City of Portland

Board of Assessment Review August 12, 2022

Board Members Stephen Bither, Chair and Barbara Brewer
Friday, August 12, 2022 at 1:00 PM
CHANGED TO A VIRTUAL MEETING -- no appeals will be heard:

To submit written public comment on an agenda item, email nle@portlandmaine.gov. Submissions must be received by 12:00 pm the day before the Board of Assessment Review meeting to guarantee their inclusion in the agenda packet. All submissions must include the commenter's name and legal address. To help ensure your comment is submitted for the correct item, please include the name of the agenda item (see below).

Please click the link below to join the webinar:
https://portlandmaine-gov.zoom.us/j/82460104209?pwd=bWpzYjc0Q1I5TUk5cy8vZVkvSlphQT09
Passcode: 345932
Or One tap mobile :
US: +13092053325,,82460104209#,,,,*345932# or +13126266799,,82460104209#,,,,*345932#
Or Telephone:
Dial(for higher quality, dial a number based on your current location):
US: +1 309 205 3325 or +1 312 626 6799 or +1 646 931 3860 or +1 929 205 6099 or +1 301 715 8592 or +1 253 215 8782 or +1 346 248 7799 or +1 386 347 5053 or +1 564 217 2000 or +1 669 444 9171 or +1 669 900 6833 or +1 719 359 4580
Webinar ID: 824 6010 4209
Passcode: 345932
International numbers available: https://portlandmaine-gov.zoom.us/u/kz1Hrra7b

1. Approval of the Minutes of June 24, 2022
2. Appeal on behalf of Granite Coast Properties, LLC dba Planet Fitness, 100 Marginal Way
    a. A settlement between the appellant and the Assessor has been agreed to, and the Board will be asked to accept it. A letter confirming the agreement to settle the appeal is attached to this agenda.

       Appeal filed by DuCharme, McMillen & Associates, Todd Kratt, received on May 10, 2022. The property owner signed an agreement allowing for a 60-day postponement of the hearing, originally scheduled on June 24, 2022.

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3. Appeal on behalf of Albany Road-Portland LLC for both 100 Middle Street A and 100 Middle Street B POSTPONED

CHANGED TO A VIRTUAL MEETING -- no appeals will be heard:

   a. Attorney David Silk represents the property owner, Albany Road-Portland, LLC. After submitting these appeals, he has requested a postponement to after October 11, 2022, due to absence. A future hearing date will be set later.

4. Appeal on behalf of Lafayette Portland LLC and Lafayette Portland West LLC, Holiday Inn by the Bay and Fireside Suites

   a. Appeal filed by DuCharme, McMillen & Associates, Todd Kratt, received on July 8, 2022.

      The appellant and the Assessor have notified the Board that they are in discussion of a possible settlement, and ask that the Board postpone this hearing to August 25, 2022, at 3:00 p.m.

5. New Business (5 minutes)
6. Next Meeting: August 19, 2022, at 8:00 a.m.
7. Adjournment

Board of Assessment Review

Friday, June 24, 2022, 1:00 PM
Meeting Minutes

Stephen Bither
Barbara Brewer

The meeting, held by ZOOM technology, convened at 1:00 p.m. on June 24, 2022.

Attendees: Board members Stephen Bither and Barbara Brewer, Attorney Jim Katsiaficas representing the Board, Portland Assistant Assessor Brent Martin, attorney for the city Michael Goldman, and board assistant Nancy English. No members of the public attended.

Also attending was Todd Kratt, from Ducharme, McMillan Associates, on behalf of Granite Coast Properties doing business as Planet Fitness, 145 Marginal Way

Attorney Katsiaficas said a board hearing must be held within 60 days of receiving an application of appeal or be "deemed denied" unless a written postponement is agreed to and signed by the appellant.

Todd Kratt agreed with this understanding. A signed agreement had been submitted to the Board signed by Mike Cleary, Managing Partner of Granite Coast Properties, LLC, dated June 23, 2022, agreeing to a postponement for up to 60 days.

Board Chair Bither asked for a motion to continue the hearing. Board member Brewer so moved and Chair Bither seconded the motion, approved by a roll call vote of 2-0. The new hearing date was set on August 12, 2022 at 1:00 p.m.

Board Member Brewer moved and Chair Bither seconded the motion to adjourn, passed by a roll call vote of 2-0. Meeting adjourned at 1:08. p.m.

DMA

AN EXTENSION OF YOUR TAX DEPARTMENT

August 9, 2022

Board of Assessment Review
City of Portland
389 Congress Street
Portland, ME 04101

Re: Application for Abatement of Property Taxes; Granite Coast Properties d/b/a Planet Fitness; 145 Marginal Way.

Dear Chairman Bither:

I represent Granite Coast Properties, LLC in connection with an Application for Abatement of Property Taxes dated March 11, 2022 regarding property located at 145 Marginal Way. The hearing in this appeal was originally scheduled for June 24, 2022, but the parties agreed to postpone the hearing until August 12, 2022 to allow time to review appraisal information and attempt to resolve this matter. We have now reached an agreement with the Assessor's Office to settle our abatement request, so the Board may dismiss this FY2022 appeal with prejudice and without costs or attorneys' fees. I have discussed this matter with Michael Goldman, attorney for the Assessor, who joins in this request to dismiss the appeal. Thank you for your attention to this matter.

Todd Kratt, Senior Tax Manager
DuCharme, McMillen & Associates, Inc.
(Representative)

8/9/22

Mike Cleary, Managing Partner
Granite Coast Properties, LLC dba Planet Fitness
(Taxpayer)

8.10.2022

Michael I. Goldman
Associate Corporation Counsel, City of Portland

8/11/2022

DMA - DUCHARME, MCMILLEN & ASSOCIATES, INC. | DMAINC.COM
205 Portland Street, Suite 200 | Boston, MA 02114 | 617-798-2840 | Fax: 617-671-0406

PORTLAND BOARD OF ASSESSMENT REVIEW
APPLICATION FOR ABATEMENT OF PROPERTY TAXES
(36 M.R.S.A. Section 843)

Note: Application must first be made to the Assessor.

1. Name of Applicant: DuCharme, McMillen & Associates - on behalf of: Granite Coast Properties d/b/a Planet Fitness

2. Address of Applicant: 205 Portland Street, Suite 200, Boston, MA 02114

3. Telephone number: 617-798-2840 x2206

4. Name and address of attorney, if any:

5. Location of property: 145 Marginal Way

Chart, Block, Lot Number: 025-B021001 Account Number 23087

6. Assessed value of real estate: $4,517,500

7. Assessed value of personal property:$ 7,790

8. Assessment year for which abatement is requested: 2021 (Fy22) Date of Assessor's decision March 16, 2022

9. Owner's opinion of current value for property in question:

Land	$		Personal Property	$
Building	$			
TOTAL:	$ 3,000,000		TOTAL	$7,790

10. Reasons for requesting abatement. Please be specific, stating grounds for belief that property is overvalued for tax purposes, such as value of comparable property. If further space is needed, please attach additional pages to application.

See attached and enclosed information in support of opinion of value. This includes comparable sales, comparable leases and an income approach to value, as well as information on the pandemic's negative impact on the gym/ fitness industry. Additionally, the assessors denial states the actual NOI supports the current assessment. The actual NOI referenced is from a lease that started in 2005. This not representative of current as-is market rent. Assessment's should be based on market value and more recent information than an old lease.

11. Estimated time for your presentation at the hearing: 30 minutes

To the Board of Assessment Review, Portland, Maine:

APPLICATION FOR ABATEMENT AND CERTIFICATE OF COMPLIANCE WITH 36 M.R.S.A. § 843(4)

Pursuant to 36 M.R.S.A. § 843(4), the applicant hereby certifies that he or she has paid, by the due date, either the amount of taxes not in dispute for the current tax year or an amount equal to the amount of taxes paid in the previous tax year-whichever is greater. The statements contained in this application are correct to the best of my knowledge and belief.

5/10/22
Date

Signature of Applicant

This application must be signed.

Separate application forms should be filed for each separately assessed parcel of real estate claimed to be overvalued.

DMA®
AN EXTENSION OF YOUR TAX DEPARTMENT

June 23, 2022

Assessing Officials
City of Portland
389 Congress Street, Room 115
Portland, ME 04101

RE: 145 Marginal Way, Portland

Dear Assessing Officials,

We, and the taxpayer, agree to postpone the hearing in this matter originally scheduled for June 24th, 2022, for up to 60 days. Thank you for your attention to this.

Mike Cleary, Managing Partner
Granite Coast Properties, LLC | dba Planet Fitness
(Taxpayer)

Todd Kratt, Senior Tax Manager
DuCharme, McMillen & Associates, Inc.
(Representative)

Real Estate Assessment Analysis

2021 Real Property Tax Assessment Appeal

Granite Coast Properties d/b/a Planet Fitness
145 Marginal Way
Portland, ME

Market Value per Town: $4,517,500

Prepared for:

Assessing Officials
City of Portland
389 Congress Street, Room 115
Portland, ME 04101

Prepared by:

Todd Kratt – Senior Tax Manager
Shayna Jones – Senior Tax Consultant
DuCharme, McMillen & Associates, Inc.
205 Portland Street ,Suite 200
Boston, MA 02114
Tel. 617-798-2840 ext. 2203 Fax (617) 671-0406

AN EXTENSION OF YOUR TAX DEPARTMENT

March 10, 2022

Assessing Officials
City of Portland
389 Congress Street, Room 115
Portland, ME 04101

Re: **Real Estate Assessment**
145 Marginal Way
Portland, ME

Dear Assessing Officials:

Granite Coast Properties d/b/a Planet Fitness has asked us to review the real property tax assessment of the above referenced property. The enclosed is a summary of physical information on the facility, market data from the area, as well as other relevant information. The enclosed is not a real estate appraisal or review appraisal and nothing in this report should be construed as a real estate appraisal or review appraisal. The following is presented for your consideration. Information contained in this pertaining to the subject property and Planet Fitness is to be kept confidential.

The subject is a roughly 21,548 SF health club/gym facility on 1.15 acres. The subject property is located on Marginal Way in between exits 6B and 7 off of I-295. It is surrounded by a mix of commercial and industrial properties.

The total current assessment is $4,517,500, or $209 per SF, which should reflect 100% of market value as of 4/1/2021.

Subject Increase

As a result of the revaluation in 2021, the subject assessment and assessed market value, when factoring in last year's equalization ratio, increased substantially. This increase is detailed below:

2020 Assessment	Ratio	2020 Equalized Assessment	2021	**Increase**
2,273,700	77.0%	$2,952,857	$4,517,500	**53.0%**

Covid-19

In March 2020, the global pandemic known as Covid-19 halted the economy, shut down schools, and companies and business were forced to close their doors due to stay at home orders all over the country.

Maine Timeline:
March 8, 2020: Governor Mills issued an Executive Order mandating that all restaurants and bars statewide close to dine-in customers effective March 18, 2020 at 6:00 p.m. for a period of 14 days until midnight, March 31, 2020. Take-out, delivery, and drive-through options can continue. In her order, the Governor also prohibited all gatherings of more than 10 people until further notice, mandating the latest U.S. CDC's guidance on gatherings. In addition, Governor Mills strongly urged non-essential public-facing businesses, such as gyms, hair salons, theatres, casinos, shopping malls, to close their doors for the next two weeks to minimize public gatherings.

March 24, 2020: Governor Mills ordered all non-essential businesses and operations in Maine to close their physical locations that are public facing, meaning those that allow customer, vendor or other in-person contact. Governor Mills also strongly urged all large, essential, public-facing businesses to immediately employ strategies to reduce congestion in their stores, including limiting the number of customers in the store at any one time and enhancing curbside pick-up and delivery services.

March 31, 2020: Governor Mills issued a series of substantial new mandates to protect public health and safety in the face of COVID-19, including a Stay Healthy at Home directive that requires people living in Maine to stay at home at all times unless for an essential job or an essential personal reason, such as obtaining food, medicine, health care, or other necessary purposes.

April 15, 2020: As the State continues to respond to COVID-19, Governor Mills signed a proclamation extending Maine's state of civil emergency for another thirty days through May 15, 2020. The original state of civil emergency was scheduled to expire tomorrow, April 15, 2020.

April 29, 2020: Governor Janet Mills issues new Stay Safer at Home Executive Order. The new order continues to have Maine people stay at home with the same established exceptions for permitted activities, such as occasional grocery shopping or exercising. However, it now also allows Maine people to visit businesses or participate in activities deemed safe to open under Stage 1 of the reopening plan presented on April 28. These include barber shops and hair salons, auto dealerships and drive-in stay-in-your-vehicle religious services that follow COVID-19 Prevention Checklists. The Order is effective immediately and extends through May 31, 2020, subject to change.

May 13, 2020: Governor Janet Mills signed a proclamation extending Maine's state of civil emergency for thirty days through June 11, 2020.

May 19, 2020: The Mills Administration announced the following updates to its plan to restart Maine's economy: 1) Maine residents may enjoy private campgrounds beginning Memorial Day weekend; and 2) the Administration is delaying the full reopening of gyms, fitness centers, and nail salons in light of emerging research and experiences in other states of COVID-19 transmission related to these establishments.

June 17, 2020: Governor Janet Mills allowed reopening of gyms (limited capacity) in Cumberland, York, Androscoggin Counties.

October 6, 2020: The Mills Administration announced that Maine will move into Stage 4 of the Plan to Restart Maine's Economy beginning Tuesday, October 13, 2020. Stage 4 increases limits on indoor seating to 50 percent capacity of permitted occupancy, or 100 people – whichever is less – and maintains the critical public health measures outlined in COVID-19 Prevention Checklists, such as enhanced cleaning practices and physical distancing. Today's Executive Order also further strengthens the State's face covering mandate by requiring that a broader set of entities, such as private schools and municipal buildings, ensure that employees and people in their buildings adhere to this critical health measure. The Order also expands the scope of the enforcement statewide, rather than in just Maine's coastal counties and more populous cities.

November 5, 2020: On the day Maine recorded 183 new cases of COVID-19, the highest single-day increase since the beginning of the pandemic, Governor Janet Mills announced an Executive Order requiring Maine people to wear face coverings in public settings, regardless of the ability to maintain physical distance.

In ME, only essential businesses were open from March until June when things started to re-open with restrictions and protocols. Even then, many companies and businesses kept their doors closed and required that their employees work from home. Gyms, like the subject property, gradually started reopening when the stay-at-home orders were lifted, however, capacity limits were strict, and many members simply stopped going to the gym. Into 2021 gym memberships at the subject were still down over 30% compared to pre-covid. As the Maine covid timeline indicated, gyms were part of the non-essential businesses forced to close for about 3 months before being able to re-open with restrictions.

On-demand services like BeachBody, Peleton, and more have grown vastly due to the pandemic, which will not bode well for fitness centers going forward.

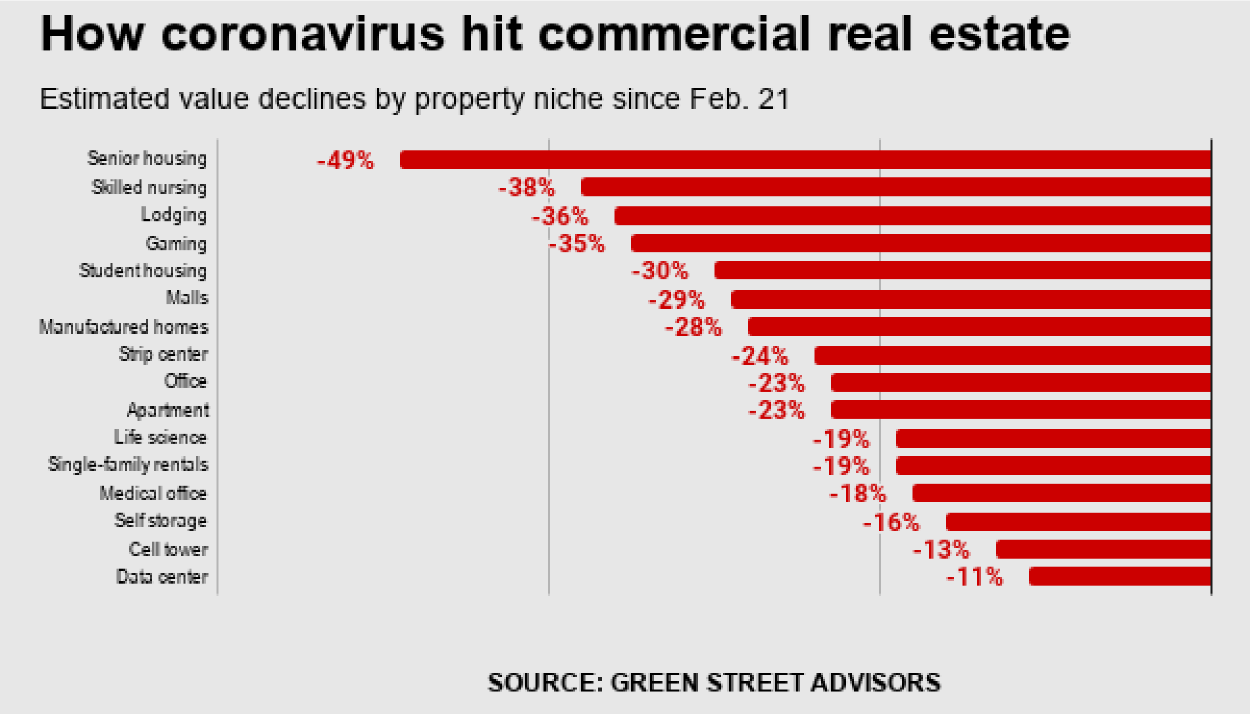
According to the attached National Real Estate Investor article, IbisWorld data indicates the number of fitness centers has increased by 24% since 2010. This figure was expected to increase further heading towards 2024. However, this number may be impacted with closures as a result of covid. What this means is that with such large growth over the past ten years resulting in an over-saturation in the market, when people start going back to the gym there will be even heavier competition among fitness centers and revenues will continue to take a hit. Additionally, a recent Wall Street Journal article reports that gyms are likely headed towards using a hybrid model to allow for at home workouts, as operators had to get creative during the shutdown and members became comfortable working out in their own spaces. In the last Wall Street Journal article provided from March 2021, it indicates that a survey conducted by McKinsey & Co. in late 2020 found that 68% of consumers who began using an online fitness program during the pandemic planned on continuing to do so long term.

Other notable bullets on covid-19's impact on the industry are:

- By the end of 2020, **17%** of gyms/health clubs permanently closed. – *IHRSA*
- By Aug 2021, **22%** of gyms had permanently closed due to the pandemic. – *Club Industry*
- Industry revenue **fell by 58%** relative to 2019 sales – *IHRSA*
- **44%** of the fitness industry workforce lost jobs – *IHRSA*
- Gym franchises that filed for bankruptcy as a result of covid include: Cyc Fitness, YogaWorks, Flywheel Sports, Town Sports International, 24 Hour Fitness, Golds Gym, Modells. – *RunRepeat*
- **59%** of Americans don't plan to renew their gym membership after covid. – *TD Ameritrade*

See sources and articles enclosed

The pandemic has had, and will continue to have, a negative impact on commercial properties. Some property segments are impacted more than others. Below, is a graph illustrating Green Street Advisor's estimated value declines by property type due to the pandemic. Depending on the property type, estimated impact on values was anywhere from -11% up to -49%.


How coronavirus hit commercial real estate

Estimated value declines by property niche since Feb. 21

SOURCE: GREEN STREET ADVISORS

Going forward, it is unknown what the coming years will bring and how long the recovery from this pandemic will take. Some property types will endure years of recovery before getting back to pre-covid levels, others may only take months.

Enclosed in this report, please find the following articles detailing the struggles and impact to the fitness industry as well as gyms overall as a result of covid-19:

- Fitness Industry Still Feels Covid's Negative Impact – **IHRSA**
- Covid's Impact on the Fitness Industry (35+ stats and facts) – **RUNREPEAT**
- Gyms Are Reopening, but Everything's Different – **Wall Street Journal**
- Mid-Market Fitness Concepts the Most Likely to feel the Burn of Covid-19 – **NATIONAL RE INVESTOR**

These support and illustrate the fact that this industry and this property realized significant impact due to the global pandemic and with the valuation date of 4/1/21, this falls right in the middle of the pandemic. Based on industry shifts, there was already some economic obsolescence present pre-covid, and now covid-19 clearly accelerated that, and the subject property suffers from much more economic obsolescence.

Market Analysis

Comparable Sales

We reviewed the subject's market area for sales of similar properties in the marketplace. Sales are somewhat limited. The subject is a two-story property which makes it unique for the market. There are not many users who would want a two-story space. A retail user typically does not want a two-story space, some gyms (like the subject) can utilize a two-story space, but most do not. Office users can utilize a two-story space, however given the subject size and that office users are shrinking their footprints it may be difficult finding an office user for a property like the subject.

Given the subject's size and two-story characteristic, we will have to adjust for functional obsolescence when comparing it to a single-story property which would be more common in the market. The best available recent sales of similar properties in the market range from 10,080 SF up to 16,637 SF. These properties have sale prices per SF ranging between $125 - $200, unadjusted. These sales are detailed below:

1 701 Forest Ave SOLD

Portland, ME 04103		**Cumberland**	
Sale Date	**Jan 26, 2021**	Type	**2 Star Retail Drug Store**
Sale Price	**$1,590,000**	Year Built	**1998**
Price/SF	**$125.61**	GLA	**12,658 SF**
Comp ID	**5415212**	Land Acres	**1.55 AC**
Comp Status	**Research Complete**	Land SF	**67,518 SF**
		Zoning	**B2 Community Business**

2 222 Gannett Dr SOLD

South Portland, ME 04106		**Cumberland**	
Sale Date	**Apr 28, 2021**	Type	**2 Star Retail Health Club**
Sale Price	**$1,350,000**	Year Built	**1995**
Price/SF	**$133.93**	GLA	**10,080 SF**
Comp ID	**5540259**	Land Acres	**2.09 AC**
Comp Status	**Research Complete**	Land SF	**91,040 SF**
		Zoning	**IL**

3 936 Brighton Ave FOR SALE

Portland, ME 04102		**Cumberland**	
Price	**$2,236,000**	Sale Type	**Owner User**
Price/SF	**$200.00**	Type	**3 Star Retail Freestanding**
On Market	**931 Days**	Year Built	**1999**
Status	**Active**	GLA	**11,180 SF**
		Land Acres	**1.30 AC**
		Land SF	**56,628 SF**
		Zoning	**B1**

4 2385 Congress St SOLD

Portland, ME 04102		**Cumberland**	
Sale Date	**Aug 7, 2018**	Type	**2 Star Office**
Sale Price	**$2,850,000**	Year Built	**1975**
Price/SF	**$171.30**	RBA	**16,637 SF**
Comp ID	**4470778**	Land Acres	**1.95 AC**
Comp Status	**Research Complete**	Land SF	**84,942 SF**
		Zoning	**Im, I-ma, I-mb**

When comparing comparables sales, we typically adjust for various factors that may influence the sale price or sale price per sf, and how those may differ to the subject. Factors such as location, building size, functional utility, building quality/condition, and site size can all vary with each property. For instance, larger properties tend to sell for less per SF than smaller properties, and properties that may not be in as good of condition would generally demand a lower price per sf. Adjustments for all of these factors have been made and these are detailed in the grid below:

145 Marginal Way, Portland

Planet Fitness

Factors	Subject	Comp 1	Comp 2	Comp 3	Comp 4
Property					
Location	145 Marginal Way Portland	701 Forest Avenue Portland	222 Gannett Drive South Portland	936 Brighton Ave Portland	2385 Congress Street Portland
Sale Price	$4,517,500	$1,590,000	$1,350,000	$2,236,000	$2,850,000
Building Size (± SF)	21,548	12,658	10,080	11,180	16,637
Sale Price/□	$210	$126	$134	$200	$171
Site Size (± acres)	1.15	1.55	2.09	1.30	1.95
Sale Date	Apr-21	Jan-21	Apr-21	Offering	Aug-18
Sale		Fee Simple	Fee Simple	Asking Price	Fee Simple
		0%	0%	-15%	0%
Adjusted Sale Price		$1,590,000	$1,350,000	$1,900,600	$2,850,000
Adjusted Sale Price/□		$126	$134	$170	$171
Location		Similar	Inferior	Similar	Similar
		0%	15%	0%	0%
Building Size		Smaller	Smaller	Smaller	Similar
		-5%	-10%	-5%	0%
Funtional Utility		Superior	Superior	Superior	Superior
		-15%	-15%	-15%	-15%
Building Quality / Condition		Inferior	Inferior	Similar	Inferior
		15%	10%	0%	15%
Site Size / LB Ratio		Similar	Similar	Similar	Similar
		0%	0%	0%	0%
Net Adjustment		-5%	0%	-20%	0%
Adjusted Sale Price		$1,510,500	$1,350,000	$1,520,480	$2,850,000
Adjusted Sale Price/□		$119	$134	$136	$171

The avg/mean adjusted price per SF of the comparable sales is $140, while the median price per SF is $135. Comp 2 is the only gym property. Comps 1 and 3 are general retail which a gym user could utilize. Comp 4 is a general office, but given its size and location, could also accommodate a gym user.

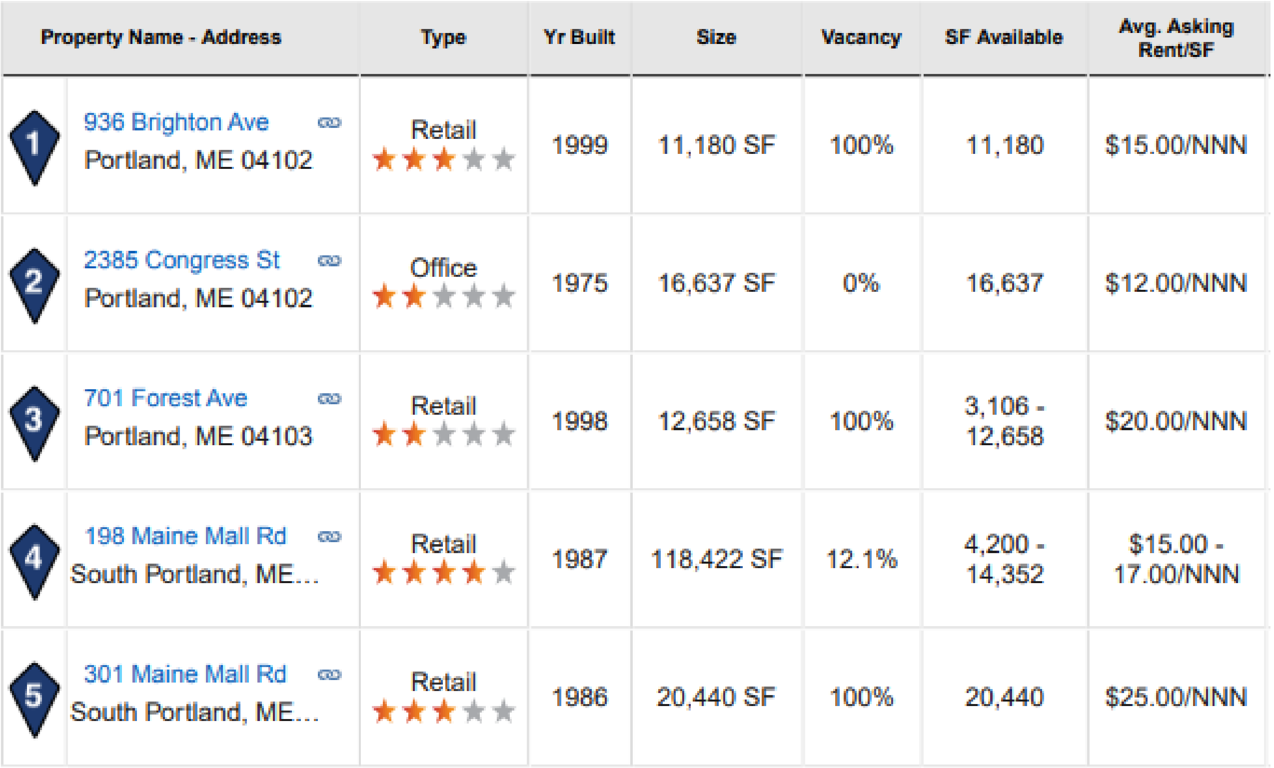
Based on these comparables, we believe a fair market value for the subject would be **$140 per SF**, or **$3,000,000**.

