistance	27%	6%	6%	3%
71	Arts, Entertainment, and Recreation	3%	-3%	-13%	11%
72	Accommodation and Food Services	17%	21%	14%	15%
81	Other Services (except Public Administration)	12%	15%	2%	4%
90	Government	-11%	-12%	-8%	-4%
Total		3%	7%	2%	5%

Source: EMSI

Table 19

Percent of Total Job Growth by Industry, Regional Comparison (2019-2029)					
NAICS	Description	City of Belfast	Waldo County	Belfast Region	Maine
11	Agriculture, Forestry, Fishing and Hunting	-24%	-4%	-3%	0%
21	Mining, Quarrying, and Oil and Gas Extraction	0%	Insf. Data	-5%	15%
22	Utilities	-5%	4%	17%	-4%
23	Construction	4%	10%	4%	2%
31	Manufacturing	17%	9%	1%	-6%
42	Wholesale Trade	6%	5%	-2%	-2%
44	Retail Trade	6%	4%	-5%	-6%
48	Transportation and Warehousing	21%	12%	-4%	-5%
51	Information	21%	2%	-14%	-9%
52	Finance and Insurance	-65%	-61%	-11%	-1%
53	Real Estate and Rental and Leasing	0%	4%	7%	3%
54	Professional, Scientific, and Technical Services	23%	21%	5%	10%
55	Management of Companies and Enterprises	85%	84%	29%	15%
56	Administrative and Support and Waste Management and Remediation Services	15%	-9%	4%	3%
61	Educational Services	8%	7%	9%	11%
62	Health Care and Social Assistance	10%	3%	5%	4%
71	Arts, Entertainment, and Recreation	13%	-13%	-4%	3%
72	Accommodation and Food Services	1%	1%	1%	4%
81	Other Services (except Public Administration)	10%	9%	0%	1%
90	Government	-7%	-7%	-6%	-3%
Total		6%	3%	0%	1%

Source: EMSI

## INDUSTRY CONCENTRATION

### Location Quotient

Location quotient (LQ) is a way of quantifying how concentrated a particular industry is in a region compared to broader national trends. It can reveal what makes a particular region “unique” in comparison to the national average, and generally an LQ of greater than 1.0 indicates an area of significant industry concentration.

The City of Belfast has the most significant LQ in the Management of Companies and Enterprises; and Finance and Insurance industries. Both LQs are higher than any of the comparison regions.

Table 20

Location Quotient Summary by Industry, Regional Comparison (2019)					
NAICS	Description	City of Belfast	Waldo County	Belfast Region	Maine
11	Agriculture, Forestry, Fishing and Hunting	0.76	1.85	2.20	1.82
21	Mining, Quarrying, and Oil and Gas Extraction	0.00	0.10	0.04	0.07
22	Utilities	0.77	0.47	1.00	0.69
23	Construction	1.02	1.62	1.27	1.10
31	Manufacturing	1.23	1.16	0.71	0.97
42	Wholesale Trade	0.25	0.46	0.72	0.79
44	Retail Trade	1.60	1.20	1.47	1.20
48	Transportation and Warehousing	0.37	0.59	0.77	0.72
51	Information	0.31	0.52	0.70	0.64
52	Finance and Insurance	2.22	1.14	0.65	0.92
53	Real Estate and Rental and Leasing	0.58	0.49	0.78	0.76
54	Professional, Scientific, and Technical Services	0.31	0.47	0.51	0.73
55	Management of Companies and Enterprises	4.25	2.23	0.88	1.12
56	Administrative and Support and Waste Management and Remediation Services	0.41	1.31	0.94	0.80
61	Educational Services	0.39	1.32	0.96	1.14
62	Health Care and Social Assistance	1.59	1.03	1.45	1.23
71	Arts, Entertainment, and Recreation	0.88	0.86	0.72	0.99
72	Accommodation and Food Services	0.99	0.80	1.03	0.99
81	Other Services (except Public Administration)	1.06	1.28	1.07	0.94
90	Government	0.52	0.78	0.83	1.01

Source: EMSI

## INDUSTRY COMPETITIVENESS

Regional Competitiveness Effect (RCE) explains to what degree the change in a given industry is due to a unique competitive advantage possessed by the region, as opposed to national trends in that industry or in the economy as a whole. An example may include a coastal town having a high RCE in the Healthcare and Social Assistance industry due to the presence of a regional hospital.

The City of Belfast, Waldo County, the Belfast Region, and the State of Maine all have negative total RCE values, which indicates that total job growth in these regions from 2009 to 2019 has been primarily attributed to positive national trends in the economy. The most significant findings from comparing the regions are that the Management of Companies and Enterprises industry has a positive RCE for all the regions indicating a unique competitive advantage; and that the City of Belfast is the only geography with a positive RCE in the Health Care and Social Assistance industry.

Table 21

Regional Competitiveness Effect (RCE) by Industry, Regional Comparison (2009-2019)					
NAICS	Description	City of Belfast	Waldo County	Belfast Region	Maine
11	Agriculture, Forestry, Fishing and Hunting	(69)	(71)	119	577
21	Mining, Quarrying, and Oil and Gas Extraction	-	(2)	(18)	59
22	Utilities	3	7	134	(168)
23	Construction	(74)	(145)	(1,189)	(6,429)
31	Manufacturing	(29)	(81)	(1,155)	(4,409)
42	Wholesale Trade	14	69	56	(904)
44	Retail Trade	4	(0)	(2,095)	(8,709)
48	Transportation and Warehousing	16	3	(880)	(3,904)
51	Information	16	6	(450)	(1,815)
52	Finance and Insurance	(777)	(773)	(1,166)	(1,902)
53	Real Estate and Rental and Leasing	2	9	121	(690)
54	Professional, Scientific, and Technical Services	(9)	(124)	(1,333)	(2,501)
55	Management of Companies and Enterprises	394	429	647	2,796
56	Administrative and Support and Waste Management and Remediation Services	(55)	409	327	(2,367)
61	Educational Services	(41)	(28)	(62)	1,148
62	Health Care and Social Assistance	47	(305)	(3,498)	(21,016)
71	Arts, Entertainment, and Recreation	(21)	(57)	(624)	(1,275)
72	Accommodation and Food Services	(44)	(37)	(1,093)	(5,517)
81	Other Services (except Public Administration)	25	84	(98)	91
90	Government	(65)	(223)	(1,274)	(3,757)
	Total	(661)	(831)	(13,524)	(58,338)

Source: EMSI

## TOTAL INDUSTRY SALES

### Total Sales

The total sale figures below represent an industry's total annual sales, both to other industries and to consumers as well. Total sales in the City of Belfast totaled \$1.07 billion in 2018, with the largest percentage of overall sales coming from the Finance and Insurance; Health Care and Social Assistance; and Manufacturing industries.

The Manufacturing Industry had the highest percentage of total sales in Waldo County in 2018, while the Government industry had the highest percentage of total sales in both the Belfast Region and State of Maine.

Table 22

Percent of Total Sales by Industry, Regional Comparison (2018)					
NAICS	Description	City of Belfast	Waldo County	Belfast Region	Maine
11	Agriculture, Forestry, Fishing and Hunting	2%	4%	4%	2%
21	Mining, Quarrying, and Oil and Gas Extraction	0%	0%	0%	0%
22	Utilities	1%	1%	2%	1%
23	Construction	5%	8%	6%	5%
31	Manufacturing	15%	14%	9%	13%
42	Wholesale Trade	2%	13%	6%	5%
44	Retail Trade	10%	8%	9%	7%
48	Transportation and Warehousing	1%	2%	3%	2%
51	Information	1%	1%	2%	2%
52	Finance and Insurance	19%	9%	6%	6%
53	Real Estate and Rental and Leasing	4%	3%	3%	3%
54	Professional, Scientific, and Technical Services	2%	3%	3%	4%
55	Management of Companies and Enterprises	8%	4%	1%	2%
56	Administrative and Support and Waste Management and Remediation Services	1%	4%	3%	2%
61	Educational Services	0%	1%	1%	1%
62	Health Care and Social Assistance	17%	10%	14%	10%
71	Arts, Entertainment, and Recreation	1%	1%	1%	1%
72	Accommodation and Food Services	4%	3%	4%	4%
81	Other Services (except Public Administration)	2%	3%	2%	2%
90	Government	5%	8%	20%	29%
Total		\$1,073,807,637	\$2,307,919,928	\$19,820,592,630	\$134,259,002,543

Source: EMSI

## SUMMARY OF FINDINGS – COMPETITIVE ADVANTAGES AND OPPORTUNITIES

The following are key findings from the regional economic development analysis outlining key competitive advantages of industries that may present the greatest potential opportunity for the City of Belfast:

### Health Care and Social Assistance (2-NAICS)

The Health Care and Social Assistance industry is a key industry from a total jobs standpoint, representing the largest percentage of total jobs in the city in 2019 (20% or 1,436 jobs).

The industry realized the second highest growth from a total jobs standpoint adding approximately 300 jobs from 2009 to 2019. From a percent growth standpoint, the industry's growth in the city was five times higher than the next region (growth of 27% compared to 6% growth in Waldo County and the Belfast Region) from 2009 to 2019.

The Health Care and Social Assistance industry had the highest LQ of any other region (1.6LQ) in the city, and the city was the only region that had a positive regional competitiveness effect in Health Care and Social Assistance from 2009 to 2019. The industry represented the second highest amount of total sales in the city in 2018 at 17% or \$185.3 million.

#### General Medical and Surgical Hospitals (6-NAICS)

The General Medical and Surgical Hospitals industry (within the Health Care and Social Assistance industry) accounted for a majority of job growth over the past decade. The industry grew by 52% (221 jobs) from 2009-2019 and has a LQ of 3.1 which is almost double that of any of the comparison geographies.

### Management of Companies and Enterprises (2-NAICS)

The Management of Companies and Enterprises industry realized the largest overall job growth from 2009-2019 in the city growing by 403 jobs. This represents overall job growth of 1259% since 2009. The industry has the highest LQ (4.2) of any industry in the city, and of any comparison region. The industry has a positive RCE in the city and in all of the comparison regions in the study.

#### Corporate, Subsidiary, and Regional Managing Offices (6-NAICS)

The Corporate, Subsidiary, and Regional Managing Offices Industry (within the Management of Companies and Enterprises industry) has been the driver of industry growth in the city from 2009 to 2019, adding 403 jobs. The industry has a 4.4 LQ and is projected to be the highest growth industry over the next decade in the city. Note that Fjord Seafood Chile SA (Ducktrap River of Maine) is classified in this category and accounts for much of the concentration identified in this sector.

### Manufacturing (2-NAICS)

The Manufacturing industry represented the third highest amount of jobs in the city in 2019 (688 total jobs). The industry represented 15% of total sales in the city in 2018 (the third highest) which translated into \$159.6M dollars.

While the industry either remained stagnant or realized overall job losses in the Belfast Region and State from 2009 to 2019, it realized overall growth in the city and county. The industry had a LQ above 1.0 in the city and county indicating significant concentration, while the Belfast region and State had LQs of below 1.0.

#### All Other Miscellaneous Wood Product Manufacturing (6-NAICS)

The All Other Miscellaneous Wood Product Manufacturing industry (within the Manufacturing industry) was the sixth highest growth industry in the city from 2009 to 2019, adding 47 jobs over that time period. The industry has an LQ of 117.9.

#### Frozen Fruit, Juice, and Vegetable Manufacturing (6-NAICS)

The Frozen Fruit, Juice, and Vegetable Manufacturing industry (within the Manufacturing industry) was seventh highest growth industry in the city from 2009 to 2019, adding 44 jobs over that time period. The industry has an location quotient of 113.6, indicating a substantial industry concentration

### Retail Trade (2-NAICS)

The Retail Trade industry represented the second highest amount of total jobs in the city in 2019 (16% or 1,130 jobs). The industry was the fourth highest growth industry from 2009 to 2019 adding 78 jobs over that time period. While the Belfast Region and State saw overall job losses in the industry from 2009 to 2019, the City and County both realized 7% total job growth. The industry has the highest LQ (1.60) of any of the comparison regions in the City and was the only region with a positive RCE in the industry.

# APPENDIX A: BELFAST REGION

The following tables are composed of the various ZIP codes that make up the Belfast Region referenced in the regional economic analysis section of this report:

Belfast Region	
ZIP Code	Community
04401	Bangor
04605	Ellsworth
04473	Orono
04915	Belfast
04412	Brewer
04444	Hampden
04841	Rockland
04416	Bucksport
04572	Waldoboro
04843	Camden
04358	South China
04864	Warren
04849	Lincolnton
04967	Pittsfield
04496	Winterport
04474	Orrington
04862	Union
04927	Clinton
04856	Rockport
04348	Jefferson
04974	Searsport
04861	Thomaston
04614	Blue Hill
04953	Newport
04428	Eddington
04429	Holden
04456	Levant
04419	Carmel
04363	Windsor
04640	Hancock
04472	Orland

Belfast Region	
ZIP Code	Community
04965	Palmyra
04910	Albion
04353	Whitefield
04988	Unity
04627	Deer Isle
04860	Tenants Harbor
04952	Morrill
04555	Nobleboro
04981	Stockton Springs
04847	Hope
04476	Penobscot
04854	Owls Head
04903	Waterville
04941	Freedom
04986	Thorndike
04921	Brooks
04402	Bangor
04354	Palermo
04574	Washington
04563	Cushing
04922	Burnham
04858	South Thomaston
04973	Searsmont
04488	Stetson
04969	Plymouth
04932	Dixmont
04434	Etna
04863	Vinalhaven
04684	Surry
04450	Kenduskeag
04987	Troy

Belfast Region	
ZIP Code	Community
04949	Liberty
04681	Stonington
04547	Friendship
04951	Monroe
04676	Sedgwick
04929	Detroit
04617	Brooksville
04438	Frankfort
04859	Spruce Head
04616	Brooklin
04421	Castine
04848	Islesboro
04853	North Haven
04685	Swans Island
04650	Little Deer Isle
04642	Harborside
04673	Sargentville
04683	Sunset
04975	Shawmut
04926	China Village
04933	East Newport
04935	East Vassalboro
04629	East Blue Hill
04962	North Vassalboro
04645	Isle Au Haut
04972	Sandy Point
04431	East Orland
04865	West Rockport
04420	Castine
04850	Lincolnton Center
04341	Coopers Mills

# APPENDIX B: DATA SOURCES

## PROPRIETARY DATA SOURCES

### **ECONOMIC MODELING SPECIALISTS INTERNATIONAL (EMSI)**

To analyze the industrial makeup of a study area, industry data organized by the North American Industrial Classification System (NAICS) is assessed. Camoin Associates subscribes to Economic Modeling Specialists Intl. (EMSI), a proprietary data provider that aggregates economic data from approximately 90 sources. EMSI industry data, in our experience, is more complete than most or perhaps all local data sources (for more information on EMSI, please see [www.economicmodeling.com](http://www.economicmodeling.com)). This is because local data sources typically miss significant employment counts by industry because data on sole proprietorships and contractual employment (i.e. 1099 contractor positions) is not included and because certain employment counts are suppressed from BLS/BEA figures for confidentiality reasons when too few establishments exist within a single NAICS code.

### **ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE (ESRI) BUSINESS ANALYST ONLINE**

ESRI is the leading provider of location-driven market insights. It combines demographic, lifestyle, and spending data with map-based analytics to provide market intelligence for strategic decision-making. ESRI uses proprietary statistical models and data from the U.S. Census Bureau, the U.S. Postal Service, and various other sources to present current conditions and project future trends. Esri data are used by developers to maximize their portfolio, retailers to understand growth opportunities, and by economic developers to attract business that fit their community. For more information, visit [www.esri.com](http://www.esri.com).

**Technical Report 2**

# Real Estate Market Analysis

# REAL ESTATE MARKET ANALYSIS

## EXECUTIVE SUMMARY

### HOUSING

- ◆ **The City of Belfast and Study Area #1 have existing unmet and future demand for a variety of housing types and price points.** This includes affordable housing, market-rate apartments, condominiums, and single-family homes. The Study Area has strong housing demand relative to other portions of the City given the access to amenities and the waterfront. There is little apartment vacancy downtown and rental units lease very quickly when available.
- ◆ **There is market potential for the City to absorb approximately 150 housing units over 5-years.** Based on pre-COVID conditions, the market demand analysis found that the City will see projected demand for up to approximately 66 rental units and 77 owner-occupied units over five years (13 units and 15 units annually, respectively).

- ◆ **The COVID-19 crisis has added uncertainty to the market demand picture.** The unprecedented global pandemic has dramatically affected economic and market conditions in 2020. Factors that will affect housing demand include the duration of the health crisis, whether an urban exodus of residents materializes over time and to what extent, the degree to which telecommuting arrangements become permanent, and the impact that the crisis has on the cost of raw materials which may affect short-term construction of housing projects.

Study Area Multi-Family Market Demand: 5-Year Absorption Potential		
	<b>Units</b>	<b>SF</b>
<b>Multi-Family Housing</b>		
Overall study area demand	66	49,500
<b>Rate</b>	<b>Assumption</b>	<b>SF</b>
Subsidized/voucher	5%	2,475
Affordable/workforce	45%	22,275
Market rate	50%	24,750
<b>Occupancy</b>	<b>Assumption</b>	<b>SF</b>
Occupied by owner	5%	2,475
Occupied long term by non-owner	45%	22,275
Occupied short term by non-owner	50%	24,750
<b>Location</b>	<b>Assumption</b>	<b>SF</b>
Below ground level	0%	-
First floor/ground level	10%	4,950
Second floor and above floors	90%	44,550

- ◆ **Housing demand is being driven by changing housing needs and preferences.** Belfast and its surrounding region are getting older, which is generating demand for new senior housing. Additionally, a substantial portion of housing demand is being driven by households that are either upsizing through growing families or downsizing through the creation of new empty nester households.
- ◆ **Empty-nester and nearing-retirement households are a significant driver of housing demand.** Belfast is a retirement destination and a significant portion of housing demand in the City is driven by households nearing retirement and seeking to purchase a home in the City to use for seasonal/occasional use, and/or as a primary residence in retirement. These households are attracted by the city’s quality of life, downtown amenities such as unique and independently-owned shops and restaurants, and proximity to the waterfront.
- ◆ **Young professionals and older millennials are also expected to drive housing demand.** Belfast has become more attractive to this demographic for a variety of reasons, including it’s proximity to major urban areas of the state, adjacency to outdoor recreation amenities, and the City’s downtown amenities including restaurants, bars, and boutique shops.
- ◆ **There is a lack of affordable workforce and senior housing options in Belfast.** A majority of housing in both the City of Belfast and Study Area is unaffordable for median income households, which is a likely primary driver for why approximately 80% of the City’s workforce is commuting from the surrounding region.

Additionally, the need for affordable housing for seniors is particularly acute with low-income residents age 75+ expected to grow locally and regionally over the next five years.

- ◆ **High-end housing potential with waterfront proximity and/or views.** There is an unmet demand, and untested market, for high-end residential housing options in Study Area #1. While waterfront housing has been proposed in the past, there have not been any residential construction projects that capture the value and potential of Belfast’s waterfront. A significant premium for units, both rentals and owner occupied (including condominiums) could be realized for units that are located within immediate proximity to the waterfront or provide quality views of the Passagassawakeag River and Belfast Bay.
- ◆ **Despite market demand, critical barriers and constraints are limiting development of new housing.** The housing market can be characterized as having a supply-side problem with several factors making housing development extremely challenging from a financial feasibility perspective, as indicated below. As a result of these factors, there has been little construction of new housing.
  - **Relatively high property tax rates:** Belfast’s current property tax rate is among the highest in the region, making it difficult for developers to achieve a sufficient return on investment to undertake projects.
  - **High cost of construction:** Local and regional construction costs are well above national averages, which reduces the margin on development projects as a factor making new construction relatively cost prohibitive.
  - **Market rates don’t support cost of construction:** Market rates for apartments are generally in the \$1,200 to \$1,400 range for a quality apartment in the city, which, given the costs of construction, are generally not sufficient to make multi-family rental unit development feasible.
  - **Speculative land prices:** Interviews indicated that local land prices are generally above market-rate, with landowners speculating on future value, which has elevated prices above their natural market value.
  - **Unproven housing market:** The City isn’t a “proven” market for housing with virtually no significant successful housing development projects existing that demonstrate that the local market can support new projects. This is both a perception issue for potential private developers who must gauge market risk when considering new investments, and an issue related to financing as lenders desire to see market comparables as they evaluate risk when providing financing for development projects.
- ◆ **Developer interest and proposed projects may generate momentum.** There are several projects in the City and within the Study Area in various phases of planning that include housing components. This interest is indicative of perceived market demand among the private sector. Furthermore, the completion of housing projects will demonstrate demand (and rent potential), which will likely spur additional investment after the market is “proven.”

## OFFICE

- ◆ **A lack of new commercial office space construction over the last decade in the region, coupled with an equilibrium in net absorption rates indicates that there is little demand for new space.** Waldo County has had no new office space come online in the last ten years. While net absorption rates have varied in Waldo County over the last decade, 2019 and 2020 have seen rates around zero, indicating a general equilibrium in regards to supply of and demand for leased space in the county.
- ◆ **While office-utilizing industries are projected to remain stagnant in Belfast in the coming years, interviews with local stakeholders suggest that demand exists for small office spaces in the City.** While stagnant and/or decreasing projected job growth trends in office-utilizing industries in Belfast and the region indicate that the market may not support additional new office space (traditional or medical) in Belfast unless it is for a specific, unanticipated, and potentially highly-specialized user; interviews conducted point to demand for small office space similar to those found in Belfast Center. The COVID-19 crisis may also

have an impact on further demand for these types of spaces. Demand projections indicate the potential need for only an additional 4,620 square feet (SF) of traditional office space over the next five years.

- ◆ **The COVID-19 Crisis has added uncertainty to the commercial office market demand picture.** The COVID-19 pandemic has dramatically affected economic and market conditions in 2020 and the implications on future demand for commercial office space are difficult to forecast. The pandemic has had a significant negative impact on demand for commercial office space nationally that is likely to exacerbate existing demand trends in Belfast and the region. Factors that will affect commercial office demand include

the duration of the health crises, the degree to which telecommuting arrangements become permanent, and future long-term implications to space usage requirements that promote social distancing and other recommended guidelines.

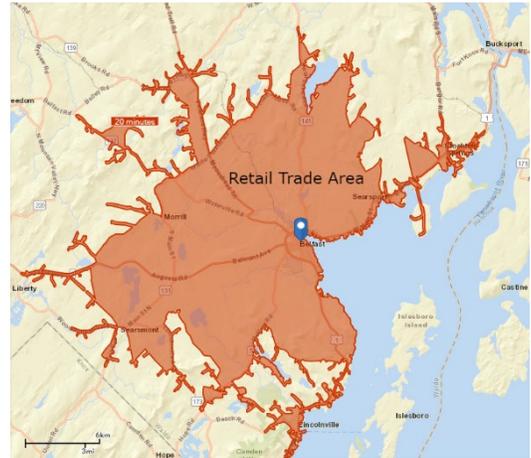
- ◆ **The Bank of America office campus is a unique asset that offers the potential for future redevelopment or reuse by one or multiple office users.** The campus could be utilized and marketed to one significant tenant, or potentially redeveloped to cater to multiple users who may share synergies in regard to the goods and/or services that they produce. It could also be utilized as a multi-use shared work space for companies who may need options for employees who convert to permanent telecommuters due to implications from the COVID-19 pandemic.

Study Area Commercial Office Market Demand: 5-Year Absorption Potential		
<b>Commercial Office</b>	<b>SF</b>	
Overall study area demand	10,780	
<b>Rate</b>	<b>Assumption</b>	<b>SF</b>
Traditional Office	30%	4,620
Medical Office	70%	8,800
<b>Occupancy</b>	<b>Assumption</b>	<b>SF</b>
Occupied by owner	15%	1,617
Occupied by long term by non-owner	40%	4,312
Occupied short term by non-owner	45%	4,851
<b>Location</b>	<b>Assumption</b>	<b>SF</b>
Below ground level	10%	1,078
First floor/ground level	35%	3,773
Second floor and above floors	55%	5,929

- ◆ **Medical office space is expected to drive additional demand in the future due to the regions aging populations, and growth in the health and social services industry.** An aging local and regional population will also continue to drive demand for this space. Projections indicate that Belfast may see demand for an additional 8,800 SF of medical office space over the next five years.

## RETAIL

- ◆ **Belfast is a retail hub in the county and region.** In 2019, 65% of the total retail industry jobs in Waldo County were located within Belfast. This industry is also forecasted to grow by 6% in Belfast over the next ten years.
- ◆ **Retail has been hit hard by the COVID-19 crisis and will likely be slow to recover.** The regional and local retail industry has been negatively impacted by the ongoing pandemic and recovery in the market will likely be slow and span several years with great uncertainty over the course of the existing crisis.
- ◆ **There is current and projected demand for additional retail space in Belfast associated with both resident and visitor spending, based on pre-Covid conditions.** A retail gap analysis indicated that there is enough existing demand to potentially support 14,600 SF over five years (2,900 SF annually) of additional retail space in the City.
  - Projections and demand attributable to resident retail leakage recapture indicate that there is enough demand to support approximately 4,900 SF (980 SF annually) of space for various retail over the next five years.
  - When the 4,900 SF of demand potential attributed to recapturing spending leakage is removed, it is estimated that there is demand potential for 9,700 SF of retail space attributable to visitors over five years (1,940 SF annually)



Study Area Retail Market Demand: 5-Year Absorption Potential		
<b>Commercial Office</b>	<b>SF</b>	
Overall study area demand	14,600	
<b>Rate</b>	<b>Assumption</b>	<b>SF</b>
Demand attributable to leakage recapture	34%	4,900
Demand attributable to tourism spending recapture	64%	9,700
<b>Occupancy</b>	<b>Assumption</b>	<b>SF</b>
Occupied by owner	10%	1,460
Occupied long term by non-owner	40%	5,840
Occupied short term by non-owner	50%	7,300
<b>Location</b>	<b>Assumption</b>	<b>SF</b>
Below ground level	0%	-
First floor/ground level	90%	13,140
Second floor and above floors	10%	1,460

- ◆ **Retail industry groups with the highest potential** based on the retail gap and the retail goods, services, and expenditures analyses include:
  - Clothing and Clothing Accessory Stores
  - Book, Periodical, and Music Store
  - Jewelry, Luggage and Leather Goods Stores
  - Furniture and Home Furnishing Stores
  - General Merchandise Stores



establishments, to short-term rentals, to larger economy motels and hotels.

- ◆ **The hospitality industry is a crucial employment and financial contributor to Belfast’s economy.** Hotels and Motels contributed \$3.7 million dollars (the highest of any tourism-based industry) to the City of Belfast’s Gross Regional Product (GRP)<sup>5</sup> in 2019, in addition to contributing 60 jobs to the City. The industry grew by 33 jobs from 2009 to 2019 (this equates to a 121% change from 2009).
- ◆ **A number of different factors point to the potential demand for an additional lodging establishment in Belfast.** Factors include a large stock of existing short-term rentals located in Belfast’s core downtown area with high historical occupancy rates, projected growth in Hotel and Motel industry jobs over the next five years, and an increasing notoriety of the city as a tourist destination in the region.

## INDUSTRIAL/FLEX

- ◆ **Future market demand for industrial/flex space in Belfast will likely be driven by manufacturing-based industries.** Approximately 150 new jobs are projected to be added in Waldo County in industries (primarily manufacturing and construction) that would be appropriate to occupy light industrial/flex real estate in the downtown area of the City. Based on projected job growth, an additional 76500 SF of light industrial/flex space could be supported in Waldo County by these industries, with conservative projections indicating that total demand, or 7,650 SF of space, could be supported in the Study Area.

Study Area Industrial/Flex Market Demand: 5-Year Absorption Potential		
<b>Industrial/Flex Space</b>	<b>SF</b>	
Overall study area demand	7,650	
<b>Rate</b>	<b>Assumption</b>	<b>SF</b>
Demand attributable to manufacturing industries	75%	5,738
Demand attributable to construction industries	25%	1,912
<b>Occupancy</b>	<b>Assumption</b>	<b>SF</b>
Occupied by owner	10%	765
Occupied long term by non-owner	50%	3,825
Occupied short term by non-owner	40%	3,060
<b>Location</b>	<b>Assumption</b>	<b>SF</b>
Below ground level	0%	-
First floor/ground level	80%	6,120
Second floor and above floors	20%	1,530

- ◆ **It is unlikely that large- to mid-sized industrial tenants are going to fulfill projected demand for industrial development in the Study Area.** This is due to a variety of reasons including smaller parcel sizes, transportation barriers related to truck access, and higher property prices compared to the broader

<sup>5</sup> Gross Regional Product (GRP) is simply GDP for the region of study. More commonly, GRP is GDP for any region smaller than the United States, such as a city, state, or metro area. GRP measures the final market value of all goods and services produced in the region of study.

region. Additionally, the City of Belfast may also be averse to large industrial development in the Study Area due to its proximity to the downtown core and other residential areas.

- ◆ **Industrial demand in Study Area will be closely associated with Front Street Ship Yard, and whether further development occurs on waterfront properties.** While industrial development has occurred over the last decade, there is currently limited expansion plans for development over the next five years.
- ◆ **Industrial users that are likely to fill demand for industrial space in the Study Area are more likely to focus on and benefit from the existing retail environment in Belfast.** Examples of these users include small-scale boutique manufacturers that could sell their products directly to consumers in Belfast, or micro-food and/or -beverage producer industries such as micro-brewery/distillery producers.
- ◆ **Demand for industrial/flex space may also be driven by any unanticipated existing or future tenants entering or exiting the market.** In addition to job growth, demand for industrial/flex space could also be influenced by the entry or exit of current or future unanticipated tenants. Two examples of existing tenants in Belfast that occupy relatively large industrial/flex space include Penobscot McCrum and Front Street Shipyard.
- ◆ **The boat and ship building industries will be a driver of future demand for industrial/flex space in Belfast.** The Transportation and Equipment Manufacturing industry is projected to realize the highest projected job growth of all light manufacturing industries in Belfast over the next decade, and growth is driven primarily by the boat building industry (specifically Front Street Shipyard).
- ◆ **Additional industrial/flex space could be utilized in the future by one anchor user, or multiple users participating in small scale manufacturing.** A diverse mix of industrial and flex space geared towards a variety of different types of tenants will help Belfast position itself for future market demand. Larger spaces could be occupied by one core anchor user who focuses on light manufacturing and is able to utilize the entire space, or space that could be built or modified to include a combination of small and/or shared spaces that could be utilized by a variety of different occupants who participate in small-scale manufacturing.
- ◆ **Industrial sectors have been the least impacted by the COVID-19 pandemic** and have the potential to see increased operations in the future due to a national focus on supply chain mitigation and resiliency efforts, and the reshoring of manufacturing that may have previously operated overseas.

## SUMMARY OF FIVE-YEAR DEMAND/ABSORPTION POTENTIAL

### Multi-Family Residential Space Market Demand

Study Area Multi-Family Market Demand: 5-Year Absorption Potential		
<b>Multi-Family Housing</b>	<b>Units</b>	<b>SF</b>
Overall study area demand	66	49,500
<b>Rate</b>	<b>Assumption</b>	<b>SF</b>
Subsidized/voucher	5%	2,475
Affordable/workforce	45%	22,275
Market rate	50%	24,750
<b>Occupancy</b>	<b>Assumption</b>	<b>SF</b>
Occupied by owner	5%	2,475
Occupied long term by non-owner	45%	22,275
Occupied short term by non-owner	50%	24,750
<b>Location</b>	<b>Assumption</b>	<b>SF</b>
Below ground level	0%	-
First floor/ground level	10%	4,950
Second floor and above floors	90%	44,550

## Office Space Market Demand

Study Area Commercial Office Market Demand: 5-Year Absorption Potential		
<b>Commercial Office</b>	<b>SF</b>	
Overall study area demand	10,780	
<b>Rate</b>	<b>Assumption</b>	<b>SF</b>
Traditional Office	30%	4,620
Medical Office	70%	8,800
<b>Occupancy</b>	<b>Assumption</b>	<b>SF</b>
Occupied by owner	15%	1,617
Occupied long term by non-owner	40%	4,312
Occupied short term by non-owner	45%	4,851
<b>Location</b>	<b>Assumption</b>	<b>SF</b>
Below ground level	10%	1,078
First floor/ground level	35%	3,773
Second floor and above floors	55%	5,929

## Retail Space Market Demand

Study Area Retail Market Demand: 5-Year Absorption Potential		
<b>Commercial Office</b>	<b>SF</b>	
Overall study area demand	14,600	
<b>Rate</b>	<b>Assumption</b>	<b>SF</b>
Demand attributable to leakage recapture	34%	4,900
Demand attributable to tourism spending recapture	64%	9,700
<b>Occupancy</b>	<b>Assumption</b>	<b>SF</b>
Occupied by owner	10%	1,460
Occupied long term by non-owner	40%	5,840
Occupied short term by non-owner	50%	7,300
<b>Location</b>	<b>Assumption</b>	<b>SF</b>
Below ground level	0%	-
First floor/ground level	90%	13,140
Second floor and above floors	10%	1,460

### Industrial/Flex Space Market Demand

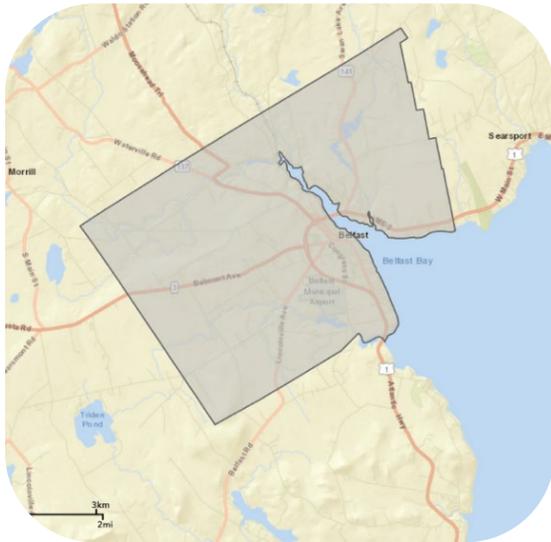
Study Area Industrial/Flex Market Demand: 5-Year Absorption Potential		
<b>Industrial/Flex Space</b>	<b>SF</b>	
Overall study area demand	7,650	
<b>Rate</b>	<b>Assumption</b>	<b>SF</b>
Demand attributable to manufacturing industries	75%	5,738
Demand attributable to construction industries	25%	1,912
<b>Occupancy</b>	<b>Assumption</b>	<b>SF</b>
Occupied by owner	10%	765
Occupied long term by non-owner	50%	3,825
Occupied short term by non-owner	40%	3,060
<b>Location</b>	<b>Assumption</b>	<b>SF</b>
Below ground level	0%	-
First floor/ground level	80%	6,120
Second floor and above floors	20%	1,530

# MARKET DEMAND ANALYSIS

## OVERVIEW

The following market demand analysis outlines key trends related to housing, retail, light industrial/flex, and commercial office space in the local and regional market area, including the geographies indicated below. Overall, this analysis considers the existing supply for each of these use categories, as well as the current and expected future demand for additional space. It also looks at elements of tourism activity and industries to gain additional insights that would influence demand for specific space usages. The purpose of the analysis is to identify market opportunities for the City of Belfast, as well as barriers and constraints that may prevent the City from capitalizing on potential opportunities that exist. The analysis also includes quantitative measures of market demand for specific property types and uses within the Study Area.

City of Belfast, Maine



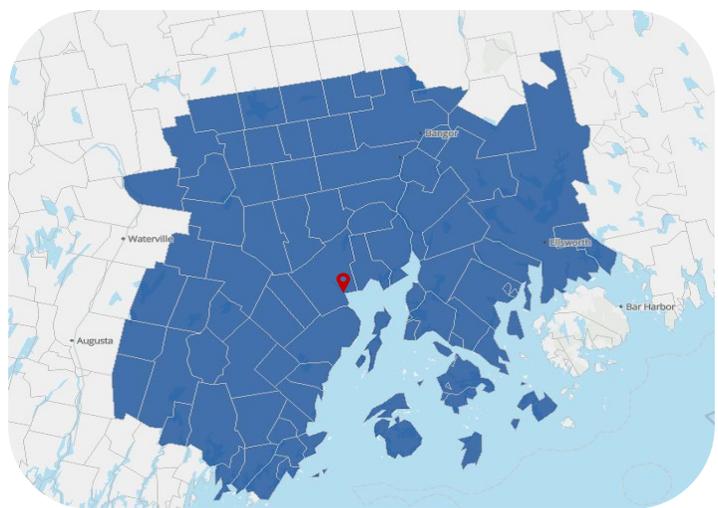
Study Areas



Waldo County, Maine



Belfast Region



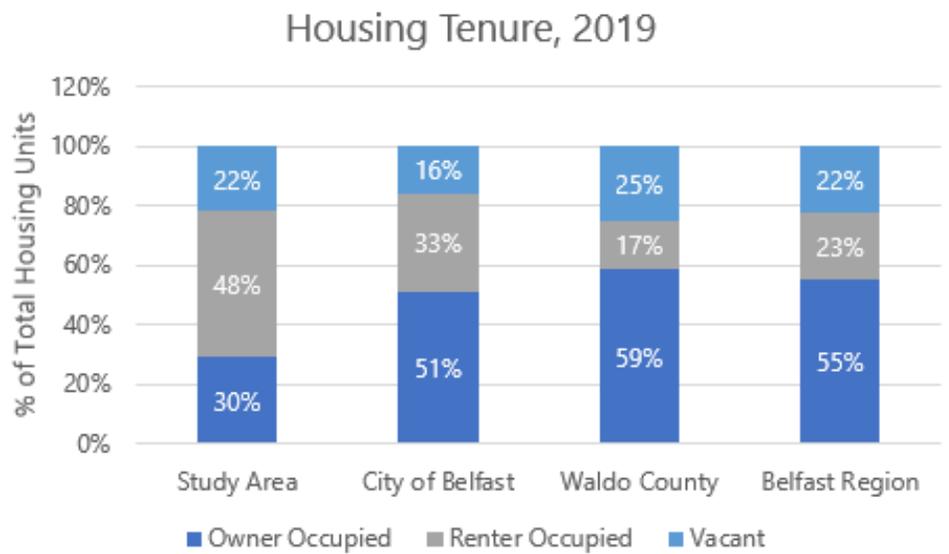
## Housing Market

Housing is important to the economic vitality of communities and provides the foundation for individuals and families to prosper. A diverse mixture of different housing options can support the regional workforce, help support a diverse community composed of individuals of all different backgrounds, and allow for shorter commutes so workers can spend more time with their families, and the community can benefit from having employees such as schoolteachers, nurses, business owners, and others living locally and engaged in the community. A healthy mix of housing options targeted to households across the age and income spectra ensures opportunities for all individuals to improve their economic situation and contribute to their communities in a variety of different ways.

### HOUSING TENURE

The Study Area has a relatively high concentration of rental units compared to the City, County, and region. While housing in the City of Belfast is 51% owner occupied, the owner-occupied rate in the Study Area is only 30%. It should be noted that the Study Area has a greater portion of “vacant” units, which also includes housing units that are potentially used only on a seasonal basis. While vacancy rates appear to be high in both the Study Area and City of Belfast (22% and 16%, respectively), it should be noted that nearly 41% of units classified as vacant in the city are considered “Seasonal/Recreational/Occasional Use” reflecting the city’s popularity as a second- and vacation-home location. Therefore the “true” vacancy rate is significantly lower than reported in the figures below:

Figure 8



### HOUSING CHARACTERISTICS

The following table displays the number of housing units by type of structure in the City of Belfast, Waldo County, and the Belfast Region. A majority of the housing units in Belfast (63%) are single-unit homes. This trend is also observed in Waldo County (77%) and the Belfast Region (72%). Thirty percent (30%) of units that reside in multi-family structures in the City are located in structures with less than 9 units.

Table 23

Housing Units by Type, 2018						
	City of Belfast		Waldo County		Belfast Region	
	# of Units	% of Total Units	# of Units	% of Total Units	# of Units	% of Total Units
1 Detached	2,140	63%	17,148	77%	80,952	72%
1 Attached	109	3%	286	1%	2,196	2%
2 Units	355	10%	664	3%	4,738	4%
3 or 4 Units	189	5%	534	2%	6,416	6%
5 to 9 Units	347	10%	702	3%	3,809	3%
10 to 19 Units	66	2%	121	1%	1,374	1%
20 to 49 Units	67	2%	87	0%	1,716	2%
50 or More Units	0	0%	5	0%	1,013	1%
Mobile Homes	238	7%	2,764	12%	11,037	10%
Boat/RV/Van/etc.	0	0%	10	0%	53	0%
<b>Total</b>	<b>3,511</b>	<b>100%</b>	<b>22,321</b>	<b>100%</b>	<b>113,304</b>	<b>100%</b>

Source: ESRI

Little housing has been built in Belfast since 2009 and the City’s housing stock is relatively old compared to the County – but generally on par with the region. The table below displays the housing units in the City, County, and Belfast Region by the year they were built. The highest percentage of housing in Belfast, Waldo County, and Belfast Region, other than those units that were built before 1939, were built between 2000 and 2009. This suggests that housing construction was somewhat active during this period but then never fully rebounded after the Great Recession.

Table 24

Housing Units by Year Built, 2017						
	City of Belfast		Waldo County		Belfast Region	
Year Built	# of Units	% of Total Units	# of Units	% of Total Units	# of Units	% of Total Units
2014 or Later	0	0%	122	1%	594	1%
2010-2013	98	3%	533	2%	2,183	2%
2000-2009	715	22%	4,102	19%	17,559	16%
1990-1999	376	11%	3,378	15%	14,701	13%
1980-1989	302	9%	3,527	16%	15,502	14%
1970-1979	297	9%	2,726	12%	14,950	13%
1960-1969	169	5%	1,258	6%	7,622	7%
1950-1959	109	3%	990	4%	7,112	6%
1940-1949	60	2%	467	2%	4,303	4%
1939 or Earlier	1,165	35%	5,064	23%	28,461	25%
Median Year Structure Built	1975		1982		1976	

Source: ESRI

### HOUSING VALUES

According to the Zillow Home Value Index<sup>6</sup>, the median home value in Belfast was \$212,339 as of January 2020, and the median home value in Waldo County was \$197,121 (approximately 7% less than the City of Belfast).