Income Approach

The income approach was analyzed through looking at potential market rents for the property (as-is) and deducting for market vacancy and expenses to arrive at an overall NOI – Net Operating Income.

Like comparable sales, rents, or leases, for the subject are somewhat scarce. We analyzed asking rents in the subject's market area in order to determine what a fair as-is market rent for the subject property. Many properties in the market area are single-story whereas the subject is a two-story property. This contributes to the subject property carrying some level of functional obsolescence and should be factored in when comparing to a similar single-story property.

Rents in the market area are as follows:



	Property Name - Address	Type	Yr Built	Size	Vacancy	SF Available	Avg. Asking Rent/SF
1	936 Brighton Ave Portland, ME 04102	Retail ★★★☆☆	1999	11,180 SF	100%	11,180	$15.00/NNN
2	2385 Congress St Portland, ME 04102	Office ★★☆☆☆	1975	16,637 SF	0%	16,637	$12.00/NNN
3	701 Forest Ave Portland, ME 04103	Retail ★★☆☆☆	1998	12,658 SF	100%	3,106 - 12,658	$20.00/NNN
4	198 Maine Mall Rd South Portland, ME...	Retail ★★★★☆	1987	118,422 SF	12.1%	4,200 - 14,352	$15.00 - 17.00/NNN
5	301 Maine Mall Rd South Portland, ME...	Retail ★★★☆☆	1986	20,440 SF	100%	20,440	$25.00/NNN

The average of these rents shown above is about $17 per SF. In taking into account that all of these spaces are smaller than the subject, and that these are first floor, single story spaces as opposed to the subject which is two-stories, we believe a modest adjustment to account for those factors needs to be made.

Therefore, based on this data, we believe a reasonable estimate of the as-is market rent for the subject as of 4/1/21 would be **$15.00 per SF.**

Vacancy Rates in the Portland area for retail and office space have fluctuated between 5-10%. Boulos Company reports a vacancy rate for office in their 2021 market outlook of 8.7%. Given the subject's size, and functional challenges it poses compared to other properties in the market, we believe **10%** vacancy rate is more than reasonable and could arguably be higher.

Realty Rates reported a Q2 2021 capitalization rate for office properties of 8.34%, and a cap rate for retail properties of 8.69%. We believe, based on the subject's size, location, condition, that a reasonable cap rate for the subject would be **8.5%.**

Income Analysis

	NNN Market Rent	Size			Annual
	$15.00	21,548			$323,220
			Potential Gross Income:		$323,220
			Vacancy & Collection Loss	10%	$32,322
			Effective Gross Income		$290,898
Operating Expenses	Amount (%)				Annual
Misc.	2%				$5,818
Repairs & Maint.	3%				$8,727
Management	3%				$8,727
Reserves	5%				$14,545
			Total Expenses		$37,817
			Expense Ratio:		13%
			Net Operating Income:		$253,081
			Capitalization Rate:		8.50%
			Value:		$2,977,427
			Rounded:		$2,975,000

Based on the income approach to value, we believe the subject's value would be **$2,975,000.**

Summary of Values

Comparable Sales Approach: **$3,000,000**
Income Approach: **$2,975,000**

In reconciling the two approaches analyzed, we conclude that the fair market value of the subject property is **$3,000,000** as of 4/1/21.

We would like to work with you to rectify this situation concerning the assessment. Please feel free to call me at 617-798-2840, extension 2206 or email me at tkratt@dmainc.com if you have any questions or concerns.

Sincerely,

Todd Kratt
Sr. Tax Manager, Property Tax

Shayna N. Jones

Shayna N. Jones
Associate Tax Consultant, Property Tax

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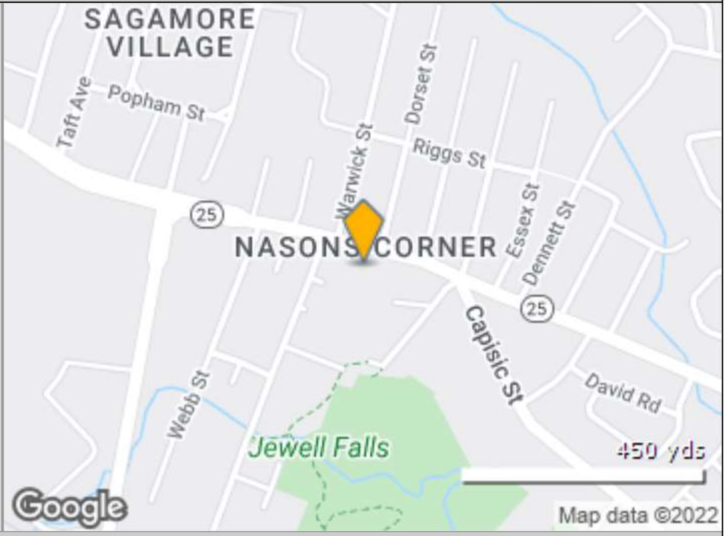
4 2385 Congress St SOLD

Portland, ME 04102			**Cumberland**
Sale Date	**Aug 7, 2018**	Type	**2 Star Office**
Sale Price	**$2,850,000**	Year Built	**1975**
Price/SF	**$171.30**	RBA	**16,637 SF**
Comp ID	**4470778**	Land Acres	**1.95 AC**
Comp Status	**Research Complete**	Land SF	**84,942 SF**
		Zoning	**Im, I-ma, I-mb**

936 Brighton Ave

FOR SALE

Portland, ME 04102
11,180 SF Retail Freestanding Building Built in 1999
Property is for sale at $2,236,000 ($200/SF)



Sale Contacts

Sales Co:	**The Boulos Company** 1 Canal Plz Portland, ME 04101 (207) 772-1333	Sales Contact 1:	Christopher Paszyc (207) 553-1709
		Sales Contact 2:	Nick Lucas (207) 772-1333

For Sale Data

Asking Price:	**$2,236,000**	Sale Type:	**Owner User**
Price/SF:	**$200.00**	Bldg Status:	**Built in 1999**
Days on Market:	**931**	GLA:	**11,180 SF**
Sale Status:	**Active**		
Percent Leased:	**0.0% (11,180 SF Avail)**		
Tenancy:	**Single**		
Parcel No:	**260/001-002**		

Current Retail Information

ID: 6185552

Property Type:	**Retail - Freestanding**	GLA:	**11,180 SF**
Center:	**-**	Total Avail:	**11,180 SF**
Bldg Status:	**Built in 1999**	% Leased:	**0.0%**
Owner Type:	**REOC**	Bldg Vacant:	**11,180 SF**
Zoning:	**B1**	Land Area:	**1.30 AC**
Owner Occupied:	**No**	Lot Dimensions:	**-**
		Building FAR:	**0.20**
Rent/SF/Yr:	**$15.00**	No. of Stores:	**-**
CAM:	**-**		
Street Frontage:	**262 feet on Brighton Ave (with 2 curb cuts)**		
Expenses:	**2008 Combined Tax/Ops @ $0.14/sf**		
Features:	**Pylon Sign**		

936 Brighton Ave

FOR SALE

Property is for sale at $2,236,000 ($200/SF) (con't)

Location Information

Metro Market:	**Portland/South Portland**
Submarket:	**SW Cumberland County/SW Cumberland County**
County:	**Cumberland**
CBSA:	**Portland-South Portland, ME**
CSA:	**Portland-Lewiston-South Portland, ME**
DMA:	**Portland-Auburn, ME-NH**

Property Notes

Located in one of Portland's busiest districts, well maintained building with landscaping, former Rite Aid. Highly visible property, easy access.
- 11,180± SF free-standing retail/office building on 1.3± AC
- Convenient Brighton Avenue location near Pine Tree Shopping Center
- Close proximity to ME Tpke Exits 47 and 48
- Large lighted parking area
- Prominent pylon signage available
- Traffic Counts 21,680 daily cars per 2010 ME DOT
- Former Rite-Aid, current lease thru 6/30/19

- Convenient Brighton Avenue location near Pine Tree Shopping Center

2385 Congress St

SOLD

Portland, ME 04102

Sale on 8/7/2018 for $2,850,000 ($171.30/SF) - Research Complete

16,637 SF Class B Industrial Live/Work Unit Building Built in 1975

Buyer & Seller Contact Info

Recorded Buyer:	**2385 Congress Street Associates LLC**	Recorded Seller:	**2385 Associates Llc**
True Buyer:	**Cross Insurance Agency** **Royce Cross** 491 Main St Bangor, ME 04401 (207) 942-4671	True Seller:	**Clark Associates** **Rocky Clark** 2385 Congress St Portland, ME 04102 (207) 774-6257
Buyer Type:	**Corporate/User**	Seller Type:	**Individual**
Buyer Broker:	**The Boulos Company** **Charles Day** (207) 553-1722	Listing Broker:	**Maine Real Estate Network** **Ken Clark** (207) 894-5722

Transaction Details

ID: 4470778

Sale Date:	**08/07/2018 (76 days on market)**	Sale Type:	**Owner User**
Escrow Length:	**21 days**	Bldg Type:	**Industrial Live/Work Unit**
Sale Price:	**$2,850,000-Confirmed**	Year Built/Age:	**Built in 1975 Age: 43**
Asking Price:	**$3,100,000**	RBA:	**16,637 SF**
Price/SF:	**$171.30**	Land Area:	**1.95 AC (84,942 SF)**
Price/AC Land Gross:	**$1,461,538.46**		
Percent Leased:	**0.0%**		
Tenancy:	**Single**	Percent Improved:	**88.9%**
		Total Value Assessed:	**$1,879,300 in 2017**
		Improved Value Assessed	**$1,670,000**
		Land Value Assessed:	**$209,300**
		Land Assessed/AC:	**$107,333**

Parcel No: **PTLD-000238A-000000-B001001**

2385 Congress St

SOLD

16,637 SF Class B Industrial Live/Work Unit Building Built in 1975 (con't)

Transaction Notes

On August 7, 2018, the 16,637-square-foot office building at 2385 Congress Street in Portland, Maine was sold for $2.85M, or about $171 per square foot. Built in 1975, the property was the former location of local insurance company Clark Insurance.

The property was on the market for about three months, including a 21-day escrow period.

The seller moved their office location earlier this year and was motivated to divest the property. The buyer is opening a new office location for Cross Insurance Agency.

Details for this comparable were confirmed with the seller, the seller's broker, and the buyer's broker.

Income Expense Data

Expenses	- Taxes	**$42,247**
	- Operating Expenses	
	Total Expenses	**$42,247**

Current Building Information

ID: 5955278

Bldg Type:	**Industrial Live/Work Unit**	Bldg Status:	**Built in 1975**
Class:	**B**	RBA:	**16,637 SF**
Total Avail:	**16,637 SF**	% Leased:	**100.0%**
Bldg Vacant:	**0 SF**	Rent/SF/Yr:	**$12.00**
Tenancy:	**Single**	Elevators:	**0**
Owner Type:	**Corporate/User**	Core Factor:	**-**
Owner Occupied	**No**	Stories:	**1**
Zoning:	**Im, I-ma, I-mb**	Typical Floor Size:	**16,637 SF**
Land Area:	**1.95 AC**	Building FAR:	**0.20**
		Const Type:	**Masonry**

Expenses: **2020 Tax @ $2.63/sf**

Parking: **105 Surface Spaces are available; Ratio of 6.40/1,000 SF**

Location Information

Metro Market:	**Portland/South Portland**
Submarket:	**SW Cumberland County/SW Cumberland County**
County:	**Cumberland**
CBSA:	**Portland-South Portland, ME**
CSA:	**Portland-Lewiston-South Portland, ME**
DMA:	**Portland-Auburn, ME-NH**

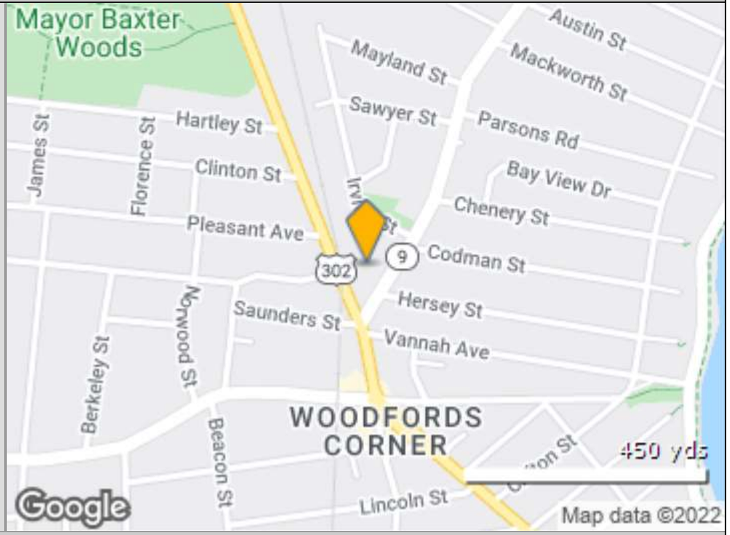
701 Forest Ave

SOLD

Portland, ME 04103

Sale on 1/26/2021 for $1,590,000 ($125.61/SF) - Research Complete

12,658 SF Retail Drug Store Building Built in 1998



Buyer & Seller Contact Info

Recorded Buyer:	**Cam Cony Llc**	Recorded Seller:	**Wec 98g-16 Llc**
True Buyer:	**Coastal Humane Society Inc** **Mary Sundeen** 30 Range Rd Brunswick, ME 04011 (207) 725-5051	True Seller:	**The Finch Group Inc** **Wesley Finch** 6111 Broken Sound Pky NW Boca Raton, FL 33487 (561) 998-0700
Buyer Type:	**Non Profit**	Seller Type:	**Developer/Owner-RGNL**
Buyer Broker:	**The Boulos Company** **Tony McDonald** (207) 553-1704	Listing Broker:	**The Boulos Company** **Jessica Estes** (207) 553-1708

Transaction Details

ID: 5415212

Sale Date:	**01/26/2021**	Sale Type:	**Investment**
Escrow Length:	**-**	Bldg Type:	**Retail - Drug Store**
Sale Price:	**$1,590,000-Confirmed**	Year Built/Age:	**Built in 1998 Age: 23**
Asking Price:	**-**	GLA:	**12,658 SF**
Price/SF:	**$125.61**	Land Area:	**1.55 AC (67,518 SF)**
Price/AC Land Gross:	**$1,025,806.45**		
Percent Leased:	**-**		
Tenancy:	**Multi**	Percent Improved:	**50.2%**
		Total Value Assessed:	**$2,015,500 in 2020**
		Improved Value Assessed	**$1,011,300**
		Land Value Assessed:	**$1,004,200**
		Land Assessed/AC:	**$647,870**
Financing:	**Down payment of $0.00 (0.0%)**		
Parcel No:	**PTLD-000129-B000003-000001**		
Document No:	**000000007114**		

701 Forest Ave

SOLD

12,658 SF Retail Drug Store Building Built in 1998 (con't)

Transaction Notes

On 1/26/21, 701 Forest Ave. was sold for $1,590,000. No cap rate was yeilded as the property has been vacant for some time. Walgreens were the previous tenant, however did not actually occupy the space. The building is 12,658 sf, and sits on 1.55 acres. This was a straight cash deal.

Wec 98g-16 LLC were the previous owners of the property. It was listed and sold by Jessica Estes of the Boulos Company. Cam Cony LLC purchased it, and were represented by Tony Mcdonald of the Boulos Company as well.

All information in this report has come from public records, but confirmed by the seller and buyer broker directly.

Current Retail Information

ID: 5864581

Property Type:	**Retail - Drug Store**	GLA:	**12,658 SF**
Center:	**-**	Total Avail:	**12,658 SF**
Bldg Status:	**Built in 1998**	% Leased:	**0.0%**
Owner Type:	**Non Profit**	Bldg Vacant:	**12,658 SF**
Zoning:	**B2 Community Business**	Land Area:	**1.55 AC**
Owner Occupied:	**No**	Lot Dimensions:	**-**
		Building FAR:	**0.19**
Rent/SF/Yr:	**$20.00**	No. of Stores:	**-**
CAM:	**-**		

Street Frontage: **253 feet on Forest Ave (with 1 curb cut)**
Expenses: **2019 Tax @ $3.71/sf**
Parking: **49 Surface Spaces are available**
Features: **Drive Thru, Pylon Sign**

Location Information

Metro Market: **Portland/South Portland**
Submarket: **Bayside/Bayside**
County: **Cumberland**
CBSA: **Portland-South Portland, ME**
CSA: **Portland-Lewiston-South Portland, ME**
DMA: **Portland-Auburn, ME-NH**

222 Gannett Dr

SOLD

South Portland, ME 04106

Sale on 4/28/2021 for $1,350,000 ($133.93/SF) - Research Complete

10,080 SF Retail Health Club Building Built in 1995

Buyer & Seller Contact Info

Recorded Buyer: **19 South Street Llc**

True Buyer: **Fishman Realty Group Inc**

Marc Fishman

470 Forest Ave
Portland, ME 04101
(207) 775-6561

Buyer Type: **Other - Private**

Recorded Seller: **Bowie & Piccin Llc**

True Seller: **Cumberland County Gymnastics**

Dina Benson

222 Gannett Dr
South Portland, ME 04106
(207) 761-9493

Seller Type: **Individual**

Listing Broker: **Malone Commercial Brokers**

Andrew Ingalls

(207) 772-2422

Transaction Details

ID: 5540259

Sale Date: **04/28/2021 (156 days on market)**
Escrow Length: **-**
Sale Price: **$1,350,000-Confirmed**
Asking Price: **$1,595,000**
Price/SF: **$133.93**
Price/AC Land Gross: **$645,933.01**

Sale Type: **Investment**
Bldg Type: **Retail - Health Club**
Year Built/Age: **Built in 1995 Age: 26**
GLA: **10,080 SF**
Land Area: **2.09 AC (91,040 SF)**

Percent Leased: **-**
Tenancy: **Single**

Percent Improved: **53.1%**
Total Value Assessed: **$938,200 in 2019**
Improved Value Assessed **$497,800**
Land Value Assessed: **$440,400**
Land Assessed/AC: **$210,717**

Financing: **Down payment of $405,000.00 (30.0%)**

Parcel No: **SPOR-000085-000000-000012**
Document No: **000000030819**

222 Gannett Dr

SOLD

10,080 SF Retail Health Club Building Built in 1995 (con't)

Transaction Notes

222 Gannett Dr, a 10,080 sf retail property in South Portland, ME sold for $1,350,000 on 4/28/21, roughly $133/sf. However, public records shows a sale price of $1,181,250. A loan of $945k was used in financing this deal. No cap rate was yielded for this sale as the property was vacant. Its prior use was for a gymnastics facility.

Bowie & Piccin LLC previously owned the building. They listed and sold it through Andrew Ingalls of Malone Commercial Brokers. 19 South Street LLC were the purchasers.

The information provided has come from and been confirmed by the listing broker and buyer directly.

Current Retail Information

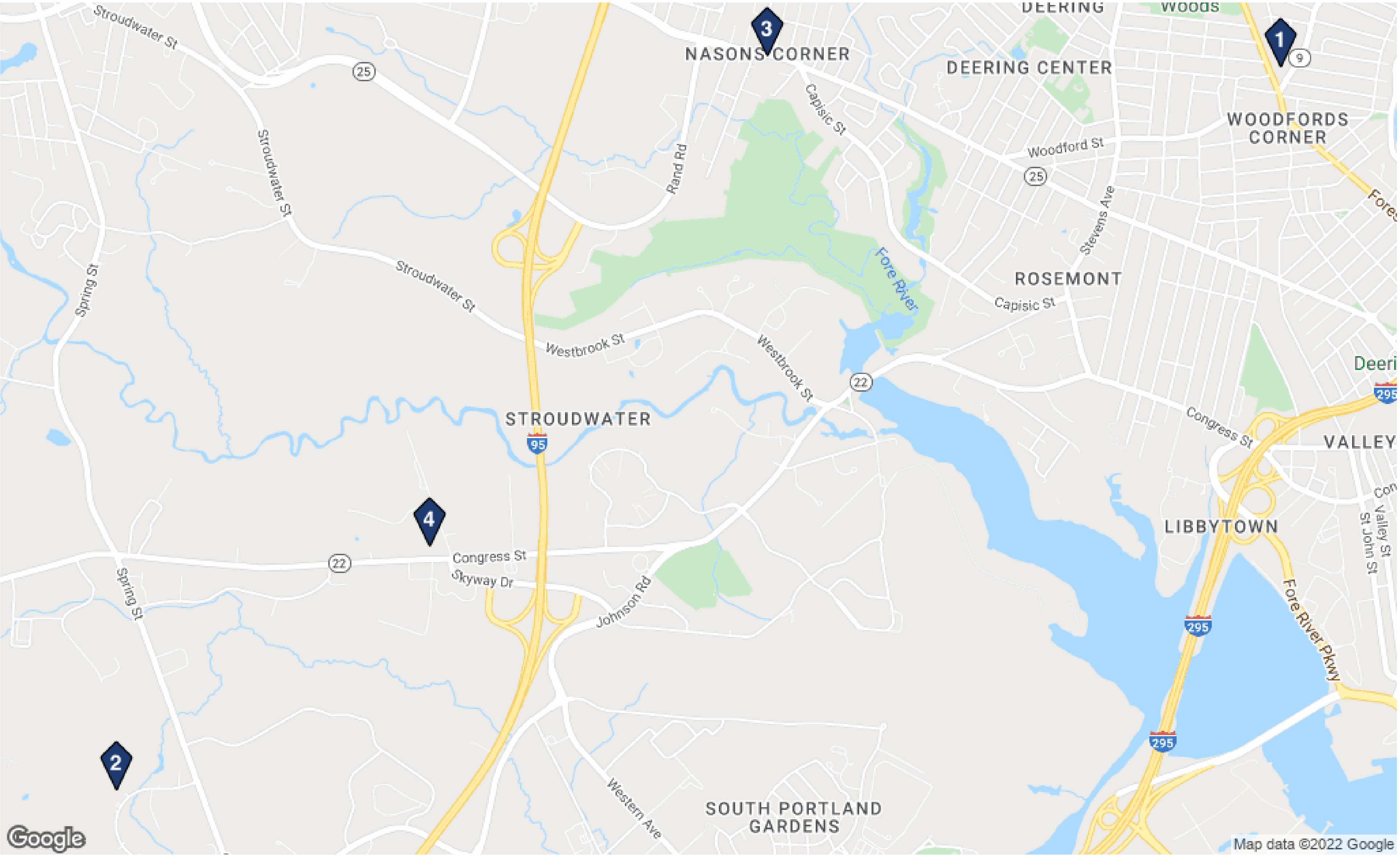
ID: 6102331

Property Type:	**Retail - Health Club**	GLA:	**10,080 SF**
Center:	**-**	Total Avail:	**0 SF**
Bldg Status:	**Built in 1995**	% Leased:	**100.0%**
Owner Type:	**Other - Private**	Bldg Vacant:	**0 SF**
Zoning:	**IL**	Land Area:	**2.09 AC**
Owner Occupied:	**No**	Lot Dimensions:	**-**
		Building FAR:	**0.11**
Rent/SF/Yr:	**-**	No. of Stores:	**-**
CAM:	**-**		
Expenses:	**2020 Tax @ $1.84/sf**		
Parking:	**50 free Surface Spaces are available**		

Location Information

Metro Market:	**Portland/South Portland**
Submarket:	**SW Cumberland County/SW Cumberland County**
County:	**Cumberland**
CBSA:	**Portland-South Portland, ME**
CSA:	**Portland-Lewiston-South Portland, ME**
DMA:	**Portland-Auburn, ME-NH**

Sale Comps Map Overview



Property Map & List Report

	Property Name - Address	Type	Yr Built	Size	Vacancy	SF Available	Avg. Asking Rent/SF	Sale Price	Cap Rate
1	936 Brighton Ave Portland, ME 04102	Retail ★★★☆☆	1999	11,180 SF	100%	11,180	$15.00/NNN	$2,236,000	-
2	2385 Congress St Portland, ME 04102	Office ★★☆☆☆	1975	16,637 SF	0%	16,637	$12.00/NNN	-	-
3	701 Forest Ave Portland, ME 04103	Retail ★★☆☆☆	1998	12,658 SF	100%	3,106 - 12,658	$20.00/NNN	-	-
4	198 Maine Mall Rd South Portland, ME…	Retail ★★★★☆	1987	118,422 SF	12.1%	4,200 - 14,352	$15.00 - 17.00/NNN	-	-
5	301 Maine Mall Rd South Portland, ME…	Retail ★★★☆☆	1986	20,440 SF	100%	20,440	$25.00/NNN	-	-

936 Brighton Ave

Portland, ME 04102 - SW Cumberland County Submarket

★★★☆☆

BUILDING

Type:	**Retail**
Subtype:	**Freestanding**
Tenancy:	**Single**
Year Built:	**1999**
GLA:	**11,180 SF**
Floors:	**1**
Typical Floor:	**11,180 SF**

AVAILABILITY

Min Divisble:	**11,180 SF**
Max Contig:	**11,180 SF**
Total Available:	**11,180 SF**
Asking Rent:	**$15.00/NNN**

SPACES

Floor	Suite	Use	Type	SF Avail	Flr Contig	Bldg Contig	Rent	Occupancy	Term
P 1st	1	Retail	Direct	11,180	11,180	11,180	$15.00/NNN	Vacant	Negotiable

The Boulos Company - Christopher Paszyc (207) 553-1709, Noah Stebbins (207) 871-1288, Nick Lucas (207) 772-1333

-Convenient Brighton Avenue location near Pine Tree Shopping Center. -Close proximity to ME Tpke Exits 47 and 48. -Large lighted parking area. -Prominent pylon signage available.

LEASING COMPANY

Company:	The Boulos Company
Contacts:	Christopher Paszyc (207) 553-1709, Noah Stebbins (207) 871-1288, Nick Lucas (207) 772-1333

AMENITIES

Pylon Sign

TRAFFIC & FRONTAGE

Traffic Volume:	24,147 on Brighton Ave & Dorset St (2020)
	26,071 on Maine Turnpike & I- 95 (2020)
Frontage:	262' on Brighton Ave (with 2 curb cuts)

Made with TrafficMetrix® Products

TRANSPORTATION

Parking:	Ratio of 0.00/1,000 SF
Airport:	9 minute drive to Portland International Jetport Airport
Walk Score ®:	Somewhat Walkable (56)
Transit Score ®:	Some Transit (28)

936 Brighton Ave

Portland, ME 04102 - SW Cumberland County Submarket

★★★☆☆

BUILDING NOTES

Located in one of Portland's busiest districts, well maintained building with landscaping, former Rite Aid. Highly visible property, easy access. - 11,180± SF free-standing retail/office building on 1.3± AC - Convenient Brighton Avenue location near Pine Tree Shopping Center - Close proximity to ME Tpke Exits 47 and 48 - Large lighted parking area - Prominent pylon signage available - Traffic Counts 21,680 daily cars per 2010 ME DOT - Former Rite-Aid, current lease thru 6/30/19 - Convenient Brighton Avenue location near Pine Tree Shopping Center

Lease Availability Report

2385 Congress St

Portland, ME 04102 - SW Cumberland County Submarket

★★☆☆☆

BUILDING

Type:	**Class B Office**
Tenancy:	**Single**
Year Built:	**1975**
RBA:	**16,637 SF**
Floors:	**1**
Typical Floor:	**16,637 SF**

AVAILABILITY

Min Divisble:	**16,637 SF**
Max Contig:	**16,637 SF**
Total Available:	**16,637 SF**
Asking Rent:	**$12.00/NNN**

EXPENSES PER SF

Taxes:	**$2.63 (2020)**

SPACES

Floor	Use	Type	SF Avail	Flr Contig	Bldg Contig	Rent	Occupancy	Term
P 1st	Office	Direct	16,637	16,637	16,637	$12.00/NNN	30 Days	Negotiable

Porta & Company - Charles Day (207) 838-3335 X1004

Landlord willing to provide turn-key build out.

LEASING COMPANY

Company:	Porta & Company
Contacts:	Charles Day (207) 838-3335 X1004

SALE

Last Sale:	Sold on Aug 7, 2018 for $2,850,000 ($171.30/SF)

TRANSPORTATION

Parking:	105 Surface Spaces are available; Ratio of 6.40/1,000 SF
Airport:	5 minute drive to Portland International Jetport Airport
Walk Score ®:	Car-Dependent (21)
Transit Score ®:	Some Transit (28)

701 Forest Ave

Portland, ME 04103 - Bayside Submarket

★★☆☆☆

BUILDING

Type:	**Retail**
Subtype:	**Drug Store**
Tenancy:	**Multiple**
Year Built:	**1998**
GLA:	**12,658 SF**
Floors:	**1**
Typical Floor:	**12,658 SF**
Docks:	**None**

AVAILABILITY

Min Divisble:	**3,106 SF**
Max Contig:	**12,658 SF**
Total Available:	**12,658 SF**
Asking Rent:	**$20.00/NNN**

SPACES

Floor	Suite	Use	Type	SF Avail	Flr Contig	Bldg Contig	Rent	Occupancy	Term
P 1st	1	Retail	Direct	3,106	12,658	12,658	$20.00/NNN	Vacant	Negotiable
The Boulos Company - John Finegan, Sasha Bogdanovics (207) 772-1333									
P 1st	2	Retail	Direct	3,147	12,658	12,658	$20.00/NNN	Vacant	Negotiable
The Boulos Company - John Finegan, Sasha Bogdanovics (207) 772-1333									
P 1st	3	Retail	Direct	3,147	12,658	12,658	$20.00/NNN	Vacant	Negotiable
The Boulos Company - John Finegan, Sasha Bogdanovics (207) 772-1333									
P 1st	4	Retail	Direct	3,258	12,658	12,658	$20.00/NNN	Vacant	Negotiable
The Boulos Company - John Finegan, Sasha Bogdanovics (207) 772-1333									

LEASING COMPANY

Company:	The Boulos Company
Contacts:	Jessica Estes (207) 553-1708, John Finegan, Sasha Bogdanovics (207) 772-1333

SALE

Last Sale:	Sold on Jan 26, 2021 for $1,590,000 ($125.61/SF)

AMENITIES

Drive Thru, Pylon Sign

TRAFFIC & FRONTAGE

Traffic Volume:	6,950 on Ocean Ave & Codman St (2020)
	24,991 on Forest Ave & Deering Ave (2020)
Frontage:	253' on Forest Ave (with 1 curb cut)

Made with TrafficMetrix® Products

701 Forest Ave

Portland, ME 04103 - Bayside Submarket

★★☆☆☆

TRANSPORTATION

Parking:	49 Surface Spaces are available; Ratio of 3.87/1,000 SF
Airport:	9 minute drive to Portland International Jetport Airport
Walk Score ®:	Very Walkable (88)
Transit Score ®:	Some Transit (36)

198 Maine Mall Rd - Mallside Plaza

South Portland, ME 04106 - SW Cumberland County Submarket

★★★★☆

BUILDING

Type:	**Retail**
Subtype:	**Storefront**
Center Type:	**Neighborhood Ce…**
Tenancy:	**Multiple**
Year Built:	**1987; Renov 2005**
GLA:	**118,422 SF**
Floors:	**1**
Typical Floor:	**118,422 SF**

AVAILABILITY

Min Divisble:	**4,200 SF**
Max Contig:	**10,152 SF**
Total Available:	**14,352 SF**
Asking Rent:	**$15.00/NNN**

EXPENSES PER SF

Taxes:	**$2.33 (2021)**

SPACES

Floor	Use	Type	SF Avail	Flr Contig	Bldg Contig	Rent	Occupancy	Term
P 1st	Retail	Direct	10,152	10,152	10,152	$15.00/NNN	Vacant	Negotiable

Malone Commercial Brokers - Mark Malone (207) 772-2422
10,152± SF in-line restaurant

LEASING COMPANY

Company:	Malone Commercial Brokers
Contacts:	Mark Malone (207) 772-2422

SALE

Last Sale:	Portfolio of 2 Retail Properties in South Portland, ME Sold on Dec 21, 2021 for $20,000,000 ($164.46/SF)

AMENITIES

Mezzanine, Pylon Sign, Signalized Intersection

KEY TENANTS

● DSW Designer Shoe Warehouse	25,514 SF	Dollar Tree	15,450 SF
Five Below	9,035 SF	Guitar Center	8,348 SF
Theory Wellness	5,000 SF	Planet Fitness	4,500 SF

● Anchor

198 Maine Mall Rd - Mallside Plaza

South Portland, ME 04106 - SW Cumberland County Submarket

★★★★☆

TRAFFIC & FRONTAGE

Traffic Volume:	16,923 on Maine Mall Rd & Gorham Rd (2020)
	18,187 on Gorham Rd & Foden Rd (2018)
Frontage:	684' on Maine Mall Rd Rd

Made with TrafficMetrix® Products

TRANSPORTATION

Parking:	467 Surface Spaces are available; Ratio of 3.94/1,000 SF
Airport:	6 minute drive to Portland International Jetport Airport
Walk Score ®:	Car-Dependent (39)
Transit Score ®:	Some Transit (34)

BUILDING NOTES

4,665 SF in-line space available now located between DSW and Sleepy's in the Mallside Plaza. Mallside Plaza is a 98,000+ retail property on 12+ acres with parking for 400+ vehicles. Plaza tenants include: Five Guys, Dress Barn, Dollar Tree, Five Below, Coco Cheveux, Sleepy's, Super Great Wall Buffet and DSW. 198 Maine Mall Road, South Portland. Just north of the Maine Mall.

Lease Availability Report

301 Maine Mall Rd

★★★☆☆

South Portland, ME 04106 - SW Cumberland County Submarket

BUILDING

Type:	**Retail**
Subtype:	**Freestanding**
Tenancy:	**Single**
Year Built:	**1986**
GLA:	**20,440 SF**
Floors:	**1**
Typical Floor:	**20,440 SF**
Docks:	**None**

AVAILABILITY

Min Divisble:	**20,440 SF**
Max Contig:	**20,440 SF**
Total Available:	**20,440 SF**
Asking Rent:	**$25.00/NNN**

EXPENSES PER SF

Taxes:	**$3.12 (2020)**

SPACES

Floor	Use	Type	SF Avail	Flr Contig	Bldg Contig	Rent	Occupancy	Term
P 1st	Retail	Direct	20,440	20,440	20,440	$25.00/NNN	Vacant	Negotiable

Charles River Realty Group - Justin Ferris (617) 327-8100 X2

20,000 SF. Recently converted from EMS to Bobs before bankruptcy forced nearly all stores to close. Big Box retail space can be subdivided

LEASING COMPANY

Company:	Charles River Realty Group
Contacts:	Justin Ferris (617) 327-8100 X2

AMENITIES

Freeway Visibility, Pylon Sign

KEY TENANTS

Eastern Mountain Sports	20,451 SF

TRAFFIC & FRONTAGE

Traffic Volume:	16,789 on Running Hill Rd & Gorham Rd (2020)
	28,290 on Maine Mall Rd & Maine Turnpike Approach (2020)
Frontage:	127' on Maine Mall Rd (with 1 curb cut)

Made with TrafficMetrix® Products

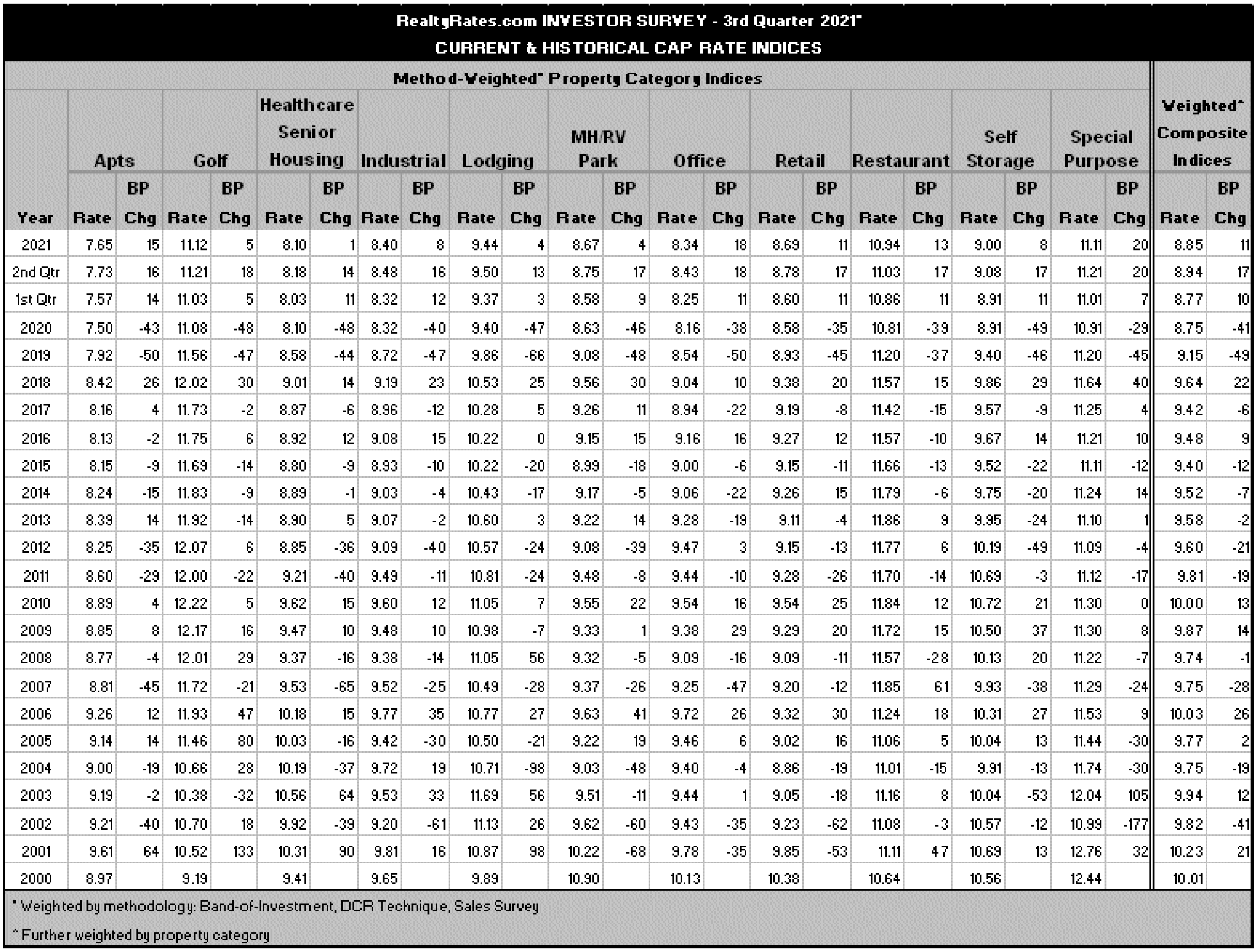
301 Maine Mall Rd

South Portland, ME 04106 - SW Cumberland County Submarket

★★★☆☆

TRANSPORTATION

Parking:	83 free Surface Spaces are available; Ratio of 4.06/1,000 SF
Airport:	7 minute drive to Portland International Jetport Airport
Walk Score ®:	Car-Dependent (44)
Transit Score ®:	Some Transit (33)



RealtyRates.com INVESTOR SURVEY - 3rd Quarter 2021*

CURRENT & HISTORICAL CAP RATE INDICES

	Method-Weighted* Property Category Indices																						Weighted^ Composite Indices	
	Apts		Golf		Healthcare Senior Housing		Industrial		Lodging		MH/RV Park		Office		Retail		Restaurant		Self Storage		Special Purpose			
Year	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg
2021	7.65	15	11.12	5	8.10	1	8.40	8	9.44	4	8.67	4	8.34	18	8.69	11	10.94	13	9.00	8	11.11	20	8.85	11
2nd Qtr	7.73	16	11.21	18	8.18	14	8.48	16	9.50	13	8.75	17	8.43	18	8.78	17	11.03	17	9.08	17	11.21	20	8.94	17
1st Qtr	7.57	14	11.03	5	8.03	11	8.32	12	9.37	3	8.58	9	8.25	11	8.60	11	10.86	11	8.91	11	11.01	7	8.77	10
2020	7.50	-43	11.08	-48	8.10	-48	8.32	-40	9.40	-47	8.63	-46	8.16	-38	8.58	-35	10.81	-39	8.91	-49	10.91	-29	8.75	-41
2019	7.92	-50	11.56	-47	8.58	-44	8.72	-47	9.86	-66	9.08	-48	8.54	-50	8.93	-45	11.20	-37	9.40	-46	11.20	-45	9.15	-49
2018	8.42	26	12.02	30	9.01	14	9.19	23	10.53	25	9.56	30	9.04	10	9.38	20	11.57	15	9.86	29	11.64	40	9.64	22
2017	8.16	4	11.73	-2	8.87	-6	8.96	-12	10.28	5	9.26	11	8.94	-22	9.19	-8	11.42	-15	9.57	-9	11.25	4	9.42	-6
2016	8.13	-2	11.75	6	8.92	12	9.08	15	10.22	0	9.15	15	9.16	16	9.27	12	11.57	-10	9.67	14	11.21	10	9.48	9
2015	8.15	-9	11.69	-14	8.80	-9	8.93	-10	10.22	-20	8.99	-18	9.00	-6	9.15	-11	11.66	-13	9.52	-22	11.11	-12	9.40	-12
2014	8.24	-15	11.83	-9	8.89	-1	9.03	-4	10.43	-17	9.17	-5	9.06	-22	9.26	15	11.79	-6	9.75	-20	11.24	14	9.52	-7
2013	8.39	14	11.92	-14	8.90	5	9.07	-2	10.60	3	9.22	14	9.28	-19	9.11	-4	11.86	9	9.95	-24	11.10	1	9.58	-2
2012	8.25	-35	12.07	6	8.85	-36	9.09	-40	10.57	-24	9.08	-39	9.47	3	9.15	-13	11.77	6	10.19	-49	11.09	-4	9.60	-21
2011	8.60	-29	12.00	-22	9.21	-40	9.49	-11	10.81	-24	9.48	-8	9.44	-10	9.28	-26	11.70	-14	10.69	-3	11.12	-17	9.81	-19
2010	8.89	4	12.22	5	9.62	15	9.60	12	11.05	7	9.55	22	9.54	16	9.54	25	11.84	12	10.72	21	11.30	0	10.00	13
2009	8.85	8	12.17	16	9.47	10	9.48	10	10.98	-7	9.33	1	9.38	29	9.29	20	11.72	15	10.50	37	11.30	8	9.87	14
2008	8.77	-4	12.01	29	9.37	-16	9.38	-14	11.05	56	9.32	-5	9.09	-16	9.09	-11	11.57	-28	10.13	20	11.22	-7	9.74	-1
2007	8.81	-45	11.72	-21	9.53	-65	9.52	-25	10.49	-28	9.37	-26	9.25	-47	9.20	-12	11.85	61	9.93	-38	11.29	-24	9.75	-28
2006	9.26	12	11.93	47	10.18	15	9.77	35	10.77	27	9.63	41	9.72	26	9.32	30	11.24	18	10.31	27	11.53	9	10.03	26
2005	9.14	14	11.46	80	10.03	-16	9.42	-30	10.50	-21	9.22	19	9.46	6	9.02	16	11.06	5	10.04	13	11.44	-30	9.77	2
2004	9.00	-19	10.66	28	10.19	-37	9.72	19	10.71	-98	9.03	-48	9.40	-4	8.86	-19	11.01	-15	9.91	-13	11.74	-30	9.75	-19
2003	9.19	-2	10.38	-32	10.56	64	9.53	33	11.69	56	9.51	-11	9.44	1	9.05	-18	11.16	8	10.04	-53	12.04	105	9.94	12
2002	9.21	-40	10.70	18	9.92	-39	9.20	-61	11.13	26	9.62	-60	9.43	-35	9.23	-62	11.08	-3	10.57	-12	10.99	-177	9.82	-41
2001	9.61	64	10.52	133	10.31	90	9.81	16	10.87	98	10.22	-68	9.78	-35	9.85	-53	11.11	47	10.69	13	12.76	32	10.23	21
2000	8.97		9.19		9.41		9.65		9.89		10.90		10.13		10.38		10.64		10.56		12.44		10.01	

* Weighted by methodology: Band-of-Investment, DCR Technique, Sales Survey

^ Further weighted by property category

*2nd Quarter 2021 Data

Strategy & Finance (https://www.ihrsa.org/improve-your-club/topic/strategy-finance/) • CBI (/improve-your-club/tag/cbi) • Research (/improve-your-club/tag/research)

Fitness Industry Still Feels COVID’s Negative Impact

It is through the support of the health and fitness industry community and research that relief efforts continue.

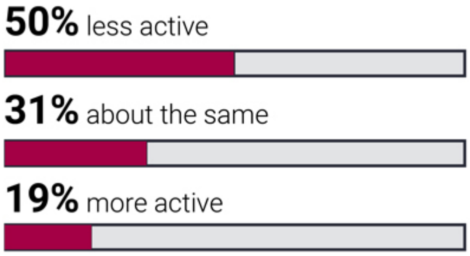
Melissa Rodriguez (https://www.ihrsa.org/author/melissa-rodriguez/)

June 03, 2021

With the second quarter drawing to a close, many of us would like to forget 2020 altogether. Fitness consumers are returning to their health clubs and accessing club content digitally. Early reports from some clubs indicate 2021 is off to a promising start.

However, not all fitness business owners and operators feel or have fared the same. Some are still struggling, and some have gone out of business. It bears to remember how we got here, hoping 2021 looks better than 2020 and understanding that it may take several years for the industry to recover from the impact of COVID-19.

ACTIVITY LEVELS PRIOR TO VS. DURING PANDEMIC-RELATED SHUTDOWNS



1 OUT OF 10 PEOPLE

who haven't kept up their routine, admit they've stopped exercising altogether

The Fitness Club Industry's Decline

The first group of states mandating club closures started in mid-March, 2020. By early April, 48 states would shut down gyms, health clubs, and studios. In the spring, virtually all clubs were closed in the U.S. During this time, 300 million Americans were without access to a fitness center.

By the end of 2020:

- 17% of clubs permanently closed
- Industry revenue fell by 58% relative to 2019 sales
- 44% of the fitness industry workforce lost jobs

Executives, small business owner-operators, personal trainers, fitness instructors, administrative staff, and seasonal employees were all affected.

Without access to health and fitness clubs, some people managed to exercise outdoors and at home. But it wasn’t the same. Fitness consumers found it difficult to stay motivated without their gym, according to *The COVID Era Fitness Consumer*. A separate Emicity study found that California’s closures disproportionately impacted the physical activity levels of those in the lowest income brackets. Not everyone can purchase fitness equipment, a bike for the trails, or running gear for all-weather conditions.

There is no substitute for health and fitness clubs. Gyms and studios provide the environment, equipment, and accountability essential for healthy behavioral change—many at an affordable cost.

Restrictions Continue[d] to Curtail Fitness Businesses in 2021

By some accounts, 2021 started strong—member traffic was up in January 2021 from December 2020, but still down relative to January 2020. Data from payment processing companies shows that member joins are down Q1 2021 vs. Q1 2020 by 30-40%. Visits and bookings are also down Q1 2021 vs. Q1 2020.

The closure rate for studios is higher at 19% while the failure rate for clubs totals 14% as of writing. Closures, restrictions, and expenses incurred to comply with guidelines and improvements in ventilation continue to cripple health and fitness centers. Lean staffing levels mean many industry employees who lost their jobs may be gone for good. With persisting restrictions in 2021 and a slow vaccine rollout, fitness businesses still need relief.

Relief Efforts Remain Crucial for the Fitness Industry

Advocacy efforts for relief continue. PPP was not adequate to address the financial plight of operators. As a fixed-cost business, any minor change affecting revenue can dramatically impact a fitness club's bottom line. Ongoing shutdowns and restrictions brought gyms and studios to the brink. Those who survived continue to struggle with the aftermath.

To date, the GYMS Act (Gyms Mitigation and Survival Act) (http://thegymsact.com) has received **130** sponsors. The GYMS Act will address many of the financial challenges club operators faced due to the pandemic. The $30 billion fund—specific for fitness facilities—would be the first legislation passed to directly assist the health and fitness industry.

IHRSA will continue to seek relief efforts to fulfill the association's mission of growing, promoting, and protecting the industry. The growing importance of physical activity has cultivated a renewed focus on advocacy for stimulus legislation like the Personal Health Investment Today (PHIT) Act (https://www.ihrsa.org/federal/personal-health-investment-today-phit-act/).

> *"Fitness consumers found it difficult to stay motivated without their gym ..."*

Fitness is More Important Now Than Ever

During club closures, 20% of health club members stopped exercising entirely, according to a longitudinal study by ClubIntel. The Physical Activity Council Overview Report shows that inactivity increased last year among Americans between the ages of 18-34. With many team sports on hiatus in 2020, research from the University of Wisconsin and Aspen Institute shows high school athletes reported symptoms of anxiety and depression.

The benefits of regular exercise on well-being, preventative health, and mental wellness are all well-documented. The PHIT Act would allow Americans to use pre-tax dollars—flexible spending accounts (FSAs) and health savings accounts (HSAs)—to pay for health club memberships, fitness equipment, exercise videos, and youth sports leagues.

The COVID-19 pandemic has shed light on the imperative of regular exercise and healthy habits for everyone. *The COVID Era Fitness Consumer (https://www.ihrsa.org/publications/the-covid-era-fitness-consumer/)* shows that those at elevated risk of COVID-19 due to preexisting conditions are doubling down on health club commitments as 60% aim to be more physically active.

Drawing on support and research, IHRSA will continue to seek relief for fitness businesses and support for legislation that champions physical activity.

Related Articles & Publications

IHRSA’s Take 5: Reinventing and Rebuilding the Fitness Industry [VIDEO] (https://www.ihrsa.org/improve-your-club/ihrsas-take-5-reinventing-and-rebuilding-the-fitness-industry-video/)

IHRSA interim President & CEO Brent Darden shares details on IHRSA’s new collaboration with the WHO, announces GHFA’s new membership, and discusses the IHRSA Advocate’s new look and direction in this week’s Take 5.

Physical Inactivity a Top Predictor of Severe COVID-19 Outcomes (https://www.ihrsa.org/improve-your-club/physical-inactivity-a-top-predictor-of-severe-covid-19-outcomes/)

We review three studies that show a link between physical inactivity and odds of more severe COVID-19 outcomes, the potential benefits of resistance training for people with rheumatoid arthritis, and Pilates’ efficacy as a fall risk prevention strategy.

Revelations & Reflections on the Industry’s Road to Revival (https://www.ihrsa.org/improve-your-club/revelations-reflections-on-the-industrys-road-to-revival/)

There are “some emerging global themes that have risen to prominence and should be given significant attention by our industry,” writes interim President and CEO Brent Darden.

Melissa Rodriguez (https://www.ihrsa.org/author/melissa-rodriguez/)

As IHRSA's Director of Research and Insights, Melissa Rodriguez oversees research initiatives for the health club consumer, club operations, and international markets. The best part of her job is helping members better understand how IHRSA research can help them improve and expand their business. When she's not analyzing data and statistics, Melissa enjoys spending time with family, watching superhero series, poring over NBA and NFL box scores, and reading a good book.

(/)

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Articles (/news) / Research center (/news/research-center) / COVID's Impact on the Fitness Industry [35+ Stats and Facts]

COVID's Impact on the Fitness Industry [35+ Stats and Facts]

Posted on 06 August, 2021 by Nicholas Rizzo

The global pandemic is the biggest disruption the fitness industry has ever faced. To develop a greater understanding of just how the industry is being impacted and shifting, we spent hours researching, analyzing, and compiling the newest research, stats, facts, and data.

Specifically, the research compiled addresses:

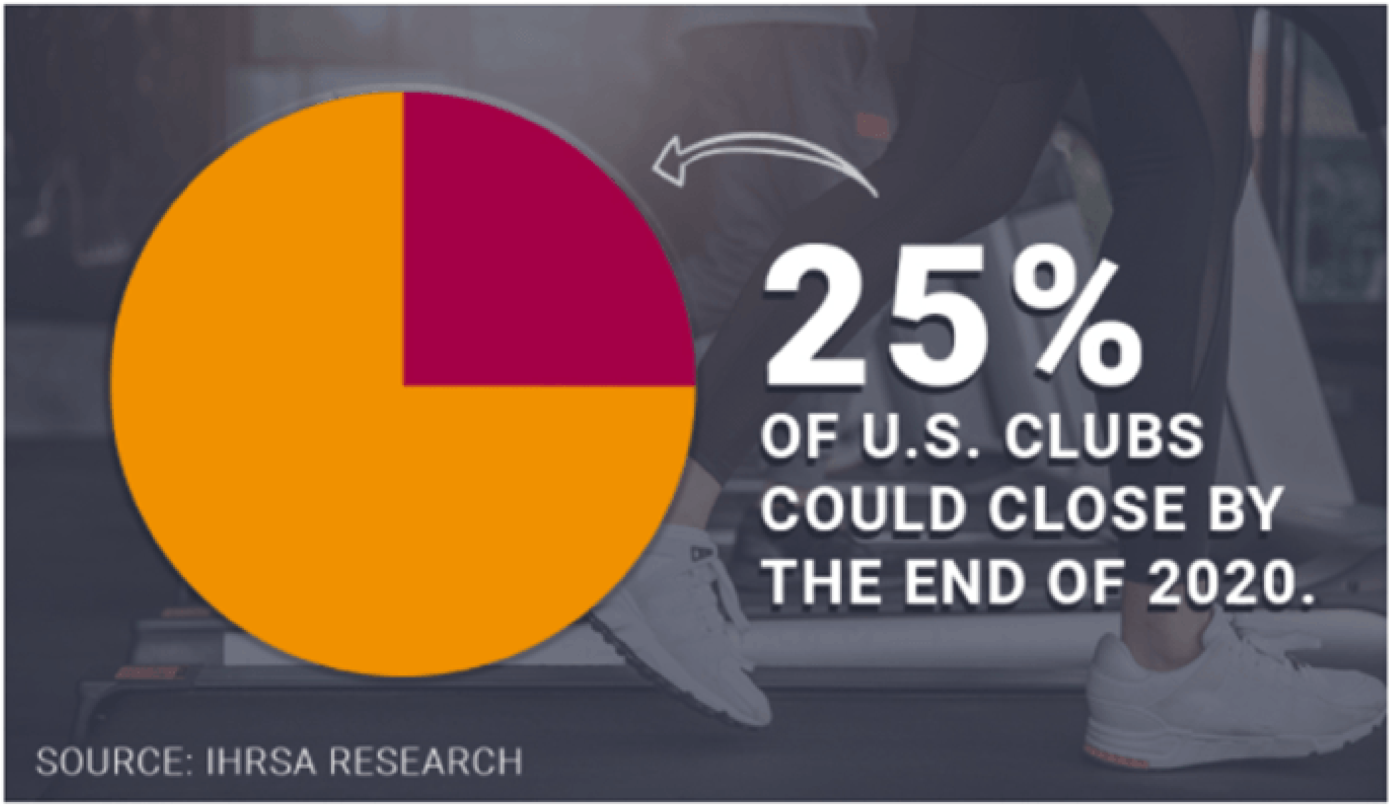
1. Gym closures and bankruptcy during the pandemic (#gym-closures-and-bankruptcy-during-the-pandemic)
2. Job loss in the fitness industry during the pandemic (#Job-loss-in-the-fitness-industry-during-the-pandemic)
3. Impact of COVID-19 on gym memberships (#impact-of-covid-on-gym-memberships)
4. Member attitudes toward returning to gyms (#gym-member-attitudes-toward-returning-to-gyms)
5. Growth of digital and at-home fitness (#Growth-of-digital-and-at-home-fitness)
6. Investing in at-home equipment (#Investing-in-at-home-equipment-during-covid)
7. COVID-19's impact on exercise behavior (#covid-impact-on-exericse-behavior)

Overview

For additional gym statistics, like our research review on the benefits of exercise (https://runrepeat.com/benefits-of-exercise), our newest reports on the top fitness trends in 2021 (https://runrepeat.com/fitness-trends), the 75+ gym membership statistics (https://runrepeat.com/gym-membership-statistics), quarantine weight gain (https://runrepeat.com/quarantine-15-weight-gain-study) study, average gym membership cost in 2021 (https://runrepeat.com/gym-membership-cost), and the 200+ gym industry statistics (https://runrepeat.com/gym-industry-statistics) that we have published.