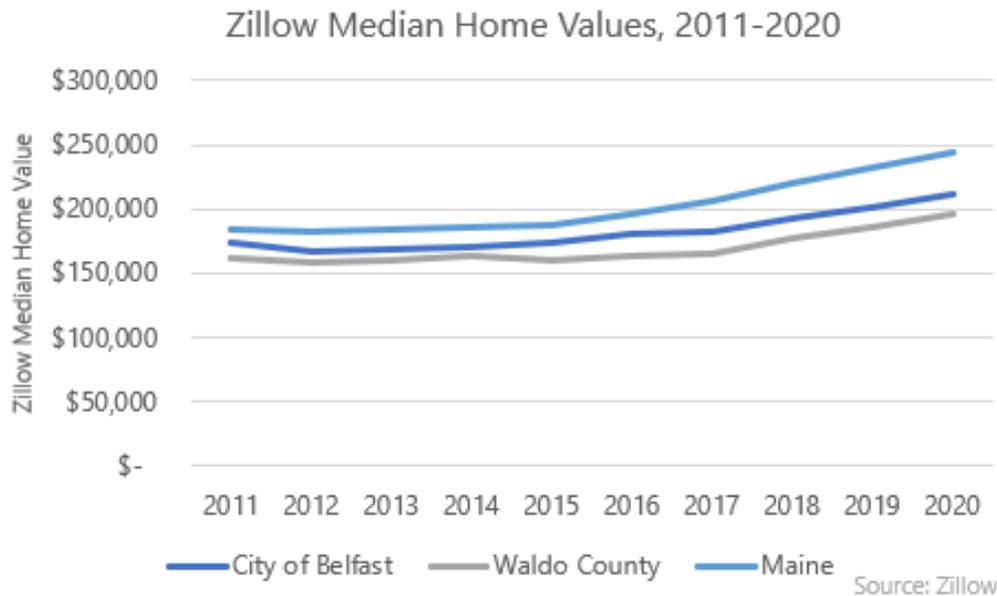
Median home values in Belfast increased at a faster rate in more recent years, growing by an average annual rate of 5% between 2017 and 2020, compared to an average annual rate of 1% from 2011 to 2017. The same general trend can be observed in Waldo County and the State of Maine.

Table 25

Median Home Values, 2020			
	City of Belfast	Waldo County	Maine
Median Home Value	\$ 212,339	\$ 197,121	\$249,550

Source: Zillow

Figure 9



Looking at a detailed breakout of owner-occupied home values from Esri, the highest percentage of homes (owner-occupied units) in the City of Belfast are valued in the \$100,000 to \$150,000 range (17.8%), followed closely by homes in the \$200,000 to \$250,000 range (17.5%).

Almost 17% of homes in the Study Area are valued in the \$500,000-\$750,000 range, which is more than double the proportion found in the City of Belfast. This is in line with interviews that suggest that locations closer to

<sup>6</sup> The Zillow Home Value Index is the median estimate valuation for a given geographic area. In the case of the Zillow Home Values Chart which compiles data from the City of Belfast and Waldo County, the values correspond with Zillow’s Home Value Index in January of each year.

downtown and the waterfront area (and generally within the Route 1 belt) are in much higher demand than other locations in the City.

Table 26

Home Values, 2019				
	Study Area	City of Belfast	Waldo County	Belfast Region
<\$50,000	0.0%	8.8%	7.9%	6.2%
\$50,000-\$99,999	1.9%	7.4%	12.4%	10.6%
\$100,000-\$149,999	16.7%	17.8%	19.8%	19.3%
\$150,000-\$199,999	16.7%	12.7%	20.7%	21.3%
\$200,000-\$249,999	24.1%	17.5%	12.9%	14.0%
\$250,000-\$299,999	0.0%	5.8%	8.1%	9.2%
\$300,000-\$399,999	18.5%	12.5%	8.8%	9.5%
\$400,000-\$499,999	5.6%	8.7%	3.9%	4.4%
\$500,000-\$749,999	16.7%	6.9%	3.2%	3.2%
\$750,000-\$999,999	0.0%	1.8%	1.2%	1.1%
\$1,000,000-\$1,499,999	0.0%	0.2%	0.9%	0.6%
\$1,500,000-\$1,999,999	0.0%	0.0%	0.1%	0.2%
\$2,000,000+	0.0%	0.0%	0.2%	0.3%

Source: ESRI

### HOME SALES

The following insights related to home sales in Belfast from 2010 to Q1 2020 were sourced from Multiple Listing Services (MLS). According to MLS, from 2010 to 2020 there were 864 homes sold in Belfast. Annual total sales over the last decade peaked in 2016 and 2017, with approximately 25% of total home sales from 2010 to 2020 occurring in those two years. A majority (82%) of homes sold in Belfast from 2010 to 2020 were single-family residences.

Table 27

Residential Sales by Year Sold, 2010-2020		
Year	# of Sales	% of Total Sales
2010	68	7.9%
2011	60	6.9%
2012	77	8.9%
2013	85	9.8%
2014	67	7.8%
2015	99	11.5%
2016	108	12.5%
2017	106	12.3%
2018	99	11.5%
2019	81	9.4%
2020	14	1.6%
Total	864	100.0%

Source: MLS

\*Sales data as of Q1 2020

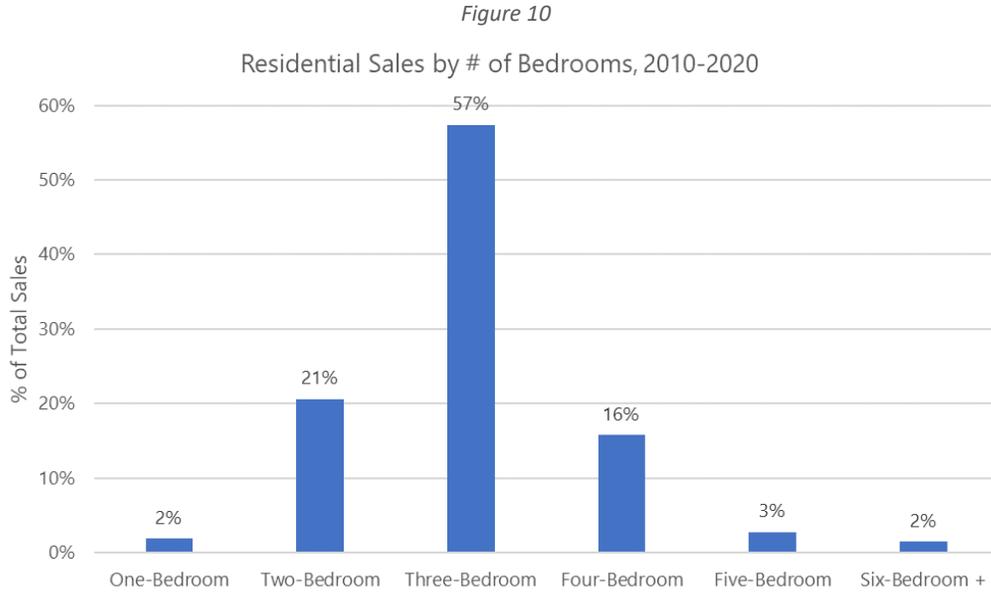
Table 28

Residential Sales by Type, 2010-2020*		
	# of Sales	% of Total Sales
Single Family Residence	706	82%
Condominium	118	14%
Manufactured	40	5%
Total	864	100%

Source: MLS

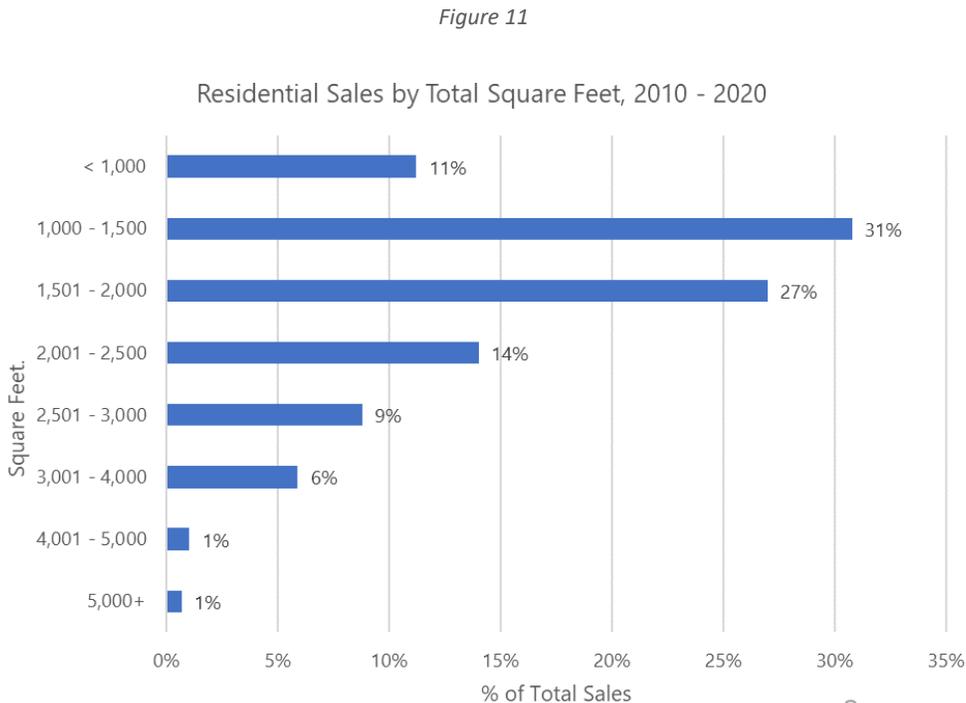
\*Sales data as of Q1 2020

According to MLS, approximately 60% of homes sold in Belfast from 2010 to 2020 were between 1,000 and 2,000 square feet. Less than 2% of homes sold had a total square footage of 4,000 SF or more. This trend is likely due to a number of different factors including the type of available for-sale housing stock, housing affordability, and/or buyer preferences for smaller residences.



Source: MLS

According to MLS, a majority of homes sold between 2010 and 2020 were three-bedroom homes, followed by two-bedroom homes. Less than 2% of homes sold had one bedroom, and less than 5% of homes sold had five bedrooms or more.



Source: MLS

According to MLS, a majority of sold homes in Belfast from 2010 to 2020 had closing sale prices between \$50,000 and \$200,000, with the highest percentage of homes in the \$100,000 to \$150,000 range. The average closing sale price was \$122 per square foot.



Table 29

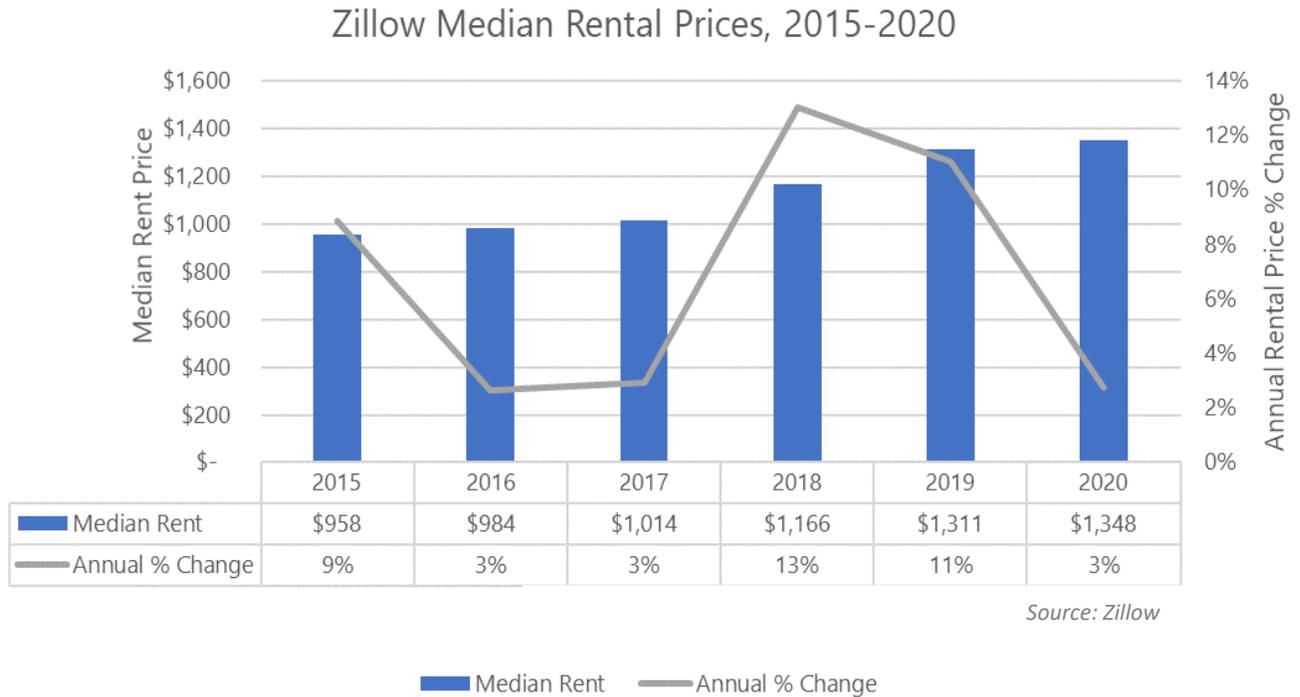
Residential Sales by Closing Price, 2010-2020		
	# of Sales	% of Total Sales
< \$50,000	47	5.4%
\$50,000 - \$100,000	120	13.9%
\$100,001 - \$150,000	161	18.6%
\$150,001 - \$200,000	154	17.8%
\$200,001 - \$250,000	137	15.9%
\$250,001 - \$300,000	65	7.5%
\$300,001 - \$350,000	61	7.1%
\$350,001 - \$400,000	44	5.1%
\$400,001 - \$500,000	48	5.6%
\$500,001 - \$750,000	19	2.2%
\$750,001 - \$1,000,000	7	0.8%
\$1,000,000 +	1	0.1%
<b>Total</b>	<b>864</b>	<b>100.0%</b>

Source: MLS

**RENTAL TRENDS**

According to the Zillow Rent Market Index<sup>7</sup>, the median rental price for all rental units in Belfast in Q1 2020 was \$1,348. The average annual growth rate of rents from 2015 to 2020 was 7%. The largest annual growth of rental rates observed was from 2018 to 2019 which saw rents growing by greater than 10% in each year.

Figure 12



<sup>7</sup> The Zillow Rent Index is the median Rent Zestimate valuation for a given geographic area on a given day.

## HOUSEHOLD DEMOGRAPHIC TRENDS

The tables on the following page summarize the expected change in households by income and age of householder for the City of Belfast and Waldo County. ESRI projects that Belfast will have a net increase of 101 households between 2019 and 2024 while the County is projected to have a net increase of 604 households<sup>8</sup>.

Projections for Belfast and Waldo County indicate that housing trends are favoring higher-earning households. Belfast is projected to see a decline in all household income cohorts earning under \$35,000, and an increase in all household income cohorts earning at least \$75,000. This trend is also exhibited at the county level. Both geographies anticipate the largest increase in the \$100,000 to \$149,000 household income cohort.

Looking at the ages, the leading demographic for both Belfast and Waldo County are households with householders aged 65 and older, which are expected to expand by 186 households in Belfast and just over 1,100 households in the County. Overall, Belfast is also expected to see a net decrease in households with householders aged 45 to 64 and minimal increases in household age cohorts under the age of 44.

### Housing Development Project Spotlight

In 2020, as part of the State of Maine’s multi-million-dollar housing bond, it was announced that Realty Resources Management of Rockport is developing 22 one-bedroom units, 2 two-bedroom units, and 1 efficiency unit in a two-story building on a 2.46-acre lot at 80 Wight Street in the City of Belfast.

In addition, Portland-based Developers Collaborative is developing a 2-acre lot at 75 Wight Street. The project will include 21 one-bedroom and four studio apartments in a three-story building.

In an effort to support these projects, City officials created an Affordable Housing Tax Increment Financing, or TIF district on Wight Street in an effort to support the construction of both projects.

Many have hailed the project as being a crucial step in addressing affordable and senior housing needs in the City of Belfast.

<sup>8</sup> These figures are projections based on historical trends for the areas and are not reflective of any transformative projects or other anomalies that might occur.

Table 30

City of Belfast Change in Households by Income and Age of Householder, 2019-2024								
	<25	25-34	35-44	45-54	55-64	65-74	75+	Total
<\$15,000	1	(4)	(5)	(9)	(16)	(4)	18	(19)
\$15,000-\$24,999	(3)	(11)	(10)	(15)	(23)	(13)	7	(68)
\$25,000-\$34,999	(2)	(7)	(4)	(12)	(14)	(1)	16	(24)
\$35,000-\$49,999	-	1	(4)	(7)	(10)	7	18	5
\$50,000-\$74,999	1	4	(5)	(11)	(17)	13	13	(2)
\$75,000-\$99,999	2	6	12	3	10	23	29	85
\$100,000-\$149,999	-	12	10	9	11	24	23	89
\$150,000-\$199,999	-	6	3	1	5	3	3	21
\$200,000+	-	-	4	2	1	7	-	14
<b>Total</b>	<b>(1)</b>	<b>7</b>	<b>1</b>	<b>(39)</b>	<b>(53)</b>	<b>59</b>	<b>127</b>	<b>101</b>

Source: ESRI

Table 31

Waldo County Change in Households by Income and Age of Householder, 2019-2024								
	<25	25-34	35-44	45-54	55-64	65-74	75+	Total
<\$15,000	5	(53)	(28)	(59)	(107)	(12)	111	(143)
\$15,000-\$24,999	(16)	(63)	(48)	(62)	(127)	(61)	64	(313)
\$25,000-\$34,999	(9)	(52)	(27)	(62)	(83)	(4)	99	(138)
\$35,000-\$49,999	(1)	(21)	(2)	(35)	(50)	62	106	59
\$50,000-\$74,999	1	(44)	(16)	(68)	(96)	99	68	(56)
\$75,000-\$99,999	5	5	58	34	37	123	106	368
\$100,000-\$149,999	2	46	99	87	97	157	103	591
\$150,000-\$199,999	1	11	29	33	37	37	19	167
\$200,000+	-	(2)	8	17	15	24	7	69
<b>Total</b>	<b>(12)</b>	<b>(173)</b>	<b>73</b>	<b>(115)</b>	<b>(277)</b>	<b>425</b>	<b>683</b>	<b>604</b>

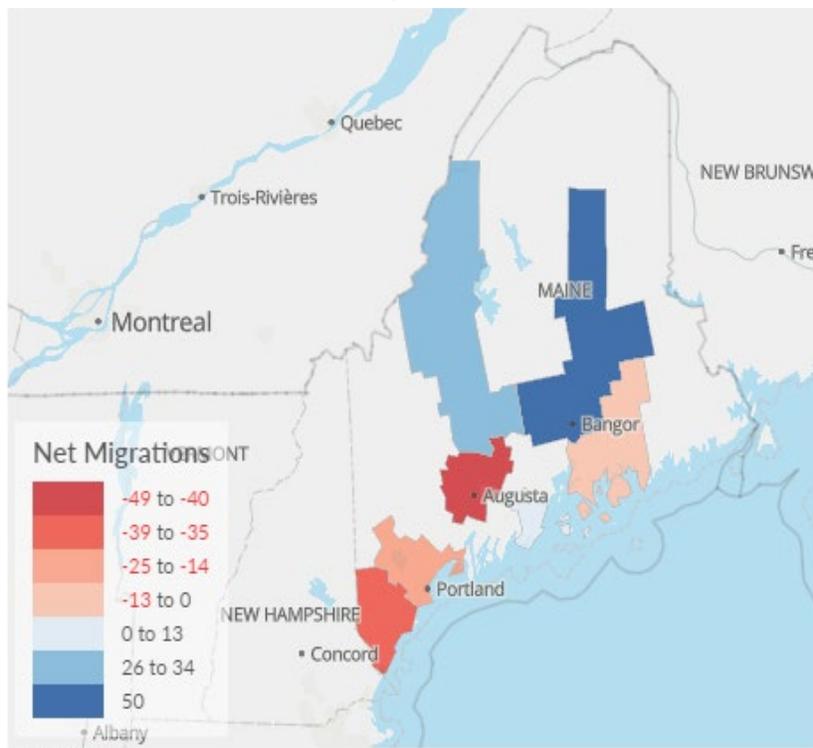
Source: ESRI

**MIGRATION**

Emsi utilizes data from address changes reported on the Internal Revenue Service (IRS) individual tax returns to map migration patterns in counties around the United States. As of 2016 (the most recently released data available), Waldo County had a negative net migration (-14), indicating that slightly more people are leaving the County than moving into the County. Counties contributing the most inbound migration to Waldo County include Penobscot County, Knox County, and Kennebec County. The top outbound counties, or places that Waldo County residents moved to are also Penobscot County, Knox County, and Kennebec County.

The figure below displays the net migration for Waldo County. Counties represented in dark and light orange indicate counties with populations that had a negative net migration of people moving to Waldo County. Counties in light and dark blue are areas where residents are moving from when they move into Waldo County.

Figure 13



Source: EMSI

## HOUSING AFFORDABILITY

### Single Family Households

The conventional indicator of housing affordability in the United States is the percent of household income spent on housing. Housing expenditures that exceed 30 percent of household income have historically been viewed as an indicator of an “overburdened” household or housing that has affordability problem.

With a median household income in the Study Area of approximately \$34,500, a maximum monthly housing payment of approximately \$860 would be considered affordable. In the City of Belfast, a median household income of approximately \$43,000 would make a maximum monthly housing payment of \$1,075 affordable.

Table 32

Household Income and Affordability		
	Study Area	City of Belfast
Median Household Income	\$ 34,535	\$ 43,002
Affordable Monthly Housing Costs (30%)	\$ 863	\$ 1,075

Source: ESRI, CAMOIN 310

The following table illustrates the maximum home value that would be affordable for residents in the City of Belfast and Study Area given existing median income levels and the affordable monthly housing costs reflected in the table above. An affordable home in the Study Area would be approximately \$137,000 or less, which is almost 20% lower than the price of an affordable home in the City of Belfast at approximately \$163,000 or less.

Table 33

Affordable Home Values (2019)		
	Single-Family Home	Single-Family Home
Maximum Affordable Home Value	\$ 137,000	\$ 163,000
Down Payment (5%)	\$ 7,000	\$ 8,000
Approximate Loan Amount	\$ 130,000	\$ 155,000
Estimated Mortgage Payment (30yrs @ 4%)	\$ 615	\$ 733
Estimated Additional Costs per Mortgage Payment*	\$ 240	\$ 286
Avg. Mortgage Payment (30yrs @ 4% with Additional Costs)	\$ 855	\$ 1,019

\*Estimated additional costs include private mortgage insurance, taxes, and insurance.

Source: ESRI, CAMOIN 310

The following table illustrates existing home values in the Study Area and City of Belfast. In all, there are very few homes in both the Study Area and City of Belfast that are affordable relative to the calculations above.

Table 34

Home Values 2019				
	Study Area		City of Belfast	
	#	%	#	%
<\$50,000	-	0%	172	9%
\$50,000-\$99,999	1	2%	146	7%
\$100,000-\$149,999	9	17%	349	18%
\$150,000-\$199,999	9	17%	250	13%
\$200,000-\$249,999	13	24%	343	17%
\$250,000-\$299,999	-	0%	113	6%
\$300,000-\$399,999	10	19%	246	13%
\$400,000-\$499,999	3	6%	171	9%
\$500,000-\$749,999	9	17%	135	7%
\$750,000-\$999,999	-	0%	35	2%
\$1,000,000-\$1,499,999	-	0%	3	0%
\$1,500,000-\$1,999,999	-	0%	-	0%
\$2,000,000+	-	0%	-	0%

Source: ESRI

The following table illustrates the income needed to afford the median home value in the City of Belfast and Study Area. Homeowners would need to have an annual household income of \$57,230 or more for the median value home in Belfast to be affordable; and \$52,320 or more for the median value home in the Study Area.

Table 35

Affordable Household Income (2019)		
	Study Area	City of Belfast
	Single-Family Home	Single-Family Home
Median Home Value	\$ 230,769	\$ 209,402
Down Payment (5%)	\$ 11,538	\$ 10,470
Approximate Loan Amount	\$ 219,231	\$ 198,932
Estimated Mortgage Payment (30yrs @ 4%)	\$ 1,037	\$ 941
Estimated Additional Costs per Mortgage Payment*	\$ 404	\$ 367
Avg. Monthly Mortgage Payment (30yrs @ 4% with Additional Costs)	\$ 1,441	\$ 1,308
Avg. Annual Mortgage Payment (30yrs @ 4% with Additional Costs)	\$ 17,297	\$ 15,696
Minimum Household Income Required for Home to be Affordable (30% Household Income)**	\$ 57,656	\$ 52,320

\*Estimated additional costs include private mortgage insurance, taxes, and insurance.

\*\*After income taxes and deductions

Source: ESRI, CAMOIN 310

Overall, a majority of housing in both the City of Belfast and Study Area is unaffordable for median income households in both geographies. The tables below outline both the home and income affordability gaps in both the Study Area and City of Belfast. The home affordability gap comparing the maximum affordable home value given existing median income levels to the median home values in both the Study area and Belfast; while the income affordability gap compares the median household income to the minimum household income required for a median price home to be affordable in both the Study Area and the City.

As seen in the tables below, the household and income affordability gaps in the Study Area are more than double those in the City of Belfast, indicating a need for more affordable housing options in the Study Area compared to the city as a whole.

Table 36

Home Affordability Gap (2019)		
	Study Area	City of Belfast
	Single-Family Home	Single-Family Home
Maximum Affordable Home Value	\$ 137,000	\$ 163,000
Median Home Value	\$ 230,769	\$ 209,402
Affordability Gap	\$ (93,769)	\$ (46,402)

Source: ESRI, CAMOIN 310

Table 37

Income Affordability Gap (2019)				
	Study Area		City of Belfast	
	Single-Family Home		Single-Family Home	
Median Household Income	\$	34,535	\$	43,002
Minnimum Household Income Required for Median Priced Home to be Affordable*	\$	57,656	\$	52,320
Affordability Gap	\$	(23,121)	\$	(9,318)

\*After income taxes and deductions  
 Source: ESRI, CAMOIN 310

Rental Households

According to MaineHousing<sup>9</sup>, the median income for a renter household in Belfast was \$25,000. This would mean that an affordable monthly rental payment at 30 percent of household income for a renter in the City of Belfast would be \$625 or below. According to the Zillow Rent Market Index<sup>10</sup>, the median rental price for all rental units in Belfast in 2020 is \$1,348. The minimum annual income needed to comfortably afford this median rent (30% of median income) is \$40,000, which is approximately 60% higher than the median renter

Table 38

Renter-Occupied Housing Units by Gross Rent				
	Study Area		City of Belfast	
Gross Rent	# of Units	% of Total Units	# of Units	% of Total Units
Less than \$100	-	0%	16	2%
\$100 to \$149	-	0%	55	6%
\$150 to \$199	-	0%	-	0%
\$200 to \$249	7	11%	47	5%
\$250 to \$299	4	7%	36	4%
\$300 to \$349	-	0%	13	1%
\$350 to \$399	6	10%	32	3%
\$400 to \$449	-	0%	13	1%
\$450 to \$499	-	0%	15	2%
\$500 to \$549	-	0%	72	7%
\$550 to \$599	-	0%	71	7%
\$600 to \$649	-	0%	13	1%
\$650 to \$699	-	0%	-	0%
\$700 to \$749	6	10%	30	3%
\$750 to \$799	9	15%	72	7%
\$800 to \$899	6	10%	61	6%
\$900 to \$999	10	16%	68	7%
\$1,000 to \$1,249	3	5%	205	21%
\$1,250 to \$1,499	10	16%	152	15%
\$1,500 to \$1,999	-	0%	14	1%
\$2,000 to \$2,499	-	0%	-	0%
\$2,500 to \$2,999	-	0%	-	0%
\$3,000 to \$3,499	-	0%	-	0%
\$3,500 or more	-	0%	-	0%

Source: US Census 2014-2018 ACS Survey

<sup>9</sup> <https://www.mainehousing.org/policy-research/housing-data>

<sup>10</sup> The Zillow Rent Index is the median Rent Zestimate valuation for a given geographic area on a given day.

household income in the City of Belfast of \$25,000. The table on the right contains gross rent data for renter-occupied housing units in the Study Area and City of Belfast. Data was gathered from the most recent version of the U.S. Census American Community Survey (2014-2018). Overall, there is a general mismatch between median rental values in the City of Belfast and the Study Area and the price of an affordable rental unit given existing median income levels of renters in the City of Belfast. In the Study Area specifically, there are only 17 units that would be in the affordable rental range for the City of Belfast. This indicates that a majority of renters are likely overburdened by housing costs in the Study Area and city.

*Housing Affordability and Top Occupations*

The tables below contain data outlining the top 15 most common job types in the City of Belfast, in addition to a summary of the outcomes of the housing affordability analyses above. For each occupation, if median annual earnings are below the minimum annual income needed to afford a median value home (\$52,320) or rental (\$40,000) in Belfast, then a home or rental are deemed unaffordable.

Overall, a median priced rental in Belfast would be affordable for only 33% of occupations in the table, and a median priced home in Belfast would be affordable for only 40% of occupations<sup>11</sup>. Overall, this highlights the disparity between existing housing in Belfast and incomes of the City’s most common occupations.

Table 39

Renter-Occupied Housing Units by Gross Rent				
Gross Rent	Study Area		City of Belfast	
	# of Units	% of Total Units	# of Units	% of Total Units
Less than \$100	-	0%	16	2%
\$100 to \$149	-	0%	55	6%
\$150 to \$199	-	0%	-	0%
\$200 to \$249	7	11%	47	5%
\$250 to \$299	4	7%	36	4%
\$300 to \$349	-	0%	13	1%
\$350 to \$399	6	10%	32	3%
\$400 to \$449	-	0%	13	1%
\$450 to \$499	-	0%	15	2%
\$500 to \$549	-	0%	72	7%
\$550 to \$599	-	0%	71	7%
\$600 to \$649	-	0%	13	1%
\$650 to \$699	-	0%	-	0%
\$700 to \$749	6	10%	30	3%
\$750 to \$799	9	15%	72	7%
\$800 to \$899	6	10%	61	6%
\$900 to \$999	10	16%	68	7%
\$1,000 to \$1,249	3	5%	205	21%
\$1,250 to \$1,499	10	16%	152	15%
\$1,500 to \$1,999	-	0%	14	1%
\$2,000 to \$2,499	-	0%	-	0%
\$2,500 to \$2,999	-	0%	-	0%
\$3,000 to \$3,499	-	0%	-	0%
\$3,500 or more	-	0%	-	0%

Source: US Census 2014-2018 ACS Survey

Table 40

Housing Affordability, City of Belfast (2019)	
	Amount
Minimum Annual Income Needed to Afford Median Rent (30% of median income)	\$ 40,000
Minimum Annual Income Needed to Afford Median Home Value (30% of median income)	\$ 52,320

Source: Emsi, Zillow, Camoi 310

<sup>11</sup> Assumes that there is only one earner per household.

Table 41

Top 15 Most Common Job Types in the City of Belfast						
Description	# of Jobs	% of Jobs	Median Hourly Earnings	Median Annual Earnings	Median Home Price Affordable (Y/N)	Median Rental Price Affordable (Y/N)?
Retail Sales Workers	483	7%	\$ 11.14	\$ 23,168	N	N
Health Diagnosing and Treating Practitioners	410	6%	\$ 33.97	\$ 70,651	Y	Y
Construction Trades Workers	336	5%	\$ 17.83	\$ 37,087	N	N
Information and Record Clerks	329	5%	\$ 14.12	\$ 29,379	N	N
Food and Beverage Serving Workers	314	4%	\$ 10.27	\$ 21,369	N	N
Other Personal Care and Service Workers	263	4%	\$ 12.46	\$ 25,919	N	N
Preschool, Primary, Secondary, and Special Education School Teachers	213	3%	\$ 23.91	\$ 49,740	N	Y
Cooks and Food Preparation Workers	211	3%	\$ 11.85	\$ 24,648	N	N
Other Management Occupations	206	3%	\$ 27.89	\$ 58,012	Y	Y
Financial Clerks	201	3%	\$ 15.54	\$ 32,323	N	N
Material Recording, Scheduling, Dispatching, and Distributing Workers	195	3%	\$ 13.42	\$ 27,909	N	N
Business Operations Specialists	183	3%	\$ 26.05	\$ 54,188	Y	Y
Financial Specialists	182	3%	\$ 27.99	\$ 58,213	Y	Y
Building Cleaning and Pest Control Workers	173	2%	\$ 13.22	\$ 27,504	N	N
Computer Occupations	166	2%	\$ 32.22	\$ 67,020	Y	Y
All Occupations	7,263					

Source: EMSI

## HOUSING DEMAND

### Overview

From an amenity standpoint, Belfast offers several advantages that make it desirable for residential development relative to other locations in the region. For example, Belfast is a regional retail hub, there are a variety of different outdoor activities and amenities that can be accessed in the immediate region, Belfast is located along scenic Route 1, and it is less than a two-hour drive from major cities in the state such as Portland, Bangor, Lewiston, and Augusta.

Belfast has seen continued demand for a variety of different types of housing including affordable housing, market-rate apartments, condos, and single-family homes. This demand has been driven by a mix of different demographics including Baby Boomers who are considering retirement or who have already retired and are looking for new housing options; the City's existing workforce, and more recently by young professionals who value the City's amenities and proximity to larger metro areas in the state. While recent projects aimed at senior and workforce housing development will help meet a portion of the demand for housing in Belfast, additional projects will need to be undertaken as housing demand continues to rise over the coming years. These projects will need to overcome factors that have limited housing development in Belfast in recent decades, including high construction costs, rental rates that are generally too low to encourage and incentivize new residential development and make projects financially feasible, a lack of new successful residential housing developments in the Study Area and City, and high property taxes compared to the surrounding region and state.

The Study Area is attractive for residential housing development as many of Belfast's amenities are located in or can be easily accessed by residents living in and adjacent to its boundaries. Residential trends favoring walkability and access to amenities like shopping, groceries, restaurants, and recreational space make the Study Area particularly attractive for residential development. Additionally, many Study Area properties offer potential waterfront access and views which is a highly desirable amenity amongst potential buyers in the region.

The Study Area could absorb much of the rental demand in Belfast through the development of additional market, workforce, and potentially high-end rental housing options aimed at those entering retirement and young professionals. Additionally, much of the owner-occupied housing demand could be absorbed within the Study Area, although it should be noted that a substantial amount of developable property would need to be made available to accommodate this demand (note that some owner-occupied demand would likely be fulfilled by condos given potential developable property constraints in the Study Area).

## Business Spotlight



In 2018, Maine-based Whole Oceans announced that the company was moving forward with a state-of-the-art recirculating aquaculture system, that will raise Atlantic salmon on the site of the former Verso paper mill in the heart of Bucksport, ME. The project received its final permits in November of 2019, and some site work began in 2020.

The \$180 million facility on the former mill property will employ as many as 75 people in its first phase, and up to almost 350 people at full build-out. Jobs at the lowest level will pay anywhere from \$15 to \$18 per hour, and Whole Oceans is hoping to employ as many local workers as possible, according to the company.

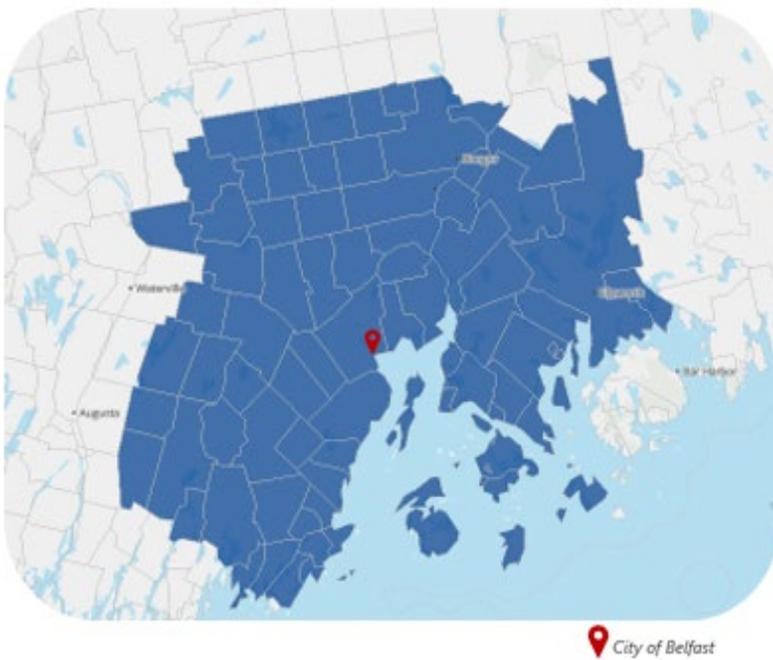
The future presence of Whole Oceans in Bucksport could have a number of impacts on Belfast, including:

- Increasing demand for housing for workers.
- Increasing demand for various types of properties (office, industrial, etc.) from organizations within the company's supply chain looking to relocate closer to the future facility.

*Housing Demand Analysis*

The first step in conducting a housing market demand analysis is to determine the geographic area from which new housing would be most likely to draw buyers or renters from. For this analysis, we assume that the target market is year-round residents and therefore have assumed that the geographic area to be analyzed would include the communities that align with Belfast’s labor shed (i.e. the area where most of Belfast’s workers, outside of within the City itself, reside). For the purposes of this analysis, the geographic area aligns with the previously defined Belfast Region as it contains a vast majority of the communities in Belfast’s labor shed.

**Belfast Region**



The following table displays the projected net change in households in the Belfast Region by age and income. The total change in households is

**Business Spotlight**



In 2020, Nordic Aquafarms was been granted multiple state and federal permits related to the construction a new 850,000 SF, \$500 million dollar facility in Belfast, ME. While the project has faced some opposition delaying the initial permitting process, and still needs to acquire the final local permits to begin construction, it is anticipated that once it begins operations the facility would produce up to 60 new jobs in the City, with others (up to 100) likely to be added as the company builds upon and enhances its operations at the site in the coming years.

The future presence of Nordic Aquafarms, similar to Whole Oceans, could have a number of impacts on Belfast, including:

- Increasing demand for housing for workers.
- Increasing demand for various types of properties (office, industrial, etc.) from organizations within the company’s supply chain looking to relocate closer to the future facility.

projected to increase by 1.5%, or 1,441 households, from 2019 to 2024<sup>12</sup>. Since projected demand for new year-round housing units in the City of Belfast is based on projected regional growth in households by income and age over the next five years as outlined below, it is important to note that regional housing trends are favoring higher earning households in the Belfast Region. Household income cohorts projected to increase the most from 2019 to 2014 include the \$100,000 to \$149,999 cohort which is projected to increase by 2,642 households, followed by the \$150,000 to \$199,999 cohort which is projected to increase by 1,535 households. All household income cohorts earning less than \$75,000 are projected to decrease from 2019 to 2024.

Looking at households by age, household growth will be primarily driven by households with heads of households over the age of 65, with the 75+ age cohort being projected to realize the largest gain in net households (2,513 households) from 2019 to 2024.

Table 42

Projected Change in Households by Age and Income, Belfast Region (2019-2024)								
	<25	25-34	35-44	45-54	55-64	65-74	75+	Total
<\$15,000	(20)	(278)	(151)	(339)	(556)	(103)	263	(1,184)
\$15,000-\$24,999	(72)	(228)	(153)	(246)	(462)	(189)	107	(1,243)
\$25,000-\$34,999	(77)	(318)	(169)	(330)	(412)	(79)	287	(1,098)
\$35,000-\$49,999	(23)	(203)	(90)	(328)	(395)	123	403	(513)
\$50,000-\$74,999	11	(235)	(48)	(498)	(534)	460	368	(476)
\$75,000-\$99,999	17	3	218	(16)	42	528	389	1,181
\$100,000-\$149,999	37	220	579	259	378	724	445	2,642
\$150,000-\$199,999	12	134	288	271	310	322	198	1,535
\$200,000+	1	24	96	117	114	192	53	597
<b>Total</b>	<b>(114)</b>	<b>(881)</b>	<b>570</b>	<b>(1,110)</b>	<b>(1,515)</b>	<b>1,978</b>	<b>2,513</b>	<b>1,441</b>

Source: ESRI

The following table outlines the five-year housing unit demand (need) in both the Regional Study Area and City of Belfast. In the table, housing demand is separated into both owner-occupied and renter-occupied demand figures to extrapolate the total unit demand in Belfast by each use type. Finally, various capture rates are applied to each to calculate both an estimated low and high capture potential. For renter-occupied housing units, it is assumed that a low capture potential would equate to 10% of regional demand (44 units), while a high capture potential would equate to 15% of regional demand (66 units). For owner-occupied housing units, a low capture potential would equate to 4% of regional demand (43 units), while a high capture potential would equate to 8% of regional demand (77 units).

<sup>12</sup> These figures are projections based on historical trends for the areas and are not reflective of any transformative projects or other anomalies that might occur.

Table 43

Belfast Regional Housing Need: Renter vs. Owner-Occupied		
2019 Households		90,738
2024 Households		92,179
2019-2024 Change in Households		1,441
% Owner-Occupied		71%
# Owner-Occupied		1,023
% Renter-Occupied		29%
# Renter-Occupied		418
Belfast Regional Housing Unit Demand (5-Year Projection)		
	Renter-Occupied	Owner-Occupied
Projected Change	418	1,023
Vacant Units (5%)	21	51
Total Unit Demand	439	1,074
City of Belfast Housing Demand Capture Potential		
	Renter-Occupied	Owner-Occupied
Housing Units (City of Belfast)	1,274	1,963
Regional Housing Units	26,226	64,508
% of Regional Housing Units	5%	3%
Regional Demand	439	1,074
Capture Potential (Low)	44	43
Capture Potential (High)	66	77

Source: ESRI, Camoin310

### COVID-19 IMPACTS ON HOUSING DEMAND

Nationally, the housing market remained stagnant during the COVID-19 pandemic with many restrictions on real estate activity during this time. Furthermore, displacement prevention programs and eviction moratoriums have been enacted in many parts of the country, helping to ease the burden of those individuals who may have lost one or more sources of income due to the pandemic.

Future housing demand nationally and in Belfast will depend upon on the economy reopening and migratory trends of individuals, which could favor suburban and rural areas as more individuals have the ability to work remotely. Furthermore, rental industry trends such as vacancy rates, rental rates, and overall returns are forecasted to be impacted negatively from the pandemic through 2021, especially as many of those who lost their jobs were in the service industries that offer incomes that only allow individuals to rent instead of buy homes.