Gym closures and bankruptcy during the pandemic

- It is estimated that the US gym and health club industry lost $13.9 billion from mid-March to August 31 [IHRSA, October 2020]
- It’s predicted that about 25% of gyms in the US will be closing by 2020 [IHRSA, October 2020]



SOURCE: IHRSA RESEARCH

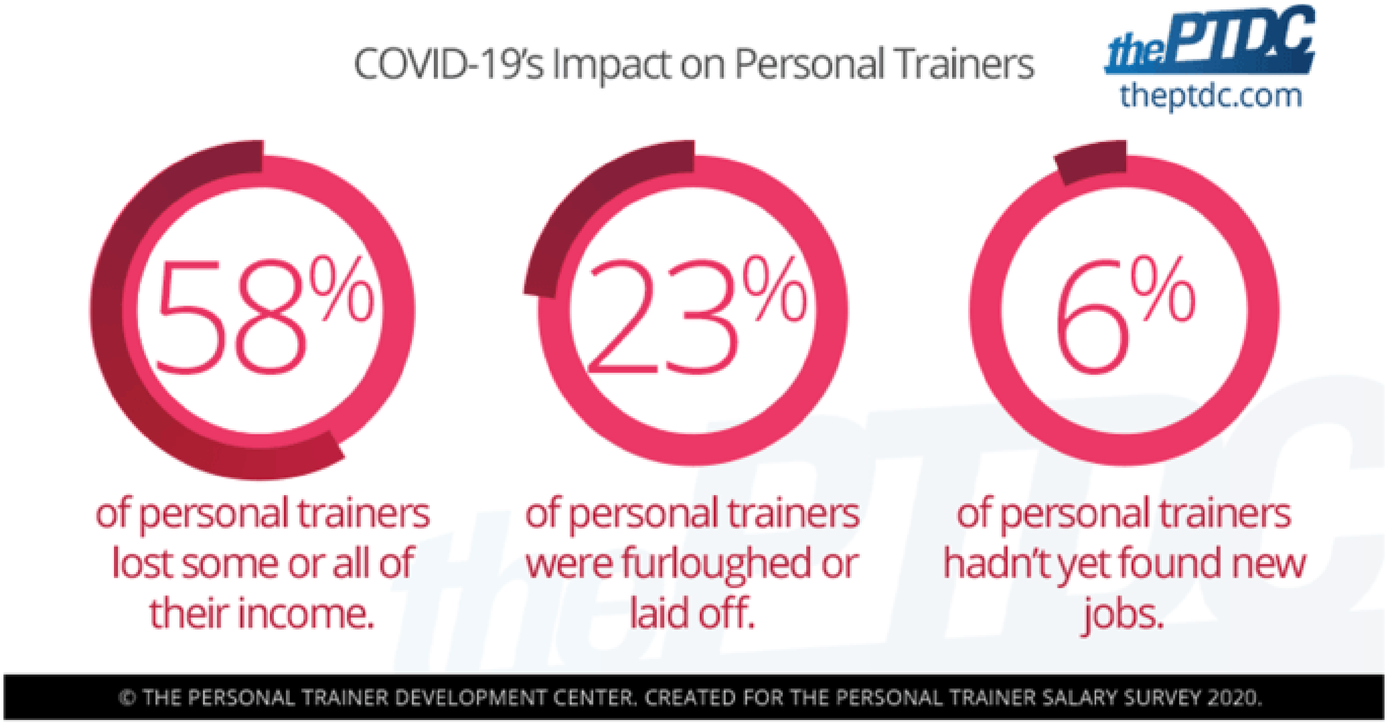
Current projections show that more than 25% of clubs nationwide could close by the end of 2020.

- More than 38,000 gyms and health clubs have been closed down because of the virus as of May 2020 [Harrison Co., May 2020]
- 23.9% of US gym members report that their gym is still closed as of August 2020 [RunRepeat]
- Gyms that filed for bankruptcy include: Cyc Fitness, YogaWorks, Flywheel Sports, Town Sports International, 24 Hour Fitness, Gold's Gym, and Modell's Sporting Goods [Business Insider, Oct

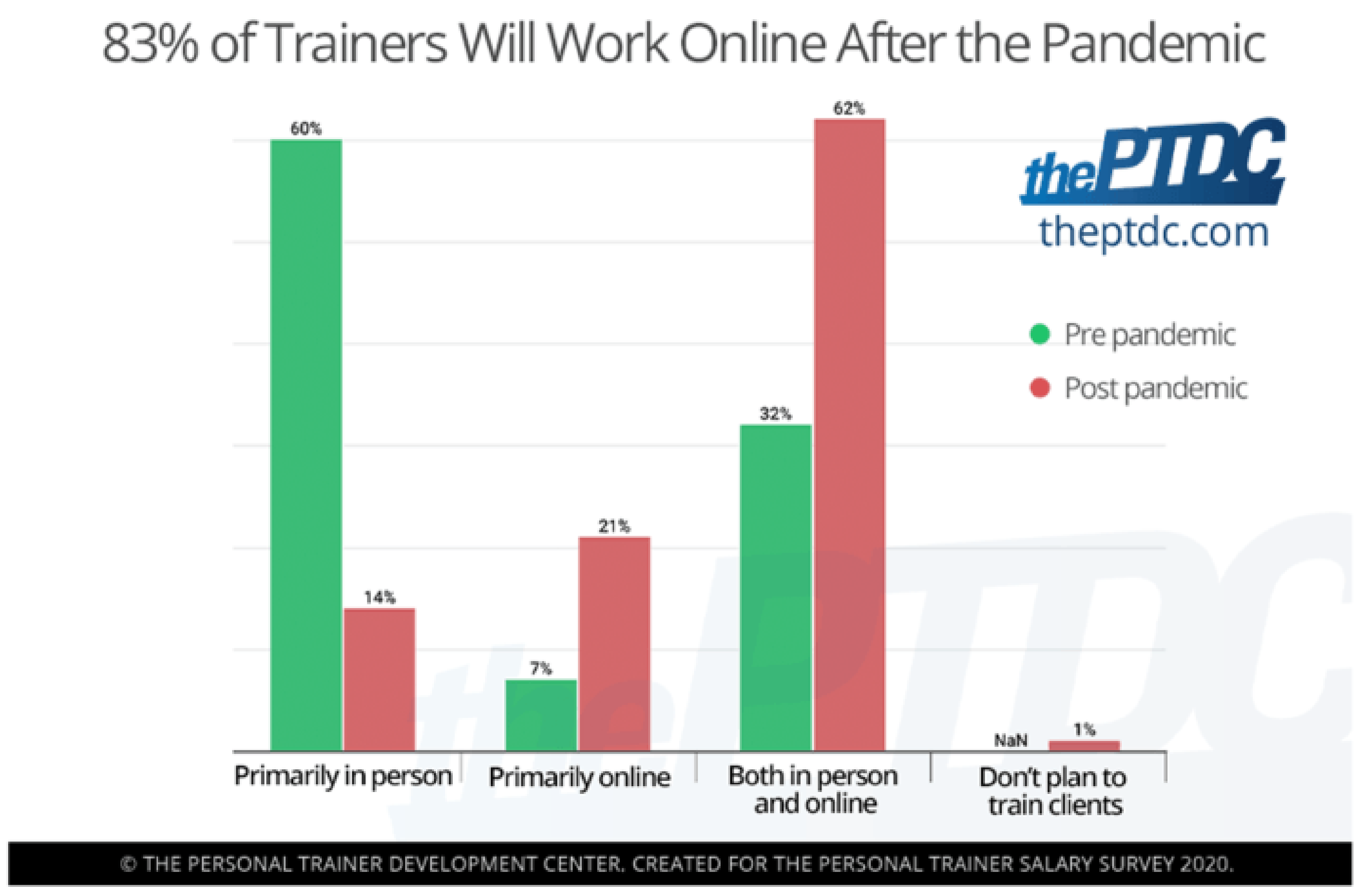
2020]
- 50% of Gold's Gym location plan to close permanently (not including franchises) and the rest hope to re-open in August [Eisneramper, 2020]
- ClassPass Inc.'s revenue decreased by 95% in April leading the company to lay off 50% of its workforce [Eisnerramper, 2020]

Job loss in the fitness industry during the pandemic

- Around 500,000 gym industry employees have been laid off due to COVID [Harrison Co., May 2020]
- 58% of trainers lost some or all of their income [The Personal Trainer Development Center, 2020]
- 1% of trainers say that they're going to leave the fitness industry [The Personal Trainer Development Center, 2020]



- 83% of trainers say that they'll work primarily online after the pandemic [The Personal Trainer Development Center, 2020]



Impact of COVID-19 on gym memberships

- 60% of Americans plan to cancel their memberships [Freeletics, July 2020]
- 59% of Americans don't plan to renew their gym memberships after COVID [TD Ameritrade, 2020]
- 59.06% of gym members are considering to cancel or have canceled their memberships [Runrepeat, September 2020]

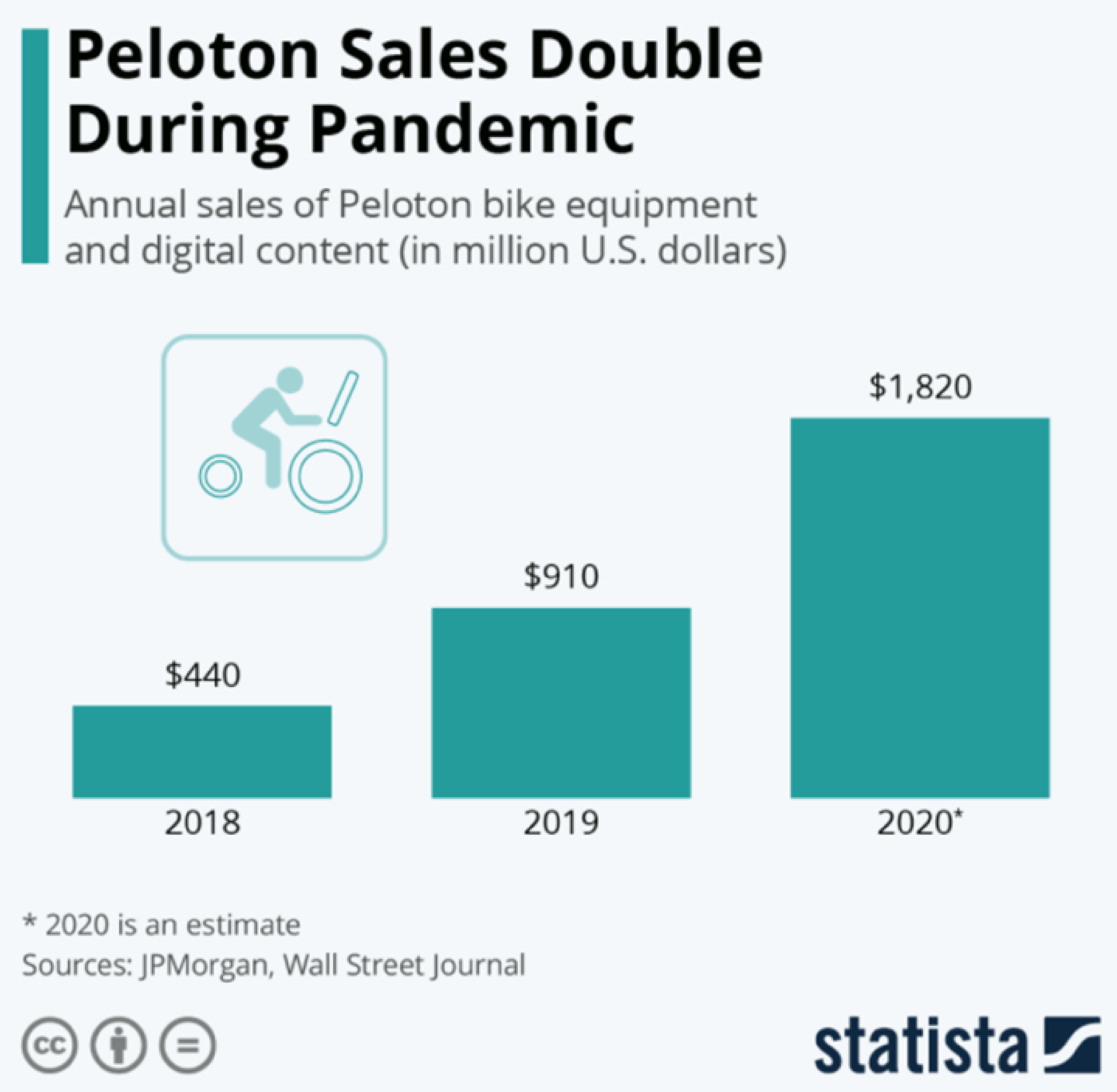
Member attitudes toward returning to gyms

- 25% of Americans don't plan to go back to the gym [Lifeaid, June 2020]
- In a Morning Consult poll, only 20% of Americans are comfortable going to the gym as of July [Morning Consult]
- In April 2020, 68% of Americans stated that they are much less likely to go back to the gym based on what they know about COVID-19 [Statista]
- In April 2020, 18% of Americans stated that they're not anticipating to go back to the gym or exercise classes for the next 6 months at the very least [Statista]

Overview

Growth of digital and at-home fitness

- 40% of respondents exercised at home for the first time because of COVID-19 [Harrison Co., May 2020]
- During the quarantine, 74% of Americans used at least one fitness app [Freeletics, July 2020]
- Between Q1 and Q2 of 2020, at the start of the pandemic, home fitness app downloads grew globally by 46% [Visual Capitalist]
- Peloton is estimated to make around $1.8 billion in sales for 2020 [Statista, September 2020]



Peloton Sales Double During Pandemic

Annual sales of Peloton bike equipment and digital content (in million U.S. dollars)

* 2020 is an estimate

Sources: JPMorgan, Wall Street Journal

- Beachbody, the fitness company, experienced a 200% growth in subscribers since shifting to online classes [Gulfnews, March 2020]

- Tonal, a company that offers a $3000 home workout system, reported to having tripled their sales in the third week of March [Business Insider, March 2020]

Top Grossing Health & Fitness Apps in Q2 2020. Image: Visual Capitalist

- India had the highest increase of fitness app downloads at 156% as well as the largest increase in Daily Active Users with 84% more people using fitness apps each day [World Economic Forum, September 2020]
- Daily Active Users of fitness apps in the US is the largest in the world and manage to grow by 8% in Q2 of 2020 [World Economic Forum, September 2020]

Investing in at-home equipment

- An average of $95.79 has been invested by Americans toward at-home fitness in the last three months [Freeletics, July 2020]
- Yoga mats, resistance bands, and dumbbells are the top fitness equipment that people invest in during the pandemic [Freeletics, July 2020]
- 25% of Americans bought an exercise bike while 21% purchased a treadmill or elliptical [Freeletics, July 2020]
- 60% of gym members enjoyed their home workouts to the point where they plan to cancel their gym memberships [Visual Capitalist]

COVID-19’s impact on exercise behavior

- There’s been an 88% average increase in exercise for people who normally exercise 1-2 times per week [RunRepeat]
- In a survey, 37% out of a thousand fitness club users state that they will work out more after COVID. Over 50% said that this is due to their “renewed appreciation for their health and well-being” [Harrison Co.]
- 50% of Americans say that they are less active during the pandemic-related shutdowns [IHRSA, 2020]
- 65% of respondents report that working out at home alone during the lockdown boosted their confidence [Freeletics, July 2020]
- 60% of men said their top reason for working out during the pandemic was for their mental health [Freeletics, July 2020]
- Reducing boredom (52%) was the top reason why women are working out during the pandemic [Freeletics, July 2020]

About RunRepeat

With over 7 million reviews analyzed and the best prices aggregated from 213 retailers, RunRepeat helps you find the best gym shoes (https://runrepeat.com/catalog/gym-shoes) for you. Whether you need low drop shoes (https://runrepeat.com/catalog/gym-shoes?features=low-drop), high drop shoes (https://runrepeat.com/catalog/gym-shoes?features=high-drop), or even gym shoes with rope protection (https://runrepeat.com/catalog/gym-shoes), RunRepeat (https://runrepeat.com) has a filter for it every shoe ranked and reviewed.

Utilize our innovative CoreScore system (https://runrepeat.com/corescore) and insights from our team of experts (https://runrepeat.com/about) to save you time and money.

Author

 (https://runrepeat.com/author/nicholas-rizzo)

Nicholas Rizzo (https://runrepeat.com/author/nicholas-rizzo)

Nick combines 10+ years of experience in the health and fitness industry and a background in the sciences in his role as the Fitness Research Director. During his competitive powerlifting years his PRs have him sitting in the top 2% of bench presses (395 lbs), top 3% of squats (485 lbs) and top 6% of deadlifts (515 lbs) for his weight and age. His work has been featured on Bodybuilding.com, LiveStrong, Healthline, WebMD, WashingtonPost, and many more. Along the way, collaborating with industry leaders like Michael Yessis, Mark Rippetoe, Carlo Buzzichelli, Dave Tate, Ray Williams, and Joel Seedman.

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All articles and reviews (https://runrepeat.com/author/nicholas-rizzo)

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https://www.wsj.com/articles/the-gym-is-open-but-everythings-different-11615887001

BUSINESS

Gyms Are Reopening, but Everything's Different

The Covid-19 pandemic upended the business and created new routines; owners and customers navigate mask mandates and digital memberships

By Sharon Terlep | Photographs by Desiree Rios for The Wall Street Journal

Updated March 16, 2021 4:13 pm ET

One fitness club franchisee plans to open a dozen new locations, while a national chain is selling digital memberships. A Pilates studio in Houston is requiring masks; a family-run gym in Indianapolis isn't.

America's gyms are reopening to a markedly changed fitness world as coronavirus pandemic restrictions lift. Each business—and its customers—must decide how to navigate new workout habits and conflicting demands around Covid-19 safety protocols.

Some people won't exercise in a face covering; others will only frequent a gym with a mask mandate. Still others purchased pricey fitness machines for their homes and have spent months taking virtual classes.

"Many of our members have developed habits in a significant way, routines they never had before Covid," said Jeff Zwiefel, chief operating officer of Life Time Inc. The fitness center chain, with 150 U.S. locations, now offers a $15 monthly digital membership, where people can work out to streaming classes.

Gyms, from boutique studios to sprawling fitness centers, have been among the industries hardest hit by the public-health crisis, as concerns about people spreading the coronavirus during group exercise led to mandated shutdowns and member exoduses.

A cleaning station for gym members at a Life Time health club in West Harrison, N.Y.

The pandemic's toll has been profound: Nearly half of the 3 million jobs in U.S. health clubs disappeared last year along with more than half of the industry's revenue. Legions of independent gyms and studios have closed, crippled by state-mandated shutdowns. Several corporate chains, including 24 Hour Fitness Worldwide Inc. and Gold's Gym International Inc., filed for bankruptcy protection and reorganized or closed.

Those that survived are catering to a customer base now more accustomed to exercising at home and better equipped to do so. As gyms faltered, business boomed for companies like Peloton Interactive Inc. and Nautilus Inc. that provide streaming classes and workout equipment. Demand has been so high for Peloton exercise bikes and treadmills that customers have waited weeks for deliveries.

"I know there's chatter of, 'We are a stay-at-home stock, and we get back to normal and Peloton dies or whatever,' " John Foley, Peloton co-founder and chief executive, told investors in February. "We obviously are taking the other side of that. Every year in the U.S., there's been 5 million treadmills sold. So it's not like working out at home was a Covid thing. It has always been a thing. It's just the products have been dopey and not connected."

Gym owners and industry experts say the fitness landscape is likely forever changed by the pandemic. When the Covid-19 risk passes, they say, the business of fitness will increasingly become a mashup of bricks-and-mortar and online virtual offerings, much like the coronavirus-hastened evolution of retail, office work and education.

"At-home will become a part of the fitness ecosystem, it's going to have an outsized platform," said BMO analyst Simeon Siegel. "But for the vast majority of people, the fitness industry will still revolve around bricks-and-mortar."

THE JOURNAL.

Who is Getting Left Behind in the Vaccination Push

00:00 1x

SUBSCRIBE

Heading into the pandemic, the U.S. had roughly 40,000 health clubs generating $35 billion in annual revenue, according to the International Health, Racquet & Sportsclub Association. At the end of 2020, the industry has lost $20.4 billion in revenue, while about 6,400 clubs—17% of the total—closed permanently.

A recent survey by consulting firm McKinsey & Co. found that 68% of those who started using an online fitness program during the pandemic said they planned to continue for the long term. The survey of 2,024 adults was conducted Nov. 9-13, 2020.

Geoff Dyer, owner of more than two dozen Crunch Fitness franchises in Georgia and Florida, said Covid-19 won't change Americans' gym habits for the long term. A Crunch membership, starting at $9.95 a month, is cheaper than many online subscriptions.

Mr. Dyer said his membership is almost at the same level it was before the pandemic. He said he is opening another dozen locations in the next year, including four that will replace now-shut 24 Hour Fitness clubs. Crunch offers streaming workouts, but they aren't popular, he said.

"It's hard to replace the excitement of a live class, and there's a huge barrier to entry if you've got to pay $2,500 to get that bike," he said, referring to Peloton, which sells bikes starting at $1,895. Amid Covid-19, he said, "we realized people were desperate to get back to the gym."

Exercise bikes are spaced out to maintain social distancing at a Life Time health club in West Harrison, N.Y.

All but one state—South Dakota—shut down gyms last spring as the pandemic took hold, and others have fully or partially closed gyms for varying durations. By last month, California, the only state remaining with a blanket order keeping gyms closed, started allowing facilities to reopen with various restrictions.

Gyms allowed to open in many cases face restrictions that range from cost-prohibitive for businesses to off-putting for some members, including capacity limits as low at 10%, outdoor-only classes and mask mandates.

Ardizzone & Nalley Gym in Indianapolis shut down for about 10 weeks in the spring and has been open since, and doesn't require members to wear masks. The gym, opened 42 years ago by owner Tony Ardizzone, has a big base of elderly members, including many who say they won't return until they are vaccinated, Mr. Ardizzone said.

"The older people are more fearful and more cautious and vulnerable, and young people are less so," he said. Other customers were so eager to be in the gym even at the height of the pandemic, he said, that he had to confiscate keys they were using to get in despite the gym being closed.

In Texas, as soon as Gov. Greg Abbott announced in early March that the state would allow all businesses to fully reopen and lift its mask mandate, many customers of Houston-based Citizen Pilates called and messaged founder Jess Hughes asking her to keep rules requiring masks in class and maintain 6 feet of space between machines, she said.

Gym owners and industry experts say the fitness landscape is likely forever changed by the pandemic.

Fewer machines in use mean smaller classes and less revenue for a business that, like many others, has contended over the past year with no rent relief and shutdowns.

“Do I want to put three more machines in? Yes, but I know that if I do that our capacity will go away because people won’t like it,” said Ms. Hughes.

Rhea Shimabukuro, a 31-year-old from San Jose, Calif., was thrilled when her local rock-climbing gym reopened, albeit at 10% capacity and with face masks still mandatory while exercising. For Ms. Shimabukuro, who has avoided restaurants and travel since the start of the pandemic, the restrictions are a plus.

“Going to the gym is the only risk activity I’ve taken,” she said.

—Sarah Krouse contributed to article.

Write to Sharon Terlep at sharon.terlep@wsj.com

How the Reopening Will Affect You

Grocers, Restaurants to Suppliers: Hurry Up, Make More

Google Adopts Hybrid Workweek

Five Days in the Office? For These Startups, the Future of Work Is Old School

Inside Disneyland's Sanitized Reopening Plan

Companies Wrestle With Hybrid Work Plans

Ten Signs Things Are Getting Back to Normal

Gyms Are Reopening, but Everything’s Different

When CEOs Really Think We’ll Come Back to Work

Appeared in the March 17, 2021, print edition as 'Gyms Navigate New Territory, Uneven Protocol.'

NATIONAL REAL ESTATE Investor®

CORONAVIRUS - COVID-19

RETAIL

Mid-Market Fitness Concepts the Most Likely to Feel the Burn of COVID-19

Once the U.S. economy begins re-opening, expect a "thinning of the herd" among fitness tenants.

Liz Wolf | Apr 15, 2020

The once-booming fitness sector is taking a hit from the COVID-19 pandemic as big-box gyms and boutique fitness studios shutter across the United States.

During normal times, fitness is big business. In 2018, U.S. health club industry revenue totaled $32.3 billion and more than 71.5 million U.S. consumers used health clubs, which hit an all-time high, reported the International Health, Racquet & Sportsclub Association.

The number of fitness centers in the U.S. increased by 24 percent since 2010 to 111,055 locations, according to IBISWorld data, as reported in January by real estate services firm JLL. The figure was expected to jump further, to nearly 121,000 locations by 2024.

Since social distancing has become the new way of life, however, the outlook for fitness centers is likely to change as businesses wait for governments to lift quarantine restrictions.

COVID-19 has forced the temporary closures of big-box gyms and fitness studios in an effort to help slow the spread of the virus, and owners are taking a financial hit. Many have furloughed employees and suspended membership dues.

Fitness center owners also worry that the continued quarantine could alter consumer behavior in the long term as gym members find new ways of getting fit, including on-demand fitness services like Aaptiv, Glo, CorePower on Demand and Peleton , which has seen a big uptick in sales. (However, Peleton announced on April 6 it was suspending production of live fitness classes until April 30 after an employee in its New York production facility tested positive for COVID-19, reported The Verge).

Fitness industry goes virtual practically overnight

To stay afloat, many bricks-and-mortar fitness concepts are streaming workout classes through YouTube, Zoom or Instagram Live. Many classes are currently free in an effort to stay connected to members as brands figure out how to retain existing membership and attract new customers who will pay for their services.

Most chains and independent operators have rolled out some kind of virtual platform, notes James Cook, head of retail research with JLL. Cook spoke with Jenine Wright , owner of Fit Life in Melrose, Mass., who quickly transitioned her fitness classes online following the closures of her two fitness clubs.

“Within 24 hours, they figured out how to roll out online classes through Zoom and another platform,” Cook says. Fit Life is averaging six live-streaming classes per day.

Virtual classes are not the only way for fitness brands to stay connected with their members, according to Cook, but since Fit Life is a small, local business, it’s also counting on community support. Members who can afford to are keeping their memberships open and continuing to pay.

Many fitness studios are operated by small business owners who may not be able to afford to pay rent or employees while closed. Wright estimated her club's memberships have so far dropped by around 20 to 30 percent.

Oversaturation was already a concern

"There were issues with the gym category even before COVID-19," notes Lauren Leach, director of real estate advisory services at Birmingham, Mich.-based consulting and advisory firm Conway MacKenzie.

"If you look at what exists, there are small, value-oriented gyms that charge $10 per month, and on the other end of the spectrum, there are expensive, large gyms for people looking for a luxury experience. Everything else falls in the middle and doesn't have clear distinguishing factors."

Most consumers either want a cheap experience where they don't feel the need to cancel their membership if they aren't dedicated enough to show up regularly or they're willing to spend the money for a "club feel," in Leach's view. As a result, she expects a lot of consolidation in the mid-market category.

Working with landlords

Since many fitness centers are freezing membership payments and have no revenue coming in at the moment, they're reaching out to landlords to try and renegotiate rents or ask for rent abatement , Cook says.

Every landlord is having a conversation with their tenants right now, Cook notes. "Landlords that don't have a lot of debt on their properties are the ones who have more wiggle room," he adds.

Experts forecast a recession coming out of this health crisis, and in recessions, there's typically a change in the consumer mindset, according to Cook. Over the last three weeks, 16.8 million Americans filed for unemployment .

Even consumers who aren't in danger of losing their jobs trend away from discretionary purchases during economic downturns.

"So, one of the winners long term when this is over might be value fitness [concepts]," Cook notes.

Value gym player Planet Fitness may be well-positioned for future growth, for example. A recent Cowen survey found that Planet Fitness is expected to recover quickly following the pandemic, according to Market Watch.

Planet Fitness has a lean business model and will recognize revenue when gyms reopen, Cowen researchers note. Additionally, it will gain market share from financially struggling fitness chains that are at risk.

"We've seen this bifurcation trend in fitness leading into this," Cook says, pointing to growth in two primary sectors.

The biggest growth was in the budget gym category and the other was in high-end concepts, including boutique fitness brands like Orange Theory Fitness, CycleBar and Core Power Yoga, as well as full-service, upscale health clubs like Equinox and Life Time. Life Time was opening locations in malls as part of the "experiential" retail movement as landlords tried to drum up traffic.