### MULTI-FAMILY HOUSING DEMAND BREAKDOWN

The following table outlines housing demand breakdown by a number of different factors. This analysis assumes a high capture of 66 units over five-years (approximately 13 units per year) and an average multi-family unit size of 750 SF<sup>13</sup>.

<sup>13</sup> Average based on CoStar Q3 average multifamily unit size in the City of Belfast.

Study Area Multi-Family Market Demand: Five-Year Absorption Potential		
<b>Multi-Family Housing</b>	<b>Units</b>	<b>SF</b>
Overall study area demand	66	49,500
<b>Rate</b>	<b>Assumption</b>	<b>SF</b>
Subsidized/voucher	5%	2,475
Affordable/workforce	45%	22,275
Market rate	50%	24,750
<b>Occupancy</b>	<b>Assumption</b>	<b>SF</b>
Occupied by owner	5%	2,475
Occupied long term by non-owner	45%	22,275
Occupied short term by non-owner	50%	24,750
<b>Location</b>	<b>Assumption</b>	<b>SF</b>
Below ground level	0%	-
First floor/ground level	10%	4,950
Second floor and above floors	90%	44,550

### HOUSING MARKET KEY TAKEAWAYS

- ◆ **The City of Belfast and Study Area #1 have existing unmet and future demand for a variety of housing types and price points.** This includes affordable housing, market-rate apartments, condominiums, and single-family homes. The Study Area has strong housing demand relative to other portions of the City given the access to amenities and the waterfront. There is little apartment vacancy downtown and rental units lease very quickly when available.
- ◆ **There is market potential for the City to absorb approximately 150 housing units over 5-years.** Based on pre-COVID conditions, the market demand analysis found that the City will see projected demand for up to approximately 66 rental units and 77 owner-occupied units over five years (13 units and 15 units annually, respectively).
- ◆ **The COVID-19 crisis has added uncertainty to the market demand picture.** The unprecedented global pandemic has dramatically affected economic and market conditions in 2020. Factors that will affect housing demand include the duration of the health crisis, whether an urban exodus of residents materializes over time and to what extent, the degree to which telecommuting arrangements become permanent, and the impact that the crisis has on the cost of raw materials which may affect short-term construction of housing projects.
- ◆ **Housing demand is being driven by changing housing needs and preferences.** Belfast and its surrounding region are getting older, which is generating demand for new senior housing. Additionally, a substantial portion of housing demand is being driven by households that are either upsizing through growing families or downsizing through the creation of new empty nester households.
- ◆ **Empty-nester and nearing-retirement households are a significant driver of housing demand.** Belfast is a retirement destination and a significant portion of housing demand in the City is driven by households nearing retirement and seeking to purchase a home in the City to use for seasonal/occasional use, and/or

as a primary residence in retirement. These households are attracted by the city’s quality of life, downtown amenities such as unique and independently-owned shops and restaurants, and proximity to the waterfront.

- ◆ **Young professionals and older millennials are also expected to drive housing demand.** Belfast has become more attractive to this demographic for a variety of reasons, including its proximity to major urban areas of the state, adjacency to outdoor recreation amenities, and the City’s downtown amenities including restaurants, bars, and boutique shops.
- ◆ **There is a lack of affordable workforce and senior housing options in Belfast.** A majority of housing in both the City of Belfast and Study Area is unaffordable for median income households, which is a likely primary driver for why approximately 80% of the City’s workforce is commuting from the surrounding region. Additionally, the need for affordable housing for seniors is particularly acute with low-income residents age 75+ expected to grow locally and regionally over the next five years.
- ◆ **High-end housing potential with waterfront proximity and/or views.** There is an unmet demand, and untested market, for high-end residential housing options in Study Area #1. While waterfront housing has been proposed in the past, there have not been any residential construction projects that capture the value and potential of Belfast’s waterfront. A significant premium for units, both rentals and owner occupied (including condominiums) could be realized for units that are located within immediate proximity to the waterfront or provide quality views of the Passagassawakeag River and Belfast Bay.
- ◆ **Despite market demand, critical barriers and constraints are limiting development of new housing.** The housing market can be characterized as having a supply-side problem with several factors making housing development extremely challenging from a financial feasibility perspective, as indicated below. As a result of these factors, there has been little construction of new housing.
  - **Relatively high property tax rates:** Belfast’s current property tax rate is among the highest in the region, making it difficult for developers to achieve a sufficient return on investment to undertake projects.
  - **High cost of construction:** Local and regional construction costs are well above national averages, which reduces the margin on development projects as a factor making new construction relatively cost prohibitive.
  - **Market rates don’t support cost of construction:** Market rates for apartments are generally in the \$1,200 to \$1,400 range for a quality apartment in the city, which, given the costs of construction, are generally not sufficient to make multi-family rental unit development feasible.
  - **Speculative land prices:** Interviews indicated that local land prices are generally above market-rate, with landowners speculating on future value, which has elevated prices above their natural market value.
  - **Unproven housing market:** The City isn’t a “proven” market for housing with virtually no significant successful housing development projects existing that demonstrate that the local market can support new projects. This is both a perception issue for potential private developers who must gauge market risk when considering new investments, and an issue related to financing as lenders desire to see market comparables as they evaluate risk when providing financing for development projects.
- ◆ **Developer interest and proposed projects may generate momentum.** There are several projects in the City and within the Study Area in various phases of planning that include housing components. This interest is indicative of perceived market demand among the private sector. Furthermore, the completion of housing projects will demonstrate demand (and rent potential), which will likely spur additional investment after the market is “proven.”

## Commercial Office Market

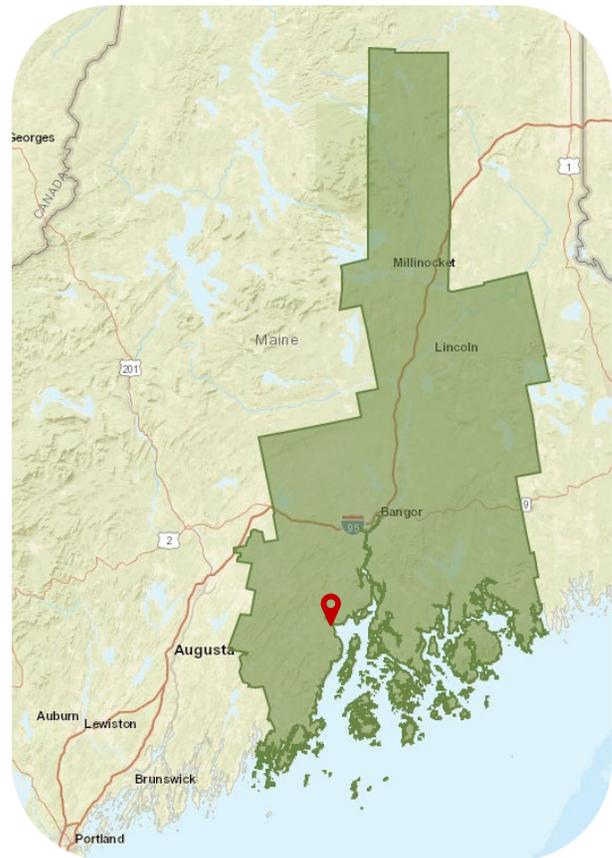
Commercial office buildings are characterized by work efficient floor plans, individual and group work areas, comfortable heating and cooling systems, cabling for phones and computers, and other conveniences that allow people to conduct business. The following analysis utilizes data through Q1 2020 from CoStar (www.CoStar.com), a leading source of commercial real estate intelligence in the U.S. that provides a full market inventory of properties and spaces.

This analysis looks at commercial office trends in Waldo County as well as a four-county region referred to in this section as the 'Bangor Region' for comparison purposes regarding broader regional trends. The Bangor Region consists of a combined geographic area that includes Waldo, Penobscot, Knox, and Hancock counties.

### Waldo County, Maine



### Bangor Region



**OFFICE INVENTORY**

According to CoStar, in Waldo County, there are 35 existing buildings with 820,600 square feet (SF) of commercial office space, which equates to 7% of all commercial office buildings, and almost 15% of all commercial office space in the Bangor Region.

Table 44

Office Space Inventory (2020)		
	Existing Buildings	Existing SF
Waldo County	35	802,605
Bangor Region	470	5,476,759

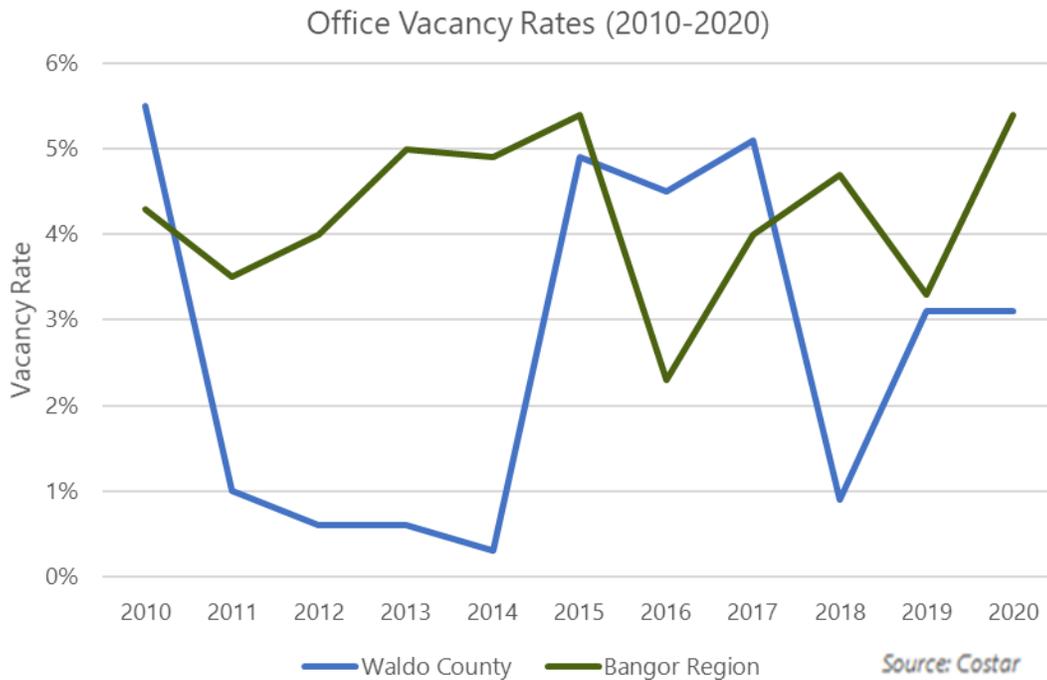
Source: Costar

Looking at historic deliveries and the upcoming office development pipeline, there are currently no office-related projects under construction in Waldo County, and no new space has been delivered to the market in the past decade. The Bangor Region is experiencing a similar trend with no projects currently under construction, and a minimal amount of new office space being delivered to the market over the last decade (<20,000 SF). For information on office inventory in the Downtown/Waterfront Study Area please see the Property Inventory Report.

**VACANCY RATES**

Office space vacancy rates in Waldo County have varied over the last decade, ranging from 5.5% in 2010, to less than 1.0% in 2014, to a little over 3% as of Q1 2020.

Figure 14

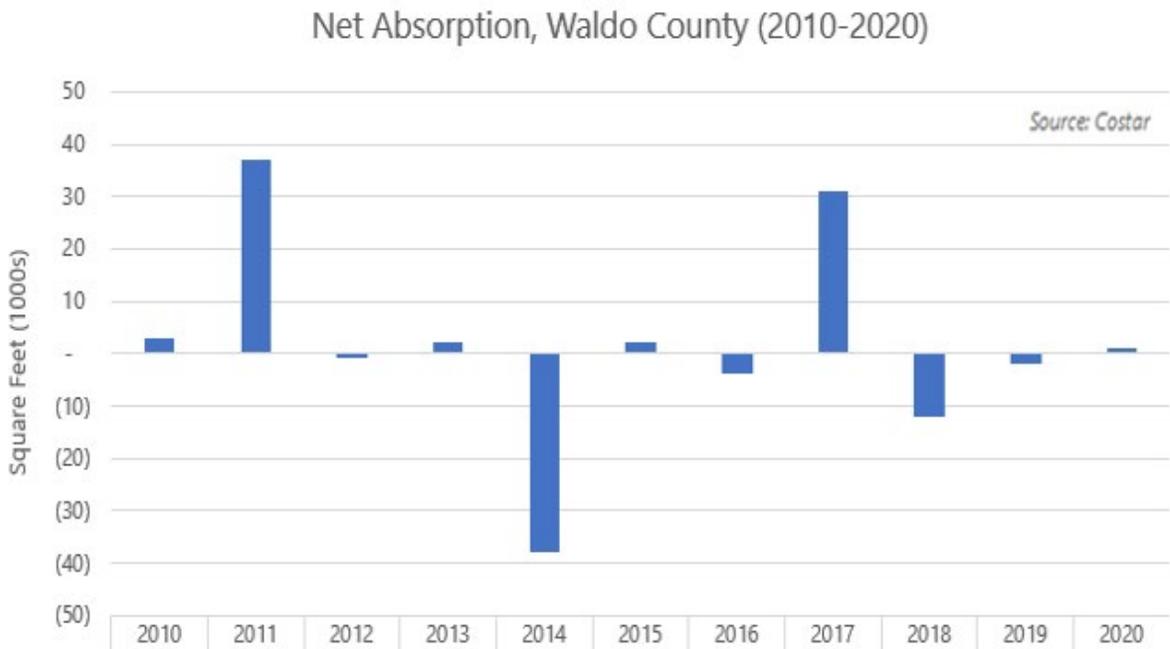


**NET ABSORPTION**

Net absorption is a measurement of the net change of the supply of commercial space in a given real estate market over a specific period of time. It is measured by deducting commercial space vacated by tenants and made available to the market, from total space leased. Positive net absorption means more commercial space was leased than was made available on the market. Negative net absorption indicates more commercial space was vacated and placed on the market than was leased, indicating net demand for commercial space has decreased in the market relative to supply.

Office net absorption rates varied in Waldo County over the last decade. Total net absorption from 2010 to 2020 was 19,000 SF, and the 2020 net absorption rate of approximately 2,000 SF indicates that there is currently a general equilibrium in the commercial office market space.

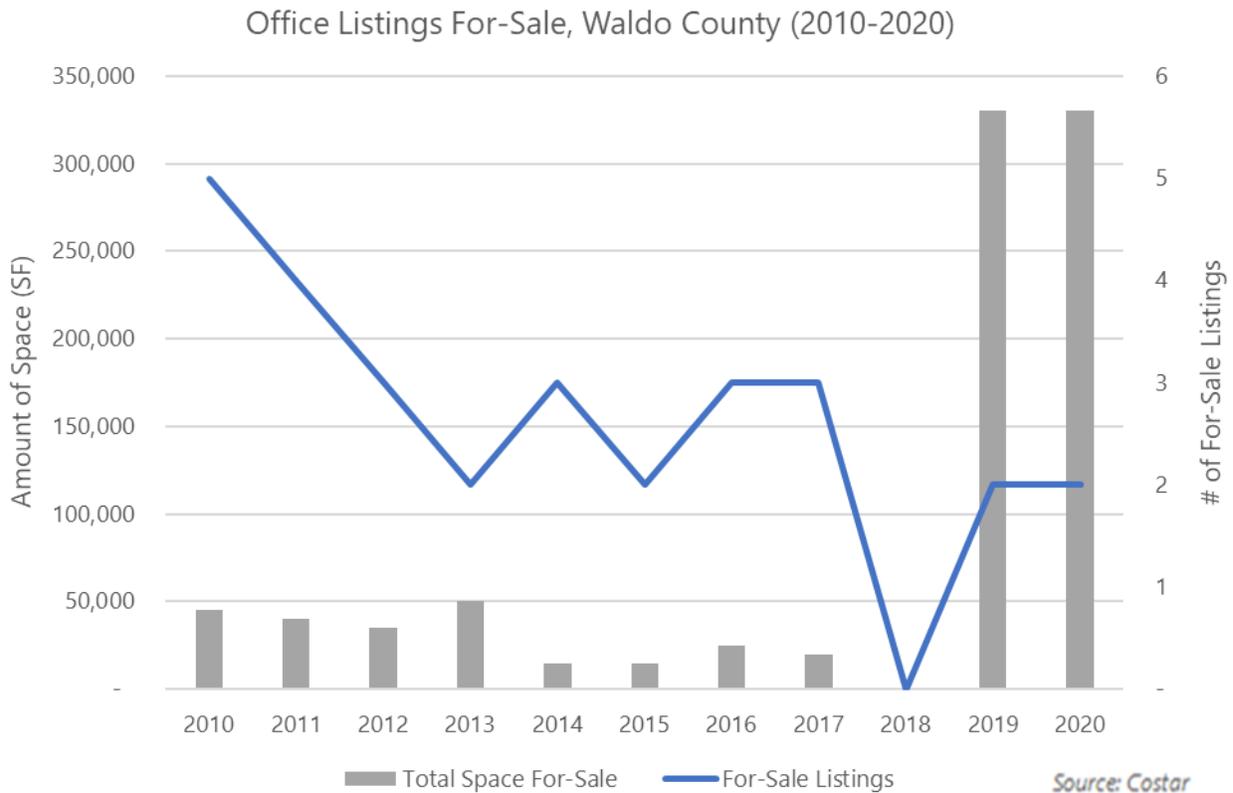
Figure 15



**OFFICE SALES**

The number of annual for-sale office listings in Waldo County over the last decade have generally decreased, ranging from five listings in 2010 to two listings in Q1 2020. The opposite trend has been true when looking at the total amount of for-sale office space, with two listings in Q1 2020 having for sale a combined significant amount of square footage (330,000 SF). The primary listing contributing to this trend is the Bank of America Campus in Belfast which has a building size of 316,520 SF and sits on a 140-acre lot. The five-building campus was originally constructed from 1997-2000 for the MBNA Corporation. The general lack of sales activity of office properties is indicative of a relatively stagnant office market that is not attracting property investors.

Figure 16

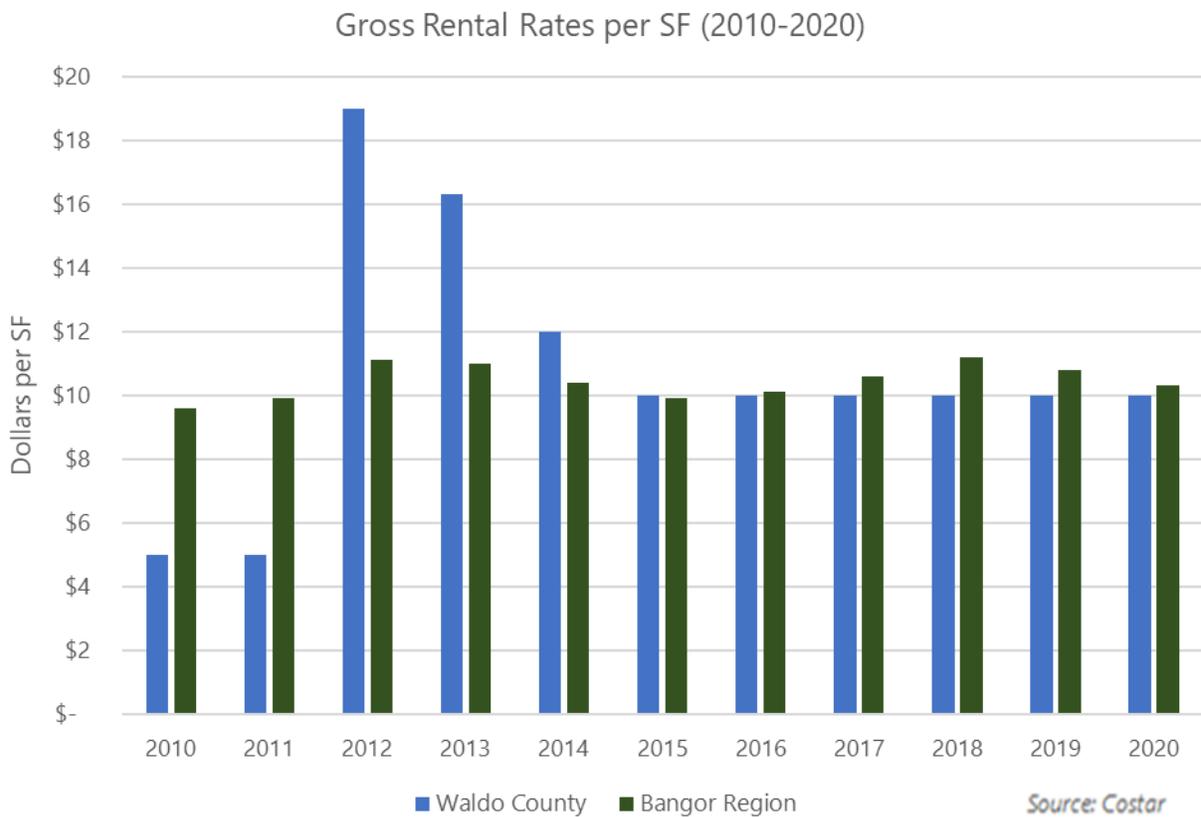


**OFFICE SALE AND RENTAL RATES**

The Q1 2020 five-year average sale rate of office space in Waldo County is \$60 per SF, which was slightly higher than the \$58 per SF in the Bangor Region.

Looking at gross rental rates of office space in Waldo County over the last decade, rental rates grew to \$19 per SF in 2012, before declining and eventually leveling off at \$10 per SF over the last five years, generally aligning with the Bangor region. The stability of rental rates in recent years suggests that supply and demand continue to be in balance. With a lack of office construction, it also indicates that demand has remained generally flat in recent years.

Figure 17



### TRADITIONAL OFFICE SPACE DEMAND

Future demand for traditional office space is dependent on growth in office-utilizing industry sectors. The primary intended use of traditional office real estate is to house employees of companies that produce a product or service, primarily for support services such as administration, accounting, marketing, information processing and dissemination, consulting, human resources management, financial and insurance services, educational, and other professional services. The City of Belfast is expected to remain stagnant in terms of jobs in office-utilizing industries from 2019 to 2029 with only 1% job growth, while Waldo County and the Belfast region are projected to see overall job declines of -1%.

Stagnant and/or decreasing projected job growth trends indicate that the market would likely not support additional new traditional office space in Belfast unless it is for a specific, unanticipated, and potentially highly-specialized user. Given that the market has been generally stagnant from a historical deliveries standpoint, and that no new office space has delivered to the market in the last decade, the likelihood of a need for and/or the potential for new space based on purely job growth projections is low.

Table 45

City of Belfast Office-Utilizing Industry Trends, 2019-2029					
NAICS	Description	2019 Jobs	2029 Jobs	2019-2029 Change	2019-2029 % Change
51	Information	39	47	8	21%
52	Finance and Insurance	631	222	(409)	-65%
54	Professional, Scientific, and Technical Services	145	179	34	23%
55	Management of Companies and Enterprises	435	804	369	85%
56	Administrative and Support and Waste Management and Remediation Services	181	208	27	15%
81	Other Services (except Public Administration)	355	389	34	10%
90	Government	551	512	(39)	-7%
	Total	2,338	2,361	23	1%

Source: EMSI

Table 46

Waldo County Office-Utilizing Industry Trends, 2019-2029					
NAICS	Description	2019 Jobs	2029 Jobs	2019-2029 Change	2019-2029 % Change
51	Information	138	141	3	2%
52	Finance and Insurance	668	259	(409)	-158%
54	Professional, Scientific, and Technical Services	456	554	99	18%
55	Management of Companies and Enterprises	474	874	401	46%
56	Administrative and Support and Waste Management and Remediation Services	1,193	1,088	(105)	-10%
81	Other Services (except Public Administration)	888	969	81	8%
90	Government	1,714	1,587	(126)	-8%
	Total	5,531	5,473	(57)	-1%

Source: EMSI

Table 47

Belfast Region Office-Utilizing Industry Trends, 2019-2029					
NAICS	Description	2019 Jobs	2029 Jobs	2019-2029 Change	2019-2029 % Change
51	Information	1,554	1,341	(214)	-16%
52	Finance and Insurance	3,193	2,830	(363)	-13%
54	Professional, Scientific, and Technical Services	4,082	4,300	218	5%
55	Management of Companies and Enterprises	1,553	2,003	449	22%
56	Administrative and Support and Waste Management and Remediation Services	7,127	7,416	289	4%
81	Other Services (except Public Administration)	6,145	6,116	(29)	0%
90	Government	15,074	14,153	(921)	-7%
	Total	38,729	38,159	(571)	-1%

Source: EMSI

While office demand appears limited, interviews indicated that much of the current office demand is from sole proprietors and small businesses with few employees. Several properties in the Study Area currently have office spaces for these operations, notably Belfast Center that has over 50 individually-leased spaces ranging from 150 SF to 2,500 SF with many averaging approximately 300 SF. The Center is at or nearing full capacity and does not have plans to expand. The high demand for small spaces and limited availability suggests that the market could absorb a limited amount of new office space. The ongoing COVID-19 crisis may also drive demand for these types of small office spaces as workers shift to remote options and open offices and large offices fall out of favor due to health concerns. Based on pre-COVID conditions, we estimate that the Study Area could conservatively absorb approximately 1,000 SF annually (5,000 SF over five-years). A significant portion of this demand is expected from growth in the Professional, Scientific, and Technical Services sector. This sector is expected to add approximately 34 workers within the City of Belfast over the next ten years (approximately three to four per year) generating demand for approximately 3,400 SF of office space over the next five years. Additional absorption potential is

expected from other sectors as well as unmet demand in the Belfast Region that could be accommodated in the Study Area due to its desirability as a place to live and work.

Additional demand may also be generated from workers in urban centers that shift to remote work and are no longer tied to an office location. The magnitude of this demand is yet to be determined given the ongoing pandemic and the uncertain economic and market outlook.

**MEDICAL OFFICE SPACE**

Nationally there has been strong and growing demand for medical office space, driven by two primary factors: the rising aging population and the increasing amount of individuals insured. Overall, the City of Belfast, Waldo County, and the Belfast Region have seen trends corresponding to these two primary factors. For example, the Healthcare and Social Assistance industry had the largest number of total jobs in all three geographies in 2019, and this industry sector is projected to realize overall job growth over the next ten years (10% in the City, and 6% in both the County and Belfast Region). The three geographies are also seeing increases in the overall median ages of their respective populations.

Table 48

Percent of Total Jobs by Industry, Regional Comparison (2019)				
NAICS	Description	City of Belfast	Waldo County	Belfast Region
62	Health Care and Social Assistance	20%	13%	18%

Source: EMSI

Table 49

Percent of Total Job Growth by Industry, Regional Comparison (2009-2019)				
NAICS	Description	City of Belfast	Waldo County	Belfast Region
62	Health Care and Social Assistance	27%	6%	6%

Source: EMSI

For specific medial office space demand projections, we focus on employment trends of industries within the Healthcare and Social Assistance sector that are most likely to utilize office space. These industry sectors include Offices of Physicians, Offices of Other Health Practitioners, and Outpatient Care Centers. Between 2019 and 2029, each geography is projected to realize total job growth in these industry sectors, as illustrated in the following tables. Specifically, the City of Belfast is projected to grow its total jobs by 44 from 2019 to 2029.

Table 50

City of Belfast Medical Office-Utilizing Industry Trends, 2019-2029					
NAICS	Description	2019 Jobs	2029 Jobs	2019 - 2029 Change	2019 - 2029 % Change
6211	Offices of Physicians	97	93	(4)	(4%)
6213	Offices of Other Health Practitioners	70	85	15	21%
6214	Outpatient Care Centers	67	100	33	49%
	Total	234	278	44	16%

Source: EMSI

Table 51

Waldo County Medical Office-Utilizing Industry Trends, 2019-2029					
NAICS	Description	2019 Jobs	2029 Jobs	2019 - 2029 Change	2019 - 2029 % Change
6211	Offices of Physicians	142	137	(5)	(4%)
6213	Offices of Other Health Practitioners	105	126	20	16%
6214	Outpatient Care Centers	70	103	33	32%
	Total	318	366	48	13%

Source: EMSI

Table 52

Belfast Region Medical Office-Utilizing Industry Trends, 2019-2029					
NAICS	Description	2019 Jobs	2029 Jobs	2019 - 2029 Change	2019 - 2029 % Change
6211	Offices of Physicians	2,054	2,086	32	2%
6213	Offices of Other Health Practitioners	1,044	1,178	134	11%
6214	Outpatient Care Centers	832	1,068	236	22%
	Total	3,930	4,332	402	9%

Source: EMSI

### MEDICAL OFFICE SPACE DEMAND

After analyzing projections in industries that would hold the highest likelihood to occupy future medical office space, a standard assumption of 200 rentable square feet (SF) is used to calculate the amount of medical office space needed per worker. Using this assumption, employment growth in these sectors will require:

- ◆ 8,800 SF of office space within the City of Belfast
- ◆ 9,600 SF of office space within Waldo County
- ◆ 80,400 SF of office space within the Belfast Region

## COVID-19 IMPACTS ON COMMERCIAL OFFICE DEMAND

COVID-19 has had a significant negative impact on demand for traditional office space that is likely to exacerbate existing demand trends in Belfast and the region. According to REIS (a leading commercial real estate data source), baseline forecasts have national vacancies of commercial office space spiking to 19.4% by the end of 2020, which would be a historic high. The previous record high at the national level was 19.3% in 1991 during the savings and loan crisis. REIS forecasts that even if economic recovery ensues and a vaccine is widely available by the end of 2020, office vacancies are likely to keep rising through 2022, topping out at 20.2%.

While trends point to decreases in demand for commercial office space in Belfast and the surrounding region, one existing asset in Belfast that may hold a high potential for future leverage and office demand is the Bank of America campus which houses multiple buildings and a substantial amount of acreage and square footage. The space could be utilized and marketed to one significant tenant, or potentially redeveloped to cater to multiple users who may share synergies in regard to the goods and/or services that they produce. It could also be utilized as a multi-use shared workspace for companies whose employees are working remotely.

## OFFICE DEMAND SUMMARY

The following table outlines office demand breakdown by a number of different factors. This analysis assumes that based on pre-Covid conditions, the Study Area could conservatively absorb approximately 924 SF annually (4,620 SF over five years of traditional office space), and that the Study Area could absorb the entire demand for medical office space in the City of Belfast. Note that this amount may be greater if Belfast was able to capture other county or regional demand for medical office space, reflected in the previous sections.

Study Area Commercial Office Market Demand: Five-Year Absorption Potential		
<b>Commercial Office</b>	<b>SF</b>	
Overall study area demand	10,780	
<b>Rate</b>	<b>Assumption</b>	<b>SF</b>
Traditional Office	30%	4,620
Medical Office	70%	8,800
<b>Occupancy</b>	<b>Assumption</b>	<b>SF</b>
Occupied by owner	15%	1,617
Occupied long term by non-owner	40%	4,312
Occupied short term by non-owner	45%	4,851
<b>Location</b>	<b>Assumption</b>	<b>SF</b>
Below ground level	10%	1,078
First floor/ground level	35%	3,773
Second floor and above floors	55%	5,929

## OFFICE MARKET KEY TAKEAWAYS

- ◆ **A lack of new commercial office space construction over the last decade in the region, coupled with an equilibrium in net absorption rates indicates that there is little demand for new space.** Waldo County has had no new office space come online in the last ten years. While net absorption rates have varied in Waldo County over the last decade, 2019 and 2020 have seen rates around zero, indicating a general equilibrium in regards to supply of and demand for leased space in the county.
- ◆ **While office-utilizing industries are projected to remain stagnant in Belfast in the coming years, interviews with local stakeholders suggest that demand exists for small office spaces in the City.** While stagnant and/or decreasing projected job growth trends in office-utilizing industries in Belfast and the region indicate that the market may not support additional new office space (traditional or medical) in Belfast unless it is for a specific, unanticipated, and potentially highly-specialized user; interviews conducted point to demand for small office space similar to those found in Belfast Center. The COVID-19 crisis may also have an impact on further demand for these types of spaces. Demand projections indicate the potential need for only an additional 4,620 square feet (SF) of traditional office space over the next five years.
- ◆ **The COVID-19 Crisis has added uncertainty to the commercial office market demand picture.** The COVID-19 pandemic has dramatically affected economic and market conditions in 2020, and the implications on future demand for commercial office space are difficult to forecast. The pandemic has had a significant negative impact on demand for commercial office space nationally that is likely to exacerbate existing demand trends in Belfast and the region. Factors that will affect commercial office demand include the duration of the health crisis, the degree to which telecommuting arrangements become permanent, and future long-term implications to space usage requirements that promote social distancing and other recommended guidelines.
- ◆ **The Bank of America office campus is a unique asset that offers the potential for future redevelopment or re-use by one or multiple office users.** The campus could be utilized and marketed to one significant tenant, or potentially redeveloped to cater to multiple users who may share synergies in regard to the goods and/or services that they produce. It could also be utilized as a multi-use shared work space for companies who may need options for employees who convert to permanent telecommuters due to implications from the Covid-19 pandemic.
- ◆ **Medical office space is expected to drive additional demand in the future due to the region's aging population, and growth in the health and social services industry.** An aging local and regional population will also continue to drive demand for this space. Projections indicate that Belfast may see demand for an additional 8,800 SF of medical office space over the next five years.

## Retail Market

### RETAIL INDUSTRY TRENDS

The City of Belfast was home to almost 65% of all retail industry jobs in Waldo County in 2019, making it a retail hub for the County. In 2019, 16% of total jobs in the City of Belfast were concentrated in the retail industry, and retail industry jobs have increased by 7% since 2009.

Jobs in the retail industry are expected to increase by 6% in the City of Belfast from 2019 to 2029, while decreasing in the Belfast Region by 5%. This indicates strong local demand for retail property with a positive growth outlook in an overall declining regional market.

Table 53

Retail Industry Jobs by Geography (2019-2029)										
	NAICS	Description	2009 Jobs	2019 Jobs	% of 2019 Jobs	2009 - 2019 Change	2009 - 2019 % Change	2029 Jobs	2019 - 2029 Change	2019 - 2029 % Change
City of Belfast	44	Retail Trade	1,052	1,130	16%	78	7%	1,203	73	6%
Waldo County	44	Retail Trade	1,643	1,758	12%	115	7%	1,836	78	4%
Belfast Region	44	Retail Trade	18,612	17,820	15%	(792)	(4%)	16,890	(930)	(5%)

Source: EMSI

Location Quotient (LQ) is a way of quantifying how concentrated a particular industry is in a region compared to broader national trends. It can reveal what makes a particular region “unique” in comparison to the national average, and generally an LQ of greater than 1.00 indicates an area of significant industry concentration.

The City of Belfast, Waldo County, and the Belfast Region all showed a significant concentration of retail industry jobs in 2019, with the City of Belfast having the greatest location quotient at 1.60. The retail industry represented a similar percentage of total sales within each geography, with the City of Belfast having the highest percentage at 10% of total sales.

Table 54

Retail Industry Location Quotient by Geography (2019)				
NAICS	Description	City of Belfast	Waldo County	Belfast Region
44	Retail Trade	1.60	1.20	1.47

Source: EMSI

Table 55

Retail Industry Total Sales Percentage by Geography (2018)				
NAICS	Description	City of Belfast	Waldo County	Belfast Region
44	Retail Trade	10%	8%	9%

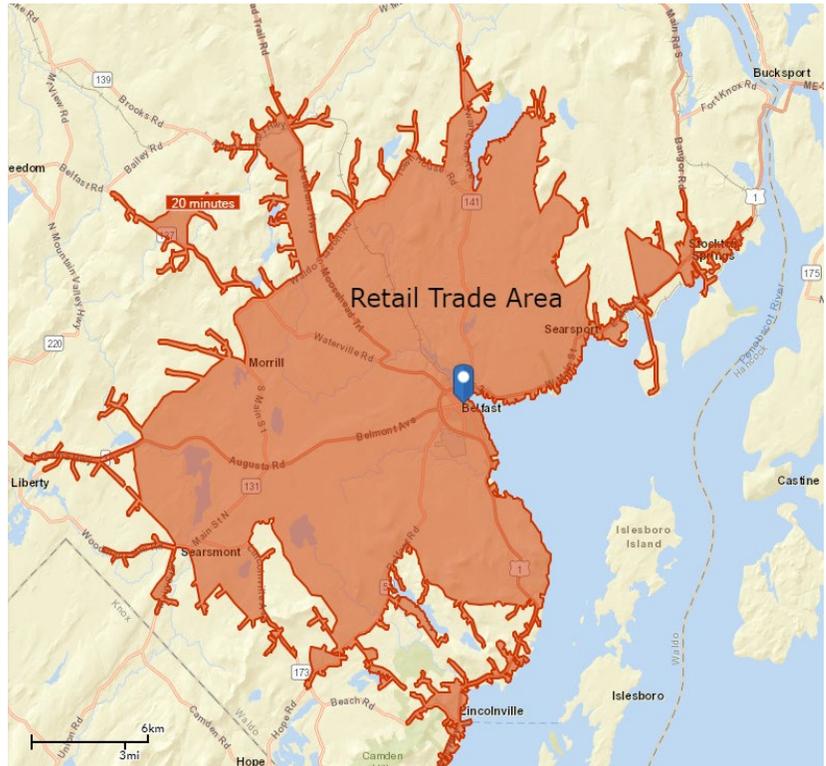
Source: EMSI

### RETAIL GOODS AND SERVICES EXPENDITURES

The following retail market analysis examines retail trends for the City of Belfast and/or the Retail Trade Area.

The Retail Trade Area is the geographic area that Belfast businesses primarily draw customers from. In this case, the Retail Trade Area extends north towards Monroe, south to Camden, and west towards Liberty. The Retail Trade Area was established based on the locations of existing retail centers and downtown areas in the region and encompasses a region within a 20-minute drive from the center of the City of Belfast.

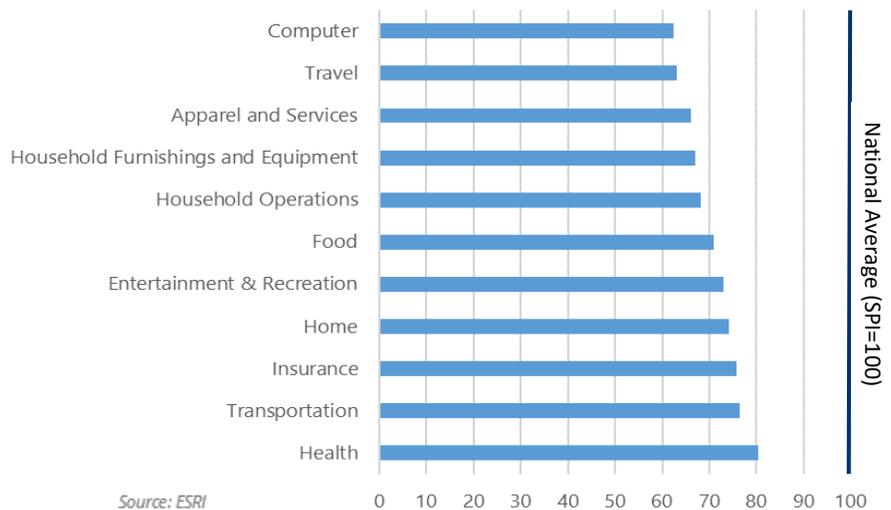
Spending patterns and purchasing power of the Retail Trade Area residents are measured through a Spending Potential Index (SPI). The SPI represents household expenditures on a product or service relative to a national average of 100. An SPI greater than 100 indicates that, on average, households within the Retail Trade Area spend more on that particular good than the average household in the nation. High SPI can occur as a result of a wealthy trade area; a location with high costs of goods and services relative to the nation; or a population characteristic driving up spending in a particular population (i.e. retired populations spending more on healthcare).



The following figure displays each retail goods and services category (described below) by SPI for the Retail Trade Area. Spending within the Retail Trade Area is lower than the national average by 20% or more in every retail category, but retail categories with the highest SPI include Health, Transportation, Insurance, and Home.

Figure 18

#### Retail Trade Area Goods and Services Expenditures, 2019



#### Retail Goods and Services Definitions

**Computer:** Includes household expenditures on items like computers, computer accessories, software, etc.

**Travel:** Includes household expenditures on items like airline fares, lodging, car rentals, food and drink on trips, etc.

**Apparel and Services:** Includes household expenditures on items like clothing, footwear, watches, jewelry, etc.

**Household Furnishings and Equipment:** Includes household expenditures on items like furniture, rugs, major appliances, telephone, etc.

**Household Operations:** Includes household expenditures on items like childcare, lawn/garden care, housekeeping supplies, etc.

**Food:** Includes household expenditures on items like both groceries and eating out.

**Entertainment and Recreation:** Includes household expenditures on items like event tickets, membership fees, television and other digital entertainment fees, pets, hobbies, sports equipment, books, etc.

**Home:** Includes household expenditures on items like mortgage/rent payments, maintenance costs, utilities, etc.

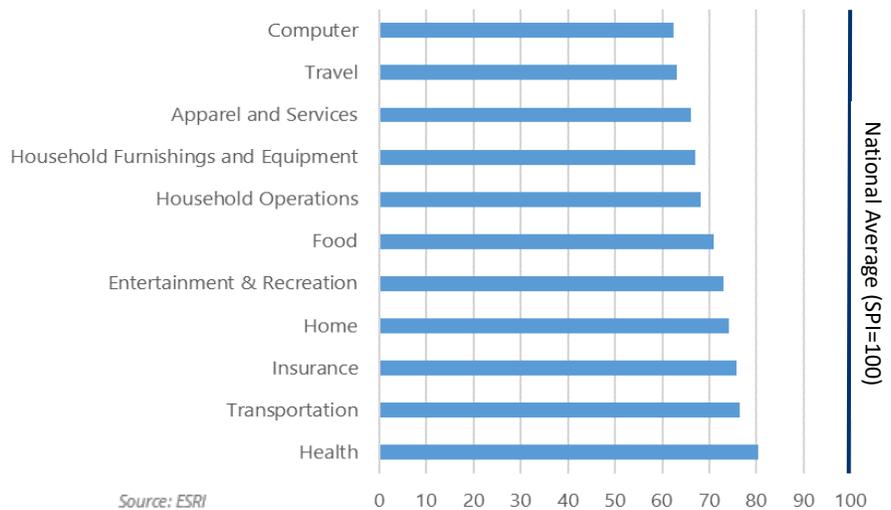
**Insurance:** Includes household expenditures on items like home insurance, renter’s insurance, auto insurance, health insurance, etc.