That bifurcation trend will likely amplify after the U.S. economy re-opens, Cook notes. Concepts in the "middle" may have to offer short-term discounts to maintain membership numbers, so there will be pressure on membership pricing, he says.

Additionally, brands that will come out ahead will likely be the ones that "go all in" on creating good digital fitness content in addition to their physical locations, as consumers will become more sophisticated about digital offerings.

Some bright spots

The U.S. may see somewhat of a “fitness renaissance” emerging from COVID-19, because people have been so cooped up and are turning to exercise as a release, Cook notes. “A lot of people are doing that right now,” he notes. This “pent-up desire for access to fitness is only going to grow, in his view. “I think that’s a good silver lining for fitness centers.”

However, “there’s no way to avoid the fact that this is bad for business,” Cook goes on to say. “It’s tough to say what the scope is going to be, because it’s in the early days, but we’re certainly going to see [fitness center] locations that have closed for COVID that are not going to reopen.”

In general, if small businesses are lucky enough to tap government relief through the CARES Act or small business loans, many could make it through the crisis.

“It’s the middle and large chains that may have already been carrying a debt load that will have the toughest times,” Cook notes

There will be a thinning of the herd in the bricks-and-mortar industry, agrees Alan Zell, president of Phoenix-based retail property management/leasing firm ZELL Commercial Real Estate Services. He believes most of the closures will be at the small facility level, but some of the large health clubs will likely fail as well once their members’ contracts expire and they will be targeted by competitors.

The biggest impact on landlords is that most, if not all, fitness center tenants and other non-essential retailers are seeking rent relief, which causes cash flow issues, Zell notes.

With fitness centers temporarily closed, there’s also a drop-off in customer visits to retail centers that remain open, though with most businesses closed, it’s not that much of a problem now.

However, when the retail centers do re-open, the permanent closures of fitness clubs will have a widespread impact since fitness is a big traffic draw for other tenants, Zell says.

Meanwhile, vacancies will offer surviving fitness brands a chance to backfill space at attractive lease terms. The fallout from the pandemic may lead to a lot of vacant spaces built out for fitness, Zell notes. Businesses seeking to lease these types of spaces after the crisis will have leverage in lease negotiations because there will be plenty of space to choose from and fewer tenants competing for it.

Source URL: https://www.nreionline.com/retail/mid-market-fitness-concepts-most-likely-feel-burn-covid-19

See [illegible]

APPLICATION FOR ABATEMENT OF PROPERTY TAXES

UNDER TITLE 36 SECTION 841 MRSA

Name(s) of Applicant(s) DuCharme, McMillen Associates - on behalf of: Granite Coast Properties d/b/a Planet Fitness

Address of Applicant(s) 205 Portland Street, Suite 200, Boston, MA 02114

Daytime Telephone # 617-798-2840 x2206

Property Identification (Chart, Block, Lot and/or Tax ID #) 025-B021001 (145 Marginal Way)

RECEIVED
MAR 10 2022
DEPT OF ASSESSOR
CITY OF PORTLAND, ME

Tax Year for which Abatement is Requested 2021 (Fy22)

Assessed Value of Real Estate 4,517,500

Abatement Requested in Real Estate Value FMV $3,000,000 (abatement of $1,517,500 in value)

Assessed Value of Personal Property (if applicable) ______

Abatement Requested in Personal Property Value (if applicable) ______

Reason(s) for requesting abatement (please be specific, stating grounds for belief that property is overvalued for tax purposes) Please see enclosed analysis. Fair market value is less than assessment.

Please attach a separate sheet as needed.

To the Tax Assessor, City of Portland, Maine
In accordance with provisions of Title 36 Section 841 MRSA, I hereby make written application for abatement of property taxes as noted above. The above statements are correct to the best of my knowledge and belief.

3/10/22
Date

Signature of Applicant

THIS APPLICATION MUST BE SIGNED.

SEPARATE APPLICATION SHOULD BE FILED FOR EACH SEPARATELY ASSESSED PARCEL OF REAL ESTATE CLAIMED TO BE OVERVALUED.

PROPERTY TAX
CERTIFICATE OF AUTHORITY

Date: 3.10.2022

TO WHOM IT MAY CONCERN:

This certifies that DuCharme, McMillen & Associates, Inc. and/or its designees is hereby authorized to represent the undersigned in all matters of property tax assessments before any governmental assessing officials or any other authority having jurisdiction regarding the assessment levied on the following described property for current or past years of assessment:

~~All Real Property~~ 145 MARGINAL WAY, PORTLAND, ME

Portland, ME

BY:
(Signature)

Michael Cleary
(Typed Signature)

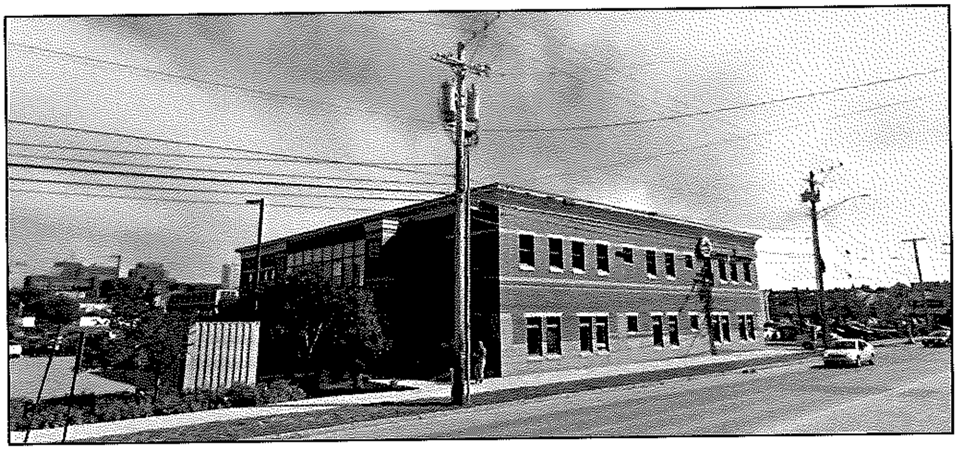
Managing Partner
(Corporate Title)

GCP Portland LLC
(Company)

Real Estate Assessment Analysis

2021 Real Property Tax Assessment Appeal

Granite Coast Properties d/b/a Planet Fitness
145 Marginal Way
Portland, ME



Market Value per Town: $4,517,500

Prepared for:

Assessing Officials
City of Portland
389 Congress Street, Room 115
Portland, ME 04101

Prepared by:

Todd Kratt – Senior Tax Manager
Shayna Jones – Senior Tax Consultant
DuCharme, McMillen & Associates, Inc.
205 Portland Street ,Suite 200
Boston, MA 02114
Tel. 617-798-2840 ext. 2203 Fax (617) 671-0406

DMA
AN EXTENSION OF YOUR TAX DEPARTMENT

March 10, 2022

Assessing Officials
City of Portland
389 Congress Street, Room 115
Portland, ME 04101

Re: **Real Estate Assessment**
145 Marginal Way
Portland, ME

Dear Assessing Officials:

Granite Coast Properties d/b/a Planet Fitness has asked us to review the real property tax assessment of the above referenced property. The enclosed is a summary of physical information on the facility, market data from the area, as well as other relevant information. The enclosed is not a real estate appraisal or review appraisal and nothing in this report should be construed as a real estate appraisal or review appraisal. The following is presented for your consideration. Information contained in this pertaining to the subject property and Planet Fitness is to be kept confidential.

The subject is a roughly 21,548 SF health club/gym facility on 1.15 acres. The subject property is located on Marginal Way in between exits 6B and 7 off of I-295. It is surrounded by a mix of commercial and industrial properties.

The total current assessment is $4,517,500, or $209 per SF, which should reflect 100% of market value as of 4/1/2021.

Subject Increase

As a result of the revaluation in 2021, the subject assessment and assessed market value, when factoring in last year's equalization ratio, increased substantially. This increase is detailed below:

2020 Assessment	Ratio	2020 Equalized Assessment	2021	**Increase**
2,273,700	77.0%	$2,952,857	$4,517,500	**53.0%**

Covid-19

In March 2020, the global pandemic known as Covid-19 halted the economy, shut down schools, and companies and business were forced to close their doors due to stay at home orders all over the country.

Maine Timeline:

March 8, 2020: Governor Mills issued an Executive Order mandating that all restaurants and bars statewide close to dine-in customers effective March 18, 2020 at 6:00 p.m. for a period of 14 days until midnight, March 31, 2020. Take-out, delivery, and drive-through options can continue. In her order, the Governor also prohibited all gatherings of more than 10 people until further notice, mandating the latest U.S. CDC's guidance on gatherings. In addition, Governor Mills strongly urged non-essential public-facing businesses, such as gyms, hair salons, theatres, casinos, shopping malls, to close their doors for the next two weeks to minimize public gatherings.

March 24, 2020: Governor Mills ordered all non-essential businesses and operations in Maine to close their physical locations that are public facing, meaning those that allow customer, vendor or other in-person contact. Governor Mills also strongly urged all large, essential, public-facing businesses to immediately employ strategies to reduce congestion in their stores, including limiting the number of customers in the store at any one time and enhancing curbside pick-up and delivery services.

March 31, 2020: Governor Mills issued a series of substantial new mandates to protect public health and safety in the face of COVID-19, including a Stay Healthy at Home directive that requires people living in Maine to stay at home at all times unless for an essential job or an essential personal reason, such as obtaining food, medicine, health care, or other necessary purposes.

April 15, 2020: As the State continues to respond to COVID-19, Governor Mills signed a proclamation extending Maine's state of civil emergency for another thirty days through May 15, 2020. The original state of civil emergency was scheduled to expire tomorrow, April 15, 2020.

April 29, 2020: Governor Janet Mills issues new Stay Safer at Home Executive Order. The new order continues to have Maine people stay at home with the same established exceptions for permitted activities, such as occasional grocery shopping or exercising. However, it now also allows Maine people to visit businesses or participate in activities deemed safe to open under Stage 1 of the reopening plan presented on April 28. These include barber shops and hair salons, auto dealerships and drive-in stay-in-your-vehicle religious services that follow COVID-19 Prevention Checklists. The Order is effective immediately and extends through May 31, 2020, subject to change.

May 13, 2020: Governor Janet Mills signed a proclamation extending Maine's state of civil emergency for thirty days through June 11, 2020.

May 19, 2020: The Mills Administration announced the following updates to its plan to restart Maine's economy: 1) Maine residents may enjoy private campgrounds beginning Memorial Day weekend; and 2) the Administration is delaying the full reopening of gyms, fitness centers, and nail salons in light of emerging research and experiences in other states of COVID-19 transmission related to these establishments.

June 17, 2020: Governor Janet Mills allowed reopening of gyms (limited capacity) in Cumberland, York, Androscoggin Counties.

October 6, 2020: The Mills Administration announced that Maine will move into Stage 4 of the Plan to Restart Maine's Economy beginning Tuesday, October 13, 2020. Stage 4 increases limits on indoor seating to 50 percent capacity of permitted occupancy, or 100 people – whichever is less – and maintains the critical public health measures outlined in COVID-19 Prevention Checklists, such as enhanced cleaning practices and physical distancing. Today's Executive Order also further strengthens the State's face covering mandate by requiring that a broader set of entities, such as private schools and municipal buildings, ensure that employees and people in their buildings adhere to this critical health measure. The Order also expands the scope of the enforcement statewide, rather than in just Maine's coastal counties and more populous cities.

November 5, 2020: On the day Maine recorded 183 new cases of COVID-19, the highest single-day increase since the beginning of the pandemic, Governor Janet Mills announced an Executive Order requiring Maine people to wear face coverings in public settings, regardless of the ability to maintain physical distance.

In ME, only essential businesses were open from March until June when things started to re-open with restrictions and protocols. Even then, many companies and businesses kept their doors closed and required that their employees work from home. Gyms, like the subject property, gradually started reopening when the stay-at-home orders were lifted, however, capacity limits were strict, and many members simply stopped going to the gym. Into 2021 gym memberships at the subject were still down over 30% compared to pre-covid. As the Maine covid timeline indicated, gyms were part of the non-essential businesses forced to close for about 3 months before being able to re-open with restrictions.

On-demand services like BeachBody, Peleton, and more have grown vastly due to the pandemic, which will not bode well for fitness centers going forward.

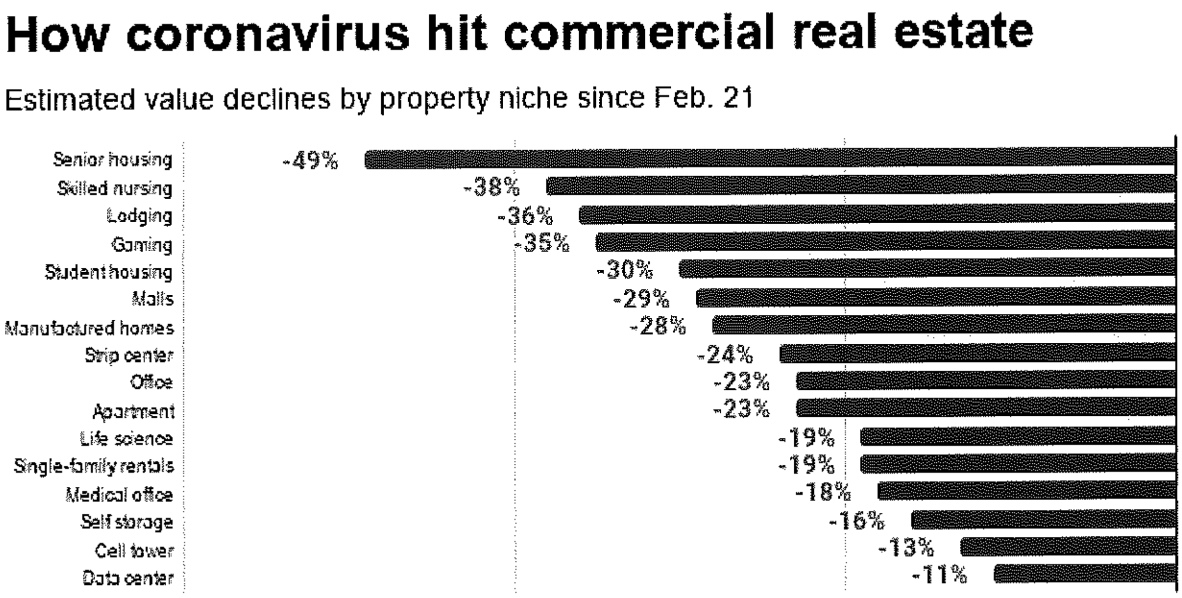
According to the attached National Real Estate Investor article, IbisWorld data indicates the number of fitness centers has increased by 24% since 2010. This figure was expected to increase further heading towards 2024. However, this number may be impacted with closures as a result of covid. What this means is that with such large growth over the past ten years resulting in an over-saturation in the market, when people start going back to the gym there will be even heavier competition among fitness centers and revenues will continue to take a hit. Additionally, a recent Wall Street Journal article reports that gyms are likely headed towards using a hybrid model to allow for at home workouts, as operators had to get creative during the shutdown and members became comfortable working out in their own spaces. In the last Wall Street Journal article provided from March 2021, it indicates that a survey conducted by McKinsey & Co. in late 2020 found that 68% of consumers who began using an online fitness program during the pandemic planned on continuing to do so long term.

Other notable bullets on covid-19's impact on the industry are:

- By the end of 2020, **17%** of gyms/health clubs permanently closed. – *IHRSA*
- By Aug 2021, **22%** of gyms had permanently closed due to the pandemic. – *Club Industry*
- Industry revenue **fell by 58%** relative to 2019 sales – *IHRSA*
- **44%** of the fitness industry workforce lost jobs – *IHRSA*
- Gym franchises that filed for bankruptcy as a result of covid include: Cyc Fitness, YogaWorks, Flywheel Sports, Town Sports International, 24 Hour Fitness, Golds Gym, Modells. – *RunRepeat*
- **59%** of Americans don't plan to renew their gym membership after covid. – *TD Ameritrade*

See sources and articles enclosed

The pandemic has had, and will continue to have, a negative impact on commercial properties. Some property segments are impacted more than others. Below, is a graph illustrating Green Street Advisor's estimated value declines by property type due to the pandemic. Depending on the property type, estimated impact on values was anywhere from -11% up to -49%.


How coronavirus hit commercial real estate

Estimated value declines by property niche since Feb. 21

SOURCE: GREEN STREET ADVISORS

Going forward, it is unknown what the coming years will bring and how long the recovery from this pandemic will take. Some property types will endure years of recovery before getting back to pre-covid levels, others may only take months.

Enclosed in this report, please find the following articles detailing the struggles and impact to the fitness industry as well as gyms overall as a result of covid-19:

- Fitness Industry Still Feels Covid's Negative Impact – **IHRSA**
- Covid's Impact on the Fitness Industry (35+ stats and facts) – **RUNREPEAT**
- Gyms Are Reopening, but Everything's Different – **Wall Street Journal**
- Mid-Market Fitness Concepts the Most Likely to feel the Burn of Covid-19 – **NATIONAL RE INVESTOR**

These support and illustrate the fact that this industry and this property realized significant impact due to the global pandemic and with the valuation date of 4/1/21, this falls right in the middle of the pandemic. Based on industry shifts, there was already some economic obsolescence present pre-covid, and now covid-19 clearly accelerated that, and the subject property suffers from much more economic obsolescence.

Market Analysis

Comparable Sales

We reviewed the subject's market area for sales of similar properties in the marketplace. Sales are somewhat limited. The subject is a two-story property which makes it unique for the market. There are not many users who would want a two-story space. A retail user typically does not want a two-story space, some gyms (like the subject) can utilize a two-story space, but most do not. Office users can utilize a two-story space, however given the subject size and that office users are shrinking their footprints it may be difficult finding an office user for a property like the subject.

Given the subject's size and two-story characteristic, we will have to adjust for functional obsolescence when comparing it to a single-story property which would be more common in the market. The best available recent sales of similar properties in the market range from 10,080 SF up to 16,637 SF. These properties have sale prices per SF ranging between $125 - $200, unadjusted. These sales are detailed below:

1 701 Forest Ave SOLD

Portland, ME 04103 **Cumberland**

Sale Date	**Jan 26, 2021**	Type	**2 Star Retail Drug Store**
Sale Price	**$1,590,000**	Year Built	**1998**
Price/SF	**$125.61**	GLA	**12,658 SF**
Comp ID	**5415212**	Land Acres	**1.55 AC**
Comp Status	**Research Complete**	Land SF	**67,518 SF**
		Zoning	**B2 Community Business**

2 222 Gannett Dr SOLD

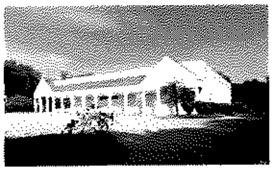
South Portland, ME 04106 **Cumberland**

Sale Date	**Apr 28, 2021**	Type	**2 Star Retail Health Club**
Sale Price	**$1,350,000**	Year Built	**1995**
Price/SF	**$133.93**	GLA	**10,080 SF**
Comp ID	**5540259**	Land Acres	**2.09 AC**
Comp Status	**Research Complete**	Land SF	**91,040 SF**
		Zoning	**IL**

3 936 Brighton Ave FOR SALE

Portland, ME 04102 **Cumberland**

Price	**$2,236,000**	Sale Type	**Owner User**
Price/SF	**$200.00**	Type	**3 Star Retail Freestanding**
On Market	**931 Days**	Year Built	**1999**
Status	**Active**	GLA	**11,180 SF**
		Land Acres	**1.30 AC**
		Land SF	**56,628 SF**
		Zoning	**B1**



4 2385 Congress St SOLD

Portland, ME 04102 **Cumberland**

Sale Date	**Aug 7, 2018**	Type	**2 Star Office**
Sale Price	**$2,850,000**	Year Built	**1975**
Price/SF	**$171.30**	RBA	**16,637 SF**
Comp ID	**4470778**	Land Acres	**1.95 AC**
Comp Status	**Research Complete**	Land SF	**84,942 SF**
		Zoning	**Im, I-ma, I-mb**

When comparing comparables sales, we typically adjust for various factors that may influence the sale price or sale price per sf, and how those may differ to the subject. Factors such as location, building size, functional utility, building quality/condition, and site size can all vary with each property. For instance, larger properties tend to sell for less per SF than smaller properties, and properties that may not be in as good of condition would generally demand a lower price per sf. Adjustments for all of these factors have been made and these are detailed in the grid below:

145 Marginal Way, Portland
Planet Fitness

Factors	Subject	Comp 1	Comp 2	Comp 3	Comp 4
Property					
Location	145 Marginal Way Portland	701 Forest Avenue Portland	222 Gannett Drive South Portland	936 Brighton Ave Portland	2385 Congress Street Portland
Sale Price	$4,517,500	$1,590,000	$1,350,000	$2,236,000	$2,850,000
Building Size (± SF)	21,548	12,658	10,080	11,180	16,637
Sale Price/□	$210	$126	$134	$200	$171
Site Size (± acres)	1.15	1.55	2.09	1.30	1.95
Sale Date	Apr-21	Jan-21	Apr-21	Offering	Aug-18
Sale		Fee Simple	Fee Simple	Asking Price	Fee Simple
		0%	0%	-15%	0%
Adjusted Sale Price		$1,590,000	$1,350,000	$1,900,600	$2,850,000
Adjusted Sale Price/□		$126	$134	$170	$171
Location		Similar 0%	Inferior 15%	Similar 0%	Similar 0%
Building Size		Smaller -5%	Smaller -10%	Smaller -5%	Similar 0%
Funtional Utility		Superior -15%	Superior -15%	Superior -15%	Superior -15%
Building Quality / Condition		Inferior 15%	Inferior 10%	Similar 0%	Inferior 15%
Site Size / LB Ratio		Similar 0%	Similar 0%	Similar 0%	Similar 0%
Net Adjustment		-5%	0%	-20%	0%
Adjusted Sale Price		$1,510,500	$1,350,000	$1,520,480	$2,850,000
Adjusted Sale Price/□		$119	$134	$136	$171

The avg/mean adjusted price per SF of the comparable sales is $140, while the median price per SF is $135. Comp 2 is the only gym property. Comps 1 and 3 are general retail which a gym user could utilize. Comp 4 is a general office, but given its size and location, could also accommodate a gym user.

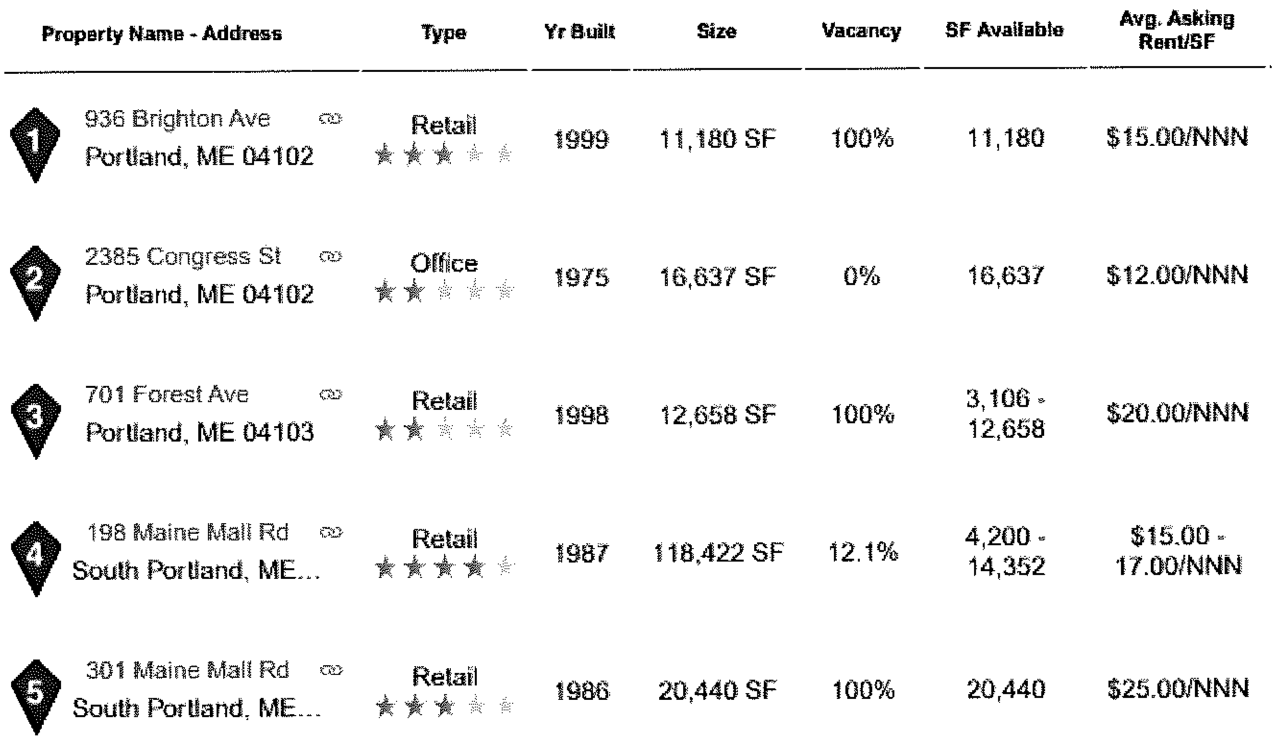
Based on these comparables, we believe a fair market value for the subject would be **$140 per SF**, or **$3,000,000**.

Income Approach

The income approach was analyzed through looking at potential market rents for the property (as-is) and deducting for market vacancy and expenses to arrive at an overall NOI – Net Operating Income.

Like comparable sales, rents, or leases, for the subject are somewhat scarce. We analyzed asking rents in the subject's market area in order to determine what a fair as-is market rent for the subject property. Many properties in the market area are single-story whereas the subject is a two-story property. This contributes to the subject property carrying some level of functional obsolescence and should be factored in when comparing to a similar single-story property.

Rents in the market area are as follows:



	Property Name - Address	Type	Yr Built	Size	Vacancy	SF Available	Avg. Asking Rent/SF
1	936 Brighton Ave Portland, ME 04102	Retail ★★★☆☆	1999	11,180 SF	100%	11,180	$15.00/NNN
2	2385 Congress St Portland, ME 04102	Office ★★☆☆☆	1975	16,637 SF	0%	16,637	$12.00/NNN
3	701 Forest Ave Portland, ME 04103	Retail ★★☆☆☆	1998	12,658 SF	100%	3,106 - 12,658	$20.00/NNN
4	198 Maine Mall Rd South Portland, ME...	Retail ★★★★☆	1987	118,422 SF	12.1%	4,200 - 14,352	$15.00 - 17.00/NNN
5	301 Maine Mall Rd South Portland, ME...	Retail ★★★☆☆	1986	20,440 SF	100%	20,440	$25.00/NNN

The average of these rents shown above is about $17 per SF. In taking into account that all of these spaces are smaller than the subject, and that these are first floor, single story spaces as opposed to the subject which is two-stories, we believe a modest adjustment to account for those factors needs to be made.

Therefore, based on this data, we believe a reasonable estimate of the as-is market rent for the subject as of 4/1/21 would be **$15.00 per SF.**

Vacancy Rates in the Portland area for retail and office space have fluctuated between 5-10%. Boulos Company reports a vacancy rate for office in their 2021 market outlook of 8.7%. Given the subject's size, and functional challenges it poses compared to other properties in the market, we believe **10%** vacancy rate is more than reasonable and could arguably be higher.

Realty Rates reported a Q2 2021 capitalization rate for office properties of 8.34%, and a cap rate for retail properties of 8.69%. We believe, based on the subject's size, location, condition, that a reasonable cap rate for the subject would be **8.5%.**

Income Analysis

	NNN Market Rent	Size			Annual
	$15.00	21,548			$323,220
			Potential Gross Income:		$323,220
			Vacancy & Collection Loss	10%	$32,322
			Effective Gross Income		$290,898
Operating Expenses	Amount (%)				Annual
Misc.	2%				$5,818
Repairs & Maint.	3%				$8,727
Management	3%				$8,727
Reserves	5%				$14,545
			Total Expenses		$37,817
			Expense Ratio:		13%
			Net Operating Income:		$253,081
			Capitalization Rate:		8.50%
			Value:		$2,977,427
			Rounded:		$2,975,000

Based on the income approach to value, we believe the subject's value would be **$2,975,000.**

Summary of Values

Comparable Sales Approach: **$3,000,000**
Income Approach: **$2,975,000**

In reconciling the two approaches analyzed, we conclude that the fair market value of the subject property is **$3,000,000** as of 4/1/21.

We would like to work with you to rectify this situation concerning the assessment. Please feel free to call me at 617-798-2840, extension 2206 or email me at tkratt@dmainc.com if you have any questions or concerns.

Sincerely,

Todd Kratt
Sr. Tax Manager, Property Tax

Shayna N. Jones

Shayna N. Jones
Associate Tax Consultant, Property Tax

1 701 Forest Ave

SOLD

Portland, ME 04103

Sale Date	**Jan 26, 2021**
Sale Price	**$1,590,000**
Price/SF	**$125.61**
Comp ID	**5415212**
Comp Status	**Research Complete**

Cumberland

Type	**2 Star Retail Drug Store**
Year Built	**1998**
GLA	**12,658 SF**
Land Acres	**1.55 AC**
Land SF	**67,518 SF**
Zoning	**B2 Community Business**

2 222 Gannett Dr

SOLD

South Portland, ME 04106

Sale Date	**Apr 28, 2021**
Sale Price	**$1,350,000**
Price/SF	**$133.93**
Comp ID	**5540259**
Comp Status	**Research Complete**

Cumberland

Type	**2 Star Retail Health Club**
Year Built	**1995**
GLA	**10,080 SF**
Land Acres	**2.09 AC**
Land SF	**91,040 SF**
Zoning	**IL**

3 936 Brighton Ave

FOR SALE

Portland, ME 04102

Price	**$2,236,000**
Price/SF	**$200.00**
On Market	**931 Days**
Status	**Active**

Cumberland

Sale Type	**Owner User**
Type	**3 Star Retail Freestanding**
Year Built	**1999**
GLA	**11,180 SF**
Land Acres	**1.30 AC**
Land SF	**56,628 SF**
Zoning	**B1**

4 2385 Congress St

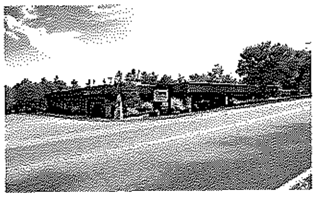
SOLD

Portland, ME 04102

Sale Date	**Aug 7, 2018**
Sale Price	**$2,850,000**
Price/SF	**$171.30**
Comp ID	**4470778**
Comp Status	**Research Complete**

Cumberland

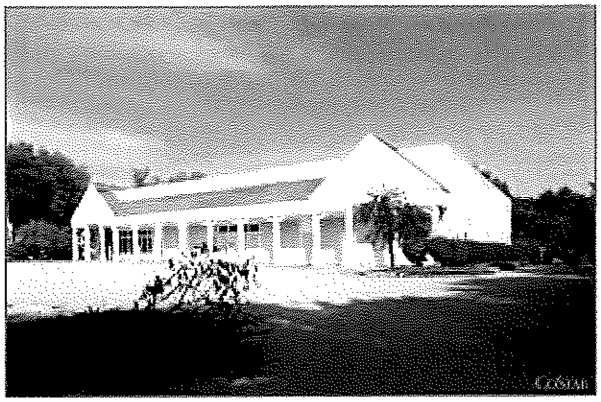
Type	**2 Star Office**
Year Built	**1975**
RBA	**16,637 SF**
Land Acres	**1.95 AC**
Land SF	**84,942 SF**
Zoning	**Im, I-ma, I-mb**

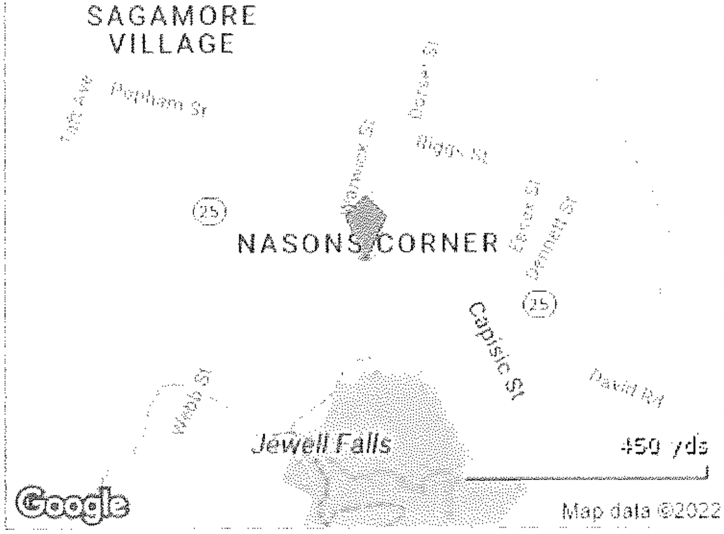


936 Brighton Ave

FOR SALE

Portland, ME 04102
11,180 SF Retail Freestanding Building Built in 1999
Property is for sale at $2,236,000 ($200/SF)





Sale Contacts

Sales Co: **The Boulos Company**

1 Canal Plz
Portland, ME 04101

(207) 772-1333

Sales Contact 1: Christopher Paszyc
(207) 553-1709

Sales Contact 2: Nick Lucas
(207) 772-1333

For Sale Data

Asking Price: **$2,236,000**
Price/SF: **$200.00**
Days on Market: **931**
Sale Status: **Active**
Percent Leased: **0.0% (11,180 SF Avail)**
Tenancy: **Single**

Parcel No: **260/001-002**

Sale Type: **Owner User**
Bldg Status: **Built in 1999**
GLA: **11,180 SF**

Current Retail Information

ID: 6185552

Property Type: **Retail - Freestanding**
Center: **-**
Bldg Status: **Built in 1999**
Owner Type: **REOC**
Zoning: **B1**
Owner Occupied: **No**

GLA: **11,180 SF**
Total Avail: **11,180 SF**
% Leased: **0.0%**
Bldg Vacant: **11,180 SF**
Land Area: **1.30 AC**
Lot Dimensions: **-**
Building FAR: **0.20**

Rent/SF/Yr: **$15.00**
CAM: **-**

No. of Stores: **-**

Street Frontage: **262 feet on Brighton Ave (with 2 curb cuts)**
Expenses: **2008 Combined Tax/Ops @ $0.14/sf**
Features: **Pylon Sign**

936 Brighton Ave

FOR SALE

Property is for sale at $2,236,000 ($200/SF) (con't)

Location Information

Metro Market:	**Portland/South Portland**
Submarket:	**SW Cumberland County/SW Cumberland County**
County:	**Cumberland**
CBSA:	**Portland-South Portland, ME**
CSA:	**Portland-Lewiston-South Portland, ME**
DMA:	**Portland-Auburn, ME-NH**

Property Notes

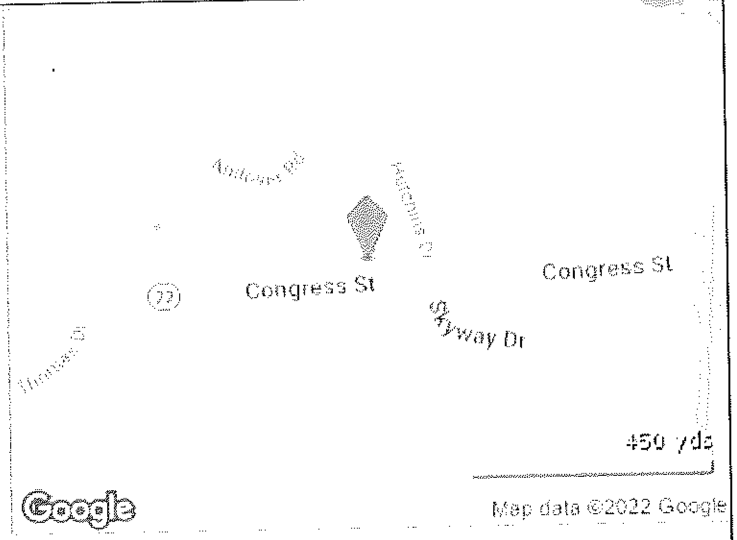
Located in one of Portland's busiest districts, well maintained building with landscaping, former Rite Aid. Highly visible property, easy access.
- 11,180± SF free-standing retail/office building on 1.3± AC
- Convenient Brighton Avenue location near Pine Tree Shopping Center
- Close proximity to ME Tpke Exits 47 and 48
- Large lighted parking area
- Prominent pylon signage available
- Traffic Counts 21,680 daily cars per 2010 ME DOT
- Former Rite-Aid, current lease thru 6/30/19

- Convenient Brighton Avenue location near Pine Tree Shopping Center

2385 Congress St

SOLD

Portland, ME 04102
Sale on 8/7/2018 for $2,850,000 ($171.30/SF) - Research Complete
16,637 SF Class B Industrial Live/Work Unit Building Built in 1975



Buyer & Seller Contact Info

Recorded Buyer: **2385 Congress Street Associates LLC**
True Buyer: **Cross Insurance Agency**
Royce Cross
491 Main St
Bangor, ME 04401
(207) 942-4671
Buyer Type: **Corporate/User**
Buyer Broker: **The Boulos Company**
Charles Day
(207) 553-1722

Recorded Seller: **2385 Associates Llc**
True Seller: **Clark Associates**
Rocky Clark
2385 Congress St
Portland, ME 04102
(207) 774-6257
Seller Type: **Individual**
Listing Broker: **Maine Real Estate Network**
Ken Clark
(207) 894-5722

Transaction Details

ID: 4470778

Sale Date: **08/07/2018 (76 days on market)**
Escrow Length: **21 days**
Sale Price: **$2,850,000-Confirmed**
Asking Price: **$3,100,000**
Price/SF: **$171.30**
Price/AC Land Gross: **$1,461,538.46**

Percent Leased: **0.0%**
Tenancy: **Single**

Sale Type: **Owner User**
Bldg Type: **Industrial Live/Work Unit**
Year Built/Age: **Built in 1975 Age: 43**
RBA: **16,637 SF**
Land Area: **1.95 AC (84,942 SF)**

Percent Improved: **88.9%**
Total Value Assessed: **$1,879,300 in 2017**
Improved Value Assessed **$1,670,000**
Land Value Assessed: **$209,300**
Land Assessed/AC: **$107,333**

Parcel No: **PTLD-000238A-000000-B001001**

2385 Congress St **SOLD**

16,637 SF Class B Industrial Live/Work Unit Building Built in 1975 (con't)

Transaction Notes

On August 7, 2018, the 16,637-square-foot office building at 2385 Congress Street in Portland, Maine was sold for $2.85M, or about $171 per square foot. Built in 1975, the property was the former location of local insurance company Clark Insurance.

The property was on the market for about three months, including a 21-day escrow period.

The seller moved their office location earlier this year and was motivated to divest the property. The buyer is opening a new office location for Cross Insurance Agency.

Details for this comparable were confirmed with the seller, the seller's broker, and the buyer's broker.

Income Expense Data

Expenses	- Taxes	**$42,247**
	- Operating Expenses	
	Total Expenses	**$42,247**

Current Building Information

ID: 5955278

Bldg Type:	**Industrial Live/Work Unit**	Bldg Status:	**Built in 1975**
Class:	**B**	RBA:	**16,637 SF**
Total Avail:	**16,637 SF**	% Leased:	**100.0%**
Bldg Vacant:	**0 SF**	Rent/SF/Yr:	**$12.00**
Tenancy:	**Single**	Elevators:	**0**
Owner Type:	**Corporate/User**	Core Factor:	**-**
Owner Occupied	**No**	Stories:	**1**
Zoning:	**Im, I-ma, I-mb**	Typical Floor Size:	**16,637 SF**
Land Area:	**1.95 AC**	Building FAR:	**0.20**
		Const Type:	**Masonry**

Expenses: **2020 Tax @ $2.63/sf**

Parking: **105 Surface Spaces are available; Ratio of 6.40/1,000 SF**

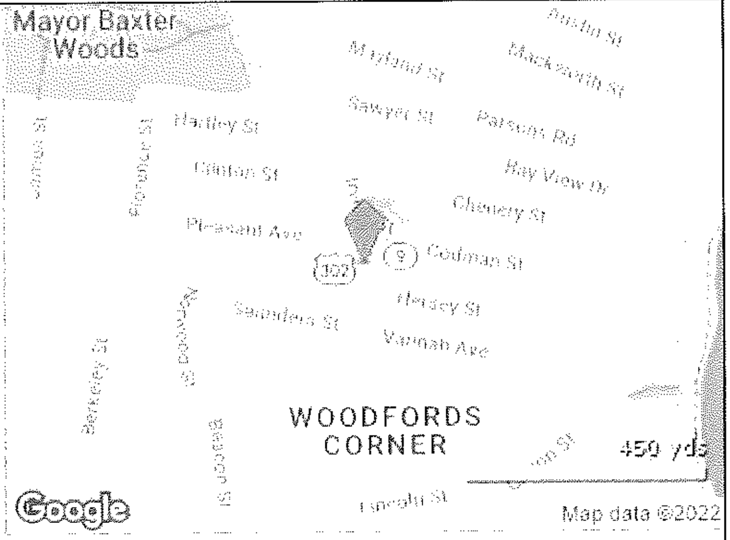
Location Information

Metro Market:	**Portland/South Portland**
Submarket:	**SW Cumberland County/SW Cumberland County**
County:	**Cumberland**
CBSA:	**Portland-South Portland, ME**
CSA:	**Portland-Lewiston-South Portland, ME**
DMA:	**Portland-Auburn, ME-NH**

701 Forest Ave

SOLD

Portland, ME 04103
Sale on 1/26/2021 for $1,590,000 ($125.61/SF) - Research Complete
12,658 SF Retail Drug Store Building Built in 1998



Buyer & Seller Contact Info

Recorded Buyer:	**Cam Cony Llc**	Recorded Seller:	**Wec 98g-16 Llc**
True Buyer:	**Coastal Humane Society Inc** **Mary Sundeen** 30 Range Rd Brunswick, ME 04011 (207) 725-5051	True Seller:	**The Finch Group Inc** **Wesley Finch** 6111 Broken Sound Pky NW Boca Raton, FL 33487 (561) 998-0700
Buyer Type:	**Non Profit**	Seller Type:	**Developer/Owner-RGNL**
Buyer Broker:	**The Boulos Company** **Tony McDonald** (207) 553-1704	Listing Broker:	**The Boulos Company** **Jessica Estes** (207) 553-1708

Transaction Details

ID: 5415212

Sale Date:	**01/26/2021**	Sale Type:	**Investment**
Escrow Length:	**-**	Bldg Type:	**Retail - Drug Store**
Sale Price:	**$1,590,000-Confirmed**	Year Built/Age:	**Built in 1998 Age: 23**
Asking Price:	**-**	GLA:	**12,658 SF**
Price/SF:	**$125.61**	Land Area:	**1.55 AC (67,518 SF)**
Price/AC Land Gross:	**$1,025,806.45**		
Percent Leased:	**-**		
Tenancy:	**Multi**	Percent Improved:	**50.2%**
		Total Value Assessed:	**$2,015,500 in 2020**
		Improved Value Assessed	**$1,011,300**
		Land Value Assessed:	**$1,004,200**
		Land Assessed/AC:	**$647,870**

Financing:	**Down payment of $0.00 (0.0%)**
Parcel No:	**PTLD-000129-B000003-000001**
Document No:	**000000007114**

701 Forest Ave

SOLD

12,658 SF Retail Drug Store Building Built in 1998 (con't)

Transaction Notes

On 1/26/21, 701 Forest Ave. was sold for $1,590,000. No cap rate was yeilded as the property has been vacant for some time. Walgreens were the previous tenant, however did not actually occupy the space. The building is 12,658 sf, and sits on 1.55 acres. This was a straight cash deal.

Wec 98g-16 LLC were the previous owners of the property. It was listed and sold by Jessica Estes of the Boulos Company. Cam Cony LLC purchased it, and were represented by Tony Mcdonald of the Boulos Company as well.

All information in this report has come from public records, but confirmed by the seller and buyer broker directly.

Current Retail Information

ID: 5864581

Property Type: **Retail - Drug Store**
Center: **-**
Bldg Status: **Built in 1998**
Owner Type: **Non Profit**
Zoning: **B2 Community Business**
Owner Occupied: **No**

GLA: **12,658 SF**
Total Avail: **12,658 SF**
% Leased: **0.0%**
Bldg Vacant: **12,658 SF**
Land Area: **1.55 AC**
Lot Dimensions: **-**
Building FAR: **0.19**

Rent/SF/Yr: **$20.00**
CAM: **-**

No. of Stores: **-**

Street Frontage: **253 feet on Forest Ave (with 1 curb cut)**
Expenses: **2019 Tax @ $3.71/sf**
Parking: **49 Surface Spaces are available**
Features: **Drive Thru, Pylon Sign**

Location Information

Metro Market: **Portland/South Portland**
Submarket: **Bayside/Bayside**
County: **Cumberland**
CBSA: **Portland-South Portland, ME**
CSA: **Portland-Lewiston-South Portland, ME**
DMA: **Portland-Auburn, ME-NH**

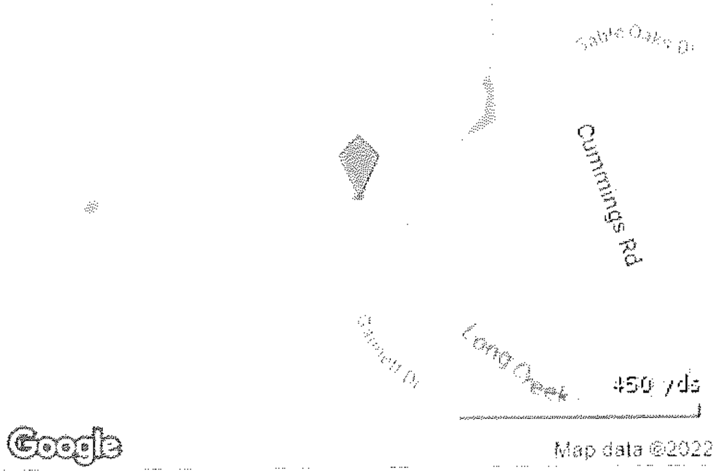
222 Gannett Dr

SOLD

South Portland, ME 04106

Sale on 4/28/2021 for $1,350,000 ($133.93/SF) - Research Complete

10,080 SF Retail Health Club Building Built in 1995



Buyer & Seller Contact Info

Recorded Buyer:	**19 South Street Llc**	Recorded Seller:	**Bowie & Piccin Llc**
True Buyer:	**Fishman Realty Group Inc** **Marc Fishman** 470 Forest Ave Portland, ME 04101 (207) 775-6561	True Seller:	**Cumberland County Gymnastics** **Dina Benson** 222 Gannett Dr South Portland, ME 04106 (207) 761-9493
Buyer Type:	**Other - Private**	Seller Type:	**Individual**
		Listing Broker:	**Malone Commercial Brokers** **Andrew Ingalls** (207) 772-2422

Transaction Details

ID: 5540259

Sale Date:	**04/28/2021 (156 days on market)**	Sale Type:	**Investment**
Escrow Length:	**-**	Bldg Type:	**Retail - Health Club**
Sale Price:	**$1,350,000-Confirmed**	Year Built/Age:	**Built in 1995 Age: 26**
Asking Price:	**$1,595,000**	GLA:	**10,080 SF**
Price/SF:	**$133.93**	Land Area:	**2.09 AC (91,040 SF)**
Price/AC Land Gross:	**$645,933.01**		
Percent Leased:	**-**		
Tenancy:	**Single**	Percent Improved:	**53.1%**
		Total Value Assessed:	**$938,200 in 2019**
		Improved Value Assessed	**$497,800**
		Land Value Assessed:	**$440,400**
		Land Assessed/AC:	**$210,717**

Financing: **Down payment of $405,000.00 (30.0%)**

Parcel No: **SPOR-000085-000000-000012**

Document No: **000000030819**

222 Gannett Dr

SOLD

10,080 SF Retail Health Club Building Built in 1995 (con't)

Transaction Notes

222 Gannett Dr, a 10,080 sf retail property in South Portland, ME sold for $1,350,000 on 4/28/21, roughly $133/sf. However, public records shows a sale price of $1,181,250. A loan of $945k was used in financing this deal. No cap rate was yielded for this sale as the property was vacant. Its prior use was for a gymnastics facility.

Bowie & Piccin LLC previously owned the building. They listed and sold it through Andrew Ingalls of Malone Commercial Brokers. 19 South Street LLC were the purchasers.

The information provided has come from and been confirmed by the listing broker and buyer directly.

ID: 6102331

Current Retail Information

Property Type:	**Retail - Health Club**	GLA:	**10,080 SF**
Center:	-	Total Avail:	**0 SF**
Bldg Status:	**Built in 1995**	% Leased:	**100.0%**
Owner Type:	**Other - Private**	Bldg Vacant:	**0 SF**
Zoning:	**IL**	Land Area:	**2.09 AC**
Owner Occupied:	**No**	Lot Dimensions:	-
		Building FAR:	**0.11**
Rent/SF/Yr:	-	No. of Stores:	-
CAM:	-		
Expenses:	**2020 Tax @ $1.84/sf**		
Parking:	**50 free Surface Spaces are available**		

Location Information

Metro Market:	**Portland/South Portland**
Submarket:	**SW Cumberland County/SW Cumberland County**
County:	**Cumberland**
CBSA:	**Portland-South Portland, ME**
CSA:	**Portland-Lewiston-South Portland, ME**
DMA:	**Portland-Auburn, ME-NH**

Sale Comps Map Overview

Property Map & List Report

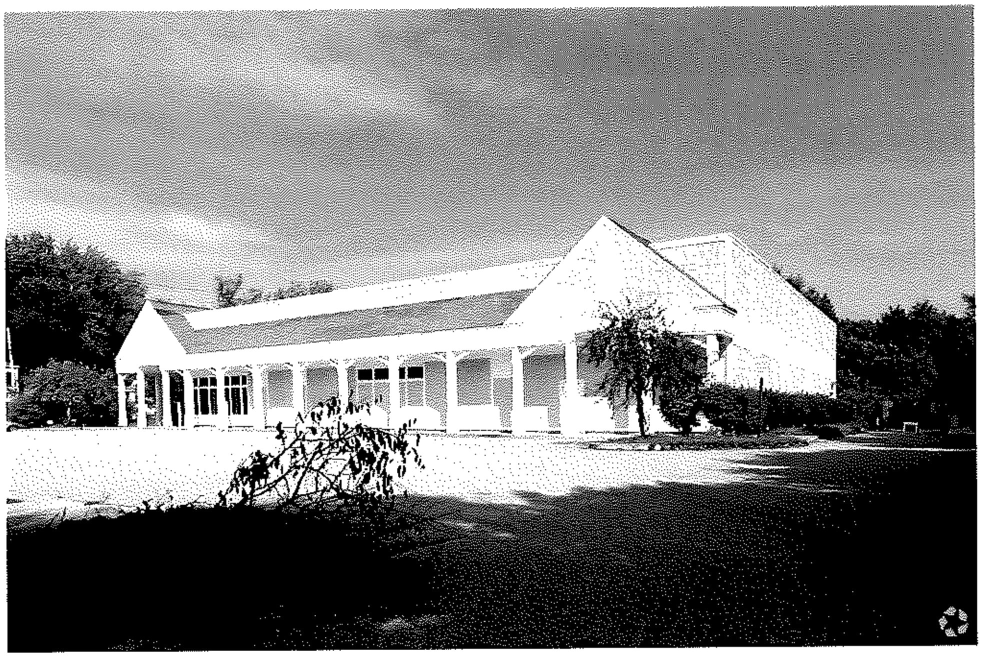
	Property Name - Address	Type	Yr Built	Size	Vacancy	SF Available	Avg. Asking Rent/SF	Sale Price	Cap Rate
1	936 Brighton Ave Portland, ME 04102	Retail ★★★☆☆	1999	11,180 SF	100%	11,180	$15.00/NNN	$2,236,000	-
2	2385 Congress St Portland, ME 04102	Office ★★☆☆☆	1975	16,637 SF	0%	16,637	$12.00/NNN	-	-
3	701 Forest Ave Portland, ME 04103	Retail ★★☆☆☆	1998	12,658 SF	100%	3,106 - 12,658	$20.00/NNN	-	-
4	198 Maine Mall Rd South Portland, ME...	Retail ★★★★☆	1987	118,422 SF	12.1%	4,200 - 14,352	$15.00 - 17.00/NNN	-	-
5	301 Maine Mall Rd South Portland, ME...	Retail ★★★☆☆	1986	20,440 SF	100%	20,440	$25.00/NNN	-	-

Lease Availability Report

936 Brighton Ave

Portland, ME 04102 - SW Cumberland County Submarket

★★★☆☆



BUILDING

Type:	**Retail**
Subtype:	**Freestanding**
Tenancy:	**Single**
Year Built:	**1999**
GLA:	**11,180 SF**
Floors:	**1**
Typical Floor:	**11,180 SF**

AVAILABILITY

Min Divisble:	**11,180 SF**
Max Contig:	**11,180 SF**
Total Available:	**11,180 SF**
Asking Rent:	**$15.00/NNN**

SPACES

Floor	Suite	Use	Type	SF Avail	Flr Contig	Bldg Contig	Rent	Occupancy	Term
P 1st	1	Retail	Direct	11,180	11,180	11,180	$15.00/NNN	Vacant	Negotiable

The Boulos Company - Christopher Paszyc (207) 553-1709, Noah Stebbins (207) 871-1288, Nick Lucas (207) 772-1333

-Convenient Brighton Avenue location near Pine Tree Shopping Center. -Close proximity to ME Tpke Exits 47 and 48. -Large lighted parking area. -Prominent pylon signage available.

LEASING COMPANY

Company:	The Boulos Company
Contacts:	Christopher Paszyc (207) 553-1709, Noah Stebbins (207) 871-1288, Nick Lucas (207) 772-1333

AMENITIES

Pylon Sign

TRAFFIC & FRONTAGE

Traffic Volume:	24,147 on Brighton Ave & Dorset St (2020)
	26,071 on Maine Turnpike & I- 95 (2020)
Frontage:	262' on Brighton Ave (with 2 curb cuts)

Made with TrafficMetrix® Products

TRANSPORTATION

Parking:	Ratio of 0.00/1,000 SF
Airport:	9 minute drive to Portland International Jetport Airport
Walk Score ®:	Somewhat Walkable (56)
Transit Score ®:	Some Transit (28)

936 Brighton Ave

Portland, ME 04102 - SW Cumberland County Submarket

★★★☆☆

BUILDING NOTES

Located in one of Portland's busiest districts, well maintained building with landscaping, former Rite Aid. Highly visible property, easy access. - 11,180± SF free-standing retail/office building on 1.3± AC - Convenient Brighton Avenue location near Pine Tree Shopping Center - Close proximity to ME Tpke Exits 47 and 48 - Large lighted parking area - Prominent pylon signage available - Traffic Counts 21,680 daily cars per 2010 ME DOT - Former Rite-Aid, current lease thru 6/30/19 - Convenient Brighton Avenue location near Pine Tree Shopping Center

Lease Availability Report

2385 Congress St

Portland, ME 04102 - SW Cumberland County Submarket

★★☆☆☆

BUILDING

Type:	**Class B Office**
Tenancy:	**Single**
Year Built:	**1975**
RBA:	**16,637 SF**
Floors:	**1**
Typical Floor:	**16,637 SF**

AVAILABILITY

Min Divisble:	**16,637 SF**
Max Contig:	**16,637 SF**
Total Available:	**16,637 SF**
Asking Rent:	**$12.00/NNN**

EXPENSES PER SF

Taxes:	**$2.63 (2020)**

SPACES

Floor	Use	Type	SF Avail	Flr Contig	Bldg Contig	Rent	Occupancy	Term
P 1st	Office	Direct	16,637	16,637	16,637	$12.00/NNN	30 Days	Negotiable

Porta & Company - Charles Day (207) 838-3335 X1004

Landlord willing to provide turn-key build out.