**Transportation:** Includes household expenditures on items like vehicle payments, gasoline, maintenance costs, etc.

**Health:** Includes household expenditures on items like non-prescription and prescription drugs, eyeglasses, contact lenses, etc.

Figure 19

Retail Trade Area Goods and Services Expenditures, 2019



Source: ESRI

**CONSUMER SEGMENTATION**

Tapestry segmentation is a tool used to determine the characteristics of a trade area. Market segmentation classifies consumers according to demographic, socioeconomic, housing, and lifestyle characteristics. Tapestry segmentation is based on the concept that people with similar demographic characteristics, purchasing habits, and media preferences naturally gravitate toward each other and into the same neighborhoods. This information is used by developers and large retail chains to understand their customers’ housing preferences, lifestyle choices, purchasing preferences, and how they spend their free time. Tapestry segmentation data was obtained from Esri’s Tapestry Segmentation model. Additional information about this Esri model can be found here: <http://www.esri.com/landing-pages/tapestry>.

Tapestry segmentation indicates that the households within the Retail Trade Area have high incomes with strong purchasing power. As of 2019, there were approximately 7,250 households including 13,500 adults within the Retail Trade Area. The Retail Trade Area is projected to grow to 7,500 households by 2024.

The majority of households in the Retail Trade Area are evenly split between three tapestry segments including Southern Satellites (18.2%), Heartland Communities (17.7%), and The Great Outdoors (17.7%).

Table 56

**Top Retail Trade Area Tapestry Segments, 2019**

Tapestry Segment	% of Households
Southern Satellites	18.0%
Heartland Communities	17.7%
The Great Outdoors	17.7%

Source: ESRI

The Southern Satellites consumer segment is the second-largest market found in rural areas. This market is typically composed of nondiverse, slightly older, settled married-couple families who own their homes. These consumers tend to be more concerned about cost rather than quality or brand loyalty, and frequent big box stores such as Walmart or Target for many of their consumer needs.

The Heartland Community consumer segment is primarily composed of older, empty-nester householders who embrace a slower pace of life but actively participate in outdoor activities and community events. This segment tends to support their local businesses and are budget-savvy consumers.

The Great Outdoors consumer segment tends to be found in pastoral settings and is primarily composed of educated empty nesters living an active but modest lifestyle. They tend to be in the later stages of their professional careers, with incomes slightly above the national average. They enjoy outdoor activities such as hiking, hunting, fishing, and boating; and tend to be cost-conscious consumers.

## RETAIL GAP ANALYSIS

The tables below display a list of industry groups sorted by three- and four-digit North American Industry Classification (NAICS) codes and include figures for sales demand (estimated spending by City of Belfast/Retail Trade Area residents), sales supply (existing retail sales within the City of Belfast/Retail Trade Area), and the retail gap (demand minus supply). Retail categories with a sales leakage are in green, and those with a sales surplus are in red.

Retail sectors that show a leakage (green) may represent opportunities for new or expanding businesses as there is more demand than there is supply. However, not all retail categories that exhibit a sales leakage within Belfast are a good fit for a downtown area. For example, a retail category with a large amount of sales leakage, Department Stores, has just over \$1.0 million in unmet demand; but the City may not be suited for a large-footprint department store. There are other retail categories with leakages that may be better positioned for the City, including: Clothing Stores, Furniture & Home Furnishings Stores, and Other General Merchandise Stores. Finding the right retail mix and density is essential to creating a sense of place that can provide services to residents while also attracting visitors.

There are a number of retail categories with current sales surpluses, with the largest being Grocery Stores, Motor Vehicle & Parts Dealers, and Automobile Dealers. A sales surplus might exist for several reasons; the area could be a popular shopping destination for tourists and other out-of-town visitors, or a cluster of competing businesses offering a similar product or service may be located close to each other, creating a specialty cluster. Alternatively, a sales surplus could be an indication of market saturation as there is more supply than there is demand.

Table 57

City of Belfast Retail Gap					
Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$19,986,019	\$42,198,603	\$(22,212,584)	17
Automobile Dealers	4411	\$15,415,285	\$35,687,293	\$(20,272,008)	8
Other Motor Vehicle Dealers	4412	\$ 3,126,718	\$ 1,478,529	\$ 1,648,189	2
Auto Parts, Accessories & Tire Stores	4413	\$ 1,444,016	\$ 5,032,781	\$ (3,588,765)	7
Furniture & Home Furnishings Stores	442	\$ 2,436,546	\$ 1,507,611	\$ 928,935	4
Furniture Stores	4421	\$ 1,448,632	\$ 929,507	\$ 519,125	2
Home Furnishings Stores	4422	\$ 987,914	\$ 578,104	\$ 409,810	2
Electronics & Appliance Stores	443	\$ 2,344,581	\$ 3,833,710	\$ (1,489,129)	5
Bldg Materials, Garden Equip. & Supply Stores	444	\$ 6,048,455	\$23,051,932	\$(17,003,477)	11
Bldg Material & Supplies Dealers	4441	\$ 5,567,874	\$23,051,932	\$(17,484,058)	11
Lawn & Garden Equip & Supply Stores	4442	\$ 480,581	\$ -	\$ 480,581	0
Food & Beverage Stores	445	\$15,630,278	\$60,169,274	\$(44,538,996)	13
Grocery Stores	4451	\$14,347,803	\$56,437,716	\$(42,089,913)	7
Specialty Food Stores	4452	\$ 1,052,336	\$ 3,731,558	\$ (2,679,222)	6
Beer, Wine & Liquor Stores	4453	\$ 230,139	\$ -	\$ 230,139	0
Health & Personal Care Stores	446,4461	\$ 5,483,250	\$12,788,227	\$ (7,304,977)	6
Gasoline Stations	447,4471	\$ 9,780,792	\$ 7,045,957	\$ 2,734,835	3
Clothing & Clothing Accessories Stores	448	\$ 3,801,721	\$ 2,194,088	\$ 1,607,633	7
Clothing Stores	4481	\$ 2,326,368	\$ 1,721,088	\$ 605,280	5
Shoe Stores	4482	\$ 732,446	\$ 450,086	\$ 282,360	1
Jewelry, Luggage & Leather Goods Stores	4483	\$ 742,907	\$ 22,914	\$ 719,993	1
Sporting Goods, Hobby, Book & Music Stores	451	\$ 4,360,047	\$ 5,796,190	\$ (1,436,143)	10
Sporting Goods/Hobby/Musical Instr Stores	4511	\$ 4,065,736	\$ 5,653,928	\$ (1,588,192)	6
Book, Periodical & Music Stores	4512	\$ 294,311	\$ 142,262	\$ 152,049	4
General Merchandise Stores	452	\$12,672,578	\$11,187,477	\$ 1,485,101	3
Department Stores Excluding Leased Depts.	4521	\$10,257,471	\$ 9,228,313	\$ 1,029,158	1
Other General Merchandise Stores	4529	\$ 2,415,107	\$ 1,959,164	\$ 455,943	2
Miscellaneous Store Retailers	453	\$ 3,789,459	\$ 3,304,134	\$ 485,325	21
Florists	4531	\$ 167,495	\$ 409,742	\$ (242,247)	2
Office Supplies, Stationery & Gift Stores	4532	\$ 885,349	\$ 963,928	\$ (78,579)	10
Used Merchandise Stores	4533	\$ 612,065	\$ 370,180	\$ 241,885	3
Other Miscellaneous Store Retailers	4539	\$ 2,124,550	\$ 1,560,284	\$ 564,266	6
Nonstore Retailers	454	\$ 713,950	\$ 1,014,094	\$ (300,144)	1
Electronic Shopping & Mail-Order Houses	4541	\$ 290,289	\$ 1,014,094	\$ (723,805)	1
Vending Machine Operators	4542	\$ 57,095	\$ -	\$ 57,095	0
Direct Selling Establishments	4543	\$ 366,566	\$ -	\$ 366,566	0
Food Services & Drinking Places	722	\$ 8,368,822	\$14,614,805	\$ (6,245,983)	27
Special Food Services	7223	\$ 208,037	\$ 1,016,847	\$ (808,810)	1
Drinking Places - Alcoholic Beverages	7224	\$ 131,775	\$ -	\$ 131,775	0
Restaurants/Other Eating Places	7225	\$ 8,029,010	\$13,597,958	\$ (5,568,948)	26
Total Businesses					242

Source: ESRI

The following table displays the retail gap analysis focused on the Retail Trade Area. The majority of the retail categories in the Retail Trade Area are experiencing a sales leakage, indicating potential opportunities for business expansion or creation. The industry groups experiencing the highest amount of leakage include General Merchandise Stores, Gasoline Stations, and Clothing and Clothing Accessories Stores. Retail industry groups experiencing the highest amount of sales surplus include Grocery Stores, Other Motor Vehicle Dealers, and Building Material and Supply Stores

Table 58

Retail Trade Area Retail Gap					
Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$44,717,862	\$63,081,905	\$(18,364,043)	20
Automobile Dealers	4411	\$34,498,761	\$37,933,337	\$ (3,434,576)	10
Other Motor Vehicle Dealers	4412	\$ 7,062,673	\$20,098,670	\$(13,035,997)	3
Auto Parts, Accessories & Tire Stores	4413	\$ 3,156,428	\$ 5,049,899	\$ (1,893,471)	7
Furniture & Home Furnishings Stores	442	\$ 5,252,232	\$ 1,980,768	\$ 3,271,464	5
Furniture Stores	4421	\$ 3,093,205	\$ 1,273,056	\$ 1,820,149	2
Home Furnishings Stores	4422	\$ 2,159,027	\$ 707,712	\$ 1,451,315	3
Electronics & Appliance Stores	443	\$ 5,019,259	\$ 4,426,878	\$ 592,381	6
Bldg Materials, Garden Equip. & Supply Stores	444	\$13,922,325	\$24,998,679	\$(11,076,354)	14
Bldg Material & Supplies Dealers	4441	\$12,811,799	\$24,998,679	\$(12,186,880)	14
Lawn & Garden Equip & Supply Stores	4442	\$ 1,110,526	\$ -	\$ 1,110,526	0
Food & Beverage Stores	445	\$33,794,545	\$67,823,832	\$(34,029,287)	18
Grocery Stores	4451	\$31,034,890	\$63,721,458	\$(32,686,568)	11
Specialty Food Stores	4452	\$ 2,269,450	\$ 4,102,375	\$ (1,832,925)	7
Beer, Wine & Liquor Stores	4453	\$ 490,205	\$ -	\$ 490,205	0
Health & Personal Care Stores	446,4461	\$12,015,556	\$13,169,769	\$ (1,154,213)	7
Gasoline Stations	447,4471	\$21,586,553	\$13,806,763	\$ 7,779,790	6
Clothing & Clothing Accessories Stores	448	\$ 8,077,035	\$ 2,292,612	\$ 5,784,423	8
Clothing Stores	4481	\$ 4,953,702	\$ 1,819,612	\$ 3,134,090	6
Shoe Stores	4482	\$ 1,570,893	\$ 450,086	\$ 1,120,807	1
Jewelry, Luggage & Leather Goods Stores	4483	\$ 1,552,440	\$ 22,914	\$ 1,529,526	1
Sporting Goods, Hobby, Book & Music Stores	451	\$ 9,351,241	\$ 6,803,321	\$ 2,547,920	16
Sporting Goods/Hobby/Musical Instr Stores	4511	\$ 8,734,979	\$ 6,508,401	\$ 2,226,578	10
Book, Periodical & Music Stores	4512	\$ 616,261	\$ 294,919	\$ 321,342	6
General Merchandise Stores	452	\$27,360,843	\$11,795,496	\$ 15,565,347	3
Department Stores Excluding Leased Depts.	4521	\$22,111,154	\$ 9,228,313	\$ 12,882,841	1
Other General Merchandise Stores	4529	\$ 5,249,689	\$ 2,567,183	\$ 2,682,506	2
Miscellaneous Store Retailers	453	\$ 8,340,936	\$ 5,114,102	\$ 3,226,834	35
Florists	4531	\$ 369,938	\$ 409,742	\$ (39,804)	2
Office Supplies, Stationery & Gift Stores	4532	\$ 1,898,176	\$ 1,406,322	\$ 491,854	14
Used Merchandise Stores	4533	\$ 1,315,157	\$ 1,155,369	\$ 159,788	10
Other Miscellaneous Store Retailers	4539	\$ 4,757,665	\$ 2,142,670	\$ 2,614,995	9
Nonstore Retailers	454	\$ 1,596,666	\$ 1,494,555	\$ 102,111	1
Electronic Shopping & Mail-Order Houses	4541	\$ 627,600	\$ 1,014,094	\$ (386,494)	1
Vending Machine Operators	4542	\$ 122,952	\$ -	\$ 122,952	0
Direct Selling Establishments	4543	\$ 846,114	\$ -	\$ 846,114	0
Food Services & Drinking Places	722	\$17,893,931	\$19,548,317	\$(1,654,386)	41
Special Food Services	7223	\$ 454,979	\$ 1,507,706	\$(1,052,727)	3
Drinking Places - Alcoholic Beverages	7224	\$ 276,743	\$ 295,400	\$ (18,657)	1
Restaurants/Other Eating Places	7225	\$17,162,209	\$17,745,211	\$ (583,002)	37
Total Businesses					341

Source: ESRI

### CURRENT SUPPORTABLE RETAIL ANALYSIS

The table below shows the supportable retail categories within the City of Belfast based on consumer spending patterns in the Retail Trade Area in 2019. An explanation of this table follows:

- ◆ **Column A:** NAICS (North American Industry Classification System) is the industry-standard coding system when explaining industries. Every business is coded under this system.
- ◆ **Column B:** The retail category associated with that particular NAICS code.
- ◆ **Column C:** The retail gap is how much residents are spending outside of the geography within each retail category.
- ◆ **Column D:** This is the amount assumed the area can recapture through business growth. For this analysis, a conservative case scenario was estimated, using a recapture rate of 25%.
- ◆ **Column E:** Average sales per business is taken as an average of all businesses classified under that NAICS code.
- ◆ **Column F:** By dividing the amount of sales the area can recapture by the average sales per business, we get a sense of how many businesses the area can support.
- ◆ **Column G:** Industry standards of average sales amount per square foot for each retail category.
- ◆ **Column H:** The amount of sales the City can recapture divided by the average sales per square foot to estimate how much additional space could be supported.

This analysis demonstrates that there is not enough unmet demand within the City of Belfast to support a full business in any retail categories, although there is enough demand to support approximately 3,800 SF of space for various retail categories.

Table 59

Retail Trade Area Supportable Retail (2019)							
A	B	C	D	E	F	G	H
NAICS	Retail Category	Retail Gap	25% Leakage Recapture	Average Sales per Business	Average Sales per SF	Supportable Businesses (D / E)	Supportable SF (D / G)
4421	Furniture Stores	\$ 519,125	\$ 129,781	\$ 636,528	\$ 300	0.2	433
4422	Home Furnishings Stores	\$ 409,810	\$ 102,453	\$ 235,904	\$ 300	0.4	342
4481	Clothing Stores	\$ 605,280	\$ 151,320	\$ 303,269	\$ 300	0.5	504
4482	Shoe Stores	\$ 282,360	\$ 70,590	\$ 450,086	\$ 300	0.2	235
4512	Book, Periodical & Music Stores	\$ 152,049	\$ 38,012	\$ 49,153	\$ 250	0.8	152
4521	Department Stores	\$ 1,029,158	\$ 257,290	\$ 9,228,313	\$ 250	0.0	1,029
4529	Other General Merchandise Stores	\$ 455,943	\$ 113,986	\$ 1,283,592	\$ 500	0.1	228
4533	Used Merchandise Stores	\$ 241,885	\$ 60,471	\$ 115,537	\$ 200	0.5	302
4539	Other Miscellaneous Store Retailers	\$ 564,266	\$ 141,067	\$ 238,074	\$ 300	0.6	470
7224	Drinking Places - Alcoholic Beverages	\$ 131,775	\$ 32,944	\$ 295,400	\$ 250	0.1	132
					Total	3.4	3,827

Source: ESRI, Camoin 310

**PROJECTED SUPPORTABLE RETAIL ANALYSIS**

The table below shows the supportable retail categories within the City of Belfast based on projected consumer spending patterns in the Retail Trade Area in 2024. An explanation of this table follows:

- ◆ **Column A:** NAICS (North American Industry Classification System) is the industry-standard coding system when explaining industries. Every business is coded under this system.
- ◆ **Column B:** The retail category associated with that particular NAICS code.
- ◆ **Column C:** The retail gap is how much residents are spending outside of the geography within each retail category.
- ◆ **Column D:** This is the amount assumed the area can recapture through business growth. For this analysis, a conservative case scenario was estimated, using a recapture rate of 25%.
- ◆ **Column E:** Average sales per business is taken as an average of all businesses classified under that NAICS code.
- ◆ **Column F:** By dividing the amount of sales the area can recapture by the average sales per business, it provides a sense of how many businesses the area can support.
- ◆ **Column G:** Industry standards of average sales amount per square foot for each retail category.
- ◆ **Column H:** The amount of sales the City can recapture divided by the average sales per square foot to estimate how much additional space could be supported.

This analysis demonstrates that there is enough expected unmet demand within the City of Belfast (assuming that the existing supply stays the same) in 2024 to support a new Jewelry, Luggage, and Leather Good Store; in addition to almost enough projected unmet demand to potentially support a new Book, Periodical, and Music Store. Overall, projections indicate that there is enough demand to support approximately 4,900 SF of space for various retail categories by 2024.

Table 60

Retail Trade Area Supportable Retail (2024)						
A	B	C	D	E	F	H
NAICS	Retail Category	Retail Gap	25% Leakage Recapture	Average Sales per Business	Supportable Businesses (D / E)	Supportable SF (D / G)
4421	Furniture Stores	\$ 612,568	\$ 153,142	\$ 636,528	0.2	510
4422	Home Furnishings Stores	\$ 483,576	\$ 120,894	\$ 235,904	0.5	403
4481	Clothing Stores	\$ 714,230	\$ 178,558	\$ 303,269	0.6	595
4482	Shoe Stores	\$ 333,185	\$ 83,296	\$ 450,086	0.2	278
4483	Jewelry, Luggage & Leather Goods Stores	\$ 124,654	\$ 31,164	\$ 22,914	1.2	425
4512	Book, Periodical & Music Stores	\$ 179,418	\$ 44,854	\$ 49,153	0.9	179
4521	Department Stores	\$ 1,214,406	\$ 303,602	\$ 9,228,313	0.0	1,214
4529	Other General Merchandise Stores	\$ 538,013	\$ 134,503	\$ 1,283,592	0.1	269
4533	Used Merchandise Stores	\$ 285,424	\$ 71,356	\$ 115,537	0.6	357
4539	Other Miscellaneous Store Retailers	\$ 665,834	\$ 166,458	\$ 238,074	0.7	555
7224	Drinking Places - Alcoholic Beverages	\$ 155,495	\$ 38,874	\$ 295,400	0.1	155
				Total	5.2	4,941

Source: Esri, Camoin Associates

While the above analysis represents retail demand potential from recapturing spending leakages by current residents, Belfast is a popular visitor destination and is located on the Route 1 corridor, which is used by thousands

of seasonal visitors each year. Tourism will have a significant impact on retail market demand in the future, and the City should consider focusing development on industries that cater to this tourism population. These industries include bars and restaurants, gift and souvenir shops, and unique boutique clothing and other good shops. Therefore, there is likely future retail demand (absorption) potential attributable to these visitors. To estimate future retail demand (absorption) potential attributable to these visitors, retail growth projections were considered, which estimate that Belfast will gain 73 retail jobs over the next 10 years.

Using an industry standard 400 SF per retail worker, the retail sector growth would translate into approximately 29,200 square feet over 10 years or 14,600 SF over five years (2,900 square feet annually). When the 4,900 square feet of demand potential attributed to recapturing spending leakage is removed, it is estimated that there is demand potential for 9,700 square feet of retail space attributable to visitors over five years (1,940 annually).

Table 61

Belfast Five-Year Total Retail Demand Potential	
2019-2029 Retail Job Change	73
Retail Space Demand per Job	400
Total 10-Year Demand (SF)	29,000
Total 5-Year Demand (SF)	14,600
Five-Year Leakage Recapture Potential (SF)	4,900
Five-Year Total Retail Demand Potential (SF)	19,500

Source: EMSI

### COVID-19 IMPACTS ON RETAIL DEMAND

The retail industry has been impacted particularly hard since the COVID-19 pandemic began due to customers not being able to shop at physical store locations. The following are trends that highlight and/or are likely to hinder growth in the retail industry in Belfast for the foreseeable future:

- ◆ REIS forecasts that national retail vacancy rates will double to 14.6% nationally by the end of 2021.
- ◆ Many point to an accelerated shift to e-commerce as many consumers become more familiar with it and more options are presented them due to the crisis.
- ◆ Overall returns by retailers are expected to decline by 12% in 2020, and to further decline by an estimated 3% in 2021<sup>14</sup>.
- ◆ Very little leasing activity is expected through 2021. Retail is also now among the least desirable assets from a lending perspective<sup>15</sup>.
- ◆ Tourism is expected to generally show signs of recovery in 2021 as vaccination rates increase and more people resume leisure travel.

<sup>14</sup> ULI Real Estate Economic Forecast: Survey of Leading Real Estate Economists/Analysts. May 2020.

<sup>15</sup> Appraisal Institute: Valuation of Impacts of COVID-19

## RETAIL DEMAND BREAKDOWN

The following table outlines retail demand breakdown by a number of different factors. This analysis assumes that using an industry standard 400 SF per retail worker, the retail sector growth would translate into approximately 29,200 SF over 10 years or 14,600 SF over five years (2,900 SF annually). When the 4,900 SF of demand potential attributed to recapturing spending leakage is removed, it is estimated that there is demand potential for 9,700 SF of retail space attributable to visitors over five years (1,940 SF annually).

Study Area Retail Market Demand: Five-Year Absorption Potential		
<b>Commercial Office</b>	<b>SF</b>	
Overall study area demand	14,600	
<b>Rate</b>	<b>Assumption</b>	<b>SF</b>
Demand attributable to leakage recapture	34%	4,900
Demand attributable to tourism spending recapture	64%	9,700
<b>Occupancy</b>	<b>Assumption</b>	<b>SF</b>
Occupied by owner	10%	1,460
Occupied long term by non-owner	40%	5,840
Occupied short term by non-owner	50%	7,300
<b>Location</b>	<b>Assumption</b>	<b>SF</b>
Below ground level	0%	-
First floor/ground level	90%	13,140
Second floor and above floors	10%	1,460

## RETAIL MARKET KEY TAKEAWAYS

- ◆ **There is current and projected demand for additional retail space in Belfast associated with both resident and visitor spending.** A retail gap analysis indicated that there is enough existing demand to potentially support 14,600 square feet over five years (2,900 square feet annually) of additional retail space in the City.
  - Projections and demand attributable to resident retail leakage recapture indicate that there is enough demand to support approximately 4,900 SF (980 SF annually) of space for various retail over the next five years.
  - It is estimated that there is demand potential for 9,700 square feet of additional retail space attributable to visitors over 5-years (1,940 SF annually).
- ◆ **Retail industry groups with the highest potential** based on the retail gap and the retail goods, services, and expenditures analyses include:
  - Clothing and Clothing Accessory Stores
  - Book, Periodical, and Music Stores
  - Jewelry, Luggage and Leather Goods Stores
  - Furniture and Home Furnishing Stores
  - General Merchandise Stores

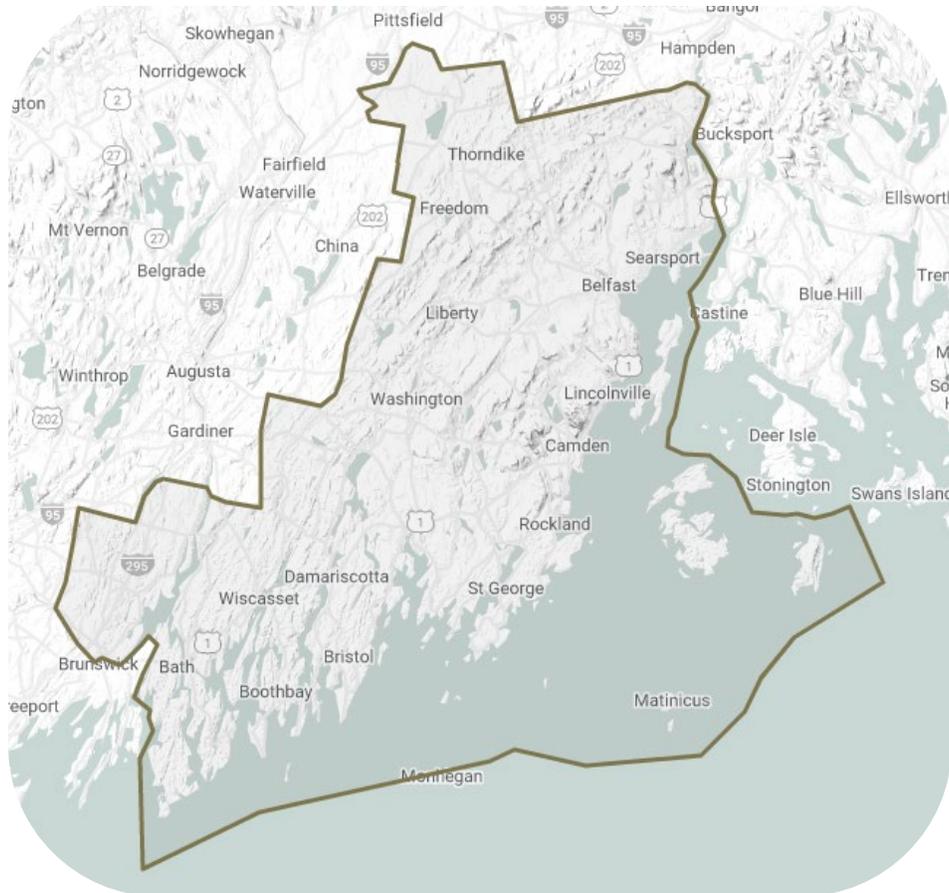
- ◆ **Demand for retail on Main Street is very strong.** This demand is driven by the existing retail amenities within walking distance of one another, and its desirable location and notoriety as a retail destination for both residents and tourists. Additionally, there is little to no availability of spaces on Main Street resulting in an extremely low vacancy rate. Many retail spaces that become vacant are re-leased immediately and do not sit on the market. This suggests there is demand for additional retail space that is not currently being met in the market. Interviews suggest that location is a critical factor with spaces off of the Main Street corridor being much less desirable.
- ◆ **Restaurants and other eating places will continue to be in demand in Belfast for the foreseeable future.** Demand will not only be driven by residents and other consumers in the region who may visit Belfast specifically due to the presence of a restaurant or other eating establishment, but also by tourists who are attracted to Belfast due to its mix of retail and other amenities. Additionally, the restaurant industry is projected to grow by 4% or 21 jobs in Belfast over the next five years, based on pre-COVID conditions.
- ◆ **Belfast is a retail hub in the County and region.** In 2019, 65% of the total retail industry jobs in Waldo County were located within Belfast. The industry is also forecasted to grow by 6% in Belfast over the next ten years.
- ◆ **The brick-and-mortar retail industry has been impacted particularly hard since the COVID-19 pandemic began due to customers not being able to shop at physical store locations.** Additionally, retail stores in tourist destinations have been hit particularly hard due to a lack of consumer demand equivalent with previous tourist seasons. These trends may continue and are likely to hinder growth in the retail industry in Belfast for the immediate term, but some experts predict that tourism levels will return to or exceed those at the national level before the pandemic due to pent-up consumer demand.

## Tourism and Hospitality Market

### OVERVIEW

Belfast is part of the state’s MidCoast & Islands Region, a region touted as being a great fit for travelers who seek relaxation or adventure. The region provides world-renowned coastlines, quaint downtown villages, and vibrant working waterfronts that are attractive to both residents and tourists alike.

### Maine’s MidCoast & Island Region



*VisitMaine* highlights Belfast as one of the region’s featured towns.<sup>16</sup> It touts Belfast as a lively hub of MidCoast arts, commerce, music, and events. Specifically, it also highlights the following establishments and attractions:

<sup>16</sup> <https://visitmaine.com/places-to-go/midcoast/belfast>

### PERFORMING ARTS

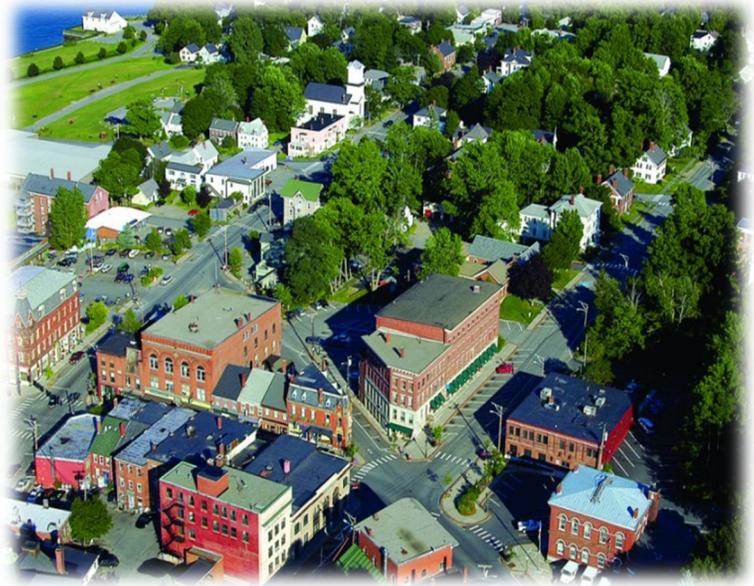
- ◆ Belfast Maskers
- ◆ The Colonial Theatre

### MARKETS

- ◆ United Farmers Market of Maine
- ◆ Belfast Farmers' Market

### RESTAURANTS

- ◆ Belfast Co-op
- ◆ Rollie's Bar and Grill
- ◆ Chase's Daily
- ◆ Young's Lobster Pound
- ◆ Delvino's Grill and Pasta House



### FESTIVALS AND EVENTS

- ◆ Arts in the Park
- ◆ Maine Celtic Celebration
- ◆ Belfast Harbor Fest
- ◆ Maine Wienerfest
- ◆ Belfast Poetry Festival



### HIKING AND WALKING

- Belfast Rail Trail Along the Passagassawaukeag
- Belfast Harbor Walk
- Hills to Sea Trail



**PLACES TO STAY**

- The Alden House Inn
- The Jeweled Turret Inn
- Belfast Harbor Inn
- Yankee Clipper Motel
- Fireside Inn Ocean’s Edge



**TOURISM INDUSTRY ANALYSIS**

**Waldo County**

The tables below display the top tourism industries within Waldo County by 2019 GRP and total 2019 jobs. Gross Regional Product (GRP) is a measure of the sum of total industry earnings, taxes on production/imports, and profits. Essentially, it is a gross measure of the economic output of each industry in a particular region.

Hotels and Motels contributed the most to Waldo County’s total GRP at \$11.3 million and 181 jobs in 2019. It was also the only industry in the group to realize job growth from 2009 to 2019, growing by 101 jobs (a 126% change from 2009). Marinas contributed another \$2.9 million to Waldo County’s total GRP with total 50 jobs in 2019.

Table 62

Top Tourism Industries by GRP, Waldo County (2019)		
NAICS	Description	GRP
721110	Hotels (except Casino Hotels) and Motels	\$11,277,986
713930	Marinas	\$ 2,878,614
721191	Bed-and-Breakfast Inns	\$ 1,535,893
721214	Recreational and Vacation Camps (except Campgrounds)	\$ 1,107,774
712110	Museums	\$ 788,494
713910	Golf Courses and Country Clubs	\$ 621,106
453920	Art Dealers	\$ 468,261
721211	RV (Recreational Vehicle) Parks and Campgrounds	\$ 463,179
713990	All Other Amusement and Recreation Industries	\$ 361,420
711219	Other Spectator Sports	\$ 219,362

Source: EMSI

Table 63

Top Tourism Industries by Total Jobs, Waldo County (2019)		
NAICS	Description	2019 Jobs
721110	Hotels (except Casino Hotels) and Motels	181
713930	Marinas	50
721214	Recreational and Vacation Camps (except Campgrounds)	24
713910	Golf Courses and Country Clubs	19
712110	Museums	16

Source: EMSI

### City of Belfast

Hotels and Motels contributed the most to the City of Belfast’s GRP at \$3.7 million, in addition to contributing 60 jobs to the City in 2019. It was also the only industry in the group to realize job growth from 2009 to 2019, growing by 33 jobs (a 121% change from 2009).

Recreational and Vacation Camps (except Campgrounds) contributed another \$744,225 to the City of Belfast’s 2019 GRP, in addition to 16 jobs in 2019. These two industries were also the only tourism industries to show tangible 2019 jobs reported in the City of Belfast.

Table 64

Top 5 Tourism Industries by GRP, City of Belfast (2019)		
NAICS	Description	GRP
721110	Hotels (except Casino Hotels) and Motels	\$ 3,733,616
721214	Recreational and Vacation Camps (except Campgrounds)	\$ 744,225
713910	Golf Courses and Country Clubs	\$ 151,907
711310	Promoters of Performing Arts, Sports, and Similar Events with Facilities	\$ 94,612
713990	All Other Amusement and Recreation Industries	\$ 88,199

Source: EMSI

Table 65

Top Tourism Industries by Total Jobs, City of Belfast (2019)		
NAICS	Description	2019 Jobs
721110	Hotels (except Casino Hotels) and Motels	60
721214	Recreational and Vacation Camps (except Campgrounds)	16

Source: EMSI

## SHORT-TERM RENTALS

In recent years, short-term rentals booked through online platforms such as Airbnb and Vrbo have become popular with tourists due to a variety of reasons including their accessibility, their price, and the amenities that they can provide compared to a traditional lodging experience.

According to AirDNA (a short-term rental data and analytics platform) a majority of the short-term rentals in the City of Belfast are located in the main downtown corridor adjacent to and between Church Street and the Passagassawaukeag River (a majority of which is in the Study Area), with additional concentrations located along Route 1 east of the river. The following are key statistics and findings from 2019 for the City of Belfast’s short-term rentals:<sup>17</sup>

### Average Daily Rate

(June 2019)

**\$158**

### Occupancy Rate

(August 2019)

**84%**

### Rental Types

Entire Home: 82%

Private Room: 17%

Shared Room: 1%

### Rental Platforms

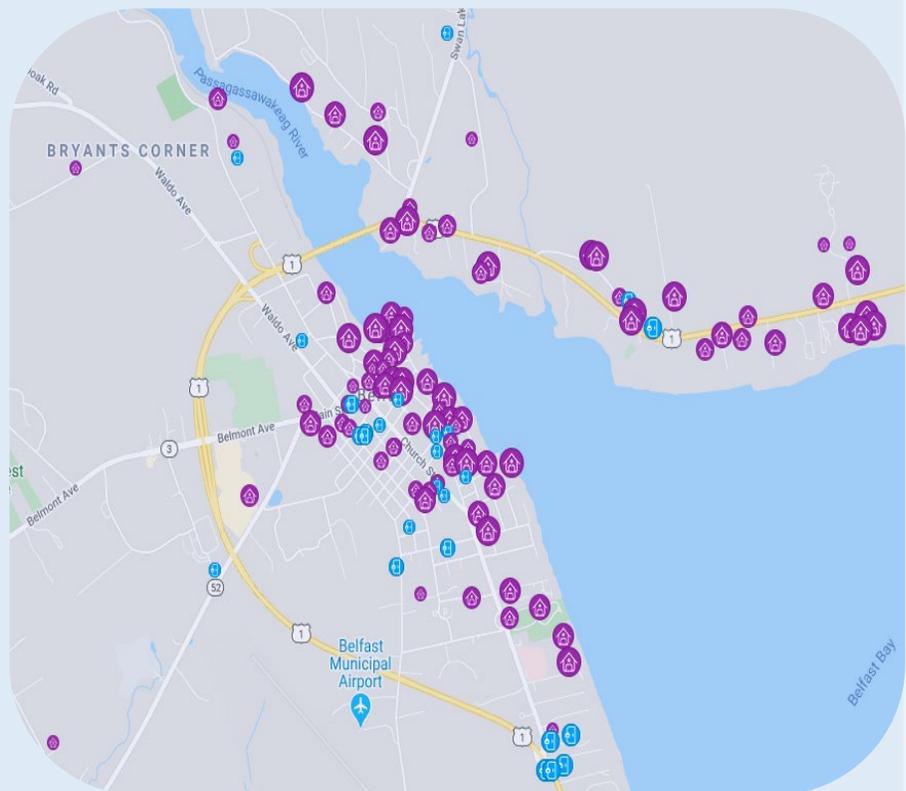
Airbnb: 64%

Vrbo 22%

Listed on Both: 14%

### Rental Sizes

- ◆ Studio: 11%
- ◆ One-Bedroom: 20%
- ◆ Two-Bedroom: 35%
- ◆ Three-Bedroom: 24%
- ◆ Four-Bedroom: 10%



<sup>17</sup> <https://www.airdna.co/vacation-rental-data/app/us/maine/belfast/overview>

## TOURISM MARKET KEY TAKEAWAYS

- ◆ **The COVID-19 crisis has hurt the regional tourism industry and threatens the market potential for tourism-related investment moving forward.** The uncertainty of the pandemic has significant implications for the tourism industry, which is not anticipated to rebound in a meaningful way in the near future. Current expectations are that investment in hotels and other tourism-related enterprises will be slow to recover.
- ◆ **Belfast is part of Maine’s MidCoast and Islands Region, which is touted as being a great fit for travelers who seek relaxation or adventure.** The region provides world-renowned coastlines, quaint downtown villages, and vibrant working waterfronts.
- ◆ **Belfast is a desirable tourism destination in the region due to its location and unique mix of various amenities.** Located along Route 1 and adjacent to the water, Belfast offers tourists a unique mix of retail options and outdoor activities, and hosts a variety of different festivals throughout the year which act as catalysts to spur additional tourism in the City.
- ◆ **A mix of lodging facilities that appeal to all different types of travelers makes Belfast appealing to a different types of tourists.** Currently, Belfast is home to lodging establishments that range from quaint bed-and-breakfast establishments, to short-term rentals, to larger economy motels and hotels.
- ◆ **The hospitality industry is a crucial employment and financial contributor to Belfast’s economy.** Hotels and Motels contributed \$3.7 million dollars (the highest of any tourism-based industry) to the City of Belfast’s Gross Regional Product (GRP)<sup>18</sup> in 2019, in addition to contributing 60 jobs to the City. The industry grew by 33 jobs from 2009 to 2019 (this equates to a 121% change from 2009). *Maine’s Mid-Coast & Island Region*
- ◆ **A number of different factors point to the potential demand for an additional lodging establishment in Belfast.** Factors include a large stock of existing short-term rentals located in Belfast’s core downtown area with high historical occupancy rates, projected growth in Hotel and Motel industry jobs over the next five years, and an increasing notoriety of the city as a tourist destination in the region.

---

<sup>18</sup> Gross Regional Product (GRP) is simply GDP for the region of study. More commonly, GRP is GDP for any region smaller than the United States, such as a city, state, or metro area. GRP measures the final market value of all goods and services produced in the region of study.

## Light Industrial/Flex Market

### OVERVIEW

Light Industrial/flex properties are generally designed to be versatile and include a combination of office space along with some combination of industrial manufacturing, warehouse, and distribution space. Space usage generally includes a combination of activities such as storage, assemblage, processing, building, and/or manufacturing of products from raw materials or fabricated parts, in addition to supportive office space. Additional uses for these properties can include transportation storage and maintenance, general warehousing, light manufacturing, and construction-related activities. At least half of the rentable area of the buildings are usually office space and buildings typically have ceiling heights under 18', and are zoned for light industrial use.

### LIGHT INDUSTRIAL/FLEX DEMAND PROJECTIONS

Future demand for light industrial/flex space is dependent on growth in light industrial/flex utilizing industry sectors, as the primary intended use of space is to house employees and operations of companies in industries that utilize this type of real estate. Growing industries in Waldo County primarily include manufacturing and construction related industries.

Demand for light industrial/flex space could also be influenced by the entrance or exit of a specific, unanticipated, and potentially highly-specialized manufacturer. For example, Penobscot McCrum is an existing manufacturer in the study area that specialized in the planting, growth, harvesting, storing, shipping, and processing of potatoes and potato products. Additionally, Front Street Shipyard is a custom boat builder, boat yard, marina, and service yard in Belfast.

The table below includes industry job trends for light-industrial related industries in Waldo County that would be appropriate for a downtown setting such as the City of Belfast's.

Light manufacturing-related industries are projected to realize the largest total job growth, with the highest growth being projected in the Transportation and Equipment Manufacturing industry (driven by the boat building industry and specifically Front Street Shipyard). Construction-related industries are also projected to realize total job growth, with the Specialty Trade Contractor industry being projected to realize the largest amount of total job growth (note that while this industry is growing, it is not expected that it would drive real estate demand due to the nature of independent contract work).

Table 66

Waldo County Industrial Growth (2019-2029)					
NAICS	Description	2019 Jobs	2029 Jobs	2019 - 2029 Change	2019 - 2029 % Change
<b>Light Manufacturing Industries</b>					
336	Transportation Equipment Manufacturing	210	343	133	63%
333	Machinery Manufacturing	44	68	24	55%
332	Fabricated Metal Product Manufacturing	49	68	19	39%
312	Beverage and Tobacco Product Manufacturing	54	67	13	24%
337	Furniture and Related Product Manufacturing	20	22	2	10%
339	Miscellaneous Manufacturing	36	38	2	6%
311	Food Manufacturing	309	269	(40)	(13%)
321	Wood Product Manufacturing	385	306	(79)	(21%)
	Subtotal	1,106	1,182	76	7%
<b>Construction Industries</b>					
238	Specialty Trade Contractors	838	898	60	7%
236	Construction of Buildings	432	444	12	3%
	Subtotal	1,270	1,342	72	6%
	<b>Grand Total</b>	<b>2,376</b>	<b>2,524</b>	<b>148</b>	<b>6%</b>

Source: EMSI

## PROJECTED SUPPORTABLE INDUSTRIAL/FLEX SPACE

By combining industry job growth projections with industry standards for average square feet for light industrial space, we can estimate the total additional industrial/flex real estate that may be supported in the City of Belfast over the next ten years (assuming that no additional space is under construction currently, and that all existing light industrial/flex space is fully occupied in the downtown area). Light manufacturing- and construction-related industries could support approximately 76,500 SF of additional space in the City of Belfast.

Table 67

Supportable Industrial/Flex Space, City of Belfast			
	Square Feet (SF) per Worker	2019 - 2029 job Change	Supportable SF
Manufacturing Industries	535	76	40,448
Construction Industries	500	72	36,014
	Total	148	76,463

Source: Institute of Transportation Engineers, EMSI

While these estimates provide a baseline for future demand for space in Belfast, it should be noted that it is unlikely that construction industries will provide a basis for the amount of supportable square footage noted in the table above due to the nature of the industry's operations, which do not require significant amounts of building space. Knowing this, Belfast may want to consider focusing future efforts towards the build-out or renovation of space to house manufacturing-based industries.

Buildings that support these industries often have a wide range of functions including manufacturing/building space, some warehousing space for raw and finished materials, distribution space, and supportive office space which is typically between 25%-50% of the building area. Buildings typically range from 15,000 – 300,000 SF with one loading dock for every 15,000 SF, can include a single or multiple tenants, and have a site coverage area of 30-40%. They also tend to require large amounts of power.

Additional supportable space could be occupied by one core anchor user who is able to utilize the entire space, or spaces could be built or modified to include a combination of small and/or shared spaces that could be utilized by a variety of different occupants who participate in small-scale manufacturing. One example of a local industry and organization that utilizes smaller shared spaces includes Belfast Fiberarts. Belfast Fiberarts offers a variety of different learning opportunities and workshops focused on various fiber and weaving techniques/artwork. Additionally, they offer space to artists to produce artisan products and materials that are then sold locally.

## COVID-19 IMPACTS ON INDUSTRIAL/FLEX SPACE DEMAND

While industrial fundamentals are traditionally sensitive to economic cycles, industrial sectors have been the least impacted by the COVID-19 pandemic. This has been driven by things such as the accelerating prevalence of e-commerce, consistent demand, strong industrial and logistics performance, and low vacancy rates.

Industrial sectors are projected to rebound the most quickly from the adverse impacts of the COVID-19 pandemic. Supply chain mitigation and resiliency efforts will become a key focus for operators and may stand to benefit future industry growth for a variety of reasons, including:

- ◆ Re-shoring or near sourcing of manufacturing, with greatest pressures on critical industries (such as medical devices, technology and pharmaceuticals). A renewed emphasis on domestic supply chain independence will accelerate this re-shoring trend.

- ◆ Greater diversification in terms of sourcing. Distribution networks will be reset to be less reliant on one country in order to de-risk the production or distribution processes, potentially leading to more multi-facility / multi-location strategies.
- ◆ Diversification of transport modes, including the development of port diversification strategies and investing in locations that provide multi-modal transport options.

## INDUSTRIAL/FLEX DEMAND SUMMARY

The following table outlines industrial/flex demand breakdown by a number of different factors. This analysis assumes that, based on industry job growth projections with industry standards for average square feet for light industrial space, the total additional industrial/flex real estate that may be supported in the City of Belfast over the next ten years (assuming that no additional space is under construction currently, and that all existing light industrial/flex space is fully occupied in the downtown area) is 76,500 SF (or 38,250 SF over five years). Given the amount of existing space and industrial/flex real estate in the Study Area currently, we conservatively estimate that the Study Area could capture 10%, or 7,650 SF of industrial/flex space over the next five years.

Study Area Industrial/Flex Market Demand: Five-Year Absorption Potential		
<b>Industrial/Flex Space</b>	<b>SF</b>	
Overall study area demand	7,650	
<b>Rate</b>	<b>Assumption</b>	<b>SF</b>
Demand attributable to manufacturing industries	75%	5,738
Demand attributable to construction industries	25%	1,912
<b>Occupancy</b>	<b>Assumption</b>	<b>SF</b>
Occupied by owner	10%	765
Occupied long term by non-owner	50%	3,825
Occupied short term by non-owner	40%	3,060
<b>Location</b>	<b>Assumption</b>	<b>SF</b>
Below ground level	0%	-
First floor/ground level	80%	6,120
Second floor and above floors	20%	1,530

## INDUSTRIAL/FLEX SPACE KEY TAKEAWAYS

- ◆ **Future market demand for industrial/flex space in Belfast will likely be driven by manufacturing-based industries.** Approximately 150 new jobs are projected to be added in Waldo County in industries (primarily manufacturing and construction) that would be appropriate to occupy light industrial/flex real estate in the downtown area of the City. Based on projected job growth, an additional 76,500 SF of light industrial/flex space could be supported in Waldo County by these industries, with conservative projections indicating that 10% of total demand, or 7,650 SF of space could be supported in the Study Area.
- ◆ **It is unlikely that large- to mid-sized industrial tenants are going to fulfill projected demand for industrial development in the Study Area.** This is due to a variety of reasons including smaller parcel sizes, transportation barriers in regard to truck access, and higher property prices compared to the broader

region. Additionally, the City of Belfast may also be averse to large industrial development in the Study Area due to its proximity to the core downtown and other residential areas.

- ◆ **Industrial demand in Study Area will be closely associated with Front Street Ship Yard, and whether further development occurs on waterfront properties.** While industrial development has occurred over the last decade, there is currently limited expansion plans for development over the next five years.
- ◆ **Industrial users that are likely to fill demand for industrial space in the Study Area are more likely to focus on and benefit from the existing retail environment in Belfast.** Examples of these users include small-scale boutique manufacturers that could sell their products directly to consumers in Belfast, or micro-food and/or beverage producer industries such as micro-brewery/distillery producers.
- ◆ **Demand for industrial/flex space may also be driven by any unanticipated existing or future tenants entering or exiting the market.** In addition to job growth, demand for industrial/flex space could also be influenced by the entry or exit of current or future unanticipated tenants. Two examples of existing tenants in Belfast that occupy relatively large industrial/flex space include Penobscot McCrum and Front Street Shipyard.
- ◆ **The boat and ship building industries will be a driver of future demand for industrial/flex space in Belfast.** The Transportation and Equipment Manufacturing industry is projected to realize the highest projected job growth of all light manufacturing industries in Belfast over the next decade, and growth is driven primarily by the boat building industry (specifically Front Street Shipyard).
- ◆ **Additional industrial/flex space could be utilized in the future by one anchor user, or multiple users participating in small-scale manufacturing.** A diverse mix of industrial and flex space geared towards a variety of different types of tenants will help Belfast position itself for future market demand. Larger spaces could be occupied by one core anchor user who focuses on light manufacturing and is able to utilize the entire space, or space that could be built or modified to include a combination of small and/or shared spaces that could be utilized by a variety of different occupants who participate in small-scale manufacturing.
- ◆ **Industrial sectors have been the least impacted by the COVID-19 pandemic** and have the potential to see increased operations in the future due to a national focus on supply chain mitigation and resiliency efforts, and the reshoring of manufacturing that may have previously operated overseas.

**Technical Report 3**

# Inventory of Spaces

# INVENTORY OF SPACES

## A. Space Inventory

### Overview and Methodology

In order to gain further insights into various space trends, an inventory of existing spaces within properties that are located within the project Study Area was conducted. Data for this inventory analysis was gathered through a combination of a comprehensive survey that was distributed to property owners within the Study Area, and data provided by the City of Belfast. Data was gathered and is reported on property/use type (i.e., single-family residential ‘single-family’, multi-family residential ‘multi-family’, office, retail, restaurant, and other commercial space), in addition to inventory trends such as:

- ◆ **Inventory by Total Area (Square Feet)**
- ◆ **Inventory by Lease Rate** (Subsidized/Voucher, Affordable/Workforce, Market)
- ◆ **Inventory by Occupancy Type** (Owner, Renter, Unoccupied but Available for Rent or Sale, Unoccupied and Not Useable, Long Term vs. Short Term)
- ◆ **Inventory by Location** (Below Ground, First Floor, Second Floor and Above)
- ◆ **Inventory by Historic Status** (Individually Listed on the National Register of Historic Places, Contributing to an Existing Historic District, Not Individually Listed on the National Register of Historic Places Nor Contributing)

In all, this inventory analysis includes spaces within 120 different properties within the Study Area. Key metrics summarized within the categories mentioned above include:

- ◆ **Total Area (Square Feet)**
- ◆ **Average and Median Lease Rates**
- ◆ **Average and Median Time Between Leases**

### Inventory Overview

#### Summary of Key Findings

For this analysis, a space is considered a defined room/area within a property, as indicated by those responding to the property owner survey or provided by the City of Belfast. A total of 411 spaces were included in the inventory analysis, with the highest number of spaces classified as office (130 spaces) and multi-family (129 spaces). Other commercial space had the highest footprint by total square feet (SF) at almost 390,000 SF. The two largest spaces within the “other commercial” space category were located at the Front Street Shipyard and Penobscot McCrum. At approximately 518,000 SF, a majority of space is located on the first/ground floor of properties, followed by spaces on the second floor and above.

Summary of Spaces and Total Area (SF) by Location and Use Type						
	# of Spaces	% of Total Spaces	Below Ground	First Floor / Ground Level	Second Floor and Above	Total SF
Single-Family	17	4%	N/A	N/A	N/A	38,054
Multi-Family	129	31%	275	17,480	124,526	142,281
Office	130	32%	1,514	42,032	73,924	117,470
Retail	57	14%	14,441	110,018	6,020	130,479
Restaurant	20	5%	8,945	53,574	6,231	68,750
Other Commercial	58	14%	22,766	294,682	69,834	387,282
<b>Total</b>	<b>411</b>	<b>100%</b>	<b>47,941</b>	<b>517,786</b>	<b>280,535</b>	<b>884,316</b>

Source: Property Owner Survey; City of Belfast

## Space Inventory by Lease Rate

### Summary of Key Findings

With only one space being classified as affordable/workforce, a majority of spaces are considered ‘market rate’ from a lease perspective. Other commercial space had the highest average lease rate at \$9.47/SF<sup>19</sup>, followed by retail space at \$5.48/SF. With an average time of one week, restaurant space had the shortest average length of time between leases, while commercial office had the longest at an average of six weeks.

Total Area (SF) by Use and Rate Type			
	Subsidized/ Voucher	Affordable/ Workforce	Market
Single-Family	N/A	N/A	38,054
Multi-Family	N/A	1,152	141,129
Office	N/A	N/A	117,470
Retail	N/A	N/A	130,479
Restaurant	N/A	N/A	68,750
Other Commercial	N/A	N/A	387,282

Source: Property Owner Survey; City of Belfast

<sup>19</sup> Lease rates expressed on an annual basis unless otherwise noted.

Average Lease Rate per Square Foot (SF) by by Use and Rate Type			
	Subsidized/ Voucher	Affordable/ Workforce	Market
Single-Family	N/A	N/A	\$ 1.53
Multi-Family	N/A	\$ 1.54	\$ 1.73
Office	N/A	N/A	\$ 2.38
Retail	N/A	N/A	\$ 5.48
Restaurant	N/A	N/A	\$ 1.49
Other Commercial	N/A	N/A	\$ 9.47

Source: Property Owner Survey; City of Belfast

Median Lease Rate per Square Foot (SF) by by Use and Rate Type			
	Subsidized/ Voucher	Affordable/ Workforce	Market
Single-Family	N/A	N/A	\$ 1.43
Multi-Family	N/A	\$ 1.54	\$ 1.14
Office	N/A	N/A	\$ 1.25
Retail	N/A	N/A	\$ 1.50
Restaurant	N/A	N/A	\$ 1.40
Other Commercial	N/A	N/A	\$ 1.63

Source: Property Owner Survey; City of Belfast

Average Length of Time (Weeks) Between Leases by Use and Rate Type			
	Subsidized/ Voucher	Affordable/ Workforce	Market
Single-Family	N/A	N/A	2
Multi-Family	N/A	4	2
Office	N/A	N/A	3
Retail	N/A	N/A	3
Restaurant	N/A	N/A	1
Other Commercial	N/A	N/A	6

Source: Property Owner Survey; City of Belfast

### Survey Spotlight

Common Factors Identified by Owners as to why they are unwilling or unable to make spaces usable:

- Inadequate demand
- Lack of funding
- Lack of support

Features that are in most demand by potential lessees include:

- Access to broadband internet
- Garbage and recycling services
- Washer and Dryer
- Parking

Common incentives and concessions offered to lessees include:

- Reduced rent
- Physical improvements
- Landscaping services

Median Length of Time (Weeks) Between Leases by Use and Rate Type			
	Subsidized/ Voucher	Affordable/ Workforce	Market
Single-Family	N/A	N/A	2
Multi-Family	N/A	4	2
Office	N/A	N/A	2
Retail	N/A	N/A	2
Restaurant	N/A	N/A	1
Other Commercial	N/A	N/A	5

Source: Property Owner Survey; City of Belfast

## Space Inventory by Occupancy Type

### Summary of Key Findings

At approximately 235,000 SF, owner-occupied other commercial space had the highest footprint of any space type, followed by renter-occupied multi-family residential space at approximately 121,600 SF. At approximately 36,000 SF, other commercial space represented the largest amount of space that is unoccupied and available for rent or sale, followed by office space at approximately 30,000 SF. At approximately 60,000 SF, other commercial space represented the largest amount of space that is unoccupied and currently considered unusable.

Looking at renter-occupied spaces, retail space had the highest average lease rate at \$5.55/SF, followed by other commercial space at \$5.02/SF. The average lease rate for space that is unoccupied but available for sale or rent is higher than the average lease rates for renter-occupied spaces for all space use types.

Looking at renter occupied space, restaurants had the lowest amount of time between leases at an average of one weeks.

Total Area (SF) by Use and Occupancy Type				
	Owner	Renter	Unoccupied, But Available for Rent or Sale	Unoccupied, and Not Unusable
Single-Family	31,205	6,849	-	-
Multi-Family	9,202	121,640	3,939	7,500
Office	11,132	76,333	30,005	-
Retail	50,606	71,540	8,333	-
Restaurant	39,638	14,653	12,859	1,600
Other Commercial	234,289	56,878	35,990	60,125

Source: Property Owner Survey; City of Belfast

Average Lease Rate by Use and Occupancy Type				
	Owner	Renter	Unoccupied, But Available for Rent or Sale	Unoccupied, and Not Unusable
Single-Family	N/A	\$ 1.53	N/A	N/A
Multi-Family	N/A	\$ 1.73	\$ 1.82	N/A
Office	N/A	\$ 2.16	\$ 2.23	N/A
Retail	N/A	\$ 5.30	\$ 5.55	N/A
Restaurant	N/A	\$ 1.30	\$ 1.58	N/A
Other Commercial	N/A	\$ 4.79	\$ 5.02	N/A

Source: Property Owner Survey; City of Belfast

Median Lease Rate by Use and Occupancy Type				
	Owner	Renter	Unoccupied, But Available for Rent or Sale	Unoccupied, and Not Unusable
Single-Family	N/A	\$ 1.43	N/A	N/A
Multi-Family	N/A	\$ 1.35	\$ 1.82	N/A
Office	N/A	\$ 1.50	\$ 1.43	N/A
Retail	N/A	\$ 1.41	\$ 4.30	N/A
Restaurant	N/A	\$ 1.40	\$ 1.51	N/A
Other Commercial	N/A	\$ 2.00	\$ 10.00	N/A

Source: Property Owner Survey; City of Belfast

Average Length of Time (Weeks) Between Leases by Use and Occupancy Type				
	Owner	Renter	Unoccupied, But Available for Rent or Sale	Unoccupied, and Not Unusable
Single-Family	N/A	2	2	N/A
Multi-Family	N/A	2	3	N/A
Office	N/A	3	4	N/A
Retail	N/A	3	3	N/A
Restaurant	N/A	1	4	N/A
Other Commercial	N/A	6	8	N/A

Source: Property Owner Survey; City of Belfast

Median Length of Time (Weeks) Between Leases by Use and Occupancy Type				
	Owner	Renter	Unoccupied, But Available for Rent or Sale	Unoccupied, and Not Unusable
Single-Family	N/A	2	2	N/A
Multi-Family	N/A	2	2	N/A
Office	N/A	2	3	N/A
Retail	N/A	2	2	N/A
Restaurant	N/A	1	3	N/A
Other Commercial	N/A	5	6	N/A

Source: Property Owner Survey; City of Belfast

### Space Inventory by Location

At approximately 295,000 SF, first floor / ground level other commercial space had the highest footprint by total square feet (SF) of any space type, followed by second floor and above multi-family space at approximately 125,000 SF. Average lease rates for spaces at the first floor / ground level were the highest across all use types, with the highest average rate being retail space at \$9.48/SF. Spaces that were below ground had the greatest average length of time between leases, with other commercial space having the longest average duration amongst all below ground spaces, at five weeks.

Total Area (SF) by Use and Location			
	Below Ground	First Floor / Ground Level	Second Floor and Above
Single Family	N/A	N/A	N/A
Multi-Family	275	17,480	124,526
Office	1,514	42,032	73,924
Retail	14,441	110,018	6,020
Restaurant	8,945	53,574	6,231
Other Commercial	22,766	294,682	69,834

Source: Property Owner Survey; City of Belfast

Average Lease Rate by Use and Location			
	Below Ground	First Floor / Ground Level	Second Floor and Above
Single Family	N/A	N/A	N/A
Multi-Family	\$ 1.05	\$ 1.37	\$ 1.89
Office	\$ 0.85	\$ 4.81	\$ 2.00
Retail	\$ 1.31	\$ 9.48	\$ 0.70
Restaurant	\$ 1.41	\$ 1.49	\$ 1.56
Other Commercial	\$ 5.41	\$ 5.75	\$ 5.51

Source: Property Owner Survey; City of Belfast

Median Lease Rate by Use and Location			
	Below Ground	First Floor / Ground Level	Second Floor and Above
Single-Family	N/A	N/A	N/A
Multi-Family	\$ 1.05	\$ 1.52	\$ 1.13
Office	\$ 1.13	\$ 1.65	\$ 1.23
Retail	\$ 1.35	\$ 10.10	\$ 0.74
Restaurant	\$ 1.13	\$ 1.40	\$ 1.50
Other Commercial	\$ 5.63	\$ 1.25	\$ 2.00

Source: Property Owner Survey; City of Belfast

Average Length of Time (Weeks) Between Leases by Use and Location			
	Below Ground	First Floor / Ground Level	Second Floor and Above
Single-Family	N/A	N/A	N/A
Multi-Family	3	2	2
Office	3	3	2
Retail	4	3	4
Restaurant	2	1	2
Other Commercial	5	5	6

Source: Property Owner Survey; City of Belfast

Median Length of Time (Weeks) Between Leases by Use and Location			
	Below Ground	First Floor / Ground Level	Second Floor and Above
Single-Family	N/A	N/A	N/A
Multi-Family	3	2	1
Office	2	2	2
Retail	3	2	3
Restaurant	2	1	1
Other Commercial	5	4	5

Source: Property Owner Survey; City of Belfast

## Space Inventory by Historic Status

### Summary of Key Findings

A majority of space is classified as neither individually listed on the National Register of Historic Places nor contributing to an existing historic district, with other commercial office having the highest footprint at approximately 343,000 SF. Average lease rates for other commercial spaces within properties classified as neither individually listed on the National Register of Historic Places nor contributing to an existing historic district were the highest of all use types at \$10.50/SF. At an average of \$0.85/SF, office space within properties classified as not listed but contributing to a historic district had the lowest lease rate, followed by restaurant space at \$0.91/SF. Spaces that are within properties classified as neither individually listed nor contributing to a historic district had the shortest average length of time between leases across the greatest number of uses.

Total Area (SF) by Use and Historic Status			
	Individually Listed	Not Listed but Contributing Property to District	Neither Individually Listed or Contributing
Single-Family	-	11,814	26,240
Multi-Family	14,794	52,386	75,101
Office	11,019	35,695	70,756
Retail	15,926	33,287	81,266
Restaurant	4,297	11,433	53,020
Other Commercial	33,840	10,000	343,442

Source: Property Owner Survey; City of Belfast

Average Lease Rate by Use and Historic Status			
	Individually Listed	Not Listed but Contributing Property to District	Neither Individually Listed or Contributing
Single-Family	N/A	N/A	\$ 1.51
Multi-Family	\$ 10.00	\$ 1.07	\$ 1.34
Office	\$ 6.90	\$ 0.85	\$ 1.64
Retail	\$ 7.01	\$ 7.00	\$ 6.21
Restaurant	\$ 1.47	\$ 0.91	\$ 1.58
Other Commercial	\$ 9.75	\$ 10.50	\$ 8.86

Source: Property Owner Survey; City of Belfast

Median Lease Rate by Use and Historic Status			
	Individually Listed	Not Listed but Contributing Property to District	Neither Individually Listed or Contributing
Single-Family	N/A	N/A	\$ 1.41
Multi-Family	\$ 10.00	\$ 1.15	\$ 1.16
Office	\$ 1.25	\$ 0.85	\$ 1.30
Retail	\$ 1.50	\$ 6.96	\$ 4.88
Restaurant	\$ 1.47	\$ 0.91	\$ 1.40
Other Commercial	\$ 9.75	\$ 10.50	\$ 1.88

Source: Property Owner Survey; City of Belfast

Average Length of Time (Weeks) Between Leases by Use and Historic Status			
	Individually Listed	Not Listed but Contributing Property to District	Neither Individually Listed or Contributing
Single-Family	N/A	N/A	1
Multi-Family	3	2	2
Office	2	1	2
Retail	3	3	2
Restaurant	2	2	2
Other Commercial	4	5	5

Source: Property Owner Survey; City of Belfast

Median Length of Time (Weeks) Between Leases by Use and Historic Status			
	Individually Listed	Not Listed but Contributing Property to District	Neither Individually Listed or Contributing
Single-Family	N/A	N/A	1
Multi-Family	2	2	2
Office	1	1	2
Retail	2	2	2
Restaurant	1	2	2
Other Commercial	2	4	4

Source: Property Owner Survey; City of Belfast

## B. Space Inventory Sales Analysis

### Overview and Methodology

In order to gain further insights into various space inventory considerations and trends, a space inventory sales analysis was completed looking at sales trends of spaces sold within the study area from 2010 to 2019. Data for this inventory sales analysis was gathered from sale and parcel data provided by the City of Belfast, and includes data for the spaces analyzed as part of the space inventory analysis included in this report. Data was gathered and is reported on based on property/space use type (i.e., single-family residential ‘single-family’, multi-family residential ‘multi-family’, office, retail, restaurant, and other commercial space), and includes additional metrics and other sales trends including:

- ◆ **Sold Inventory by Sale Rate** (Subsidized/Voucher, Affordable/Workforce, Market)
- ◆ **Sold Inventory by Occupancy Type** (Owner, Renter, Unoccupied but Available for Rent or Sale, Unoccupied and Unusable, Long Term and Short Term)
- ◆ **Sold Inventory by Location** (Below Ground, First Floor, Second Floor and Above)
- ◆ **Sold Inventory by Historic Status** (Individually Listed on the National Register of Historic Places, Not Individually Listed on the National Register of Historic Places but Contributing to an Existing Historic District, Neither Individually Listed on the National Register of Historic Places Nor Contributing to an Existing Historic District).

Key trends summarized include:

- ◆ **Average and Median Sale Price per SF**
- ◆ **Sale Price Ranges**
- ◆ **Number of Sales by Year**

Note that N/A in the tables below stand for not-applicable, and indicates that there was no data available for that particular category.

### Inventory Overview

#### Summary of Key Findings

At 6 total spaces, single-family residential spaces had the highest number of total sales from 2010 to 2019, followed by multi-family spaces (5). At 215.88/SF, other commercial space had the highest average sale price per SF, followed by single-family residential space at \$19.083/SF. Retail space had the lowest average sale price per SF at \$85.19/SF. Looking at the top 50% sale price ranges by use type, the widest variation can be seen in other commercial space which had spaces ranging from \$166.67/SF to \$314.81/SF.

Summary of Sales by Space Type (2010-2019)				
	# of Spaces Sold	Avg. Sale Price per SF	Med. Sale Price per SF	Top 50% Sale Price Range
Single-Family	6	\$ 193.08	\$ 181.14	\$165.56 to \$232.54
Multi-Family	5	\$ 154.75	\$ 164.93	\$164.93 to \$214.84
Office	4	\$ 124.59	\$ 165.56	\$138.91 to \$214.84
Retail	2	\$ 85.19	\$ 165.87	\$56.22 to \$114.17
Restaurant	3	\$ 106.97	\$ 165.27	\$114.17 to \$150.51
Other Commercial	3	\$ 215.88	\$ 165.87	\$166.67 to \$314.81

Source: Property Owner Survey; City of Belfast

## Space Inventory Sales by Sale Rate

### Summary of Key Findings

All spaces sold between 2010 and 2019 were classified as market rate, with no spaces offering subsidized/voucher or affordable/workforce lease rates at \$215.88/SF, other commercial space had the highest average sale price, followed by single-family residential space at \$193.08/SF. Retail space had the lowest average sale price at \$85.19/SF. Looking at the top 50% sale price ranges by use type, the widest variation can be seen in other commercial space which had spaces range from \$166.67/SF to \$314.81/SF. The largest number of total sales came in 2014 when a total of 7 spaces were sold, followed by 2017 when 6 spaces were sold.

**Average Sale Price per Square Foot (SF) by Use and Rate Type  
(2010-2019)**

	Subsidized/ Voucher	Affordable/ Workforce	Market
Single-Family	N/A	N/A	\$ 193.08
Multi-Family	N/A	N/A	\$ 154.75
Office	N/A	N/A	\$ 124.59
Retail	N/A	N/A	\$ 85.19
Restaurant	N/A	N/A	\$ 106.97
Other Commercial	N/A	N/A	\$ 215.88

Source: Property Owner Survey; City of Belfast

**Median Sale Price per Square Foot (SF) by Use and Rate Type  
(2010-2019)**

	Subsidized/ Voucher	Affordable/ Workforce	Market
Single-Family	N/A	N/A	\$ 181.14
Multi-Family	N/A	N/A	\$ 164.93
Office	N/A	N/A	\$ 165.56
Retail	N/A	N/A	\$ 85.19
Restaurant	N/A	N/A	\$ 165.27
Other Commercial	N/A	N/A	\$ 165.87

Source: Property Owner Survey; City of Belfast

**Sale Price Range per Square Foot (SF) by Use and Rate Type - Top 50%  
(2010-2019)**

	Subsidized/ Voucher	Affordable/ Workforce	Market
Single-Family	N/A	N/A	\$165.56 to \$232.54
Multi-Family	N/A	N/A	\$164.93 to \$214.84
Office	N/A	N/A	\$138.91 to \$214.84
Retail	N/A	N/A	\$56.22 to \$114.17
Restaurant	N/A	N/A	\$114.17 to \$150.51
Other Commercial	N/A	N/A	\$166.67 to \$314.81

Source: Property Owner Survey; City of Belfast

Sale Price Range per Square Foot (SF) by Use and Rate Type - Top 25% (2010-2019)			
	Subsidized/ Voucher	Affordable/ Workforce	Market
Single-Family	N/A	N/A	\$181.14 to \$232.54
Multi-Family	N/A	N/A	\$166.67 to \$214.84
Office	N/A	N/A	\$214.84 to \$214.84
Retail	N/A	N/A	\$114.17 to \$114.17
Restaurant	N/A	N/A	\$150.51 to \$150.51
Other Commercial	N/A	N/A	\$314.81 to \$314.81

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Rate Type (2010)			
	Subsidized/ Voucher	Affordable/ Workforce	Market
Single-Family	-	-	3
Multi-Family	-	-	-
Office	N/A	N/A	-
Retail	N/A	N/A	-
Restaurant	N/A	N/A	-
Other Commercial	N/A	N/A	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Rate Type (2011)			
	Subsidized/ Voucher	Affordable/ Workforce	Market
Single-Family	-	-	-
Multi-Family	-	-	-
Office	N/A	N/A	-
Retail	N/A	N/A	-
Restaurant	N/A	N/A	-
Other Commercial	N/A	N/A	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Rate Type (2012)			
	Subsidized/ Voucher	Affordable/ Workforce	Market
Single-Family	-	-	-
Multi-Family	-	-	-
Office	N/A	N/A	-
Retail	N/A	N/A	-
Restaurant	N/A	N/A	-
Other Commercial	N/A	N/A	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Rate Type (2013)			
	Subsidized/ Voucher	Affordable/ Workforce	Market
Single-Family	-	-	-
Multi-Family	-	-	-
Office	N/A	N/A	-
Retail	N/A	N/A	-
Restaurant	N/A	N/A	-
Other Commercial	N/A	N/A	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Rate Type (2014)			
	Subsidized/ Voucher	Affordable/ Workforce	Market
Single-Family	-	-	3
Multi-Family	-	-	-
Office	N/A	N/A	-
Retail	N/A	N/A	1
Restaurant	N/A	N/A	2
Other Commercial	N/A	N/A	1

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Rate Type (2015)			
	Subsidized/ Voucher	Affordable/ Workforce	Market
Single-Family	-	-	-
Multi-Family	-	-	-
Office	N/A	N/A	-
Retail	N/A	N/A	-
Restaurant	N/A	N/A	-
Other Commercial	N/A	N/A	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Rate Type (2016)			
	Subsidized/ Voucher	Affordable/ Workforce	Market
Single-Family	-	-	-
Multi-Family	-	-	3
Office	N/A	N/A	2
Retail	N/A	N/A	-
Restaurant	N/A	N/A	-
Other Commercial	N/A	N/A	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Rate Type (2017)			
	Subsidized/ Voucher	Affordable/ Workforce	Market
Single-Family	-	-	-
Multi-Family	-	-	1
Office	N/A	N/A	1
Retail	N/A	N/A	1
Restaurant	N/A	N/A	1
Other Commercial	N/A	N/A	2

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Rate Type (2018)			
	Subsidized/ Voucher	Affordable/ Workforce	Market
Single-Family	-	-	-
Multi-Family	-	-	1
Office	N/A	N/A	1
Retail	N/A	N/A	-
Restaurant	N/A	N/A	-
Other Commercial	N/A	N/A	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Rate Type (2019)			
	Subsidized/ Voucher	Affordable/ Workforce	Market
Single-Family	-	-	-
Multi-Family	-	-	-
Office	N/A	N/A	-
Retail	N/A	N/A	-
Restaurant	N/A	N/A	-
Other Commercial	N/A	N/A	-

Source: Property Owner Survey; City of Belfast

## Space Inventory Sales by Occupancy Type

### Summary of Key Findings

At \$24.490/SF, renter-occupied other commercial space had the highest average sale rate followed by owner-occupied single-family residential spaces at \$19.083/SF. At \$56.22/SF, office space that is unoccupied but available for rent or sale has the lowest average sale rate per SF. There were no properties sold with space that is considered unoccupied and unusable from 2010 to 2019.

Average Sale Price per Square Foot (SF) by Use and Occupancy Type (2010-2019)				
	Owner	Renter	Unoccupied, But Available for Rent or Sale	Unoccupied, and Not Unusable
Single-Family	\$ 193.08	N/A	N/A	N/A
Multi-Family	N/A	\$ 154.75	N/A	N/A
Office	N/A	\$ 147.38	\$ 56.22	N/A
Retail	N/A	\$ 85.19	N/A	N/A
Restaurant	N/A	\$ 103.37	\$ 114.17	N/A
Other Commercial	\$ 166.67	\$ 240.49	N/A	N/A

Source: Property Owner Survey; City of Belfast

Median Sale Price per Square Foot (SF) by Use and Occupancy Type (2010-2019)				
	Owner	Renter	Unoccupied, But Available for Rent or Sale	Unoccupied, and Not Unusable
Single-Family	\$ 181.14	N/A	N/A	N/A
Multi-Family	N/A	\$ 164.93	N/A	N/A
Office	N/A	\$ 126.54	\$ 56.22	N/A
Retail	N/A	\$ 85.19	N/A	N/A
Restaurant	N/A	\$ 103.37	\$ 114.17	N/A
Other Commercial	\$ 166.67	\$ 240.49	N/A	N/A

Source: Property Owner Survey; City of Belfast

Sale Price Range per Square Foot (SF) by Use and Occupancy Type - Top 50% (2010-2019)				
	Owner	Renter	Unoccupied, But Available for Rent or Sale	Unoccupied, and Not Unusable
Single-Family	\$165.56 to \$232.54	N/A	N/A	N/A
Multi-Family	N/A	\$164.93 to \$214.84	N/A	N/A
Office	N/A	\$138.91 to \$214.84	\$56.22 to \$56.22	N/A
Retail	N/A	\$56.22 to \$114.17	N/A	N/A
Restaurant	N/A	\$56.22 to \$150.51	\$114.17 to \$114.17	N/A
Other Commercial	\$166.67 to \$166.67	\$166.17 to \$314.81	N/A	N/A

Source: Property Owner Survey; City of Belfast

**Sale Price Range per Square Foot (SF) by Use and Occupancy Type - Top 25% (2010-2019)**

	Owner	Renter	Unoccupied, But Available for Rent or Sale	Unoccupied, and Not Unusable
Single-Family	\$181.14 to \$232.54	N/A	N/A	N/A
Multi-Family	N/A	\$164.93 to \$214.84	N/A	N/A
Office	N/A	\$138.91 to \$214.84	\$56.22 to \$56.22	N/A
Retail	N/A	\$56.22 to \$114.17	N/A	N/A
Restaurant	N/A	\$56.22 to \$150.51	\$114.17 to \$114.17	N/A
Other Commercial	\$166.67 to \$166.67	\$314.81 to \$314.81	N/A	N/A

Source: Property Owner Survey; City of Belfast

**Number of Sales by Use and Occupancy Type (2010)**

	Owner	Renter	Unoccupied, But Available for Rent or Sale	Unoccupied, and Not Unusable
Single-Family	3	-	-	-
Multi-Family	-	-	-	-
Office	-	-	-	-
Retail	-	-	-	-
Restaurant	-	-	-	-
Other Commercial	-	-	-	-

Source: Property Owner Survey; City of Belfast

**Number of Sales by Use and Occupancy Type (2011)**

	Owner	Renter	Unoccupied, But Available for Rent or Sale	Unoccupied, and Not Unusable
Single-Family	-	-	-	-
Multi-Family	-	-	-	-
Office	-	-	-	-
Retail	-	-	-	-
Restaurant	-	-	-	-
Other Commercial	-	-	-	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Occupancy Type (2012)				
	Owner	Renter	Unoccupied, But Available for Rent or Sale	Unoccupied, and Not Unusable
Single-Family	-	-	-	-
Multi-Family	-	-	-	-
Office	-	-	-	-
Retail	-	-	-	-
Restaurant	-	-	-	-
Other Commercial	-	-	-	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Occupancy Type (2013)				
	Owner	Renter	Unoccupied, But Available for Rent or Sale	Unoccupied, and Not Unusable
Single-Family	-	-	-	-
Multi-Family	-	-	-	-
Office	-	-	-	-
Retail	-	-	-	-
Restaurant	-	-	-	-
Other Commercial	-	-	-	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Occupancy Type (2014)				
	Owner	Renter	Unoccupied, But Available for Rent or Sale	Unoccupied, and Not Unusable
Single-Family	3	-	-	-
Multi-Family	-	-	-	-
Office	-	-	-	-
Retail	-	1	-	-
Restaurant	-	1	1	-
Other Commercial	-	1	-	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Occupancy Type (2015)				
	Owner	Renter	Unoccupied, But Available for Rent or Sale	Unoccupied, and Not Unusable
Single-Family	-	-	-	-
Multi-Family	-	-	-	-
Office	-	-	-	-
Retail	-	-	-	-
Restaurant	-	-	-	-
Other Commercial	-	-	-	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Occupancy Type (2016)				
	Owner	Renter	Unoccupied, But Available for Rent or Sale	Unoccupied, and Not Unusable
Single-Family	-	-	-	-
Multi-Family	-	3	-	-
Office	-	2	-	-
Retail	-	-	-	-
Restaurant	-	-	-	-
Other Commercial	-	-	-	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Occupancy Type (2017)				
	Owner	Renter	Unoccupied, But Available for Rent or Sale	Unoccupied, and Not Unusable
Single-Family	-	-	-	-
Multi-Family	-	1	-	-
Office	-	1	1	-
Retail	-	1	-	-
Restaurant	-	1	-	-
Other Commercial	1	1	-	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Occupancy Type (2018)				
	Owner	Renter	Unoccupied, But Available for Rent or Sale	Unoccupied, and Not Unusable
Single-Family	-	-	-	-
Multi-Family	-	1	-	-
Office	-	1	-	-
Retail	-	-	-	-
Restaurant	-	-	-	-
Other Commercial	-	-	-	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Occupancy Type (2019)				
	Owner	Renter	Unoccupied, But Available for Rent or Sale	Unoccupied, and Not Unusable
Single-Family	-	-	-	-
Multi-Family	-	-	-	-
Office	-	-	-	-
Retail	-	-	-	-
Restaurant	-	-	-	-
Other Commercial	-	-	-	-

Source: Property Owner Survey; City of Belfast

## Space Inventory Sales by Location

### Summary of Key Findings

At \$314.81/SF, other commercial space located on the first floor / ground level had the highest average sale price followed by multi-family residential space located on the second floor and above at \$184.38/SF. At \$56.22/SF, office space located below ground, and retail space located on the second floor and above had the lowest average sale price.