LEASING COMPANY

Company:	Porta & Company
Contacts:	Charles Day (207) 838-3335 X1004

SALE

Last Sale:	Sold on Aug 7, 2018 for $2,850,000 ($171.30/SF)

TRANSPORTATION

Parking:	105 Surface Spaces are available; Ratio of 6.40/1,000 SF
Airport:	5 minute drive to Portland International Jetport Airport
Walk Score ®:	Car-Dependent (21)
Transit Score ®:	Some Transit (28)

Lease Availability Report

701 Forest Ave

Portland, ME 04103 - Bayside Submarket

★★☆☆☆

BUILDING

Type:	**Retail**
Subtype:	**Drug Store**
Tenancy:	**Multiple**
Year Built:	**1998**
GLA:	**12,658 SF**
Floors:	**1**
Typical Floor:	**12,658 SF**
Docks:	**None**

AVAILABILITY

Min Divisble:	**3,106 SF**
Max Contig:	**12,658 SF**
Total Available:	**12,658 SF**
Asking Rent:	**$20.00/NNN**

SPACES

Floor	Suite	Use	Type	SF Avail	Flr Contig	Bldg Contig	Rent	Occupancy	Term
P 1st	1	Retail	Direct	3,106	12,658	12,658	$20.00/NNN	Vacant	Negotiable
The Boulos Company - John Finegan, Sasha Bogdanovics (207) 772-1333									
P 1st	2	Retail	Direct	3,147	12,658	12,658	$20.00/NNN	Vacant	Negotiable
The Boulos Company - John Finegan, Sasha Bogdanovics (207) 772-1333									
P 1st	3	Retail	Direct	3,147	12,658	12,658	$20.00/NNN	Vacant	Negotiable
The Boulos Company - John Finegan, Sasha Bogdanovics (207) 772-1333									
P 1st	4	Retail	Direct	3,258	12,658	12,658	$20.00/NNN	Vacant	Negotiable
The Boulos Company - John Finegan, Sasha Bogdanovics (207) 772-1333									

LEASING COMPANY

Company:	The Boulos Company
Contacts:	Jessica Estes (207) 553-1708, John Finegan, Sasha Bogdanovics (207) 772-1333

SALE

Last Sale: Sold on Jan 26, 2021 for $1,590,000 ($125.61/SF)

AMENITIES

Drive Thru, Pylon Sign

TRAFFIC & FRONTAGE

Traffic Volume:	6,950 on Ocean Ave & Codman St (2020)
	24,991 on Forest Ave & Deering Ave (2020)
Frontage:	253' on Forest Ave (with 1 curb cut)

Made with TrafficMetrix® Products

701 Forest Ave
Portland, ME 04103 - Bayside Submarket

★★☆☆☆

TRANSPORTATION

Parking:	49 Surface Spaces are available; Ratio of 3.87/1,000 SF
Airport:	9 minute drive to Portland International Jetport Airport
Walk Score ®:	Very Walkable (88)
Transit Score ®:	Some Transit (36)

198 Maine Mall Rd - Mallside Plaza

South Portland, ME 04106 - SW Cumberland County Submarket

★★★★☆

BUILDING

Type:	**Retail**
Subtype:	**Storefront**
Center Type:	**Neighborhood Ce...**
Tenancy:	**Multiple**
Year Built:	**1987; Renov 2005**
GLA:	**118,422 SF**
Floors:	**1**
Typical Floor:	**118,422 SF**

AVAILABILITY

Min Divisble:	**4,200 SF**
Max Contig:	**10,152 SF**
Total Available:	**14,352 SF**
Asking Rent:	**$15.00/NNN**

EXPENSES PER SF

Taxes:	**$2.33 (2021)**

SPACES

Floor	Use	Type	SF Avail	Flr Contig	Bldg Contig	Rent	Occupancy	Term
P 1st	Retail	Direct	10,152	10,152	10,152	$15.00/NNN	Vacant	Negotiable

Malone Commercial Brokers - Mark Malone (207) 772-2422
10,152± SF in-line restaurant

LEASING COMPANY

Company:	Malone Commercial Brokers
Contacts:	Mark Malone (207) 772-2422

SALE

Last Sale:	Portfolio of 2 Retail Properties in South Portland, ME Sold on Dec 21, 2021 for $20,000,000 ($164.46/SF)

AMENITIES

Mezzanine, Pylon Sign, Signalized Intersection

KEY TENANTS

● DSW Designer Shoe Warehouse	25,514 SF	Dollar Tree	15,450 SF
Five Below	9,035 SF	Guitar Center	8,348 SF
Theory Wellness	5,000 SF	Planet Fitness	4,500 SF

● Anchor

198 Maine Mall Rd - Mallside Plaza

★★★★☆

South Portland, ME 04106 - SW Cumberland County Submarket

TRAFFIC & FRONTAGE

Traffic Volume:	16,923 on Maine Mall Rd & Gorham Rd (2020)
	18,187 on Gorham Rd & Foden Rd (2018)
Frontage:	684' on Maine Mall Rd Rd

Made with TrafficMetrix® Products

TRANSPORTATION

Parking:	467 Surface Spaces are available; Ratio of 3.94/1,000 SF
Airport:	6 minute drive to Portland International Jetport Airport
Walk Score ®:	Car-Dependent (39)
Transit Score ®:	Some Transit (34)

BUILDING NOTES

4,665 SF in-line space available now located between DSW and Sleepy's in the Mallside Plaza. Mallside Plaza is a 98,000+ retail property on 12+ acres with parking for 400+ vehicles. Plaza tenants include: Five Guys, Dress Barn, Dollar Tree, Five Below, Coco Cheveux, Sleepy's, Super Great Wall Buffet and DSW. 198 Maine Mall Road, South Portland. Just north of the Maine Mall.

Lease Availability Report

★★★☆☆

301 Maine Mall Rd

South Portland, ME 04106 - SW Cumberland County Submarket

BUILDING

Type:	**Retail**
Subtype:	**Freestanding**
Tenancy:	**Single**
Year Built:	**1986**
GLA:	**20,440 SF**
Floors:	**1**
Typical Floor:	**20,440 SF**
Docks:	**None**

AVAILABILITY

Min Divisble:	**20,440 SF**
Max Contig:	**20,440 SF**
Total Available:	**20,440 SF**
Asking Rent:	**$25.00/NNN**

EXPENSES PER SF

Taxes:	**$3.12 (2020)**

SPACES

Floor	Use	Type	SF Avail	Flr Contig	Bldg Contig	Rent	Occupancy	Term
P 1st	Retail	Direct	20,440	20,440	20,440	$25.00/NNN	Vacant	Negotiable

Charles River Realty Group - Justin Ferris (617) 327-8100 X2

20,000 SF. Recently converted from EMS to Bobs before bankruptcy forced nearly all stores to close. Big Box retail space can be subdivided

LEASING COMPANY

Company:	Charles River Realty Group
Contacts:	Justin Ferris (617) 327-8100 X2

AMENITIES

Freeway Visibility, Pylon Sign

KEY TENANTS

Eastern Mountain Sports	20,451 SF

TRAFFIC & FRONTAGE

Traffic Volume:	16,789 on Running Hill Rd & Gorham Rd (2020)
	28,290 on Maine Mall Rd & Maine Turnpike Approach (2020)
Frontage:	127' on Maine Mall Rd (with 1 curb cut)

Made with TrafficMetrix® Products

301 Maine Mall Rd

South Portland, ME 04106 - SW Cumberland County Submarket

★★★☆☆

TRANSPORTATION

Parking:	83 free Surface Spaces are available; Ratio of 4.06/1,000 SF
Airport:	7 minute drive to Portland International Jetport Airport
Walk Score ®:	Car-Dependent (44)
Transit Score ®:	Some Transit (33)

RealtyRates.com INVESTOR SURVEY - 3rd Quarter 2021*

CURRENT & HISTORICAL CAP RATE INDICES

	Method-Weighted* Property Category Indices																								Weighted^ Composite Indices	
	Apts		Golf		Healthcare Senior Housing		Industrial		Lodging		MH/RV Park		Office		Retail		Restaurant		Self Storage		Special Purpose					
Year	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg			Rate	BP Chg
2021	7.65	15	11.12	5	8.10	1	8.40	8	9.44	4	8.67	4	8.34	18	8.69	11	10.94	13	9.00	8	11.11	20			8.85	11
2nd Qtr	7.73	16	11.21	18	8.18	14	8.48	16	9.50	13	8.75	17	8.43	18	8.78	17	11.03	17	9.08	17	11.21	20			8.94	17
1st Qtr	7.57	14	11.03	5	8.03	11	8.32	12	9.37	3	8.58	9	8.25	11	8.60	11	10.86	11	8.91	11	11.01	7			8.77	10
2020	7.50	-43	11.08	-48	8.10	-48	8.32	-40	9.40	-47	8.63	-46	8.16	-38	8.58	-35	10.81	-39	8.91	-49	10.91	-29			8.75	-41
2019	7.92	-50	11.56	-47	8.58	-44	8.72	-47	9.86	-66	9.08	-48	8.54	-50	8.93	-45	11.20	-37	9.40	-46	11.20	-45			9.15	-49
2018	8.42	26	12.02	30	9.01	14	9.19	23	10.53	25	9.56	30	9.04	10	9.38	20	11.57	15	9.86	29	11.64	40			9.64	22
2017	8.16	4	11.73	-2	8.87	-6	8.96	-12	10.28	5	9.26	11	8.94	-22	9.18	-8	11.42	-15	9.57	-9	11.25	4			9.42	-6
2016	8.13	-2	11.75	6	8.92	12	9.08	15	10.22	0	9.15	15	9.16	16	9.27	12	11.57	-10	9.67	14	11.21	10			9.48	9
2015	8.15	-9	11.69	-14	8.80	-9	8.93	-10	10.22	-20	8.99	-18	9.00	-6	9.15	-11	11.66	-13	9.52	-22	11.11	-12			9.40	-12
2014	8.24	-15	11.83	-9	8.89	-1	9.03	-4	10.43	-17	9.17	-5	9.06	-22	9.26	15	11.79	-6	9.75	-20	11.24	14			9.52	-7
2013	8.39	14	11.92	-14	8.90	5	9.07	-2	10.60	3	9.22	14	9.28	-19	9.11	-4	11.86	9	9.95	-24	11.10	1			9.58	-2
2012	8.25	-35	12.07	6	8.85	-36	9.09	-40	10.57	-24	9.08	-39	9.47	3	9.15	-13	11.77	6	10.19	-49	11.09	-4			9.60	-21
2011	8.60	-29	12.00	-22	9.21	-40	9.49	-11	10.81	-24	9.48	-8	9.44	-10	9.28	-26	11.70	-14	10.69	-3	11.12	-17			9.81	-19
2010	8.89	4	12.22	5	9.62	15	9.60	12	11.05	7	9.55	22	9.54	16	9.54	25	11.84	12	10.72	21	11.30	0			10.00	13
2009	8.85	8	12.17	16	9.47	10	9.48	10	10.98	-7	9.33	1	9.38	29	9.29	20	11.72	15	10.50	37	11.30	8			9.87	14
2008	8.77	-4	12.01	29	9.37	-16	9.38	-14	11.05	56	9.32	-5	9.09	-16	9.09	-11	11.57	-28	10.13	20	11.22	-7			9.74	-1
2007	8.81	-45	11.72	-21	9.53	-65	9.52	-25	10.49	-28	9.37	-26	9.25	-47	9.20	-12	11.85	61	9.93	-38	11.29	-24			9.75	-28
2006	9.26	12	11.93	47	10.18	15	9.77	35	10.77	27	9.63	41	9.72	26	9.32	30	11.24	18	10.31	27	11.53	9			10.03	26
2005	9.14	14	11.46	80	10.03	-16	9.42	-30	10.50	-21	9.22	19	9.46	6	9.02	16	11.06	5	10.04	13	11.44	-30			9.77	2
2004	9.00	-19	10.66	28	10.19	-37	9.72	19	10.71	-98	9.03	-48	9.40	-4	8.86	-19	11.01	-15	9.91	-13	11.74	-30			9.75	-19
2003	9.19	-2	10.38	-32	10.56	64	9.53	33	11.69	56	9.51	-11	9.44	1	9.05	-18	11.16	8	10.04	-53	12.04	105			9.94	12
2002	9.21	-40	10.70	18	9.92	-39	9.20	-61	11.13	26	9.62	-60	9.43	-35	9.23	-62	11.08	-3	10.57	-12	10.99	-177			9.82	-41
2001	9.61	64	10.52	133	10.31	90	9.81	16	10.87	98	10.22	-68	9.78	-35	9.85	-53	11.11	47	10.69	13	12.76	32			10.23	21
2000	8.97		9.19		9.41		9.65		9.89		10.90		10.13		10.38		10.64		10.56		12.44				10.01	

* Weighted by methodology: Band-of-Investment, DCR Technique, Sales Survey

^ Further weighted by property category

*2nd Quarter 2021 Data

Strategy & Finance (https://www.ihrsa.org/improve-your-club/topic/strategy-finance/) • CBI (/improve-your-club/tag/cbi) • Research (/improve-your-club/tag/research)

Fitness Industry Still Feels COVID's Negative Impact

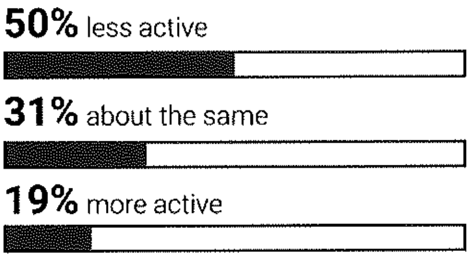
It is through the support of the health and fitness industry community and research that relief efforts continue.

Melissa Rodriguez (https://www.ihrsa.org/author/melissa-rodriguez/)
June 03, 2021

With the second quarter drawing to a close, many of us would like to forget 2020 altogether. Fitness consumers are returning to their health clubs and accessing club content digitally. Early reports from some clubs indicate 2021 is off to a promising start.

However, not all fitness business owners and operators feel or have fared the same. Some are still struggling, and some have gone out of business. It bears to remember how we got here, hoping 2021 looks better than 2020 and understanding that it may take several years for the industry to recover from the impact of COVID-19.

ACTIVITY LEVELS PRIOR TO VS. DURING PANDEMIC-RELATED SHUTDOWNS



1 OUT OF 10 PEOPLE

who haven't kept up their routine, admit they've stopped exercising altogether

The Fitness Club Industry's Decline

The first group of states mandating club closures started in mid-March, 2020. By early April, 48 states would shut down gyms, health clubs, and studios. In the spring, virtually all clubs were closed in the U.S. During this time, 300 million Americans were without access to a fitness center.

By the end of 2020:

- 17% of clubs permanently closed
- Industry revenue fell by 58% relative to 2019 sales
- 44% of the fitness industry workforce lost jobs

Executives, small business owner-operators, personal trainers, fitness instructors, administrative staff, and seasonal employees were all affected.

Without access to health and fitness clubs, some people managed to exercise outdoors and at home. But it wasn't the same. Fitness consumers found it difficult to stay motivated without their gym, according to *The COVID Era Fitness Consumer*. A separate Emicity study found that California's closures disproportionately impacted the physical activity levels of those in the lowest income brackets. Not everyone can purchase fitness equipment, a bike for the trails, or running gear for all-weather conditions.

There is no substitute for health and fitness clubs. Gyms and studios provide the environment, equipment, and accountability essential for healthy behavioral change—many at an affordable cost.

Restrictions Continue[d] to Curtail Fitness Businesses in 2021

By some accounts, 2021 started strong—member traffic was up in January 2021 from December 2020, but still down relative to January 2020. Data from payment processing companies shows that member joins are down Q1 2021 vs. Q1 2020 by 30-40%. Visits and bookings are also down Q1 2021 vs. Q1 2020.

The closure rate for studios is higher at 19% while the failure rate for clubs totals 14% as of writing. Closures, restrictions, and expenses incurred to comply with guidelines and improvements in ventilation continue to cripple health and fitness centers. Lean staffing levels mean many industry employees who lost their jobs may be gone for good. With persisting restrictions in 2021 and a slow vaccine rollout, fitness businesses still need relief.

Relief Efforts Remain Crucial for the Fitness Industry

Advocacy efforts for relief continue. PPP was not adequate to address the financial plight of operators. As a fixed-cost business, any minor change affecting revenue can dramatically impact a fitness club's bottom line. Ongoing shutdowns and restrictions brought gyms and studios to the brink. Those who survived continue to struggle with the aftermath.

To date, the GYMS Act (Gyms Mitigation and Survival Act) (http://thegymsact.com) has received **130** sponsors. The GYMS Act will address many of the financial challenges club operators faced due to the pandemic. The $30 billion fund—specific for fitness facilities—would be the first legislation passed to directly assist the health and fitness industry.

IHRSA will continue to seek relief efforts to fulfill the association's mission of growing, promoting, and protecting the industry. The growing importance of physical activity has cultivated a renewed focus on advocacy for stimulus legislation like the Personal Health Investment Today (PHIT) Act (https://www.ihrsa.org/federal/personal-health-investment-today-phit-act/).

> *"Fitness consumers found it difficult to stay motivated without their gym ..."*

Fitness is More Important Now Than Ever

During club closures, 20% of health club members stopped exercising entirely, according to a longitudinal study by ClubIntel. The Physical Activity Council Overview Report shows that inactivity increased last year among Americans between the ages of 18-34. With many team sports on hiatus in 2020, research from the University of Wisconsin and Aspen Institute shows high school athletes reported symptoms of anxiety and depression.

The benefits of regular exercise on well-being, preventative health, and mental wellness are all well-documented. The PHIT Act would allow Americans to use pre-tax dollars—flexible spending accounts (FSAs) and health savings accounts (HSAs)—to pay for health club memberships, fitness equipment, exercise videos, and youth sports leagues.

The COVID-19 pandemic has shed light on the imperative of regular exercise and healthy habits for everyone. *The COVID Era Fitness Consumer (https://www.ihrsa.org/publications/the-covid-era-fitness-consumer/)* shows that those at elevated risk of COVID-19 due to preexisting conditions are doubling down on health club commitments as 60% aim to be more physically active.

Drawing on support and research, IHRSA will continue to seek relief for fitness businesses and support for legislation that champions physical activity.

Related Articles & Publications

IHRSA's Take 5: Reinventing and Rebuilding the Fitness Industry [VIDEO] (https://www.ihrsa.org/improve-your-club/ihrsas-take-5-reinventing-and-rebuilding-the-fitness-industry-video/)

IHRSA interim President & CEO Brent Darden shares details on IHRSA's new collaboration with the WHO, announces GHFA's new membership, and discusses the IHRSA Advocate's new look and direction in this week's Take 5.

Physical Inactivity a Top Predictor of Severe COVID-19 Outcomes (https://www.ihrsa.org/improve-your-club/physical-inactivity-a-top-predictor-of-severe-covid-19-outcomes/)

We review three studies that show a link between physical inactivity and odds of more severe COVID-19 outcomes, the potential benefits of resistance training for people with rheumatoid arthritis, and Pilates' efficacy as a fall risk prevention strategy.

Revelations & Reflections on the Industry's Road to Revival (https://www.ihrsa.org/improve-your-club/revelations-reflections-on-the-industrys-road-to-revival/)

There are "some emerging global themes that have risen to prominence and should be given significant attention by our industry," writes interim President and CEO Brent Darden.

Melissa Rodriguez (https://www.ihrsa.org/author/melissa-rodriguez/)

As IHRSA's Director of Research and Insights, Melissa Rodriguez oversees research initiatives for the health club consumer, club operations, and international markets. The best part of her job is helping members better understand how IHRSA research can help them improve and expand their business. When she's not analyzing data and statistics, Melissa enjoys spending time with family, watching superhero series, poring over NBA and NFL box scores, and reading a good book.

(/)

(https://www.facebook.com/IHRSA/)

(https://www.instagram.com/ihrsa)

(https://twitter.com/IHRSA)

Articles (/news) / Research center (/news/research-center) / COVID's Impact on the Fitness Industry [35+ Stats and Facts]

COVID's Impact on the Fitness Industry [35+ Stats and Facts]

Posted on 06 August, 2021 by Nicholas Rizzo

The global pandemic is the biggest disruption the fitness industry has ever faced. To develop a greater understanding of just how the industry is being impacted and shifting, we spent hours researching, analyzing, and compiling the newest research, stats, facts, and data.

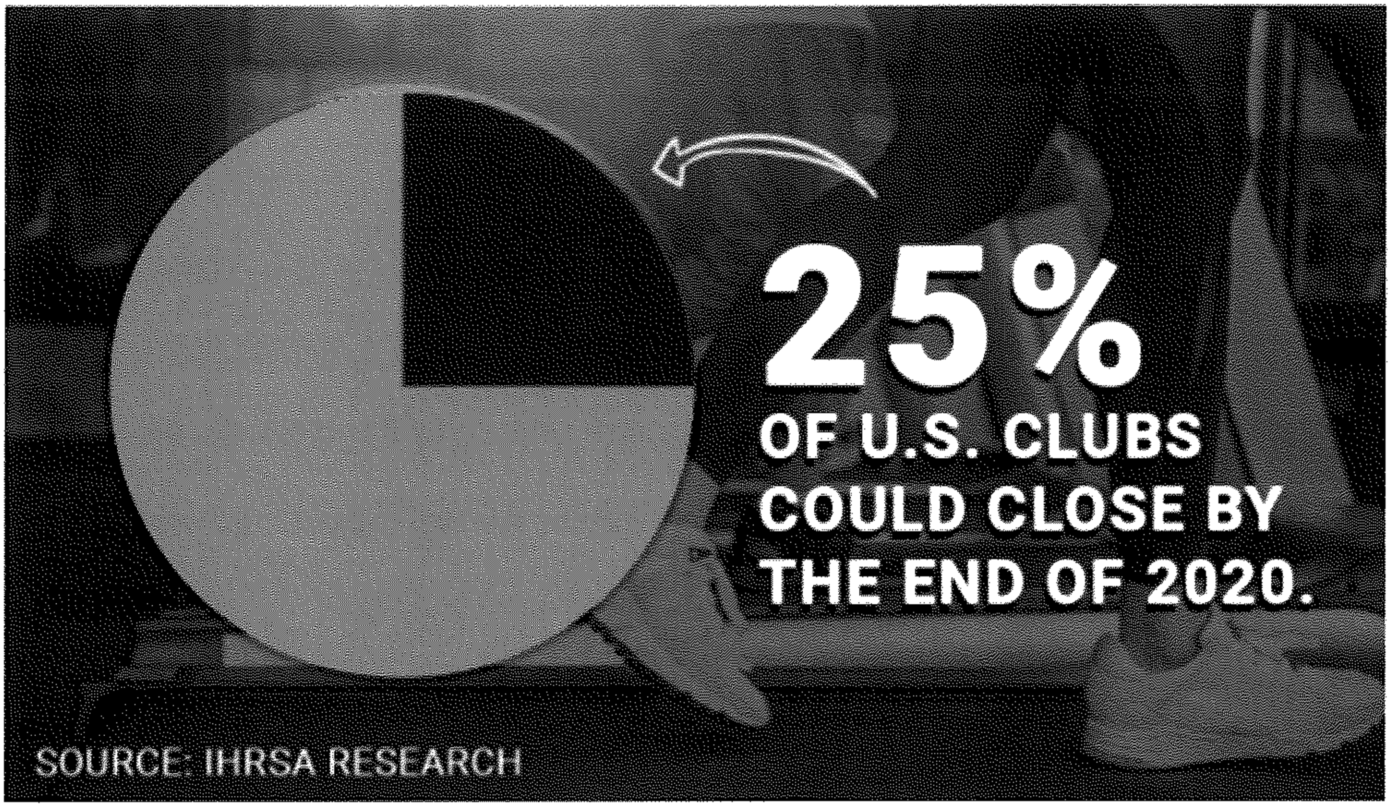
Specifically, the research compiled addresses:

1. Gym closures and bankruptcy during the pandemic (#gym-closures-and-bankruptcy-during-the-pandemic)
2. Job loss in the fitness industry during the pandemic (#Job-loss-in-the-fitness-industry-during-the-pandemic)
3. Impact of COVID-19 on gym memberships (#impact-of-covid-on-gym-memberships)
4. Member attitudes toward returning to gyms (#gym-member-attitudes-toward-returning-to-gyms)
5. Growth of digital and at-home fitness (#Growth-of-digital-and-at-home-fitness)
6. Investing in at-home equipment (#Investing-in-at-home-equipment-during-covid)
7. COVID-19's impact on exercise behavior (#covid-impact-on-exericse-behavior)

For additional gym statistics, like our research review on the benefits of exercise (https://runrepeat.com/benefits-of-exercise), our newest reports on the top fitness trends in 2021 (https://runrepeat.com/fitness-trends), the 75+ gym membership statistics (https://runrepeat.com/gym-membership-statistics), quarantine weight gain (https://runrepeat.com/quarantine-15-weight-gain-study) study, average gym membership cost in 2021 (https://runrepeat.com/gym-membership-cost), and the 200+ gym industry statistics (https://runrepeat.com/gym-industry-statistics) that we have published.

Gym closures and bankruptcy during the pandemic

- It is estimated that the US gym and health club industry lost $13.9 billion from mid-March to August 31 [IHRSA, October 2020]
- It's predicted that about 25% of gyms in the US will be closing by 2020 [IHRSA, October 2020]



SOURCE: IHRSA RESEARCH

Current projections show that more than 25% of clubs nationwide could close by the end of 2020.