Average Sale Price per Square Foot (SF) by Use and Location (2010-2019)			
	Below Ground	First Floor / Ground Level	Second Floor and Above
Single-Family	N/A	N/A	N/A
Multi-Family	N/A	\$ 164.93	\$ 184.38
Office	\$ 56.22	\$ 176.88	\$ 136.66
Retail	N/A	\$ 86.26	\$ 56.22
Restaurant	\$ 166.67	\$ 161.12	N/A
Other Commercial	\$ 166.17	\$ 314.81	N/A

Source: Property Owner Survey; City of Belfast

Median Sale Price per Square Foot (SF) by Use and Location (2010-2019)			
	Below Ground	First Floor / Ground Level	Second Floor and Above
Single-Family	N/A	N/A	N/A
Multi-Family	N/A	\$ 164.93	\$ 151.92
Office	\$ 56.22	\$ 176.88	\$ 139.00
Retail	N/A	\$ 88.40	\$ 56.22
Restaurant	\$ 166.67	\$ 166.42	N/A
Other Commercial	\$ 166.17	\$ 314.81	N/A

Source: Property Owner Survey; City of Belfast

Sale Price Range per Square Foot (SF) by Use and Location - Top 50% (2010-2019)			
	Below Ground	First Floor / Ground Level	Second Floor and Above
Single-Family	N/A	N/A	N/A
Multi-Family	N/A	\$164.93 to \$164.93	\$164.93 to \$314.81
Office	\$56.22 to \$56.22	\$138.91 to 214.84	\$138.91 to \$214.84
Retail	N/A	\$88.40 to \$114.17	\$56.22 to \$56.22
Restaurant	\$166.67 to \$166.67	\$150.51 to \$166.67	N/A
Other Commercial	\$166.17 to \$166.17	\$314.81 to \$314.81	N/A

Source: Property Owner Survey; City of Belfast

**Sale Price Range per Square Foot (SF) by Use and Location - Top 25%  
(2010-2019)**

	Below Ground	First Floor / Ground Level	Second Floor and Above
Single-Family	N/A	N/A	N/A
Multi-Family	N/A	\$164.93 to \$164.93	\$214.84 to \$314.81
Office	\$56.22 to \$56.22	\$138.91 to 214.84	\$214.84 to \$214.84
Retail	N/A	\$88.40 to \$114.17	\$56.22 to \$56.22
Restaurant	\$166.67 to \$166.67	\$150.51 to \$166.67	N/A
Other Commercial	\$166.17 to \$166.17	\$314.81 to \$314.81	N/A

Source: Property Owner Survey; City of Belfast

**Number of Sales by Use and Location (2010)**

	Below Ground	First Floor / Ground Level	Second Floor and Above
Single-Family	N/A	N/A	N/A
Multi-Family	-	-	-
Office	-	-	-
Retail	-	-	-
Restaurant	-	-	-
Other Commercial	-	-	-

Source: Property Owner Survey; City of Belfast

**Number of Sales by Use and Location (2011)**

	Below Ground	First Floor / Ground Level	Second Floor and Above
Single-Family	N/A	N/A	N/A
Multi-Family	-	-	-
Office	-	-	-
Retail	-	-	-
Restaurant	-	-	-
Other Commercial	-	-	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Location (2012)			
	Below Ground	First Floor / Ground Level	Second Floor and Above
Single-Family	N/A	N/A	N/A
Multi-Family	-	-	-
Office	-	-	-
Retail	-	-	-
Restaurant	-	-	-
Other Commercial	-	-	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Location (2013)			
	Below Ground	First Floor / Ground Level	Second Floor and Above
Single-Family	N/A	N/A	N/A
Multi-Family	-	-	-
Office	-	-	-
Retail	-	-	-
Restaurant	-	-	-
Other Commercial	-	-	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Location (2014)			
	Below Ground	First Floor / Ground Level	Second Floor and Above
Single-Family	N/A	N/A	N/A
Multi-Family	-	-	1
Office	-	-	-
Retail	-	1	-
Restaurant	-	1	-
Other Commercial	-	1	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Location (2015)			
	Below Ground	First Floor / Ground Level	Second Floor and Above
Single-Family	N/A	N/A	N/A
Multi-Family	-	-	-
Office	-	-	-
Retail	-	-	-
Restaurant	-	-	-
Other Commercial	-	-	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Location (2016)			
	Below Ground	First Floor / Ground Level	Second Floor and Above
Single-Family	N/A	N/A	N/A
Multi-Family	-	1	3
Office	-	1	1
Retail	-	1	-
Restaurant	-	-	-
Other Commercial	-	-	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Location (2017)			
	Below Ground	First Floor / Ground Level	Second Floor and Above
Single-Family	N/A	N/A	N/A
Multi-Family	-	-	-
Office	1	-	1
Retail	-	1	1
Restaurant	1	2	-
Other Commercial	1	-	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Location (2018)			
	Below Ground	First Floor / Ground Level	Second Floor and Above
Single-Family	N/A	N/A	N/A
Multi-Family	-	-	1
Office	-	1	-
Retail	-	-	-
Restaurant	-	-	-
Other Commercial	-	-	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Location (2019)			
	Below Ground	First Floor / Ground Level	Second Floor and Above
Single-Family	N/A	N/A	N/A
Multi-Family	-	-	-
Office	-	-	-
Retail	-	-	-
Restaurant	-	-	-
Other Commercial	-	-	-

Source: Property Owner Survey; City of Belfast

## Space Inventory Sales by Historic Status

### Summary of Key Findings

At approximately \$240/SF, other commercial space considered neither individually listed on the National Register of Historic Places nor contributing to an existing historic district had the highest average sale price. The highest number of space sales from 2010 to 2019 were amongst properties classified as individually listed on the National Register of Historic Places nor contributing to an existing historic district

Average Sale Price per Square Foot (SF) by Use and Historic Status (2010-2019)			
	Individually Listed	Not Listed but Contributing Property to District	Neither Individually Listed or Contributing
Single-Family	N/A	\$ 173.35	\$ 232.54
Multi-Family	N/A	\$ 131.32	\$ 189.89
Office	\$ 56.22	\$ 113.65	\$ 214.84
Retail	\$ 56.22	N/A	\$ 114.17
Restaurant	\$ 56.22	N/A	\$ 132.34
Other Commercial	N/A	\$ 166.67	\$ 240.49

Source: Property Owner Survey; City of Belfast

Median Sale Price per Square Foot (SF) by Use and Historic Status (2010-2019)			
	Individually Listed	Not Listed but Contributing Property to District	Neither Individually Listed or Contributing
Single-Family	N/A	\$ 173.35	\$ 232.54
Multi-Family	N/A	\$ 164.93	\$ 189.89
Office	\$ 56.22	\$ 126.54	\$ 214.84
Retail	\$ 56.22	N/A	\$ 114.17
Restaurant	\$ 56.22	N/A	\$ 132.34
Other Commercial	N/A	\$ 166.67	\$ 240.49

Source: Property Owner Survey; City of Belfast

Sale Price Range per Square Foot (SF) by Use and Historic Status - Top 50% (2010-2019)			
	Individually Listed	Not Listed but Contributing Property to District	Neither Individually Listed or Contributing
Single-Family	N/A	\$181.14 to \$232.54	\$232.54 to \$232.54
Multi-Family	N/A	\$138.91 to \$166.67	\$164.93 to \$214.84
Office	\$56.22 to \$56.22	\$88.40 to \$138.91	\$214.84 to \$214.84
Retail	\$56.22 to \$56.22	N/A	\$114.17 to \$114.17
Restaurant	\$56.22 to \$56.22	N/A	\$114.17 to \$150.51
Other Commercial	N/A	\$166.67 to \$166.67	\$166.17 to \$314.81

Source: Property Owner Survey; City of Belfast

Sale Price Range per Square Foot (SF) by Use and Historic Status - Top 25% (2010-2019)			
	Individually Listed	Not Listed but Contributing Property to District	Neither Individually Listed or Contributing
Single-Family	N/A	\$181.14 to \$232.54	\$232.54 to \$232.54
Multi-Family	N/A	\$138.91 to \$166.67	\$214.84 to \$214.84
Office	\$56.22 to \$56.22	\$88.40 to \$138.91	\$214.84 to \$214.84
Retail	\$56.22 to \$56.22	N/A	\$114.17 to \$114.17
Restaurant	\$56.22 to \$56.22	N/A	\$150.51 to \$150.51
Other Commercial	N/A	\$166.67 to \$166.67	\$314.81 to \$314.81

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Historic Status (2010)			
	Individually Listed	Not Listed but Contributing Property to District	Neither Individually Listed or Contributing
Single-Family	-	-	-
Multi-Family	-	-	-
Office	-	-	-
Retail	-	-	-
Restaurant	-	-	-
Other Commercial	-	-	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Historic Status (2011)			
	Individually Listed	Not Listed but Contributing Property to District	Neither Individually Listed or Contributing
Single-Family	-	-	-
Multi-Family	-	-	-
Office	-	-	-
Retail	-	-	-
Restaurant	-	-	-
Other Commercial	-	-	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Historic Status (2012)			
	Individually Listed	Not Listed but Contributing Property to District	Neither Individually Listed or Contributing
Single-Family	-	-	-
Multi-Family	-	-	-
Office	-	-	-
Retail	-	-	-
Restaurant	-	-	-
Other Commercial	-	-	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Historic Status (2013)			
	Individually Listed	Not Listed but Contributing Property to District	Neither Individually Listed or Contributing
Single-Family	-	-	-
Multi-Family	-	-	-
Office	-	-	-
Retail	-	-	-
Restaurant	-	-	-
Other Commercial	-	-	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Historic Status (2014)			
	Individually Listed	Not Listed but Contributing Property to District	Neither Individually Listed or Contributing
Single-Family	-	2	1
Multi-Family	-	-	-
Office	-	-	-
Retail	-	-	1
Restaurant	1	-	1
Other Commercial	-	-	1

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Historic Status (2015)			
	Individually Listed	Not Listed but Contributing Property to District	Neither Individually Listed or Contributing
Single-Family	-	-	-
Multi-Family	-	-	-
Office	-	-	-
Retail	-	-	-
Restaurant	-	-	-
Other Commercial	-	-	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Historic Status (2016)			
	Individually Listed	Not Listed but Contributing Property to District	Neither Individually Listed or Contributing
Single-Family	-	-	-
Multi-Family	-	1	2
Office	-	1	1
Retail	-	-	-
Restaurant	-	-	-
Other Commercial	-	-	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Historic Status (2017)			
	Individually Listed	Not Listed but Contributing Property to District	Neither Individually Listed or Contributing
Single-Family	-	-	-
Multi-Family	-	1	-
Office	1	-	-
Retail	1	-	-
Restaurant	1	-	-
Other Commercial	-	1	1

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Historic Status (2018)			
	Individually Listed	Not Listed but Contributing Property to District	Neither Individually Listed or Contributing
Single-Family	-	-	-
Multi-Family	-	1	-
Office	-	1	-
Retail	-	-	-
Restaurant	-	-	-
Other Commercial	-	-	-

Source: Property Owner Survey; City of Belfast

Number of Sales by Use and Historic Status (2019)			
	Individually Listed	Not Listed but Contributing Property to District	Neither Individually Listed or Contributing
Single-Family	-	-	-
Multi-Family	-	-	-
Office	-	-	-
Retail	-	-	-
Restaurant	-	-	-
Other Commercial	-	-	-

Source: Property Owner Survey; City of Belfast

**Technical Report 4**

# Parking Inventory

# PARKING INVENTORY

An inventory was conducted of on-street and off-street parking within the Study Area. Parking spaces were identified as either public or private. Public parking spaces were further classified as either “Public Parking Lot” for lots not associated with a specific public building or use or “Public Building” for spaces specifically available for public buildings or uses. Private spaces were classified as either “Public Use” for private spaces provided by businesses to members of the general public to use while shopping, or “Private Use” for private spaces not available to the general public.

## METHODOLOGY

The inventory was conducted using several sources and methods. A comprehensive parking inventory of much of the study area was provided by the City of Belfast Planning and Codes Department, which was updated and current as of March 2020. The inventory was also completed using aerial imagery, property tax records, Google Street view Imagery, and in-person assessment by the Project Team. Where individual spaces could not be discerned or counted, the number of spaces were estimated using an industry standard of 350 square feet per parking stall (which accounts for both the parking stall and drive aisles).

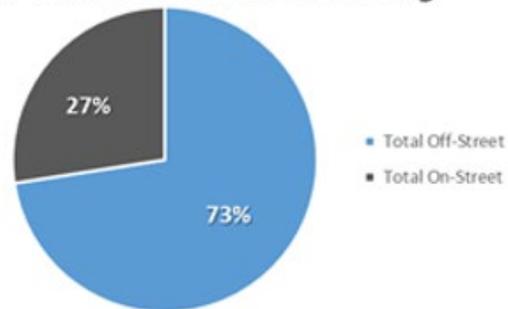
## Inventory Results

The Study Area has an estimated 1,727 total parking spaces, including public and private spaces and both on- and off-street spaces. Off-street parking represents the largest proportion of parking with 1,253 or 73% of the total. Private off-street parking outnumbers public off-street parking by a ratio of more than 2:1. However, when on-street parking spaces are considered, there are slightly more public spaces (878) than private spaces (849).

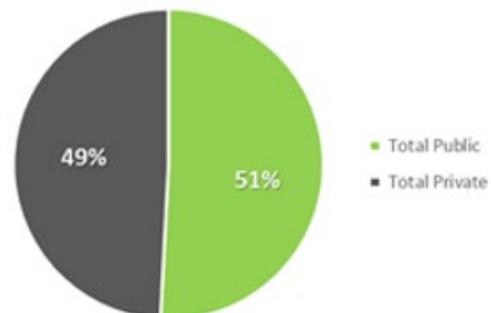
Study Area Parking Inventory		
<b>Off-Street</b>		
Ownership/Type	Spaces	% of Total
Public Parking Lot	352	20%
Public Building	53	3%
<b>Total Public Off-Street</b>	<b>405</b>	<b>23%</b>
Private - Public Uses	551	32%
Private - Private Uses	298	17%
<b>Total Private Off-Street</b>	<b>849</b>	<b>49%</b>
<b>Total Off-Street</b>	<b>1,254</b>	<b>73%</b>
<b>On-Street</b>		
<b>Total On-Street</b>	<b>474</b>	<b>27%</b>
<b>Total Parking</b>		
<b>Total Public</b>	<b>879</b>	<b>51%</b>
<b>Total Private</b>	<b>849</b>	<b>49%</b>
<b>Total</b>	<b>1,728</b>	<b>100%</b>

Source: Google Streetview; City of Belfast Property Tax Records; Visual Inventory

Off-Street vs. On-Street Parking

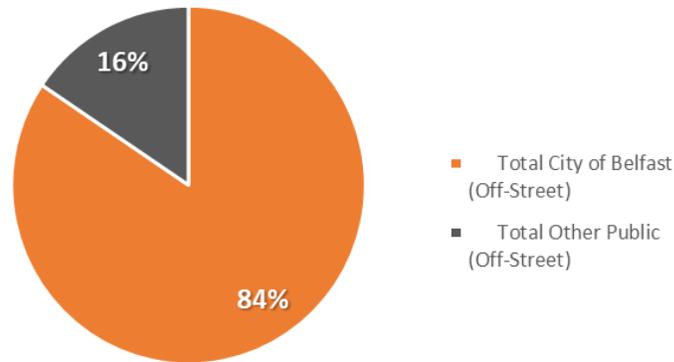


Public vs. Private Parking



A detailed breakdown of off-street parking is provided in the table below. Overall, there are 405 off-street parking spaces in the Study Area owned by the City of Belfast, which account for 84% of all public off-street parking. Other publicly owned parking includes parking for other governmental buildings in the study area including the Post Office, and the recently constructed Waldo Judicial Center, and the Maine District Court.

### Public Parking Ownership (Off-Street)



Public Parking Inventory (Off-Street)					
Street Number	Street Name	Property Owner of Record	Description	Number of Parking Spaces	Percent of Total
-	Main Street & Front Street	City of Belfast	Washington Street Parking Lot	96	24%
25	Front Street	City of Belfast	Heritage Park	37	9%
45	Front Street	City of Belfast	Public Parking Lot	90	22%
112	Church Street	City of Belfast	Police Department	24	6%
105	Church Street	City of Belfast	Public Parking Lot	48	12%
9	Cross Street	City of Belfast	Public Parking Lot	32	8%
131	Chruch Street	City of Belfast	City Hall	15	4%
108	High Street	City of Belfast	Belfast Free Library	0	0%
149	Chruch Street	City of Belfast	Eleanor Crawford Park	0	0%
9	Market Street	Maine Governmental Facilities Authority	Waldo Judicial Center	36	9%
1	Franklin Street	United States Post Office	U.S. Post Office	13	3%
103	Church Street	Waldo County	Maine District Court	14	3%
137	Church Street	Waldo County Courthouse	Waldo County Courthouse	0	0%
<b>Total Off-Street</b>				<b>405</b>	<b>100%</b>
<b>Total City of Belfast (Off-Street)</b>				<b>342</b>	<b>84%</b>
<b>Total Other Public (Off-Street)</b>				<b>63</b>	<b>16%</b>

## APPENDIX 1 – STUDY AREA MAP



**Technical Report 5**

# Undeveloped Land Inventory

# UNDEVELOPED LAND INVENTORY

According to the City of Belfast, there are currently 18 vacant parcels located in the Study Area, with seven of the parcels containing either paved or unpaved parking areas/lots. These parcels have no existing vertical structures on them.

The largest concentration of individual parcels (4) are located on Washington Street. Ownership of vacant parcels include various individuals, limited liability companies (LLCs), or in the case of the 59 Bridget Street parking lot the City of Belfast. Thirteen of the parcels are primarily zoned as Downtown Commercial, with the remaining parcels zoned as Residential-1, Residential-2, or Waterfront Mixed Use 1.

Undeveloped Land Parcels by Address, Study Area					
Address	Description	Map Lot	Account #	Owner Name	Primary Zone
8 Field Street	Parking Area	013-048-A	3354	TIDAL BAY MANAGEMENT, LLC	Residential-2
6 River	Vacant Land	013-057	2013	ORF, INC	Residential-2
40 Main Street	Parking Area	011-059	1715	BELFAST GARDENS, LLC	Downtown Commercial
56 Bridge Street	Parking Area	013-080	2023	RAUCH, JEFF C.	Residential-1
49 Bridge Street	Vacant Land	013-083	2033	COLBY, JUDSON C	Residential-1
59 Bridge Street	Parking Area	013-089	2038	CITY OF BELFAST	Downtown Commercial
28 Washington Street	Vacant Land	011-081	1740	BLOCK 36, LLC	Downtown Commercial
12 Washington Street	Parking Area	011-078	1738	BLOCK 36, LLC	Downtown Commercial
22 Washington Street	Vacant Land	011-080	1739	Block 36 LLC	Downtown Commercial
30 Washinton Street	Vacant Land	011-082	1741	LANCHER, TAMMY	Downtown Commercial
70 Front Street	Vacant Land	011-128	1777	ROSE, JAMES K.	Downtown Commercial
64 Front Street	Vacant Land	011-127	1776	WALKER, MICHELLE	Downtown Commercial
47 Main Street	Vacant Land	011-121-A	4324	OTIS, RYAN C	Downtown Commercial
2 Pendleton Street	Parking Area	011-069	1729	POINT PINELLAS PROPERTIES LLC	Downtown Commercial
40 Pierce Street	Parking Area	013-070-A	3558	PENOBSCOT MCCRUM, LLC	Waterfront Mixed Use 1
1 Miller Street	Vacant Land	011-151	1793	EVANS, JEAN M.	Downtown Commercial
6 Spring Street	Vacant Land	011-154	1794	PENOBSCOT MCCRUM, LLC	Waterfront Mixed Use 1
17 Spring Street	Vacant Land	011-052	1712	BELFAST FARMERS MARKET LLC	Downtown Commercial

Source: City of Belfast

These parcels range in size from 0.05 acres to 1.32 acres with the average size being 0.38 acres. The average land value is \$126,333 and the average land value per acre is 331,004.

Undeveloped Land Parcels, Study Area			
Address	Acres	Land Value	Land Value per Acre
30 Washinton Street	0.05	\$ 40,200	\$ 804,000
2 Pendleton Street	0.06	\$ 75,600	\$ 1,260,000
40 Main Street	0.15	\$ 154,900	\$ 1,032,667
64 Front Street	0.18	\$ 106,100	\$ 589,444
47 Main Street	0.18	\$ 206,800	\$ 1,148,889
6 River Ave	0.24	\$ 41,200	\$ 171,667
28 Washington Street	0.28	\$ 105,500	\$ 376,786
6 Spring Street	0.36	\$ 200,100	\$ 555,833
59 Bridge Street	0.39	\$ 117,100	\$ 300,256
12 Washington Street	0.40	\$ 150,200	\$ 375,500
22 Washington Street	0.42	\$ 153,900	\$ 366,429
70 Front Street	0.42	\$ 80,000	\$ 190,476
17 Spring Street	0.45	\$ 98,600	\$ 219,111
56 Bridge Street	0.46	\$ 67,600	\$ 146,957
1 Miller Street	0.46	\$ 264,500	\$ 575,000
49 Bridge Street	0.52	\$ 121,900	\$ 234,423
8 Field Street	0.53	\$ 58,200	\$ 109,811
40 Pierce Street	1.32	\$ 231,600	\$ 175,455
<b>Total Average</b>	<b>0.38</b>	<b>\$ 126,333</b>	<b>\$ 331,004</b>

Source: City of Belfast

Looking at previous parcel sales, six parcels were sold for \$0 according to City property tax records, and the remaining parcels sale prices ranged from \$15,000 and \$300,000. Of the parcels that did not have a sale price of \$0, the average sale price was \$132,127, with an average sale price per acre of \$333,094.

Undeveloped Land Parcels by Sale Price, Study Area				
Address	Acres	Sale Date	Sale Price	Sale Price per Acre
64 Front Street	0.18	2/1/2004	\$ 15,000	\$ 83,333
30 Washinton Street	0.05	5/1/1995	\$ 28,000	\$ 560,000
6 River Ave	0.24	10/31/2016	\$ 30,000	\$ 125,000
17 Spring Street	0.45	3/29/2016	\$ 42,458	\$ 94,351
56 Bridge Street	0.46	4/13/2007	\$ 70,000	\$ 152,174
1 Miller Street	0.46	1/1/1999	\$ 95,000	\$ 206,522
40 Pierce Street	1.32	5/13/2016	\$ 124,068	\$ 93,991
40 Main Street	0.15	7/31/2018	\$ 175,000	\$1,166,667
49 Bridge Street	0.52	6/18/2018	\$ 185,000	\$ 355,769
6 Spring Street	0.36	1/4/2004	\$ 251,000	\$ 697,222
59 Bridge Street	0.39	10/24/2014	\$ 270,000	\$ 692,308
47 Main Street	0.18	7/23/2015	\$ 300,000	\$1,666,667
		<b>Total Average</b>	<b>\$ 132,127</b>	<b>\$ 333,094</b>
2 Pendleton Street	0.06	1/9/2017	\$ -	\$ -
8 Field Street	0.53	11/30/2018	\$ -	\$ -
28 Washington Street	0.28	8/24/2016	\$ -	\$ -
12 Washington Street	0.4	8/24/2016	\$ -	\$ -
22 Washington Street	0.42	8/24/2016	\$ -	\$ -
70 Front Street	0.42	4/1/2015	\$ -	\$ -

Source: City of Belfast

**Technical Report 6**

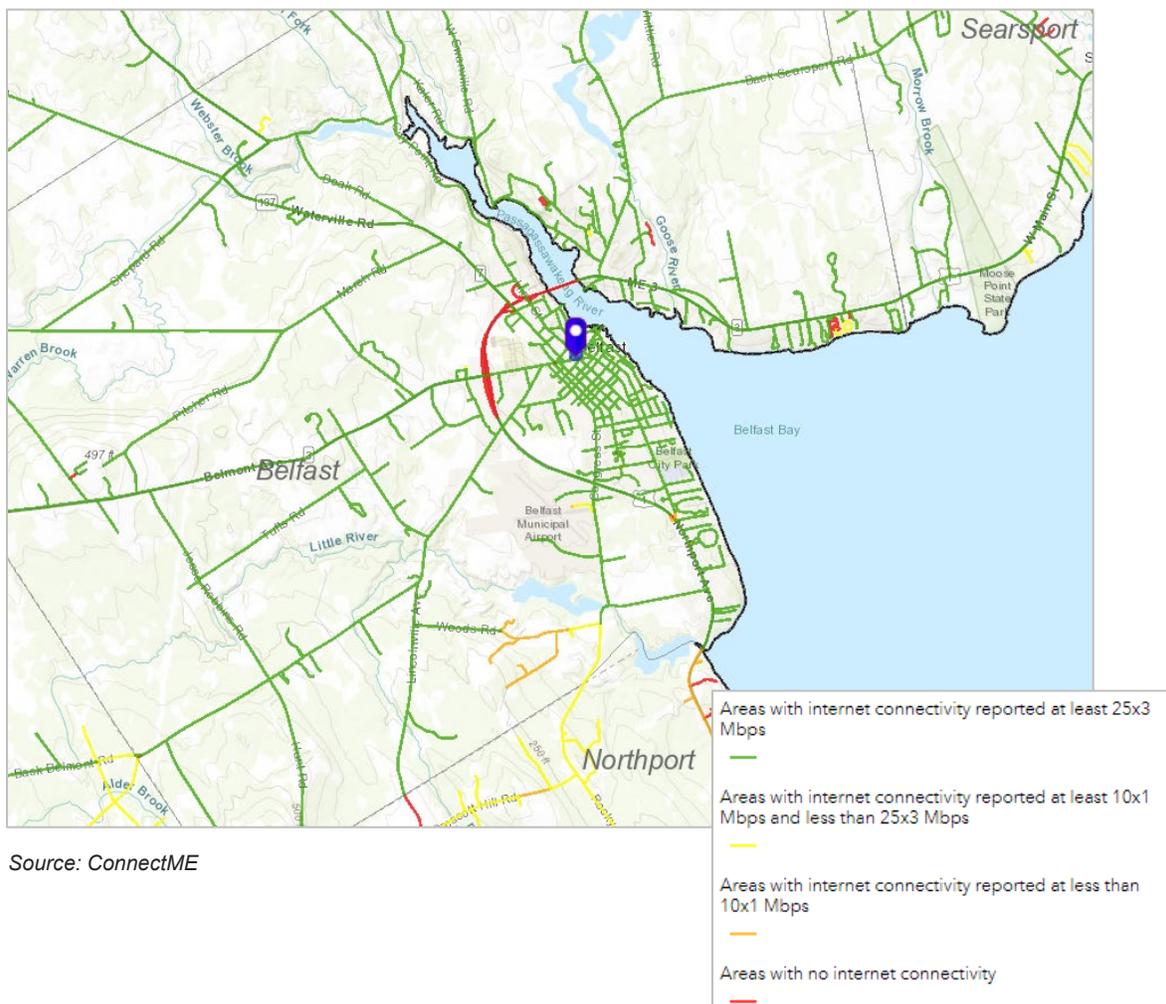
# Fiber Optic Availability

# FIBER OPTIC AVAILABILITY

## Broadband Internet

The term *broadband* commonly refers to high-speed internet access that is always on and faster than the traditional dial-up access. Broadband includes several high-speed transmission technologies such as digital subscriber lines (DSL), cable modem, fiber, and wireless. The broadband technology you choose will likely depend on a number of factors including whether you are located in an urban or rural area, how broadband internet access is packaged by providers along with other services (such as voice telephone and home entertainment), price, and availability to name a few. All broadband providers are required to file data with the Federal Communications Commission (FCC) twice a year on where they offer internet access service at speeds exceeding 200 kilobits per second (kbps) in at least one direction. According to the ConnectMaine Authority (ConnectME), who consolidates and maps relevant FCC data for the state of Maine, a majority of Belfast has internet connectivity speeds of at least 25 Megabits per second (Mbps).

**Broadband Availability Map by Internet Connectivity Speed (Mbps)**



BroadbandNow, a website and database that helps consumers find and compare internet service providers, and whose insights are based on governmental data from the FCC and private datasets collected from providers. indicates that 93.1% of the City of Belfast has broadband coverage, compared to the state average of 95.3%. Also, according to BroadbandNow, Belfast is the 116<sup>th</sup> most-connected city in Maine ahead of Stockton Springs and Morill, but behind Camden, Lincolnville, and Searsport.

According to BroadbandNow, there are 11 internet service providers in Belfast, with Viasat Internet (Excede), and HughesNet having the largest coverage in Belfast.

Summary of Internet Providers by Type, City of Belfast	
Provider	Type
Consolidated Communications (formerly FairPoint Communications)	Residential Only
Bluestreak	Residential & Business
Charter Spectrum	Residential & Business
UniTel	Residential & Business
LCI	Residential Only
Great Works Internet (GWI)	Residential Only
OTELCO	Residential & Business
Viasat Internet (Excede)	Residential Only
HughesNet	Residential Only
Verizon Business	Business Only
GTT Communications	Business Only

Source: BroadbandNow

Top 5 Internet Providers by Coverage Availability, City of Belfast	
Provider	Coverage Availability
Viasat Internet (Excede)	100%
HughesNet	100%
Consolidated Communications (formerly FairPoint Communications)	95%
Bluestreak	82%
Charter Spectrum	81%

Source: BroadbandNow

In addition to these current providers of fiber infrastructure in Belfast, in December of 2020 the board of directors of the Finance Authority of Maine (FAME) approved up to \$1.9 million in loan insurance and a \$1 million direct loan to help support increased access to broadband in the City of Belfast. FAME was provided with information, letters of support, and public testimony from City officials from Belfast and South Portland, as well as the ConnectMaine Authority. Arctaris Broadband Company, LLC (ABC), will act as the distribution agent and lessor owning the network. GWI will serve as lessee and build and operate the fiber network in both cities.

A \$1 million FAME Direct Loan was approved as well and will be used for post-construction capital expenditures and working capital. FAME's financing is expected to benefit numerous businesses and homes, including low-income families. The action is expected to help retain a total of 51 Maine jobs at GWI and have additional positive impacts on indirect job growth in the areas as projects progress and businesses grow<sup>20</sup>.

**FIBER OPTIC BROADBAND COVERAGE**

While general broadband service data is required by the Federal Communications Commission (FCC) to be reported, proprietary data pertaining to the locations of fiber networks is not a reporting requirement. Fiber broadband providers generally do not disclose information on the locations of their fiber networks due to a variety

<sup>20</sup> <https://www.penbaypilot.com/article/fame-approves-financing-support-expanded-internet-belfast/142155>

of different factors including concerns over security of fiber networks, and concerns that access to this proprietary fiber data will give competing providers and advantage as they look to expand their own fiber networks.

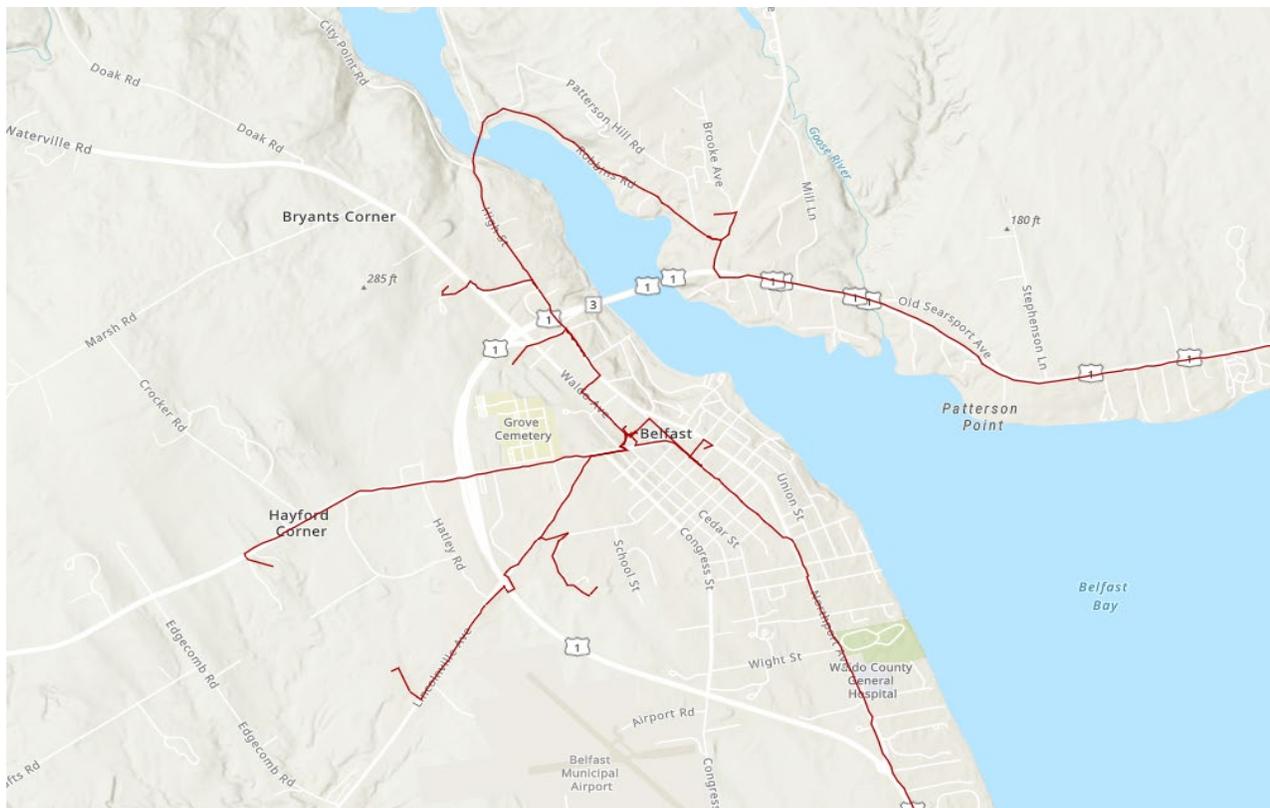
While they do not provide any specific mapping of networks, according to BroadbandNow, 23% of people living in Belfast currently have fiber service available to them, compared to only 6% of people in the State of Maine.

**MAINE’S THREE RING BINDER FIBER NETWORK**

According to the City of Belfast’s website, the Maine Fiber Company (now known as FirstLight) was formed to oversee the construction, maintenance, and leasing of a 1,100-mile, high-capacity fiber optic network in the state of Maine, known as the 'Three Ring Binder.' This network is a 'dark fiber' asset and provides the fiber for telecommunications carriers to provide service to their customers. FirstLight leases this fiber on an open-access, non-discriminatory basis, meaning that any responsible entity may lease fiber along the route, including any institutional customer, telecommunications carrier, or internet service provider, and that all users will have access at the same pricing and substantially similar terms and conditions relative to their use of the network.

More than seven miles of the network’s southern ring run through Belfast's east side and through its downtown, along portions of Searsport Avenue, Robbins Road, High Street, Church Street, and Northport Avenue, with additional spurs extending out along Belmont Avenue and Lincolnville Avenue. Below is a map of the Three Ring Binder fiber network in Belfast, according to ConnectME.

**Maine Three Ring Binder Fiber Network Map, City of Belfast**



Source: City of Belfast

**Technical Report 7**

Development Return on  
Investment Financial  
Feasibility

# RETURN ON INVESTMENT DEVELOPMENT FEASIBILITY

## Overview and Methodology

In order to gain further insights into the investment potential of multiple property development scenarios in Belfast, a return on investment (ROI) feasibility analysis was completed. This analysis focuses on development scenarios related to the new construction or renovation of various types of space including retail, restaurant, office, multifamily residential ('multifamily'), and single-family residential ('single-family'). These spaces are then broken down into different scenarios based on the location of these spaces within a property when applicable (i.e., below ground, ground floor, and upper floors).

In order to analyze the return on investment (ROI) of various new construction and/or renovation projects and their ultimate viability, estimated local development costs were determined along with estimated annual revenues and expenses. Revenues include lease income while expenses primarily include annual operating expenses, real estate taxes, and debt service payments. Expenses do not include any potential costs associated with the purchase of land and/or building acquisition costs (except for single-family). Revenues and expenses were then compared to determine the feasibility of new construction or renovation based on standard real estate evaluation metrics including the annual return (equity dividend rate) and overall project ROI. These metrics are defined in the following section.

A project is deemed feasible if the return on cost is equal to or above 20%, which is typically the minimum requirement for developers to pursue new construction or renovation projects. Anything below 20% is deemed infeasible. A summary of key findings and outcomes of the various development feasibility analyses are included in the following section of this report, with more detail on the individual ROI calculations and outcomes of each development scenario being found in the appendices that follow.

## Definitions and Terminology:

- **Capitalization (“Cap”) Rate:** Indicates the rate of return that is expected to be generated on a real estate investment property, expressed as a percentage. Mathematically, the capitalization rate is the ratio of a property’s net operating income to its purchase price. The “going-in” cap rate or yield-on-cost” is defined as NOI divided by the *development cost*. The investment threshold cap rate” is the target cap rate a developer will be looking to achieve. The investment threshold cap rate is based on the full market value of the property (or projected sale price).
- **Net Operating Income (NOI):** The income a property owner receives after revenues and expenses are considered but does not reflect debt service costs.
- **Return on Cost (Margin on Cost):** This metric measures the profit margin of a development by comparing the going-in capitalization rate (yield-on-cost) and the investment threshold cap rate. The margin on cost is calculated as:  $\text{going-in-cap rate} / \text{going-out cap rate} - 1$ . Developers typically seek a 15%+ margin, although many banks look for a 20% margin.
- **Debt Service:** The cash that is required to cover the repayment of interest and principal on a debt (e.g., mortgage or construction loan) for a particular period.
- **Equity Contribution:** The amount of cash or cash equivalent dedicated to a particular project.
- **Equity Dividend Rate:** Measures cash flow (after debt service) for a given year as a percent of initial equity investment. In other words, it measures the cash flow a property makes annually. For example, if a

developer puts \$100,000 into the development of a project (the equity) and generates a positive cash flow of \$5,000 each year, it would have an equity dividend rate of 5%.

- **Annual Cash Flow After Financing:** The amount of cash/income generated in a given year after all annual expenses and debt service obligations are paid. In other words, this metric is net operating income minus the annual debt service payment.
- **Development Spread:** The difference between the “going-in” cap rate and the “investment threshold cap rate”, expressed in terms of basis points. The development spread is used to measure the potential profitability of a real estate development by considering the cost of the project and what the property would sell for upon completion.
- **Mill Rate:** The amount of property tax payable per one-thousand dollars of the assessed value of a property.
- **Rent per Square Foot (SF) to Make Viable:** The rent (lease rate) needed to make each development scenario feasible was calculated for each scenario to provide a sensitivity analysis (i.e., if a lease rate is achieved that’s greater than the assumed lease rate)
- **Construction Cost per Square Foot (SF) to Make Viable:** Similarly, the necessary construction cost to make a project feasible was calculated for each scenario.

## Summary of Key Findings - Development Feasibility

**From a return on investment perspective, the combination of high construction costs and low lease rates pose a significant challenge to the development of new office, multifamily residential (‘multifamily’), restaurant, retail, or single-family residential (single-family) construction and/or renovation projects in Belfast. All development scenarios were found to be financially infeasible.** Additionally, higher-than-average real estate taxes in Belfast may also contribute to challenges from a return standpoint, and in attracting and encouraging development. The analysis does not factor in any subsidies or incentives, such as tax increment financing, that could potentially make development more feasible. Development may also be more feasible for those willing to hold the property over the long term, in which case the return on investment may turn positive with sustained rent growth.

## Summary of Key Findings – New Construction Development Assumptions

New construction assumptions included in this ROI analysis are based on data from RSMeans. RSMeans provides up-to-date construction cost per square foot information for a range of building types. RSMeans construction cost data was regionally adjusted to account for expected local construction costs. In order to illustrate various ROI scenarios based on these construction cost assumptions, a 1,000- square- foot (SF) area was used as an example space as a scenario baseline. The following table provides an overview of the key analysis assumptions. Additional assumption information is included in this report for each type of use.

Return on Investment Assumptions Summary (New Construction)					
	Space Size (SF)	Construction Cost Per SF	Revenue Per SF	Return on Cost Threshold	Equity Contribution %
<b>Retail</b>					
Below Ground	1,000	\$ 168.21	\$14.74	20%	30%
Ground Floor	1,000	\$ 132.57	\$15.49	20%	30%
Upper Floor	1,000	\$ 149.85	\$14.89	20%	30%
<b>Restaurant</b>					
Below Ground	1,000	\$ 249.44	\$14.73	20%	30%
Ground Floor	1,000	\$ 214.52	\$19.11	20%	30%
Upper Floor	1,000	\$ 245.30	\$14.73	20%	30%
<b>Office</b>					
Below Ground	1,000	\$ 233.51	\$21.29	20%	30%
Ground Floor	1,000	\$ 197.42	\$24.14	20%	30%
Upper Floor	1,000	\$ 236.84	\$23.12	20%	30%
<b>Multifamily</b>					
Below Ground	1,000	\$ 209.43	\$18.48	20%	30%
Ground Floor	1,000	\$ 174.15	\$22.29	20%	30%
Upper Floor	1,000	\$ 201.15	\$20.46	20%	30%
	Space Size (SF)	Total Cost of Lot	Construction Cost Per SF	Return on Cost Threshold	Sale Price Per SF
<b>Single-Family</b>					
	1,500	\$91,346	\$ 123.18	20%	\$ 118.00

## Summary of Key Findings – New Construction Development Feasibility

New construction projects may be particularly challenging from a development perspective as all scenarios in the table below were found to have a negative return on cost. These returns are substantially lower than the 20% return on cost threshold that was utilized to indicate if a project was viable or not. Of all the new construction scenarios presented, the scenarios with the highest return on cost (although still negative) are ground-floor scenarios focused on the new construction of office, multi-family residential, and retail space. Restaurant space has the lowest return on cost in every scenario.

Return on Investment Project Viability Summary (New Construction)							
	Development Cost (Per 1,000 SF)	Annual Revenue (Per 1,000 SF)	Annual Expenses (Per 1,000 SF)*	Annual Cashflow After Financing (Per 1,000 SF)	Annual Equity Dividend Rate	Return on Cost	Project Viability (Yes/No)
<b>Retail</b>							
Below Ground	\$ 168,210	\$13,999	(\$13,398)	\$601	1.2%	-45.4%	No
Ground Floor	\$ 132,570	\$14,716	(\$11,954)	\$2,761	6.9%	-26.3%	No
Upper Floor	\$ 149,850	\$14,146	(\$12,599)	\$1,547	3.4%	-37.9%	No
<b>Restaurant</b>							
Below Ground	\$ 249,435	\$13,994	(\$16,969)	(\$2,976)	-3.5%	-65.6%	No
Ground Floor	\$ 214,515	\$18,155	(\$16,510)	\$1,644	2.3%	-43.8%	No
Upper Floor	\$ 245,295	\$13,994	(\$16,792)	(\$2,798)	-3.4%	-65.0%	No
<b>Office</b>							
Below Ground	\$ 233,505	\$20,226	(\$18,722)	\$1,503	2.0%	-44.4%	No
Ground Floor	\$ 197,415	\$22,933	(\$17,826)	\$5,107	7.8%	-22.8%	No
Upper Floor	\$ 236,835	\$21,968	(\$19,303)	\$2,665	3.4%	-39.1%	No
<b>Multifamily</b>							
Below Ground	\$ 209,430	\$17,552	(\$17,554)	(\$2)	0.0%	-47.2%	No
Ground Floor	\$ 174,150	\$21,171	(\$16,784)	\$4,388	9.3%	-19.2%	No
Upper Floor	\$ 201,150	\$19,433	(\$17,631)	\$1,802	3.3%	-37.3%	No
	Development Cost (Per 1,000 SF)	Total Cost	Total Revenue	Net Profit (Pre Tax)			Project Viability (Yes/No)
<b>Single-Family</b>							
	\$ 123,176	(\$291,862)	\$177,000	(\$114,862)			No

\*Annual expenses include operating expenses, real estate taxes, and debt service payments

## Summary of Key Findings – Renovation Development Assumptions

Renovation assumptions included in this ROI analysis are also based on data from RSMeans. The following renovation assumptions were developed under the assumed conditions that each space/property has adequate substructure (foundation elements), and superstructure/exterior enclosure (floor, roof, walls, windows) elements leaving primarily unfinished space to be renovated. To illustrate various ROI scenarios based on these construction cost assumptions, a 1,000 SF area was used as an example space in a baseline scenario. The following table provides an overview of the key assumptions used in the renovation ROI analysis.

Return on Investment Assumptions Summary (Renovation)					
	Space Size (SF)	Renovation Cost Per SF	Revenue Per SF	Return on Cost Threshold	Equity Contribution %
<b>Retail</b>					
Below Ground	1,000	\$ 141.64	\$14.74	20%	30%
Ground Floor	1,000	\$ 106.00	\$15.49	20%	30%
Upper Floor	1,000	\$ 123.28	\$14.89	20%	30%
<b>Restaurant</b>					
Below Ground	1,000	\$ 202.73	\$14.73	20%	30%
Ground Floor	1,000	\$ 167.81	\$19.11	20%	30%
Upper Floor	1,000	\$ 198.59	\$14.73	20%	30%
<b>Office</b>					
Below Ground	1,000	\$ 187.46	\$21.29	20%	30%
Ground Floor	1,000	\$ 151.37	\$24.14	20%	30%
Upper Floor	1,000	\$ 190.79	\$23.12	20%	30%
<b>Multifamily</b>					
Below Ground	1,000	\$ 168.80	\$18.48	20%	30%
Ground Floor	1,000	\$ 133.52	\$22.29	20%	30%
Upper Floor	1,000	\$ 160.52	\$20.46	20%	30%
	Space Size (SF)	Total Cost of Lot	Construction Cost Per SF	Return on Cost Threshold	Sale Price Per SF
<b>Single-Family</b>					
	1,500	\$91,346	\$ 88.40	20%	\$ 118.00

## Summary of Key Findings – Renovation Development Feasibility

Renovation projects, although more feasible than new construction projects from an ROI standpoint due to lower development costs, will be similarly challenging from a development perspective as all scenarios except for two have a negative return on cost indicating a likely lack of incentive for developers to pursue projects in Belfast. The two scenarios that have a positive return on cost (although substantially lower than the 20% threshold) include ground-floor multifamily residential (5.3%) and ground-floor office space (0.6%). Similar to new construction scenarios, restaurant space has the lowest return on cost in every renovation scenario. The tables below summarize the assumptions, outcomes, and viability of each new construction and renovation development scenario with further detail included in the following appendices.

Return on Investment Project Viability Summary (Renovation)							
	Development Cost (Per 1,000 SF)	Annual Revenue (Per 1,000 SF)	Annual Expenses (Per 1,000 SF)*	Annual Cashflow		Return on Cost	Project Viability (Yes/No)
				After Financing (Per 1,000 SF)	Annual Equity Dividend Rate		
<b>Retail</b>							
Below Ground	\$ 141,642	\$13,999	(\$12,188)	\$1,811	4.3%	-35.2%	No
Ground Floor	\$ 106,002	\$14,716	(\$10,744)	\$3,971	12.5%	-7.8%	No
Upper Floor	\$ 123,282	\$14,146	(\$11,389)	\$2,757	7.5%	-24.6%	No
<b>Restaurant</b>							
Below Ground	\$ 202,734	\$13,994	(\$14,964)	(\$971)	-1.4%	-57.6%	No
Ground Floor	\$ 167,814	\$18,155	(\$14,505)	\$3,649	6.4%	-28.1%	No
Upper Floor	\$ 198,594	\$13,994	(\$14,787)	(\$793)	-1.2%	-56.7%	No
<b>Office</b>							
Below Ground	\$ 187,461	\$20,226	(\$16,715)	\$3,510	5.7%	-30.8%	No
Ground Floor	\$ 151,371	\$22,933	(\$15,819)	\$7,114	14.2%	0.6%	No
Upper Floor	\$ 190,791	\$21,968	(\$17,296)	\$4,672	7.4%	-24.4%	No
<b>Multifamily</b>							
Below Ground	\$ 168,795	\$17,552	(\$15,624)	\$1,928	4.2%	-34.5%	No
Ground Floor	\$ 133,515	\$21,171	(\$14,854)	\$6,318	17.5%	5.3%	No
Upper Floor	\$ 160,515	\$19,433	(\$15,701)	\$3,732	8.6%	-21.4%	No
	Development Cost (Per 1,000 SF)	Total Cost	Total Revenue	Net Profit (Pre Tax)			Project Viability (Yes/No)
<b>Single-Family</b>	\$ 88,404	(\$239,768)	\$177,700	(\$62,068)			No

\*Annual expenses include operating expenses, real estate taxes, and debt service payments

## Appendix #1 – New Construction Return on Investment (ROI) Feasibility Summary

### RETAIL

#### New Construction ROI Summary – Retail Assumptions

Retail Assumptions			
Project Information		Expenses	
Use Type:	Retail	Camoin	
Size (Sf):	1,000	Camoin	
Construction Cost Per SF - GROUND	\$ 132.57	RS Means	
Total Construction Cost - GROUND	\$132,570		
Construction Cost Per SF - BELOW	\$ 168.21	RS Means	
Total Construction Cost - BELOW	\$168,210		
Construction Cost Per SF - UPPER	\$ 149.85	RS Means	
Total Construction Cost - UPPER	\$149,850		
<i>Note: Construction cost includes contractor and architect fees. It excludes acquisition and site work costs.</i>			
Revenue and Performance Information		Financing	
<b>Rate (per SF/Year) Gross</b>		Equity Contribution Pct.	30% Realty Rates
Below Ground	\$14.74 Survey/CoStar	Equity Contribution (Ground)	\$39,771
Ground Level	\$15.49 Survey/CoStar	Loan Amount (Ground)	\$92,799
Upper Floor	\$14.89 Survey/CoStar	Equity Contribution (Below)	\$50,463
Vacancy Assumption	5% Camoin	Loan Amount (Below)	\$117,747
		Equity Contribution (Upper)	\$44,955
		Loan Amount (Upper)	\$104,895
		Loan Interest Rate	5.00% Realty Rates
		Debt Service Payment (Ground)	(\$6,037)
		Debt Service Payment (Below)	(\$7,660)
		Debt Service Payment (Upper)	(\$6,824)
		Capitalization Rate	9.0% Realty Rates

#### New Construction ROI Summary – Below Ground Retail

Scenario R1: Below Ground Retail (per 1,000 SF)			
Pro-Forma (first stabilized year)		Return on Investment (ROI) Analysis	
	<b>Total</b>	<b>Per SF</b>	<b>Annual ROI</b>
<b>Revenue</b>			Equity Investment
Revenue Potential	\$14,736	\$14.74	\$50,463
Vacancy Loss	(\$737)	(\$0.74)	Annual Cash Flow After Financing
<b>Net Rental Income</b>	<b>\$13,999</b>	<b>\$14.00</b>	\$601
<b>Expenses</b>			<b>(Annual) Equity Dividend Rate</b>
Real Estate Taxes	(\$2,239)	(\$2.24)	1.2%
Other Operating Expenses	(\$3,500)	(\$3.50)	
<b>Total Expenses</b>	<b>(\$5,738)</b>	<b>(\$5.74)</b>	
<b>Net Operating Income (NOI)</b>		<b>\$8,261</b>	<b>\$8.26</b>
			<b>Overall ROI</b>
Debt Service Payment	(\$7,660)	(\$7.66)	"Going-in" Cap Rate (yield-on-cost)
<b>Annual Cash Flow After Financing</b>	<b>\$601</b>	<b>\$0.60</b>	4.9%
			Investment Threshold Cap Rate
			9.0%
			<b>Development Spread (basis points)</b>
			<b>-409</b>
			<b>Return on Cost (Margin on Cost)</b>
			<b>-45.4%</b>
			<b>Feasibility Assessment</b>
			Return on Cost Threshold
			20.0%
			<b>Is Project a Viable Investment?</b>
			<b>No</b>
			Rent per SF to Make Viable
			\$28.64
			Construction Cost per SF to Make Viable
			\$76.49

New Construction ROI Summary – Ground Floor Retail

Scenario R2: Ground Floor Retail (per 1,000 SF)			
<b>Pro-Forma (first stabilized year)</b>		<b>Total</b>	<b>Per SF</b>
<b>Revenue</b>			
Revenue Potential		\$15,490	\$15.49
Vacancy Loss		(\$775)	(\$0.77)
<b>Net Rental Income</b>		<b>\$14,716</b>	<b>\$14.72</b>
<b>Expenses</b>			
Real Estate Taxes		(\$2,239)	(\$2.24)
Other Operating Expenses		(\$3,679)	(\$3.68)
<b>Total Expenses</b>		<b>(\$5,917)</b>	<b>(\$5.92)</b>
<b>Net Operating Income (NOI)</b>		<b>\$8,798</b>	<b>\$8.80</b>
Debt Service Payment		(\$6,037)	(\$6.04)
<b>Annual Cash Flow After Financing</b>		<b>\$2,761</b>	<b>\$2.76</b>
<b>Return on Investment (ROI) Analysis</b>			
<b>Annual ROI</b>			
Equity Investment			\$39,771
Annual Cash Flow After Financing			\$2,761
<b>(Annual) Equity Dividend Rate</b>			<b>6.9%</b>
<b>Overall ROI</b>			
"Going-in" Cap Rate (yield-on-cost)			6.6%
Investment Threshold Cap Rate			9.0%
<b>Development Spread (basis points)</b>			<b>-236</b>
<b>Return on Cost (Margin on Cost)</b>			<b>-26.3%</b>
<b>Feasibility Assessment</b>			
Return on Cost Threshold			20.0%
<b>Is Project a Viable Investment?</b>			<b>No</b>
Rent per SF to Make Viable			\$25.21
Construction Cost per SF to Make Viable			\$81.49

New Construction ROI Summary – Upper Floor Retail

Scenario R3: Upper Floor Retail (per 1,000 SF)			
<b>Pro-Forma (first stabilized year)</b>		<b>Total</b>	<b>Per SF</b>
<b>Revenue</b>			
Revenue Potential		\$14,890	\$14.89
Vacancy Loss		(\$745)	(\$0.74)
<b>Net Rental Income</b>		<b>\$14,146</b>	<b>\$14.15</b>
<b>Expenses</b>			
Real Estate Taxes		(\$2,239)	(\$2.24)
Other Operating Expenses		(\$3,536)	(\$3.54)
<b>Total Expenses</b>		<b>(\$5,775)</b>	<b>(\$5.77)</b>
<b>Net Operating Income (NOI)</b>		<b>\$8,371</b>	<b>\$8.37</b>
Debt Service Payment		(\$6,824)	(\$6.82)
<b>Annual Cash Flow After Financing</b>		<b>\$1,547</b>	<b>\$1.55</b>
<b>Return on Investment (ROI) Analysis</b>			
<b>Annual ROI</b>			
Equity Investment			\$44,955
Annual Cash Flow After Financing			\$1,547
<b>(Annual) Equity Dividend Rate</b>			<b>3.4%</b>
<b>Overall ROI</b>			
"Going-in" Cap Rate (yield-on-cost)			5.6%
Investment Threshold Cap Rate			9.0%
<b>Development Spread (basis points)</b>			<b>-341</b>
<b>Return on Cost (Margin on Cost)</b>			<b>-37.9%</b>
<b>Feasibility Assessment</b>			
Return on Cost Threshold			20.0%
<b>Is Project a Viable Investment?</b>			<b>No</b>
Rent per SF to Make Viable			\$25.86
Construction Cost per SF to Make Viable			\$77.51

## RESTAURANT

### New Construction ROI Summary – Restaurant Assumptions

Restaurant Assumptions		
<b>Project Information</b>		
Use Type:	Restaurant	Camoin
Size (Sf):	1,000	Camoin
Construction Cost Per SF - GROUND	\$ 214.52	RS Means
Total Construction Cost - GROUND	\$214,515	
Construction Cost Per SF - BELOW	\$ 249.44	RS Means
Total Construction Cost - BELOW	\$249,435	
Construction Cost Per SF - UPPER	\$ 245.30	RS Means
Total Construction Cost - UPPER	\$245,295	
<i>Note: Construction cost includes contractor and architect fees. It excludes acquisition and site work costs.</i>		
<b>Revenue and Performance Information</b>		
<b>Rate (per SF/Year) Gross</b>		
Below Ground	\$14.73	Survey/CoStar
Ground Level	\$19.11	Survey/CoStar
Upper Floor	\$14.73	Survey/CoStar
Vacancy Assumption	5%	Camoin
<b>Expenses</b>		
Mill Rate	22.9	City of Belfast
OpEx (Excl Prop Tax)	25%	Camoin
<b>Financing</b>		
Equity Contribution Pct.	34%	Realty Rates
Equity Contribution (Ground)	\$72,935	
Loan Amount (Ground)	\$141,580	
Equity Contribution (Below)	\$84,808	
Loan Amount (Below)	\$164,627	
Equity Contribution (Upper)	\$83,400	
Loan Amount (Upper)	\$161,895	
Loan Interest Rate	5.00%	Realty Rates
Debt Service Payment (Ground)	(\$9,210)	
Debt Service Payment (Below)	(\$10,709)	
Debt Service Payment (Upper)	(\$10,531)	
Capitalization Rate	9.0%	Realty Rates

### New Construction ROI Summary – Below Ground Restaurant

Scenario RE1: Below Ground Restaurant (per 1,000 SF)		
<b>Pro-Forma (first stabilized year)</b>		
	<b>Total</b>	<b>Per SF</b>
<b>Revenue</b>		
Revenue Potential	\$14,730	\$14.73
Vacancy Loss	(\$737)	(\$0.74)
<b>Net Rental Income</b>	<b>\$13,994</b>	<b>\$13.99</b>
<b>Expenses</b>		
Real Estate Taxes	(\$2,762)	(\$2.76)
Other Operating Expenses	(\$3,498)	(\$3.50)
<b>Total Expenses</b>	<b>(\$6,260)</b>	<b>(\$6.26)</b>
<b>Net Operating Income (NOI)</b>	<b>\$7,733</b>	<b>\$7.73</b>
Debt Service Payment	(\$10,709)	(\$10.71)
<b>Annual Cash Flow After Financing</b>	<b>(\$2,976)</b>	<b>(\$2.98)</b>
<b>Return on Investment (ROI) Analysis</b>		
<b>Annual ROI</b>		
Equity Investment		\$84,808
Annual Cash Flow After Financing		(\$2,976)
<b>(Annual) Equity Dividend Rate</b>		<b>-3.5%</b>
<b>Overall ROI</b>		
"Going-in" Cap Rate (yield-on-cost)		3.1%
Investment Threshold Cap Rate		9.0%
<b>Development Spread (basis points)</b>		<b>-590</b>
<b>Return on Cost (Margin on Cost)</b>		<b>-65.6%</b>
<b>Feasibility Assessment</b>		
Return on Cost Threshold		20.0%
<b>Is Project a Viable Investment?</b>		<b>No</b>
Rent per SF to Make Viable		\$41.69
Construction Cost per SF to Make Viable		\$71.62

New Construction ROI Summary – Ground Floor Restaurant

Scenario RE2: Ground Floor Restaurant (per 1,000 SF)			
<b>Pro-Forma (first stabilized year)</b>		<b>Total</b>	<b>Per SF</b>
<b>Revenue</b>			
Revenue Potential		\$19,110	\$19.11
Vacancy Loss		(\$956)	(\$0.96)
<b>Net Rental Income</b>		<b>\$18,155</b>	<b>\$18.15</b>
<b>Expenses</b>			
Real Estate Taxes		(\$2,762)	(\$2.76)
Other Operating Expenses		(\$4,539)	(\$4.54)
<b>Total Expenses</b>		<b>(\$7,300)</b>	<b>(\$7.30)</b>
<b>Net Operating Income (NOI)</b>		<b>\$10,854</b>	<b>\$10.85</b>
Debt Service Payment		(\$9,210)	(\$9.21)
<b>Annual Cash Flow After Financing</b>		<b>\$1,644</b>	<b>\$1.64</b>
<b>Return on Investment (ROI) Analysis</b>			
<b>Annual ROI</b>			
Equity Investment			\$72,935
Annual Cash Flow After Financing			\$1,644
<b>(Annual) Equity Dividend Rate</b>			<b>2.3%</b>
<b>Overall ROI</b>			
"Going-in" Cap Rate (yield-on-cost)			5.1%
Investment Threshold Cap Rate			9.0%
<b>Development Spread (basis points)</b>			<b>-394</b>
<b>Return on Cost (Margin on Cost)</b>			<b>-43.8%</b>
<b>Feasibility Assessment</b>			
Return on Cost Threshold			20.0%
<b>Is Project a Viable Investment?</b>			<b>No</b>
Rent per SF to Make Viable			\$40.79
Construction Cost per SF to Make Viable			\$100.50

New Construction ROI Summary – Upper Floor Restaurant

Scenario RE3: Upper Floor Restaurant (per 1,000 SF)			
<b>Pro-Forma (first stabilized year)</b>		<b>Total</b>	<b>Per SF</b>
<b>Revenue</b>			
Revenue Potential		\$14,730	\$14.73
Vacancy Loss		(\$737)	(\$0.74)
<b>Net Rental Income</b>		<b>\$13,994</b>	<b>\$13.99</b>
<b>Expenses</b>			
Real Estate Taxes		(\$2,762)	(\$2.76)
Other Operating Expenses		(\$3,498)	(\$3.50)
<b>Total Expenses</b>		<b>(\$6,260)</b>	<b>(\$6.26)</b>
<b>Net Operating Income (NOI)</b>		<b>\$7,733</b>	<b>\$7.73</b>
Debt Service Payment		(\$10,531)	(\$10.53)
<b>Annual Cash Flow After Financing</b>		<b>(\$2,798)</b>	<b>(\$2.80)</b>
<b>Return on Investment (ROI) Analysis</b>			
<b>Annual ROI</b>			
Equity Investment			\$83,400
Annual Cash Flow After Financing			(\$2,798)
<b>(Annual) Equity Dividend Rate</b>			<b>-3.4%</b>
<b>Overall ROI</b>			
"Going-in" Cap Rate (yield-on-cost)			3.2%
Investment Threshold Cap Rate			9.0%
<b>Development Spread (basis points)</b>			<b>-585</b>
<b>Return on Cost (Margin on Cost)</b>			<b>-65.0%</b>
<b>Feasibility Assessment</b>			
Return on Cost Threshold			20.0%
<b>Is Project a Viable Investment?</b>			<b>No</b>
Rent per SF to Make Viable			\$41.06
Construction Cost per SF to Make Viable			\$71.61

## COMMERCIAL OFFICE

### New Construction ROI Summary – Commercial Office Assumptions

Commercial Office Assumptions		
Project Information		
Use Type:	Commercial Office	Camoin
Size (Sf):	1,000	Camoin
Construction Cost Per SF - GROUND	\$ 197.42	RS Means
Total Construction Cost - GROUND	\$197,415	
Construction Cost Per SF - BELOW	\$ 233.51	RS Means
Total Construction Cost - BELOW	\$233,505	
Construction Cost Per SF - UPPER	\$ 236.84	RS Means
Total Construction Cost - UPPER	\$236,835	
<i>Note: Construction cost includes contractor and architect fees. It excludes acquisition and site work costs.</i>		
Revenue and Performance Information		
Rate (per SF/Year) Gross		
Below Ground	\$21.29	Survey/CoStar
Ground Level	\$24.14	Survey/CoStar
Upper Floor	\$23.12	Survey/CoStar
Vacancy Assumption	5%	Camoin
Expenses		
Mill Rate	22.9	City of Belfast
OpEx (Excl Prop Tax)	25%	Camoin
Financing		
Equity Contribution Pct.	33%	Realty Rates
Equity Contribution (Ground)	\$65,147	
Loan Amount (Ground)	\$132,268	
Equity Contribution (Below)	\$77,057	
Loan Amount (Below)	\$156,448	
Equity Contribution (Upper)	\$78,156	
Loan Amount (Upper)	\$158,679	
Loan Interest Rate	5.00%	Realty Rates
Debt Service Payment (Ground)	(\$8,604)	
Debt Service Payment (Below)	(\$10,177)	
Debt Service Payment (Upper)	(\$10,322)	
Capitalization Rate	9.0%	Realty Rates

### New Construction ROI Summary – Below Ground Commercial Office

Scenario 01: Below Ground Commercial Office (per 1,000 SF)			
Pro-Forma (first stabilized year)		Return on Investment (ROI) Analysis	
	Total	Per SF	Annual ROI
<b>Revenue</b>			Equity Investment
Revenue Potential	\$21,290	\$21.29	\$77,057
Vacancy Loss	(\$1,065)	(\$1.06)	Annual Cash Flow After Financing
<b>Net Rental Income</b>	<b>\$20,226</b>	<b>\$20.23</b>	\$1,503
<b>Expenses</b>			<b>(Annual) Equity Dividend Rate</b>
Real Estate Taxes	(\$3,489)	(\$3.49)	2.0%
Other Operating Expenses	(\$5,056)	(\$5.06)	<b>Overall ROI</b>
<b>Total Expenses</b>	<b>(\$8,545)</b>	<b>(\$8.55)</b>	"Going-in" Cap Rate (yield-on-cost)
<b>Net Operating Income (NOI)</b>	<b>\$11,680</b>	<b>\$11.68</b>	5.0%
Debt Service Payment	(\$10,177)	(\$10.18)	Investment Threshold Cap Rate
<b>Annual Cash Flow After Financing</b>	<b>\$1,503</b>	<b>\$1.50</b>	9.0%
			<b>Development Spread (basis points)</b>
			-400
			<b>Return on Cost (Margin on Cost)</b>
			-44.4%
			<b>Feasibility Assessment</b>
			Return on Cost Threshold
			20.0%
			<b>Is Project a Viable Investment?</b>
			<b>No</b>
			Rent per SF to Make Viable
			\$40.29
			Construction Cost per SF to Make Viable
			\$108.15

New Construction ROI Summary – Ground Floor Commercial Office

Scenario O2: Ground Floor Commercial Office (per 1,000 SF)			
<b>Pro-Forma (first stabilized year)</b>		<b>Total</b>	<b>Per SF</b>
<b>Revenue</b>			
Revenue Potential		\$24,140	\$24.14
Vacancy Loss		(\$1,207)	(\$1.21)
<b>Net Rental Income</b>		<b>\$22,933</b>	<b>\$22.93</b>
<b>Expenses</b>			
Real Estate Taxes		(\$3,489)	(\$3.49)
Other Operating Expenses		(\$5,733)	(\$5.73)
<b>Total Expenses</b>		<b>(\$9,222)</b>	<b>(\$9.22)</b>
<b>Net Operating Income (NOI)</b>		<b>\$13,711</b>	<b>\$13.71</b>
Debt Service Payment		(\$8,604)	(\$8.60)
<b>Annual Cash Flow After Financing</b>		<b>\$5,107</b>	<b>\$5.11</b>
<b>Return on Investment (ROI) Analysis</b>			
<b>Annual ROI</b>			
Equity Investment		\$65,147	
Annual Cash Flow After Financing		\$5,107	
<b>(Annual) Equity Dividend Rate</b>			<b>7.8%</b>
<b>Overall ROI</b>			
"Going-in" Cap Rate (yield-on-cost)			6.9%
Investment Threshold Cap Rate			9.0%
<b>Development Spread (basis points)</b>			<b>-205</b>
<b>Return on Cost (Margin on Cost)</b>			<b>-22.8%</b>
<b>Feasibility Assessment</b>			
Return on Cost Threshold			20.0%
<b>Is Project a Viable Investment?</b>			<b>No</b>
Rent per SF to Make Viable			\$37.54
Construction Cost per SF to Make Viable			\$126.96

New Construction ROI Summary – Upper Floor Commercial Office

Scenario O3: Upper Floor Commercial Office (per 1,000 SF)			
<b>Pro-Forma (first stabilized year)</b>		<b>Total</b>	<b>Per SF</b>
<b>Revenue</b>			
Revenue Potential		\$23,124	\$23.12
Vacancy Loss		(\$1,156)	(\$1.16)
<b>Net Rental Income</b>		<b>\$21,968</b>	<b>\$21.97</b>
<b>Expenses</b>			
Real Estate Taxes		(\$3,489)	(\$3.49)
Other Operating Expenses		(\$5,492)	(\$5.49)
<b>Total Expenses</b>		<b>(\$8,981)</b>	<b>(\$8.98)</b>
<b>Net Operating Income (NOI)</b>		<b>\$12,987</b>	<b>\$12.99</b>
Debt Service Payment		(\$10,322)	(\$10.32)
<b>Annual Cash Flow After Financing</b>		<b>\$2,665</b>	<b>\$2.67</b>
<b>Return on Investment (ROI) Analysis</b>			
<b>Annual ROI</b>			
Equity Investment		\$78,156	
Annual Cash Flow After Financing		\$2,665	
<b>(Annual) Equity Dividend Rate</b>			<b>3.4%</b>
<b>Overall ROI</b>			
"Going-in" Cap Rate (yield-on-cost)			5.5%
Investment Threshold Cap Rate			9.0%
<b>Development Spread (basis points)</b>			<b>-352</b>
<b>Return on Cost (Margin on Cost)</b>			<b>-39.1%</b>
<b>Feasibility Assessment</b>			
Return on Cost Threshold			20.0%
<b>Is Project a Viable Investment?</b>			<b>No</b>
Rent per SF to Make Viable			\$40.80
Construction Cost per SF to Make Viable			\$120.26

## MULTI-FAMILY RESIDENTIAL

### New Construction ROI Summary – Multi Family Assumptions

Multi Family Assumptions					
<b>Project Information</b>			<b>Expenses</b>		
Use Type:	Multi Family	Camoin	Mill Rate	22.9	City of Belfast
Size (Sf):	1,000	Camoin	OpEx (Excl Prop Tax)	25%	Camoin
Construction Cost Per SF - GROUND	\$ 174.15	RS Means	<b>Financing</b>		
Total Construction Cost - GROUND	\$174,150		Equity Contribution Pct.	27%	Realty Rates
Construction Cost Per SF - BELOW	\$ 209.43	RS Means	Equity Contribution (Ground)	\$47,021	
Total Construction Cost - BELOW	\$209,430		Loan Amount (Ground)	\$127,130	
Construction Cost Per SF - UPPER	\$ 201.15	RS Means	Equity Contribution (Below)	\$56,546	
Total Construction Cost - UPPER	\$201,150		Loan Amount (Below)	\$152,884	
<i>Note: Construction cost includes contractor and architect fees. It excludes acquisition and site work costs.</i>			Equity Contribution (Upper)	\$54,311	
<b>Revenue and Performance Information</b>			Loan Amount (Upper)	\$146,840	
<b>Rate (per SF/Year) Gross</b>			Loan Interest Rate	5.00%	Realty Rates
Below Ground	\$18.48	Survey/CoStar	Debt Service Payment (Ground)	(\$8,270)	
Ground Level	\$22.29	Survey/CoStar	Debt Service Payment (Below)	(\$9,945)	
Upper Floor	\$20.46	Survey/CoStar	Debt Service Payment (Upper)	(\$9,552)	
Vacancy Assumption	5%	Camoin	Capitalization Rate	9.0%	Realty Rates

### New Construction ROI Summary – Below Ground Multi Family

Scenario MF1: Below Ground Multi Family (per 1,000 SF)				
<b>Pro-Forma (first stabilized year)</b>			<b>Return on Investment (ROI) Analysis</b>	
	<b>Total</b>	<b>Per SF</b>	<b>Annual ROI</b>	
<b>Revenue</b>			Equity Investment	\$56,546
Revenue Potential	\$18,476	\$18.48	Annual Cash Flow After Financing	(\$2)
Vacancy Loss	(\$924)	(\$0.92)	<b>(Annual) Equity Dividend Rate</b>	<b>0.0%</b>
<b>Net Rental Income</b>	<b>\$17,552</b>	<b>\$17.55</b>	<b>Overall ROI</b>	
<b>Expenses</b>			"Going-in" Cap Rate (yield-on-cost)	4.7%
Real Estate Taxes	(\$3,221)	(\$3.22)	Investment Threshold Cap Rate	9.0%
Other Operating Expenses	(\$4,388)	(\$4.39)	<b>Development Spread (basis points)</b>	<b>-425</b>
<b>Total Expenses</b>	<b>(\$7,609)</b>	<b>(\$7.61)</b>	<b>Return on Cost (Margin on Cost)</b>	<b>-47.2%</b>
<b>Net Operating Income (NOI)</b>	<b>\$9,943</b>	<b>\$9.94</b>	<b>Feasibility Assessment</b>	
Debt Service Payment	(\$9,945)	(\$9.95)	Return on Cost Threshold	20.0%
<b>Annual Cash Flow After Financing</b>	<b>(\$2)</b>	<b>(\$0.00)</b>	<b>Is Project a Viable Investment?</b>	<b>No</b>
			Rent per SF to Make Viable	\$36.27
			Construction Cost per SF to Make Viable	\$92.07

New Construction ROI Summary – Ground Floor Multi Family

Scenario MF2: Ground Floor Multi Family (per 1,000 SF)			
<b>Pro-Forma (first stabilized year)</b>		<b>Total</b>	<b>Per SF</b>
<b>Revenue</b>			
Revenue Potential		\$22,286	\$22.29
Vacancy Loss		(\$1,114)	(\$1.11)
<b>Net Rental Income</b>		<b>\$21,171</b>	<b>\$21.17</b>
<b>Expenses</b>			
Real Estate Taxes		(\$3,221)	(\$3.22)
Other Operating Expenses		(\$5,293)	(\$5.29)
<b>Total Expenses</b>		<b>(\$8,514)</b>	<b>(\$8.51)</b>
<b>Net Operating Income (NOI)</b>		<b>\$12,658</b>	<b>\$12.66</b>
Debt Service Payment		(\$8,270)	(\$8.27)
<b>Annual Cash Flow After Financing</b>		<b>\$4,388</b>	<b>\$4.39</b>
<b>Return on Investment (ROI) Analysis</b>			
<b>Annual ROI</b>			
Equity Investment			\$47,021
Annual Cash Flow After Financing			\$4,388
<b>(Annual) Equity Dividend Rate</b>			<b>9.3%</b>
<b>Overall ROI</b>			
"Going-in" Cap Rate (yield-on-cost)			7.3%
Investment Threshold Cap Rate			9.0%
<b>Development Spread (basis points)</b>			<b>-173</b>
<b>Return on Cost (Margin on Cost)</b>			<b>-19.2%</b>
<b>Feasibility Assessment</b>			
Return on Cost Threshold			20.0%
<b>Is Project a Viable Investment?</b>			<b>No</b>
Rent per SF to Make Viable			\$33.11
Construction Cost per SF to Make Viable			\$117.23

New Construction ROI Summary – Upper Floor Multi Family

Scenario MF3: Upper Floor Multi Family (per 1,000 SF)			
<b>Pro-Forma (first stabilized year)</b>		<b>Total</b>	<b>Per SF</b>
<b>Revenue</b>			
Revenue Potential		\$20,456	\$20.46
Vacancy Loss		(\$1,023)	(\$1.02)
<b>Net Rental Income</b>		<b>\$19,433</b>	<b>\$19.43</b>
<b>Expenses</b>			
Real Estate Taxes		(\$3,221)	(\$3.22)
Other Operating Expenses		(\$4,858)	(\$4.86)
<b>Total Expenses</b>		<b>(\$8,079)</b>	<b>(\$8.08)</b>
<b>Net Operating Income (NOI)</b>		<b>\$11,354</b>	<b>\$11.35</b>
Debt Service Payment		(\$9,552)	(\$9.55)
<b>Annual Cash Flow After Financing</b>		<b>\$1,802</b>	<b>\$1.80</b>
<b>Return on Investment (ROI) Analysis</b>			
<b>Annual ROI</b>			
Equity Investment			\$54,311
Annual Cash Flow After Financing			\$1,802
<b>(Annual) Equity Dividend Rate</b>			<b>3.3%</b>
<b>Overall ROI</b>			
"Going-in" Cap Rate (yield-on-cost)			5.6%
Investment Threshold Cap Rate			9.0%
<b>Development Spread (basis points)</b>			<b>-336</b>
<b>Return on Cost (Margin on Cost)</b>			<b>-37.3%</b>
<b>Feasibility Assessment</b>			
Return on Cost Threshold			20.0%
<b>Is Project a Viable Investment?</b>			<b>No</b>
Rent per SF to Make Viable			\$35.01
Construction Cost per SF to Make Viable			\$105.13

## SINGLE FAMILY RESIDENTIAL

### New Construction ROI Summary – Single Family Assumptions

Single Family Assumptions		
Cost Excluding Site Work	\$ 115.79	RS Means; Camoin
Cost Including Site Work	\$ 123.18	RS Means; Camoin
Lot Cost	\$ 91,346	Underdeveloped Land Inventory Analysis
Size Assumption (SF)	1,500	MLS Data
Sale Price (New Construction)	\$118	MLS Data
Financing Costs	1.7%	NAHB
Sales Commission	3.7%	NAHB
Marketing/Closing Costs	1%	NAHB
General/Other	2.5%	NAHB; Camoin

### New Construction ROI Summary – Single Family

Scenario SF1: Single Family					
Construction Pro-Forma				Return on Investment (ROI) Analysis	
Cost Breakdown	Pct.	Per SF	Total	Per SF	Total
Site Work	6.2%	\$ 7.64	\$ 11,455	<b>Revenue</b>	
Foundation	11.8%	\$ 14.53	\$ 21,802	<b>Sale Price</b>	<b>\$118 \$177,000</b>
Framing	17.4%	\$ 21.43	\$ 32,149	<b>Costs</b>	
Exterior Finishes	14.1%	\$ 17.37	\$ 26,052	Construction Cost	\$ (276,109)
Major Systems Rough-ins	14.7%	\$ 18.11	\$ 27,160	Financing Cost	\$ (3,009)
Interior Finishes	25.4%	\$ 31.29	\$ 46,930	Sales Commission	\$ (6,549)
Final Steps	6.8%	\$ 8.38	\$ 12,564	Marketing/Closing Costs	\$ (1,770)
Other	3.8%	\$ 4.68	\$ 7,021	General/Other	\$ (4,425)
<b>Total Construction</b>	<b>100%</b>	<b>\$ 123.18</b>	<b>\$ 184,763</b>	<b>Total</b>	<b>\$ (291,862)</b>
Lot Cost			\$91,346	<b>Net Profit (Pre-Tax)</b>	<b>(\$114,862)</b>
<b>Total Development Cost</b>	<b>\$</b>		<b>276,109</b>	<b>Profit Margin</b>	<b>-64.9%</b>
				Feasibility Assessment	
				Profit Margin Threshold	20%
				<b>Is Project a Viable Investment?</b>	<b>No</b>
				Sale Price per SF to Make Viable	\$388,326
				Construction Cost per SF to Make Viable	\$22.95

## Appendix #2 – Renovation Return on Investment (ROI) Feasibility Summary

### RETAIL

#### Renovation ROI Summary – Retail Assumptions

Retail Assumptions					
<b>Project Information</b>			<b>Expenses</b>		
Use Type:	Retail	Camoin	Mill Rate	22.9	City of Belfast
Size (Sf):	1,000	Camoin	OpEx (Excl Prop Tax)	25%	Camoin
Construction Cost Per SF - GROUND	\$ 106.00	RS Means	<b>Financing</b>		
Total Construction Cost - GROUND	\$106,002		Equity Contribution Pct.	30%	Realty Rates
Construction Cost Per SF - BELOW	\$ 141.64	RS Means	Equity Contribution (Ground)	\$31,801	
Total Construction Cost - BELOW	\$141,642		Loan Amount (Ground)	\$74,201	
Construction Cost Per SF - UPPER	\$ 123.28	RS Means	Equity Contribution (Below)	\$42,493	
Total Construction Cost - UPPER	\$123,282		Loan Amount (Below)	\$99,149	
<i>Note: Construction cost includes contractor and architect fees. It excludes acquisition and site work costs.</i>			Equity Contribution (Upper)	\$36,985	
<b>Revenue and Performance Information</b>			Loan Amount (Upper)	\$86,297	
<b>Rate (per SF/Year) Gross</b>			Loan Interest Rate	5.00%	Realty Rates
Below Ground	\$14.74	Survey/CoStar	Debt Service Payment (Ground)	(\$4,827)	
Ground Level	\$15.49	Survey/CoStar	Debt Service Payment (Below)	(\$6,450)	
Upper Floor	\$14.89	Survey/CoStar	Debt Service Payment (Upper)	(\$5,614)	
Vacancy Assumption	5%	Camoin	Capitalization Rate	9.0%	Realty Rates

#### Renovation ROI Summary – Below Ground Retail

Scenario R1: Below Ground Retail (per 1,000 SF)				
<b>Pro-Forma (first stabilized year)</b>		<b>Return on Investment (ROI) Analysis</b>		
	<b>Total</b>	<b>Per SF</b>	<b>Annual ROI</b>	
<b>Revenue</b>			Equity Investment	\$42,493
Revenue Potential	\$14,736	\$14.74	Annual Cash Flow After Financing	\$1,811
Vacancy Loss	(\$737)	(\$0.74)	<b>(Annual) Equity Dividend Rate</b>	<b>4.3%</b>
<b>Net Rental Income</b>	<b>\$13,999</b>	<b>\$14.00</b>	<b>Overall ROI</b>	
<b>Expenses</b>			"Going-in" Cap Rate (yield-on-cost)	5.8%
Real Estate Taxes	(\$2,239)	(\$2.24)	Investment Threshold Cap Rate	9.0%
Other Operating Expenses	(\$3,500)	(\$3.50)	<b>Development Spread (basis points)</b>	<b>-317</b>
<b>Total Expenses</b>	<b>(\$5,738)</b>	<b>(\$5.74)</b>	<b>Return on Cost (Margin on Cost)</b>	<b>-35.2%</b>
<b>Net Operating Income (NOI)</b>	<b>\$8,261</b>	<b>\$8.26</b>	<b>Feasibility Assessment</b>	
Debt Service Payment	(\$6,450)	(\$6.45)	Return on Cost Threshold	20.0%
<b>Annual Cash Flow After Financing</b>	<b>\$1,811</b>	<b>\$1.81</b>	<b>Is Project a Viable Investment?</b>	<b>No</b>
			Rent per SF to Make Viable	\$24.61
			Construction Cost per SF to Make Viable	\$76.45

Renovation ROI Summary – Ground Floor Retail

Scenario R2: Ground Floor Retail (per 1,000 SF)		
<b>Pro-Forma (first stabilized year)</b>		
	<b>Total</b>	<b>Per SF</b>
<b>Revenue</b>		
Revenue Potential	\$15,490	\$15.49
Vacancy Loss	(\$775)	(\$0.77)
<b>Net Rental Income</b>	<b>\$14,716</b>	<b>\$14.72</b>
<b>Expenses</b>		
Real Estate Taxes	(\$2,239)	(\$2.24)
Other Operating Expenses	(\$3,679)	(\$3.68)
<b>Total Expenses</b>	<b>(\$5,917)</b>	<b>(\$5.92)</b>
<b>Net Operating Income (NOI)</b>	<b>\$8,798</b>	<b>\$8.80</b>
Debt Service Payment	(\$4,827)	(\$4.83)
<b>Annual Cash Flow After Financing</b>	<b>\$3,971</b>	<b>\$3.97</b>
<b>Return on Investment (ROI) Analysis</b>		
<b>Annual ROI</b>		
Equity Investment	\$31,801	
Annual Cash Flow After Financing	\$3,971	
<b>(Annual) Equity Dividend Rate</b>	<b>12.5%</b>	
<b>Overall ROI</b>		
"Going-in" Cap Rate (yield-on-cost)	8.3%	
Investment Threshold Cap Rate	9.0%	
<b>Development Spread (basis points)</b>	<b>-70</b>	
<b>Return on Cost (Margin on Cost)</b>	<b>-7.8%</b>	
<b>Feasibility Assessment</b>		
Return on Cost Threshold	20.0%	
<b>Is Project a Viable Investment?</b>	<b>No</b>	
Rent per SF to Make Viable	\$20.16	
Construction Cost per SF to Make Viable	\$81.49	

Renovation ROI Summary – Upper Floor Retail

Scenario R3: Upper Floor Retail (per 1,000 SF)		
<b>Pro-Forma (first stabilized year)</b>		
	<b>Total</b>	<b>Per SF</b>
<b>Revenue</b>		
Revenue Potential	\$14,890	\$14.89
Vacancy Loss	(\$745)	(\$0.74)
<b>Net Rental Income</b>	<b>\$14,146</b>	<b>\$14.15</b>
<b>Expenses</b>		
Real Estate Taxes	(\$2,239)	(\$2.24)
Other Operating Expenses	(\$3,536)	(\$3.54)
<b>Total Expenses</b>	<b>(\$5,775)</b>	<b>(\$5.77)</b>
<b>Net Operating Income (NOI)</b>	<b>\$8,371</b>	<b>\$8.37</b>
Debt Service Payment	(\$5,614)	(\$5.61)
<b>Annual Cash Flow After Financing</b>	<b>\$2,757</b>	<b>\$2.76</b>
<b>Return on Investment (ROI) Analysis</b>		
<b>Annual ROI</b>		
Equity Investment	\$36,985	
Annual Cash Flow After Financing	\$2,757	
<b>(Annual) Equity Dividend Rate</b>	<b>7.5%</b>	
<b>Overall ROI</b>		
"Going-in" Cap Rate (yield-on-cost)	6.8%	
Investment Threshold Cap Rate	9.0%	
<b>Development Spread (basis points)</b>	<b>-221</b>	
<b>Return on Cost (Margin on Cost)</b>	<b>-24.6%</b>	
<b>Feasibility Assessment</b>		
Return on Cost Threshold	20.0%	
<b>Is Project a Viable Investment?</b>	<b>No</b>	
Rent per SF to Make Viable	\$21.83	
Construction Cost per SF to Make Viable	\$77.52	

## RESTAURANT

### Renovation ROI Summary – Restaurant Assumptions

Restaurant Assumptions				
Project Information			Expenses	
Use Type:	Restaurant	Camoin	Mill Rate	22.9 City of Belfast
Size (Sf):	1,000	Camoin	OpEx (Excl Prop Tax)	25% Camoin
Construction Cost Per SF - GROUND	\$ 167.81	RS Means	Financing	
Total Construction Cost - GROUND	\$167,814		Equity Contribution Pct.	34% Realty Rates
Construction Cost Per SF - BELOW	\$ 202.73	RS Means	Equity Contribution (Ground)	\$57,057
Total Construction Cost - BELOW	\$202,734		Loan Amount (Ground)	\$110,757
Construction Cost Per SF - UPPER	\$ 198.59	RS Means	Equity Contribution (Below)	\$68,930
Total Construction Cost - UPPER	\$198,594		Loan Amount (Below)	\$133,804
<i>Note: Construction cost includes contractor and architect fees. It excludes acquisition and site work costs.</i>			Equity Contribution (Upper)	\$67,522
Revenue and Performance Information			Loan Amount (Upper)	\$131,072
Rate (per SF/Year) Gross			Loan Interest Rate	5.00% Realty Rates
Below Ground	\$14.73	Survey/CoStar	Debt Service Payment (Ground)	(\$7,205)
Ground Level	\$19.11	Survey/CoStar	Debt Service Payment (Below)	(\$8,704)
Upper Floor	\$14.73	Survey/CoStar	Debt Service Payment (Upper)	(\$8,526)
Vacancy Assumption	5%	Camoin	Capitalization Rate	9.0% Realty Rates

### Renovation ROI Summary – Below Ground Restaurant

Scenario RE1: Below Ground Restaurant (per 1,000 SF)				
Pro-Forma (first stabilized year)			Return on Investment (ROI) Analysis	
	Total	Per SF	<b>Annual ROI</b>	
<b>Revenue</b>			Equity Investment	\$68,930
Revenue Potential	\$14,730	\$14.73	Annual Cash Flow After Financing	(\$971)
Vacancy Loss	(\$737)	(\$0.74)	<b>(Annual) Equity Dividend Rate</b>	<b>-1.4%</b>
<b>Net Rental Income</b>	<b>\$13,994</b>	<b>\$13.99</b>	<b>Overall ROI</b>	
<b>Expenses</b>			"Going-in" Cap Rate (yield-on-cost)	3.8%
Real Estate Taxes	(\$2,762)	(\$2.76)	Investment Threshold Cap Rate	9.0%
Other Operating Expenses	(\$3,498)	(\$3.50)	<b>Development Spread (basis points)</b>	<b>-519</b>
<b>Total Expenses</b>	<b>(\$6,260)</b>	<b>(\$6.26)</b>	<b>Return on Cost (Margin on Cost)</b>	<b>-57.6%</b>
<b>Net Operating Income (NOI)</b>	<b>\$7,733</b>	<b>\$7.73</b>	<b>Feasibility Assessment</b>	
Debt Service Payment	(\$8,704)	(\$8.70)	Return on Cost Threshold	20.0%
<b>Annual Cash Flow After Financing</b>	<b>(\$971)</b>	<b>(\$0.97)</b>	<b>Is Project a Viable Investment?</b>	<b>No</b>
			Rent per SF to Make Viable	\$34.61
			Construction Cost per SF to Make Viable	\$71.62

Renovation ROI Summary – Ground Floor Restaurant

Scenario RE2: Ground Floor Restaurant (per 1,000 SF)			
<b>Pro-Forma (first stabilized year)</b>		<b>Total</b>	<b>Per SF</b>
<b>Revenue</b>			
Revenue Potential		\$19,110	\$19.11
Vacancy Loss		(\$956)	(\$0.96)
<b>Net Rental Income</b>		<b>\$18,155</b>	<b>\$18.15</b>
<b>Expenses</b>			
Real Estate Taxes		(\$2,762)	(\$2.76)
Other Operating Expenses		(\$4,539)	(\$4.54)
<b>Total Expenses</b>		<b>(\$7,300)</b>	<b>(\$7.30)</b>
<b>Net Operating Income (NOI)</b>		<b>\$10,854</b>	<b>\$10.85</b>
Debt Service Payment		(\$7,205)	(\$7.20)
<b>Annual Cash Flow After Financing</b>		<b>\$3,649</b>	<b>\$3.65</b>
<b>Return on Investment (ROI) Analysis</b>			
<b>Annual ROI</b>			
Equity Investment		\$57,057	
Annual Cash Flow After Financing		\$3,649	
<b>(Annual) Equity Dividend Rate</b>			<b>6.4%</b>
<b>Overall ROI</b>			
"Going-in" Cap Rate (yield-on-cost)			6.5%
Investment Threshold Cap Rate			9.0%
<b>Development Spread (basis points)</b>			<b>-253</b>
<b>Return on Cost (Margin on Cost)</b>			<b>-28.1%</b>
<b>Feasibility Assessment</b>			
Return on Cost Threshold			20.0%
<b>Is Project a Viable Investment?</b>			<b>No</b>
Rent per SF to Make Viable			\$31.91
Construction Cost per SF to Make Viable			\$100.58

Renovation ROI Summary – Upper Floor Restaurant

Scenario RE3: Upper Floor Restaurant (per 1,000 SF)			
<b>Pro-Forma (first stabilized year)</b>		<b>Total</b>	<b>Per SF</b>
<b>Revenue</b>			
Revenue Potential		\$14,730	\$14.73
Vacancy Loss		(\$737)	(\$0.74)
<b>Net Rental Income</b>		<b>\$13,994</b>	<b>\$13.99</b>
<b>Expenses</b>			
Real Estate Taxes		(\$2,762)	(\$2.76)
Other Operating Expenses		(\$3,498)	(\$3.50)
<b>Total Expenses</b>		<b>(\$6,260)</b>	<b>(\$6.26)</b>
<b>Net Operating Income (NOI)</b>		<b>\$7,733</b>	<b>\$7.73</b>
Debt Service Payment		(\$8,526)	(\$8.53)
<b>Annual Cash Flow After Financing</b>		<b>(\$793)</b>	<b>(\$0.79)</b>
<b>Return on Investment (ROI) Analysis</b>			
<b>Annual ROI</b>			
Equity Investment		\$67,522	
Annual Cash Flow After Financing		(\$793)	
<b>(Annual) Equity Dividend Rate</b>			<b>-1.2%</b>
<b>Overall ROI</b>			
"Going-in" Cap Rate (yield-on-cost)			3.9%
Investment Threshold Cap Rate			9.0%
<b>Development Spread (basis points)</b>			<b>-511</b>
<b>Return on Cost (Margin on Cost)</b>			<b>-56.7%</b>
<b>Feasibility Assessment</b>			
Return on Cost Threshold			20.0%
<b>Is Project a Viable Investment?</b>			<b>No</b>
Rent per SF to Make Viable			\$33.98
Construction Cost per SF to Make Viable			\$71.62

## COMMERCIAL OFFICE

### Renovation ROI Summary – Commercial Office Assumptions

Commercial Office Assumptions					
<b>Project Information</b>			<b>Expenses</b>		
Use Type:	Commercial Office	Camoin	Mill Rate	22.9	City of Belfast
Size (Sf):	1,000	Camoin	OpEx (Excl Prop Tax)	25%	Camoin
Construction Cost Per SF - GROUND	\$ 151.37	RS Means	<b>Financing</b>		
Total Construction Cost - GROUND	\$151,371		Equity Contribution Pct.	33%	Realty Rates
Construction Cost Per SF - BELOW	\$ 187.46	RS Means	Equity Contribution (Ground)	\$49,952	
Total Construction Cost - BELOW	\$187,461		Loan Amount (Ground)	\$101,419	
Construction Cost Per SF - UPPER	\$ 190.79	RS Means	Equity Contribution (Below)	\$61,862	
Total Construction Cost - UPPER	\$190,791		Loan Amount (Below)	\$125,599	
Note: Construction cost includes contractor and architect fees. It excludes acquisition and site work costs.			Equity Contribution (Upper)	\$62,961	
<b>Revenue and Performance Information</b>			Loan Amount (Upper)	\$127,830	
<b>Rate (per SF/Year) Gross</b>			Loan Interest Rate	5.00%	Realty Rates
Below Ground	\$21.29	Survey/CoStar	Debt Service Payment (Ground)	(\$6,597)	
Ground Level	\$24.14	Survey/CoStar	Debt Service Payment (Below)	(\$8,170)	
Upper Floor	\$23.12	Survey/CoStar	Debt Service Payment (Upper)	(\$8,316)	
Vacancy Assumption	5%	Camoin	Capitalization Rate	9.0%	Realty Rates

### Renovation ROI Summary – Below Ground Commercial Office

Scenario O1: Below Ground Commercial Office (per 1,000 SF)				
<b>Pro-Forma (first stabilized year)</b>			<b>Return on Investment (ROI) Analysis</b>	
	<b>Total</b>	<b>Per SF</b>	<b>Annual ROI</b>	
<b>Revenue</b>			Equity Investment	\$61,862
Revenue Potential	\$21,290	\$21.29	Annual Cash Flow After Financing	\$3,510
Vacancy Loss	(\$1,065)	(\$1.06)	<b>(Annual) Equity Dividend Rate</b>	<b>5.7%</b>
<b>Net Rental Income</b>	<b>\$20,226</b>	<b>\$20.23</b>	<b>Overall ROI</b>	
<b>Expenses</b>			"Going-in" Cap Rate (yield-on-cost)	6.2%
Real Estate Taxes	(\$3,489)	(\$3.49)	Investment Threshold Cap Rate	9.0%
Other Operating Expenses	(\$5,056)	(\$5.06)	<b>Development Spread (basis points)</b>	<b>-277</b>
<b>Total Expenses</b>	<b>(\$8,545)</b>	<b>(\$8.55)</b>	<b>Return on Cost (Margin on Cost)</b>	<b>-30.8%</b>
<b>Net Operating Income (NOI)</b>	<b>\$11,680</b>	<b>\$11.68</b>	<b>Feasibility Assessment</b>	
Debt Service Payment	(\$8,170)	(\$8.17)	Return on Cost Threshold	20.0%
<b>Annual Cash Flow After Financing</b>	<b>\$3,510</b>	<b>\$3.51</b>	<b>Is Project a Viable Investment?</b>	<b>No</b>
			Rent per SF to Make Viable	\$33.31
			Construction Cost per SF to Make Viable	\$108.15

Renovation ROI Summary – Ground Floor Commercial Office

Scenario O2: Ground Floor Commercial Office (per 1,000 SF)			
<b>Pro-Forma (first stabilized year)</b>		<b>Total</b>	<b>Per SF</b>
<b>Revenue</b>			
Revenue Potential		\$24,140	\$24.14
Vacancy Loss		(\$1,207)	(\$1.21)
<b>Net Rental Income</b>		<b>\$22,933</b>	<b>\$22.93</b>
<b>Expenses</b>			
Real Estate Taxes		(\$3,489)	(\$3.49)
Other Operating Expenses		(\$5,733)	(\$5.73)
<b>Total Expenses</b>		<b>(\$9,222)</b>	<b>(\$9.22)</b>
<b>Net Operating Income (NOI)</b>		<b>\$13,711</b>	<b>\$13.71</b>
Debt Service Payment		(\$6,597)	(\$6.60)
<b>Annual Cash Flow After Financing</b>		<b>\$7,114</b>	<b>\$7.11</b>
<b>Return on Investment (ROI) Analysis</b>			
<b>Annual ROI</b>			
Equity Investment			\$49,952
Annual Cash Flow After Financing			\$7,114
<b>(Annual) Equity Dividend Rate</b>			<b>14.2%</b>
<b>Overall ROI</b>			
"Going-in" Cap Rate (yield-on-cost)			9.1%
Investment Threshold Cap Rate			9.0%
<b>Development Spread (basis points)</b>			<b>6</b>
<b>Return on Cost (Margin on Cost)</b>			<b>0.6%</b>
<b>Feasibility Assessment</b>			
Return on Cost Threshold			20.0%
<b>Is Project a Viable Investment?</b>			<b>No</b>
Rent per SF to Make Viable			\$28.78
Construction Cost per SF to Make Viable			\$127.04

Renovation ROI Summary – Upper Floor Commercial Office

Scenario O3: Upper Floor Commercial Office (per 1,000 SF)			
<b>Pro-Forma (first stabilized year)</b>		<b>Total</b>	<b>Per SF</b>
<b>Revenue</b>			
Revenue Potential		\$23,124	\$23.12
Vacancy Loss		(\$1,156)	(\$1.16)
<b>Net Rental Income</b>		<b>\$21,968</b>	<b>\$21.97</b>
<b>Expenses</b>			
Real Estate Taxes		(\$3,489)	(\$3.49)
Other Operating Expenses		(\$5,492)	(\$5.49)
<b>Total Expenses</b>		<b>(\$8,981)</b>	<b>(\$8.98)</b>
<b>Net Operating Income (NOI)</b>		<b>\$12,987</b>	<b>\$12.99</b>
Debt Service Payment		(\$8,316)	(\$8.32)
<b>Annual Cash Flow After Financing</b>		<b>\$4,672</b>	<b>\$4.67</b>
<b>Return on Investment (ROI) Analysis</b>			
<b>Annual ROI</b>			
Equity Investment			\$62,961
Annual Cash Flow After Financing			\$4,672
<b>(Annual) Equity Dividend Rate</b>			<b>7.4%</b>
<b>Overall ROI</b>			
"Going-in" Cap Rate (yield-on-cost)			6.8%
Investment Threshold Cap Rate			9.0%
<b>Development Spread (basis points)</b>			<b>-219</b>
<b>Return on Cost (Margin on Cost)</b>			<b>-24.4%</b>
<b>Feasibility Assessment</b>			
Return on Cost Threshold			20.0%
<b>Is Project a Viable Investment?</b>			<b>No</b>
Rent per SF to Make Viable			\$33.82
Construction Cost per SF to Make Viable			\$120.27

## MULTI-FAMILY RESIDENTIAL

### Renovation ROI Summary – Multi Family Assumptions

Multi Family Assumptions			
Project Information		Expenses	
Use Type:	Multi Family	Camoin	
Size (SF):	1,000	Camoin	
Construction Cost Per SF - GROUND	\$ 133.52	RS Means	
Total Construction Cost - GROUND	\$133,515		
Construction Cost Per SF - BELOW	\$ 168.80	RS Means	
Total Construction Cost - BELOW	\$168,795		
Construction Cost Per SF - UPPER	\$ 160.52	RS Means	
Total Construction Cost - UPPER	\$160,515		
<i>Note: Construction cost includes contractor and architect fees. It excludes acquisition and site work costs.</i>			
Revenue and Performance Information		Financing	
<b>Rate (per SF/Year) Gross</b>		Equity Contribution Pct.	27% Realty Rates
Below Ground	\$18.48	Survey/CoStar	
Ground Level	\$22.29	Survey/CoStar	
Upper Floor	\$20.46	Survey/CoStar	
Vacancy Assumption	5%	Camoin	
		Equity Contribution (Ground)	\$36,049
		Loan Amount (Ground)	\$97,466
		Equity Contribution (Below)	\$45,575
		Loan Amount (Below)	\$123,220
		Equity Contribution (Upper)	\$43,339
		Loan Amount (Upper)	\$117,176
		Loan Interest Rate	5.00% Realty Rates
		Debt Service Payment (Ground)	(\$6,340)
		Debt Service Payment (Below)	(\$8,016)
		Debt Service Payment (Upper)	(\$7,622)
		Capitalization Rate	9.0% Realty Rates

### Renovation ROI Summary – Below Ground Multi Family

Scenario MF1: Below Ground Multi Family (per 1,000 SF)				
Pro-Forma (first stabilized year)		Return on Investment (ROI) Analysis		
	<b>Total</b>	<b>Per SF</b>	<b>Annual ROI</b>	
<b>Revenue</b>			Equity Investment	\$45,575
Revenue Potential	\$18,476	\$18.48	Annual Cash Flow After Financing	\$1,928
Vacancy Loss	(\$924)	(\$0.92)	<b>(Annual) Equity Dividend Rate</b>	<b>4.2%</b>
<b>Net Rental Income</b>	<b>\$17,552</b>	<b>\$17.55</b>	<b>Overall ROI</b>	
<b>Expenses</b>			"Going-in" Cap Rate (yield-on-cost)	5.9%
Real Estate Taxes	(\$3,221)	(\$3.22)	Investment Threshold Cap Rate	9.0%
Other Operating Expenses	(\$4,388)	(\$4.39)	<b>Development Spread (basis points)</b>	<b>-311</b>
<b>Total Expenses</b>	<b>(\$7,609)</b>	<b>(\$7.61)</b>	<b>Return on Cost (Margin on Cost)</b>	<b>-34.5%</b>
<b>Net Operating Income (NOI)</b>	<b>\$9,943</b>	<b>\$9.94</b>	<b>Feasibility Assessment</b>	
Debt Service Payment	(\$8,016)	(\$8.02)	Return on Cost Threshold	20.0%
<b>Annual Cash Flow After Financing</b>	<b>\$1,928</b>	<b>\$1.93</b>	<b>Is Project a Viable Investment?</b>	<b>No</b>
			Rent per SF to Make Viable	\$30.11
			Construction Cost per SF to Make Viable	\$92.04

Renovation ROI Summary – Ground Floor Multi Family

Scenario MF2: Ground Floor Multi Family (per 1,000 SF)			
<b>Pro-Forma (first stabilized year)</b>		<b>Total</b>	<b>Per SF</b>
<b>Revenue</b>			
Revenue Potential		\$22,286	\$22.29
Vacancy Loss		(\$1,114)	(\$1.11)
<b>Net Rental Income</b>		<b>\$21,171</b>	<b>\$21.17</b>
<b>Expenses</b>			
Real Estate Taxes		(\$3,221)	(\$3.22)
Other Operating Expenses		(\$5,293)	(\$5.29)
<b>Total Expenses</b>		<b>(\$8,514)</b>	<b>(\$8.51)</b>
<b>Net Operating Income (NOI)</b>		<b>\$12,658</b>	<b>\$12.66</b>
Debt Service Payment		(\$6,340)	(\$6.34)
<b>Annual Cash Flow After Financing</b>		<b>\$6,318</b>	<b>\$6.32</b>
<b>Return on Investment (ROI) Analysis</b>			
<b>Annual ROI</b>			
Equity Investment			\$36,049
Annual Cash Flow After Financing			\$6,318
<b>(Annual) Equity Dividend Rate</b>			<b>17.5%</b>
<b>Overall ROI</b>			
"Going-in" Cap Rate (yield-on-cost)			9.5%
Investment Threshold Cap Rate			9.0%
<b>Development Spread (basis points)</b>			<b>48</b>
<b>Return on Cost (Margin on Cost)</b>			<b>5.3%</b>
<b>Feasibility Assessment</b>			
Return on Cost Threshold			20.0%
<b>Is Project a Viable Investment?</b>			<b>No</b>
Rent per SF to Make Viable			\$25.39
Construction Cost per SF to Make Viable			\$117.21

Renovation ROI Summary – Upper Floor Multi Family

Scenario MF3: Upper Floor Multi Family (per 1,000 SF)			
<b>Pro-Forma (first stabilized year)</b>		<b>Total</b>	<b>Per SF</b>
<b>Revenue</b>			
Revenue Potential		\$20,456	\$20.46
Vacancy Loss		(\$1,023)	(\$1.02)
<b>Net Rental Income</b>		<b>\$19,433</b>	<b>\$19.43</b>
<b>Expenses</b>			
Real Estate Taxes		(\$3,221)	(\$3.22)
Other Operating Expenses		(\$4,858)	(\$4.86)
<b>Total Expenses</b>		<b>(\$8,079)</b>	<b>(\$8.08)</b>
<b>Net Operating Income (NOI)</b>		<b>\$11,354</b>	<b>\$11.35</b>
Debt Service Payment		(\$7,622)	(\$7.62)
<b>Annual Cash Flow After Financing</b>		<b>\$3,732</b>	<b>\$3.73</b>
<b>Return on Investment (ROI) Analysis</b>			
<b>Annual ROI</b>			
Equity Investment			\$43,339
Annual Cash Flow After Financing			\$3,732
<b>(Annual) Equity Dividend Rate</b>			<b>8.6%</b>
<b>Overall ROI</b>			
"Going-in" Cap Rate (yield-on-cost)			7.1%
Investment Threshold Cap Rate			9.0%
<b>Development Spread (basis points)</b>			<b>-193</b>
<b>Return on Cost (Margin on Cost)</b>			<b>-21.4%</b>
<b>Feasibility Assessment</b>			
Return on Cost Threshold			20.0%
<b>Is Project a Viable Investment?</b>			<b>No</b>
Rent per SF to Make Viable			\$28.85
Construction Cost per SF to Make Viable			\$105.13

## SINGLE FAMILY RESIDENTIAL

### Renovation ROI Summary – Single Family Assumptions

Single Family Assumptions		
Cost Excluding Site Work	\$ 83.10	RS Means; Camoin
Cost Including Site Work	\$ 88.40	RS Means; Camoin
Lot Cost	\$ 91,346	Underdeveloped Land Inventory Analysis
Size Assumption (SF)	1,500	MLS Data
Sale Price (New Construction)	\$118	MLS Data
Financing Costs	1.7%	NAHB
Sales Commission	3.7%	NAHB
Marketing/Closing Costs	1%	NAHB
General/Other	2.5%	NAHB; Camoin

### Renovation ROI Summary – Single Family

Scenario SF1: Single Family					
<b>Construction Pro-Forma</b>				<b>Return on Investment (ROI) Analysis</b>	
<b>Cost Breakdown</b>	<b>Pct.</b>	<b>Per SF</b>	<b>Total</b>	<b>Per SF</b>	<b>Total</b>
Site Work	6.2%	\$ 5.48	\$ 8,222	<b>Revenue</b>	
Foundation	11.8%	\$ 10.43	\$ 15,648	<b>Sale Price</b>	<b>\$118 \$177,700</b>
Framing	17.4%	\$ 15.38	\$ 23,074	<b>Costs</b>	
Exterior Finishes	14.1%	\$ 12.47	\$ 18,698	Construction Cost	\$ (223,952)
Major Systems Rough-ins	14.7%	\$ 13.00	\$ 19,493	Financing Cost	\$ (3,021)
Interior Finishes	25.4%	\$ 22.45	\$ 33,682	Sales Commission	\$ (6,575)
Final Steps	6.8%	\$ 6.01	\$ 9,017	Marketing/Closing Costs	\$ (1,777)
Other	3.8%	\$ 3.36	\$ 5,039	General/Other	\$ (4,443)
<b>Total Construction</b>	<b>100%</b>	<b>\$ 88.40</b>	<b>\$ 132,606</b>	<b>Total</b>	<b>\$ (239,768)</b>
Lot Cost			\$91,346	<b>Net Profit (Pre-Tax)</b>	<b>(\$62,068)</b>
<b>Total Development Cost</b>	<b>\$</b>		<b>223,952</b>	<b>Profit Margin</b>	<b>-34.9%</b>
<b>Feasibility Assessment</b>					
Profit Margin Threshold				20%	
<b>Is Project a Viable Investment?</b>				<b>No</b>	
Sale Price per SF to Make Viable				\$314,963	
Construction Cost per SF to Make Viable				\$23.31	

**Technical Report 8**

# Property Build-Out Analysis

# PROPERTY BUILD-OUT ANALYSIS

## Overview and Methodology

In order to gain further insights into the potential for further development within the project study area, a buildout analysis was conducted. This analysis focuses on properties and land parcels within the study area that are included in the study area inventory of spaces section of this report. Data for this inventory analysis was similarly gathered through a combination of a comprehensive survey distributed to property owners within the Study Area, and information and data provided by the City of Belfast.

In order to estimate the additional build-out space within the study area, existing properties and vacant parcels were looked at comparing their current building footprints to the maximum footprint that would be allowed under current zoning regulations. All properties and land parcels in this study were zoned as one of the following:

- ◆ Waterfront Mixed Use 1
- ◆ Waterfront Mixed Use 2
- ◆ Residential 1 Urban District
- ◆ Downtown Commercial District

In the cases where additional space could be added to existing properties, it was assumed that:

- ◆ Any additional development would maximize the potential build-out allowable under current zoning regulations.
- ◆ Any additional stories added (when applicable) would be 12 feet in height.
- ◆ Any additional stories added (when applicable) would have the same total area (SF) as the ground floor level of the existing property. In the case of vacant parcels, all building stories would have an area (SF) consistent with the average lot coverage ratio of other existing properties included in this study.

## Build-Out Analysis Overview

### Summary of Key Findings

It is estimated that 97% of the properties analyzed as a part of this study could accommodate additional space under current zoning regulations. The total estimated potential area that could be added is 2,423,048 square feet (SF) of space, which equates to approximately 120% more space than currently exists. On average, the potential additional area that could be added per property is 12,300 SF.

Estimated Additional  
Area (SF) of Potential  
Build-Out Space

2.4 million SF

% of Properties with  
Capacity for Additional  
Development

97%

Average Potential  
Additional Area (SF)  
per Property

12,300 SF

The following table summarizes the estimated additional build-out capacity (SF) by zoning classification. At approximately 1,943,000 or 80% of the new potential build-out space, a majority of space could be developed in properties with a Downtown Commercial District zoning classification.

Additional Build-Out Capacity (SF) by Zoning Classification		
Zoning Classification	Estimated Additional Build-Out Capacity (SF)	Percent (%) of Total Additional Build-Out Capacity
Downtown Commercial District	1,943,049	80%
Waterfront Mixed Use 1	232,711	10%
Residential 1 Urban District	201,623	8%
Waterfront Mixed Use 2	45,665	2%
<b>Total</b>	<b>2,423,048</b>	<b>100%</b>

Source: City of Belfast; Property Owner Survey

According to existing zoning requirements, the additional build-out space by zoning classification outlined above could be broken down into one or multiple uses according to the following table:

Allowable Build-Out Uses by Zoning Classification						
Zoning Classification	Single-Family Residential	Multi-Family Residential	Restaurant	Retail	Office	Other Commercial
Downtown Commercial District	Y	Y	N	N	N	N
Waterfront Mixed Use 1	N	Y*	Y	Y	Y	Y
Residential 1 Urban District	N	Y*	Y	Y	Y	N
Waterfront Mixed Use 2	N	Y*	Y	Y	Y	Y

\*Upper Floor Only  
Source: City of Belfast

The following table summarizes the estimated additional build-out capacity (SF) by the estimated range of additional build-out capacity. The highest percentage (18%) of total additional build-out capacity could be developed in the 50,000 to 75,000 SF range.

Additional Build-Out Capacity (SF) by Build-Out Capacity Range		
Estimated Range of Additional Build-Out Capacity	Estimated Additional Build-Out Capacity (SF)	Percent (%) of Total Additional Build-Out Capacity
0 to 2,500 SF	25,221	1%
2,501 to 5,000 SF	183,906	8%
5,001 to 7,500 SF	271,462	11%
7,501 to 10,000 SF	156,819	6%
10,001 to 15,000 SF	321,558	13%
15,001 to 20,000 SF	295,792	12%
20,001 to 30,000 SF	296,657	12%
30,001 to 40,000 SF	247,527	10%
40,001 to 50,000 SF	88,295	4%
50,001 to 75,000 SF	429,201	18%
75,000+ SF	106,610	4%
<b>Total</b>	<b>2,423,048</b>	<b>100%</b>

Source: City of Belfast; Property Owner Survey

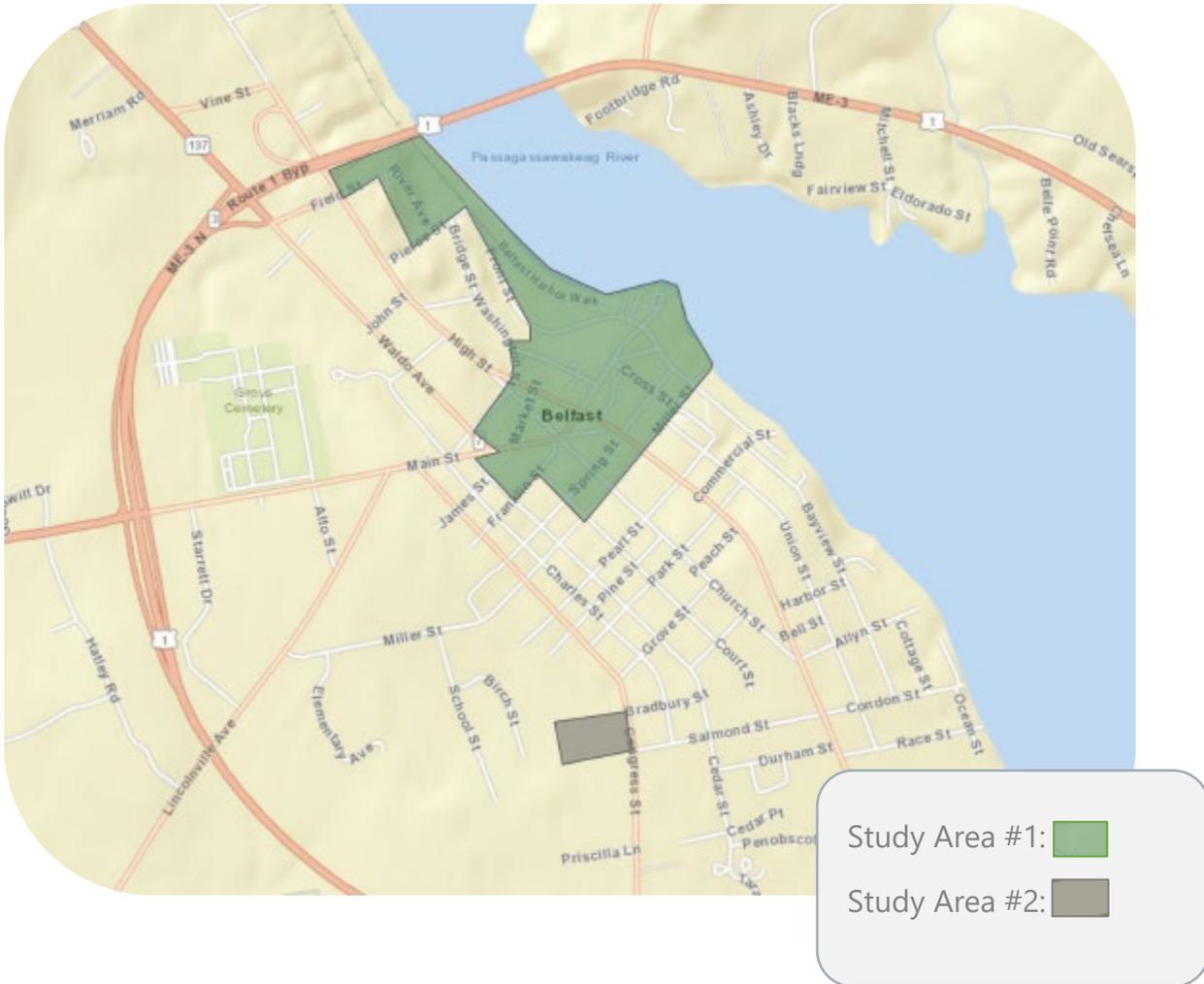
**Technical Report 9**

115 Congress Street

# 115 CONGRESS STREET

The City of Belfast engaged Camoin 310 to conduct an economic overview focusing on two non-contiguous study areas. This analysis focuses on Study Area #2, which is comprised of a 4.5-acre parcel owned by the City of Belfast and located at 115 Congress Street, Belfast.

## Study Area Map



## Study Area #2



### Study Area #2 Property Profile

Study Area #2 consists of one 4.5-acre City-owned parcel located at 115 Congress Street in Belfast. The current assessed value of the parcel is \$267,800. The parcel is currently zoned residential (Residential 2). Study Area #2 is located in a primarily residential neighborhood that is slightly south of Belfast’s main downtown area and north of the Belfast Municipal Airport. It also has immediate access to Route 1 and Route 52, both of which can be accessed within 0.5 miles of the Study Area.

The following are amenities located within a mile of the Study Area:

- ◆ **Belfast Post Office (Downtown):** 0.6 miles
- ◆ **Belfast Public Landing:** 0.7 miles
- ◆ **Hannaford Supermarket Plaza:** 0.9 miles
- ◆ **Belfast City Park:** 1.0 miles
- ◆ **Waldo County General Hospital:** 1.0 miles

**Address:** 115 Congress Street, Belfast

**Description:** Vacant land

**Primary Zoning:** Residential 2

**Map-Lot:** 035-043

**Account #:** 2818

**Acres:** 4.5

**Owner:** City of Belfast

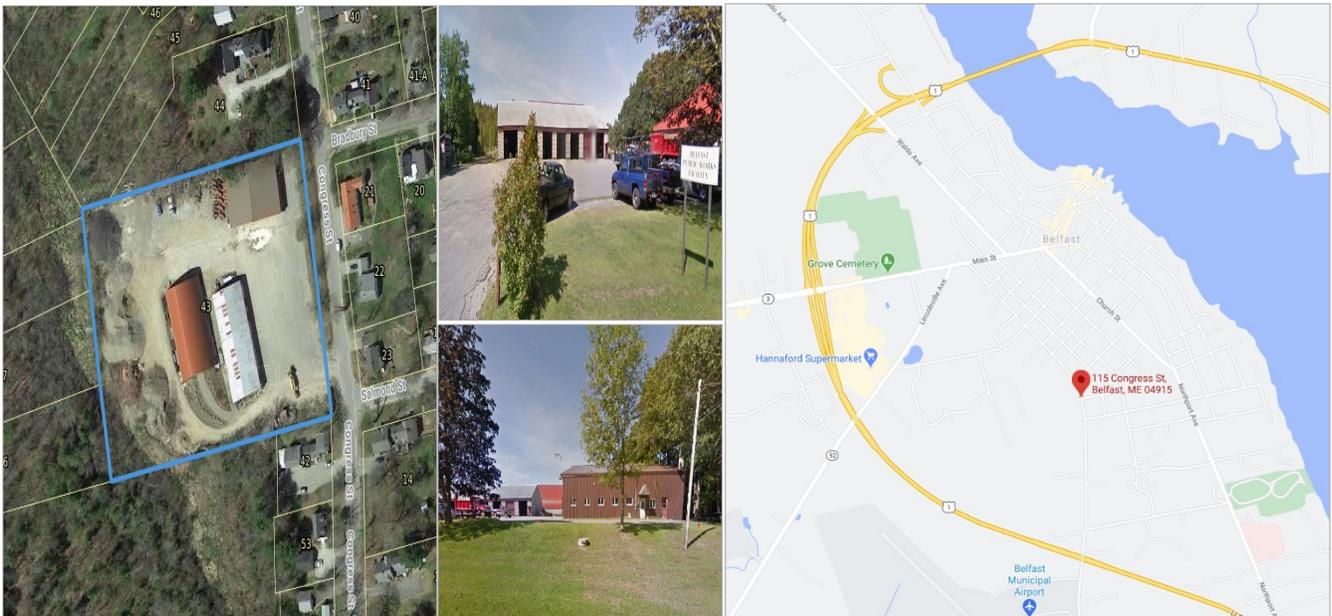
**Total Valuation:** \$267,800

*Source: City of Belfast*

## KEY FINDINGS

Based on the findings outlined in the real estate market demand analysis, the parcel located within Study Area #2 would be best suited for future multifamily housing development in Belfast.

- ◆ The parcel is currently zoned residential and located within a residential neighborhood. From a planning and placemaking perspective, the development of additional housing would ultimately fit in well and cause the least amount of disruption to the neighborhood.
- ◆ There is market potential for the City to absorb approximately 150 housing units over 5-years. Based on pre-COVID conditions, the market demand analysis found that the City will see projected demand for up to approximately 66 rental units and 77 owner-occupied units over five years (13 units and 15 units annually, respectively).
- ◆ The parcel is located within a mile of a number of different amenities that would be attractive to residential tenants. Amenities include but are not limited to grocery stores, bars and restaurants, retail options, the Belfast City Park and adjacent waterfront, the Belfast Post Office, The Waldo County General Hospital, and the Belfast Marina.
- ◆ There is a lack of affordable workforce and senior housing options in Belfast. A majority of housing in the City of Belfast is unaffordable for median-income households, which is likely a primary driver of why 80% of the city's workforce is commuting from the surrounding region. Additionally, the need for affordable housing for seniors is particularly acute with low-income residents age 75+ expected to grow locally and regionally over the next five years.
- ◆ There are several projects in Belfast that include housing components (several of which that are located less than 0.5 miles from Study Area #2) that are in various phases of planning. This interest is indicative of perceived market demand among the private sector. Furthermore, the completion of housing projects will demonstrate demand (and rent potential), which will likely spur additional investment after the market is “proven.”



**Technical Report 10**

# Proximity Impacts

# PROXIMITY IMPACTS

An analysis was conducted to examine whether the proximity of a property to the waterfront, marinas, or parking has any measurable impact to lease rates or sale prices compared to other similar properties. Proximity to desirable amenities has been established in numerous studies to have an impact on property values and is commonly referred to as the “Proximate Principle.”

## METHODOLOGY

The methodology for the analysis is described below:

**Waterfront Proximity:** A GIS Analysis was conducted to create “distance bands” from the edge of the waterfront. Bands of 250 feet in width were mapped across the study area. Parcels in the study area were categorized by band. A total of eight (8) band categories were established. The sale price and lease rates for the parcels in each band were compared to those in other bands and for the study area overall based on use type to determine if proximity to the waterfront has any apparent impact on price or lease rate. The map on the following pages shows the distance bands and parcels within each band.

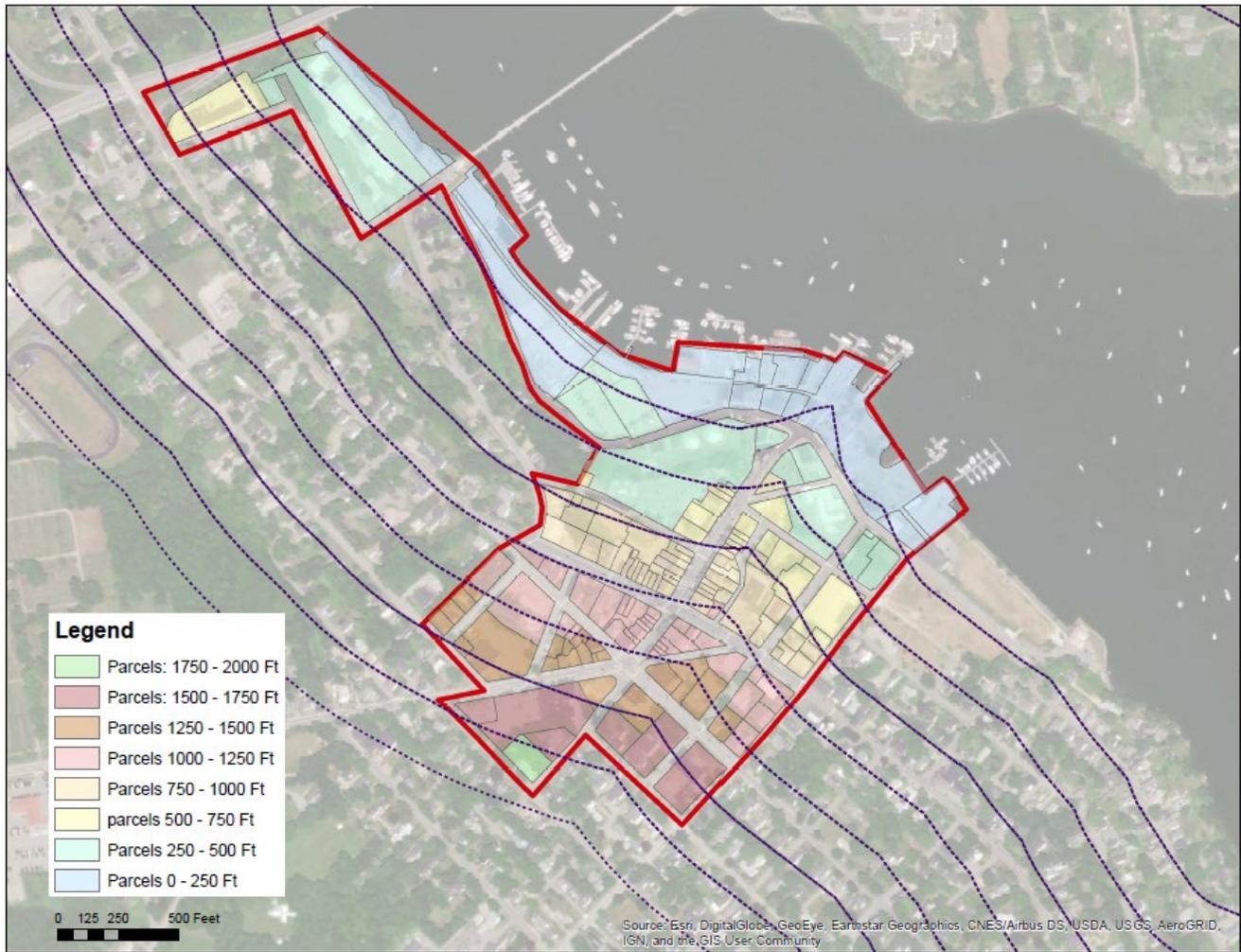
**Parking Lot Proximity:** Lots providing public parking in the Study Area were selected for the analysis; however, lots that were deemed to primarily serve public buildings with little to no availability for general public parking were not selected. A total of seven (7) public parking lots were identified. A GIS Analysis was conducted to identify parcels within close proximity to parking areas, based on a 100-foot radius from each parking lot. Any parcels falling within that radius, fully or in part, were selected. The sale and lease rates of those parcels was examined and compared with properties in the study area that are further from those parking areas (i.e., not within 100 feet). The map on the following pages shows the parking areas and parcels in close proximity to each.

Note that proximity to marinas was not independently analyzed because of the inability to isolate the sale and lease impacts of marinas from the waterfront itself.

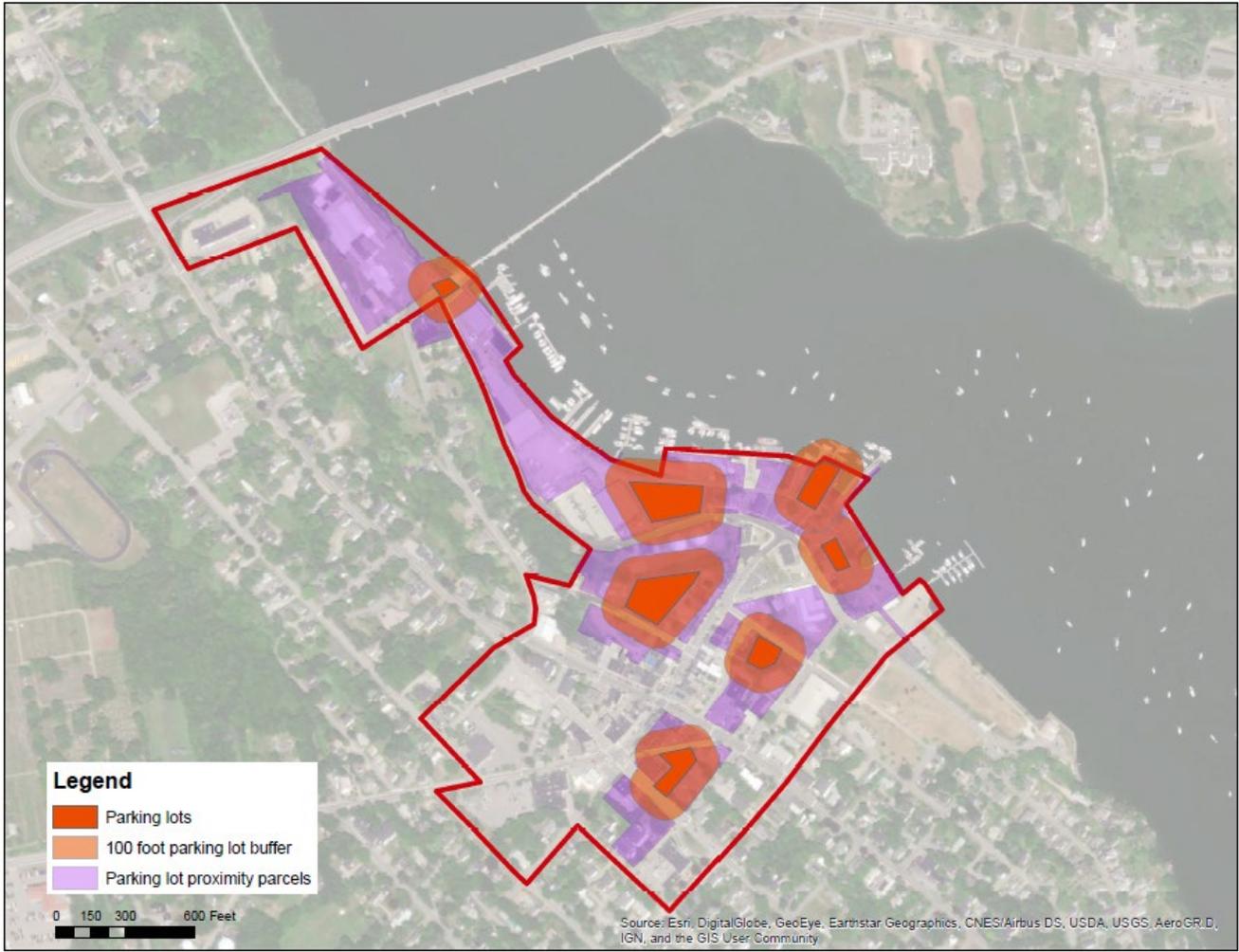
## RESULTS AND LIMITATIONS

The results of each analysis were inconclusive due primarily to data limitations. There were insufficient sales data to draw statistically significant results for the sales impact analysis. Additionally, adequate lease data was not available for the parcels in each analysis. Of the parcels in the Study Area, lease data was only available for 21% of the properties due to the large proportion of property owners that declined to provide this information for the study. Similarly, among the parcels in close proximity to parking areas, only 22% had available lease information.

### WATERFRONT PROXIMITY IMPACT ANALYSIS MAP



### PARKING PROXIMITY IMPACT ANALYSIS MAP





# Leading action to grow your economy

Saratoga Springs, NY

Richmond, VA

Portland, ME

Boston, MA

Brattleboro, VT