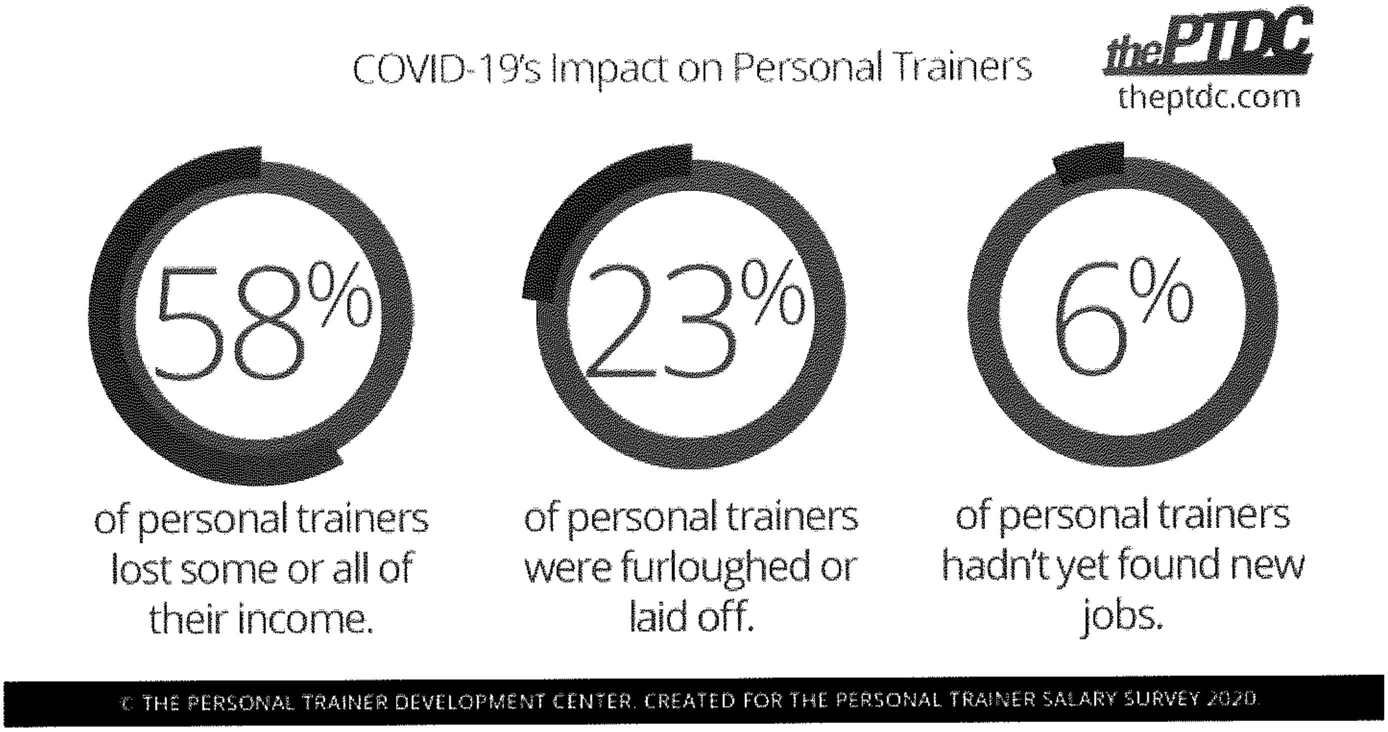
- More than 38,000 gyms and health clubs have been closed down because of the virus as of May 2020 [Harrison Co., May 2020]
- 23.9% of US gym members report that their gym is still closed as of August 2020 [RunRepeat]
- Gyms that filed for bankruptcy include Cyc Fitness, YogaWorks, Flywheel Sports, Town Sports International, 24 Hour Fitness, Gold's Gym, and Modell's Sporting Goods [Business Insider, Oct

2020]

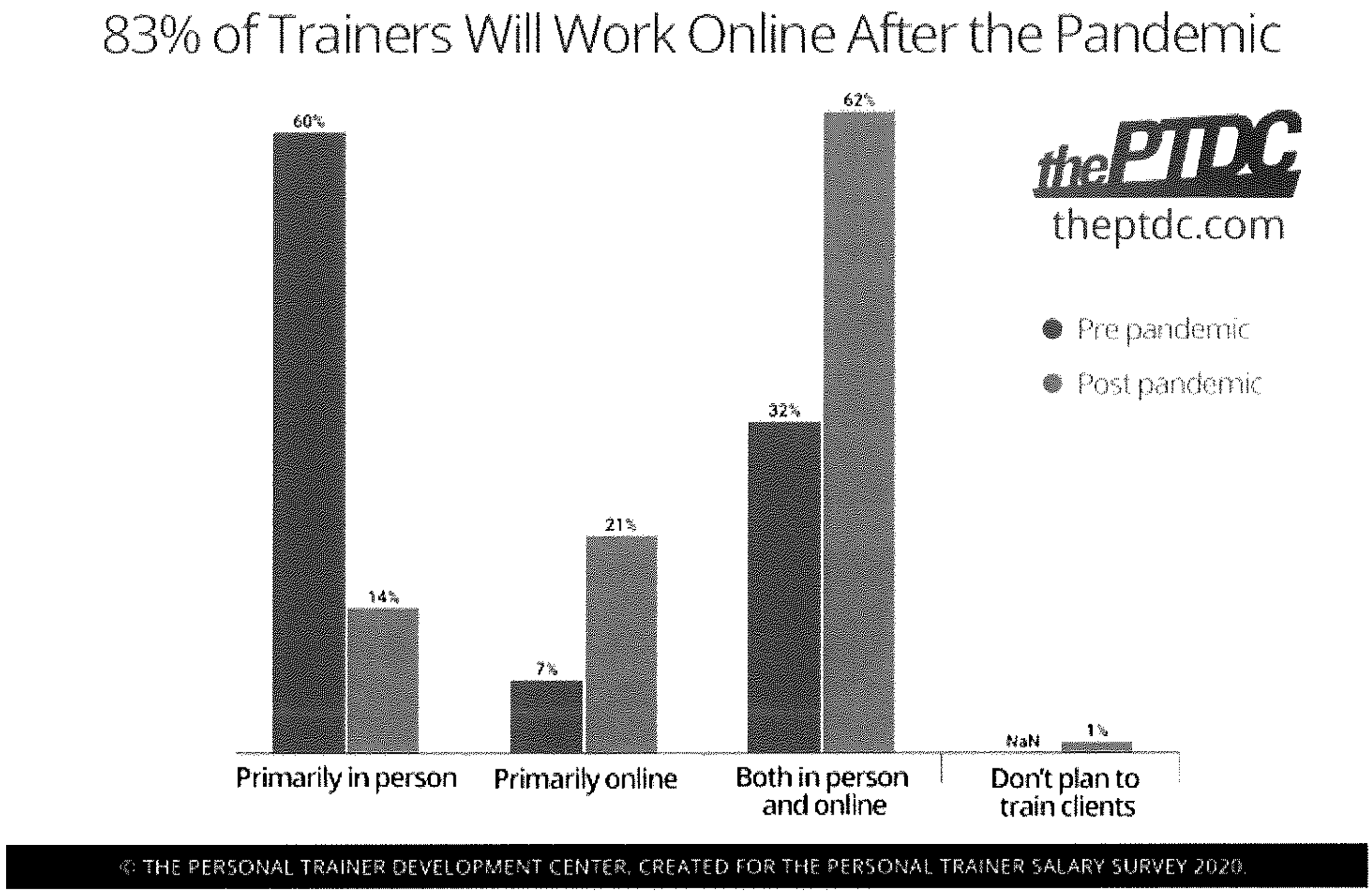
- 50% of Gold's Gym location plan to close permanently (not including franchises) and the rest hope to re-open in August [Eisneramper, 2020]
- ClassPass Inc.'s revenue decreased by 95% in April leading the company to lay off 50% of its workforce [Eisnerramper, 2020]

Job loss in the fitness industry during the pandemic

- Around 500,000 gym industry employees have been laid off due to COVID [Harrison Co., May 2020]
- 58% of trainers lost some or all of their income [The Personal Trainer Development Center, 2020]
- 1% of trainers say that they're going to leave the fitness industry [The Personal Trainer Development Center, 2020]



- 83% of trainers say that they'll work primarily online after the pandemic [The Personal Trainer Development Center, 2020]



83% of Trainers Will Work Online After the Pandemic

© THE PERSONAL TRAINER DEVELOPMENT CENTER, CREATED FOR THE PERSONAL TRAINER SALARY SURVEY 2020.

Impact of COVID-19 on gym memberships

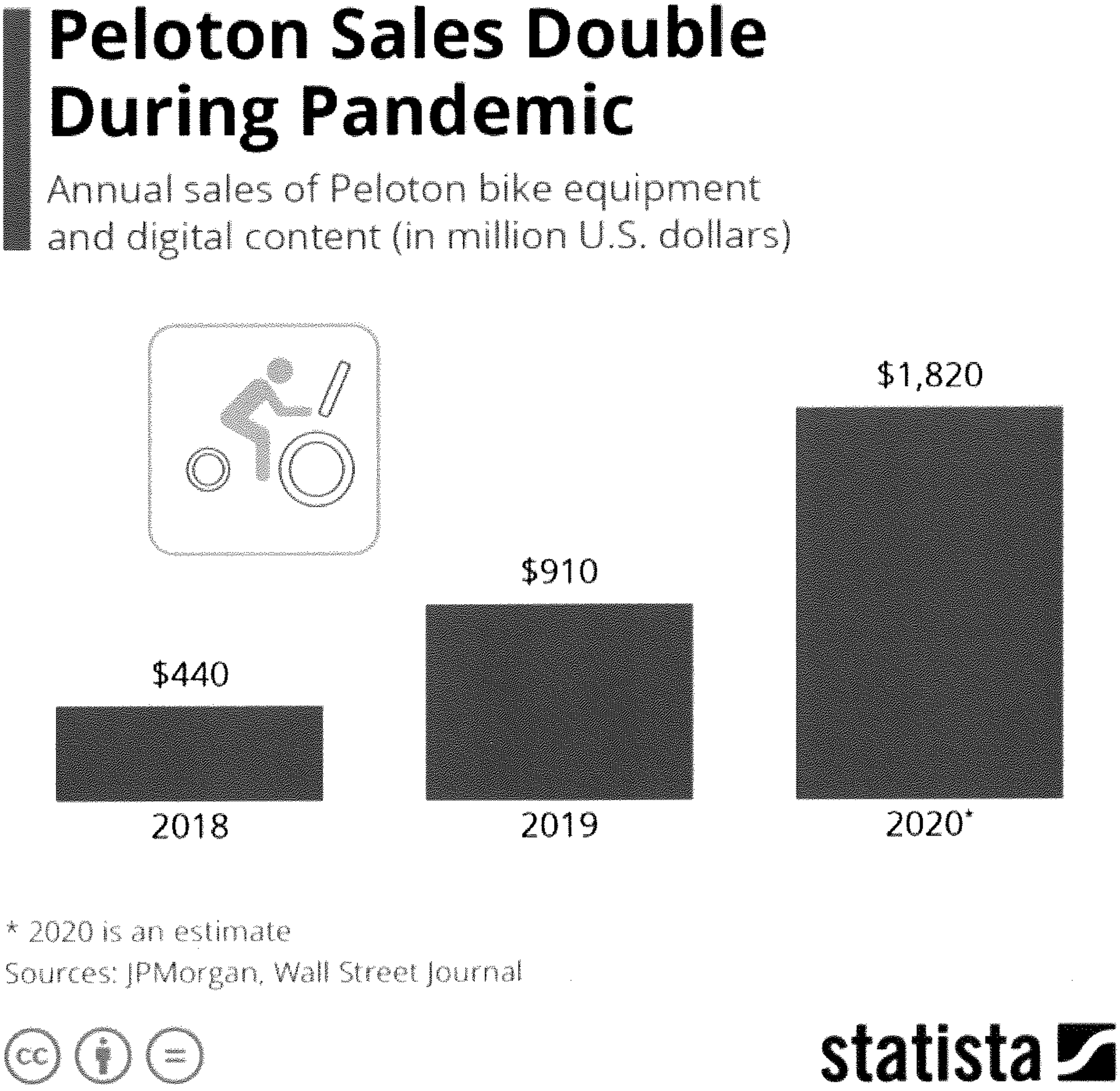
- 60% of Americans plan to cancel their memberships [Freeletics, July 2020]
- 59% of Americans don't plan to renew their gym memberships after COVID [TD Ameritrade, 2020]
- 59.06% of gym members are considering to cancel or have canceled their memberships [Runrepeat, September 2020]

Member attitudes toward returning to gyms

- 25% of Americans don't plan to go back to the gym [Lifeaid, June 2020]
- In a Morning Consult poll, only 20% of Americans are comfortable going to the gym as of July [Morning Consult]
- In April 2020, 68% of Americans stated that they are much less likely to go back to the gym based on what they know about COVID-19 [Statista]
- In April 2020, 18% of Americans stated that they're not anticipating to go back to the gym or exercise classes for the next 6 months at the very least [Statista]

Growth of digital and at-home fitness

- 40% of respondents exercised at home for the first time because of COVID-19 [Harrison Co., May 2020]
- During the quarantine, 74% of Americans used at least one fitness app [Freeletics, July 2020]
- Between Q1 and Q2 of 2020, at the start of the pandemic, home fitness app downloads grew globally by 46% [Visual Capitalist]
- Peloton is estimated to make around $1.8 billion in sales for 2020 [Statista, September 2020]



Peloton Sales Double During Pandemic

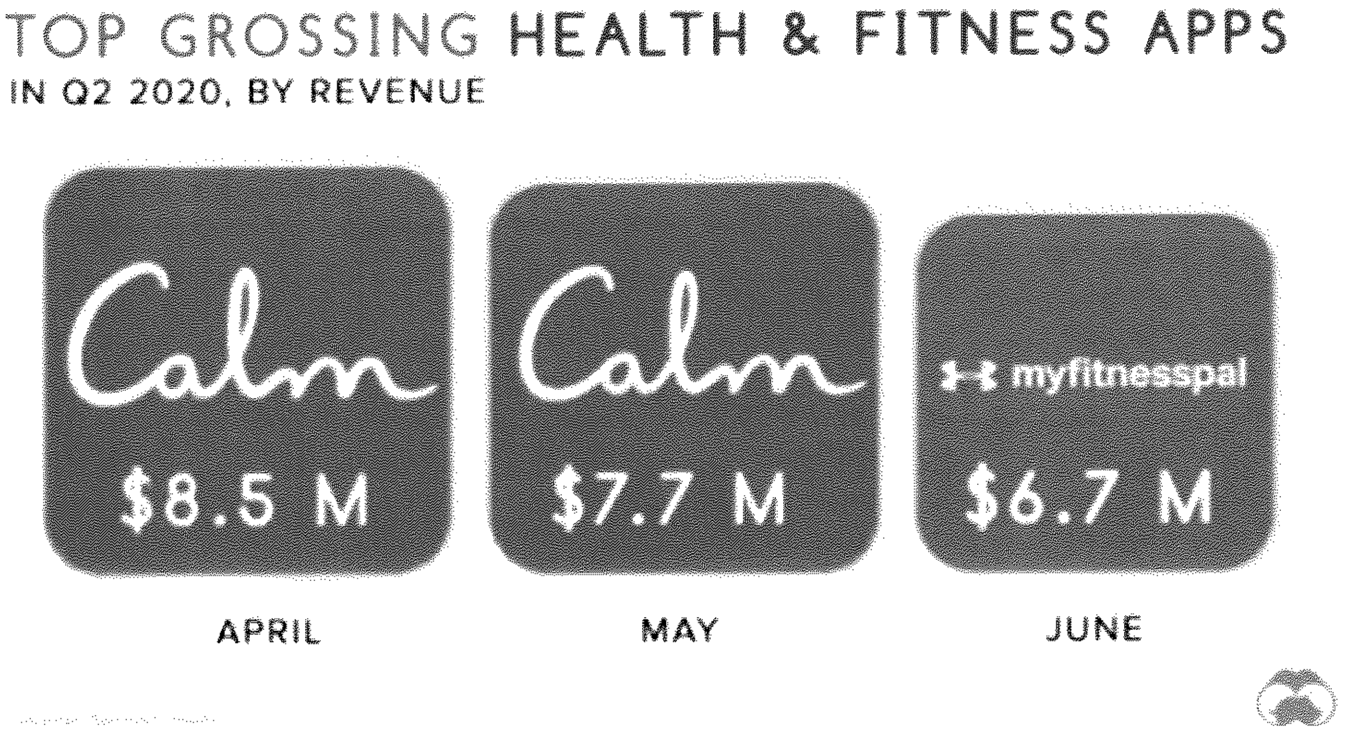
Annual sales of Peloton bike equipment and digital content (in million U.S. dollars)

* 2020 is an estimate

Sources: JPMorgan, Wall Street Journal

- Beachbody, the fitness company, experienced a 200% growth in subscribers since shifting to online classes [Gulfnews, March 2020]Overview

- Tonal, a company that offers a $3000 home workout system, reported to having tripled their sales in the third week of March [Business Insider, March 2020]



Top Grossing Health & Fitness Apps in Q2 2020. Image: Visual Capitalist

- India had the highest increase of fitness app downloads at 156% as well as the largest increase in Daily Active Users with 84% more people using fitness apps each day [World Economic Forum, September 2020]
- Daily Active Users of fitness apps in the US is the largest in the world and manage to grow by 8% in Q2 of 2020 [World Economic Forum, September 2020]

Investing in at-home equipment

- An average of $95.79 has been invested by Americans toward at-home fitness in the last three months [Freeletics, July 2020]
- Yoga mats, resistance bands, and dumbbells are the top fitness equipment that people invest in during the pandemic [Freeletics, July 2020]
- 25% of Americans bought an exercise bike while 21% purchased a treadmill or elliptical [Freeletics, July 2020]
- 60% of gym members enjoyed their home workouts to the point where they plan to cancel their gym memberships [Visual Capitalist]

Overview

COVID-19's impact on exercise behavior

- There's been an 88% average increase in exercise for people who normally exercise 1-2 times per week [RunRepeat]
- In a survey, 37% out of a thousand fitness club users state that they will work out more after COVID. Over 50% said that this is due to their "renewed appreciation for their health and well-being" [Harrison Co.]
- 50% of Americans say that they are less active during the pandemic-related shutdowns [IHRSA, 2020]
- 65% of respondents report that working out at home alone during the lockdown boosted their confidence [Freeletics, July 2020]
- 60% of men said their top reason for working out during the pandemic was for their mental health [Freeletics, July 2020]
- Reducing boredom (52%) was the top reason why women are working out during the pandemic [Freeletics, July 2020]

About RunRepeat

With over 7 million reviews analyzed and the best prices aggregated from 213 retailers, RunRepeat helps you find the best gym shoes (https://runrepeat.com/catalog/gym-shoes) for you. Whether you need low drop shoes (https://runrepeat.com/catalog/gym-shoes?features=low-drop), high drop shoes (https://runrepeat.com/catalog/gym-shoes?features=high-drop), or even gym shoes with rope protection (https://runrepeat.com/catalog/gym-shoes), RunRepeat (https://runrepeat.com) has a filter for it every shoe ranked and reviewed.

Utilize our innovative CoreScore system (https://runrepeat.com/corescore) and insights from our team of experts (https://runrepeat.com/about) to save you time and money.

Author

Overview


(https://runrepeat.com/author/nicholas-rizzo)

Nicholas Rizzo (https://runrepeat.com/author/nicholas-rizzo)

Nick combines 10+ years of experience in the health and fitness industry and a background in the sciences in his role as the Fitness Research Director. During his competitive powerlifting years his PRs have him sitting in the top 2% of bench presses (395 lbs), top 3% of squats (485 lbs) and top 6% of deadlifts (515 lbs) for his weight and age. His work has been featured on Bodybuilding.com, LiveStrong, Healthline, WebMD, WashingtonPost, and many more. Along the way, collaborating with industry leaders like Michael Yessis, Mark Rippetoe, Carlo Buzzichelli, Dave Tate, Ray Williams, and Joel Seedman.

Email (mailto:nick@runrepeat.com)
Twitter (https://twitter.com/TheeNickRizzo)
LinkedIn (https://www.linkedin.com/in/nicholas-rizzo-7289bb54)
All articles and reviews (https://runrepeat.com/author/nicholas-rizzo)

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Overview

https://www.wsj.com/articles/the-gym-is-open-but-everythings-different-11615887001

BUSINESS

Gyms Are Reopening, but Everything's Different

The Covid-19 pandemic upended the business and created new routines; owners and customers navigate mask mandates and digital memberships

By Sharon Terlep | Photographs by Desiree Rios for The Wall Street Journal

Updated March 16, 2021 4:13 pm ET

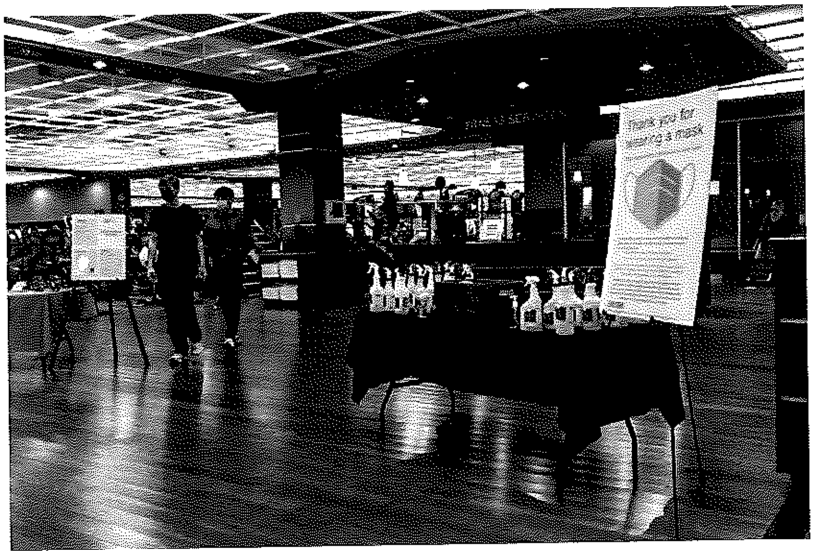
One fitness club franchisee plans to open a dozen new locations, while a national chain is selling digital memberships. A Pilates studio in Houston is requiring masks; a family-run gym in Indianapolis isn't.

America's gyms are reopening to a markedly changed fitness world as coronavirus pandemic restrictions lift. Each business—and its customers—must decide how to navigate new workout habits and conflicting demands around Covid-19 safety protocols.

Some people won't exercise in a face covering; others will only frequent a gym with a mask mandate. Still others purchased pricey fitness machines for their homes and have spent months taking virtual classes.

"Many of our members have developed habits in a significant way, routines they never had before Covid," said Jeff Zwiefel, chief operating officer of Life Time Inc. The fitness center chain, with 150 U.S. locations, now offers a $15 monthly digital membership, where people can work out to streaming classes.

Gyms, from boutique studios to sprawling fitness centers, have been among the industries hardest hit by the public-health crisis, as concerns about people spreading the coronavirus during group exercise led to mandated shutdowns and member exoduses.



A cleaning station for gym members at a Life Time health club in West Harrison, N.Y.

The pandemic's toll has been profound: Nearly half of the 3 million jobs in U.S. health clubs disappeared last year along with more than half of the industry's revenue. Legions of independent gyms and studios have closed, crippled by state-mandated shutdowns. Several corporate chains, including 24 Hour Fitness Worldwide Inc. and Gold's Gym International Inc., filed for bankruptcy protection and reorganized or closed.

Those that survived are catering to a customer base now more accustomed to exercising at home and better equipped to do so. As gyms faltered, business boomed for companies like Peloton Interactive Inc. and Nautilus Inc. that provide streaming classes and workout equipment. Demand has been so high for Peloton exercise bikes and treadmills that customers have waited weeks for deliveries.

"I know there's chatter of, 'We are a stay-at-home stock, and we get back to normal and Peloton dies or whatever,' " John Foley, Peloton co-founder and chief executive, told investors in February. "We obviously are taking the other side of that. Every year in the U.S., there's been 5 million treadmills sold. So it's not like working out at home was a Covid thing. It has always been a thing. It's just the products have been dopey and not connected."

Gym owners and industry experts say the fitness landscape is likely forever changed by the pandemic. When the Covid-19 risk passes, they say, the business of fitness will increasingly become a mashup of bricks-and-mortar and online virtual offerings, much like the coronavirus-hastened evolution of retail, office work and education.

"At-home will become a part of the fitness ecosystem, it's going to have an outsized platform," said BMO analyst Simeon Siegel. "But for the vast majority of people, the fitness industry will still revolve around bricks-and-mortar."

THE JOURNAL.

Who is Getting Left Behind in the Vaccination Push

00:00 1x

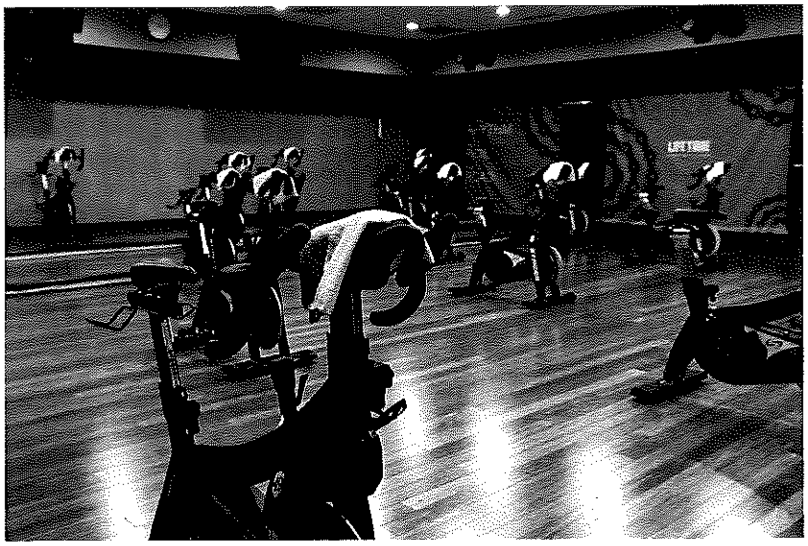
Heading into the pandemic, the U.S. had roughly 40,000 health clubs generating $35 billion in annual revenue, according to the International Health, Racquet & Sportsclub Association. At the end of 2020, the industry has lost $20.4 billion in revenue, while about 6,400 clubs—17% of the total—closed permanently.

A recent survey by consulting firm McKinsey & Co. found that 68% of those who started using an online fitness program during the pandemic said they planned to continue for the long term. The survey of 2,024 adults was conducted Nov. 9-13, 2020.

Geoff Dyer, owner of more than two dozen Crunch Fitness franchises in Georgia and Florida, said Covid-19 won't change Americans' gym habits for the long term. A Crunch membership, starting at $9.95 a month, is cheaper than many online subscriptions.

Mr. Dyer said his membership is almost at the same level it was before the pandemic. He said he is opening another dozen locations in the next year, including four that will replace now-shut 24 Hour Fitness clubs. Crunch offers streaming workouts, but they aren't popular, he said.

"It's hard to replace the excitement of a live class, and there's a huge barrier to entry if you've got to pay $2,500 to get that bike," he said, referring to Peloton, which sells bikes starting at $1,895. Amid Covid-19, he said, "we realized people were desperate to get back to the gym."



Exercise bikes are spaced out to maintain social distancing at a Life Time health club in West Harrison, N.Y.

All but one state—South Dakota—shut down gyms last spring as the pandemic took hold, and others have fully or partially closed gyms for varying durations. By last month, California, the only state remaining with a blanket order keeping gyms closed, started allowing facilities to reopen with various restrictions.

Gyms allowed to open in many cases face restrictions that range from cost-prohibitive for businesses to off-putting for some members, including capacity limits as low at 10%, outdoor-only classes and mask mandates.

Ardizzone & Nalley Gym in Indianapolis shut down for about 10 weeks in the spring and has been open since, and doesn't require members to wear masks. The gym, opened 42 years ago by owner Tony Ardizzone, has a big base of elderly members, including many who say they won't return until they are vaccinated, Mr. Ardizzone said.

"The older people are more fearful and more cautious and vulnerable, and young people are less so," he said. Other customers were so eager to be in the gym even at the height of the pandemic, he said, that he had to confiscate keys they were using to get in despite the gym being closed.

In Texas, as soon as Gov. Greg Abbott announced in early March that the state would allow all businesses to fully reopen and lift its mask mandate, many customers of Houston-based Citizen Pilates called and messaged founder Jess Hughes asking her to keep rules requiring masks in class and maintain 6 feet of space between machines, she said.

Gym owners and industry experts say the fitness landscape is likely forever changed by the pandemic.

Fewer machines in use mean smaller classes and less revenue for a business that, like many others, has contended over the past year with no rent relief and shutdowns.

"Do I want to put three more machines in? Yes, but I know that if I do that our capacity will go away because people won't like it," said Ms. Hughes.

Rhea Shimabukuro, a 31-year-old from San Jose, Calif., was thrilled when her local rock-climbing gym reopened, albeit at 10% capacity and with face masks still mandatory while exercising. For Ms. Shimabukuro, who has avoided restaurants and travel since the start of the pandemic, the restrictions are a plus.

"Going to the gym is the only risk activity I've taken," she said.

—Sarah Krouse contributed to article.

Write to Sharon Terlep at sharon.terlep@wsj.com

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Companies Wrestle With Hybrid Work Plans

Ten Signs Things Are Getting Back to Normal

Gyms Are Reopening, but Everything's Different

When CEOs Really Think We'll Come Back to Work

Appeared in the March 17, 2021, print edition as 'Gyms Navigate New Territory, Uneven Protocol.'

NATIONAL REAL ESTATE Investor®

CORONAVIRUS - COVID-19

RETAIL

Mid-Market Fitness Concepts the Most Likely to Feel the Burn of COVID-19

Once the U.S. economy begins re-opening, expect a "thinning of the herd" among fitness tenants.

Liz Wolf | Apr 15, 2020

The once-booming fitness sector is taking a hit from the COVID-19 pandemic as big-box gyms and boutique fitness studios shutter across the United States.

During normal times, fitness is big business. In 2018, U.S. health club industry revenue totaled $32.3 billion and more than 71.5 million U.S. consumers used health clubs, which hit an all-time high, reported the International Health, Racquet & Sportsclub Association.

The number of fitness centers in the U.S. increased by 24 percent since 2010 to 111,055 locations, according to IBISWorld data, as reported in January by real estate services firm JLL. The figure was expected to jump further, to nearly 121,000 locations by 2024.

Since social distancing has become the new way of life, however, the outlook for fitness centers is likely to change as businesses wait for governments to lift quarantine restrictions.

COVID-19 has forced the temporary closures of big-box gyms and fitness studios in an effort to help slow the spread of the virus, and owners are taking a financial hit. Many have furloughed employees and suspended membership dues.

Fitness center owners also worry that the continued quarantine could alter consumer behavior in the long term as gym members find new ways of getting fit, including on-demand fitness services like Aaptiv, Glo, CorePower on Demand and Peleton , which has seen a big uptick in sales. (However, Peleton announced on April 6 it was suspending production of live fitness classes until April 30 after an employee in its New York production facility tested positive for COVID-19, reported The Verge).

Fitness industry goes virtual practically overnight

To stay afloat, many bricks-and-mortar fitness concepts are streaming workout classes through YouTube, Zoom or Instagram Live. Many classes are currently free in an effort to stay connected to members as brands figure out how to retain existing membership and attract new customers who will pay for their services.

Most chains and independent operators have rolled out some kind of virtual platform, notes James Cook, head of retail research with JLL. Cook spoke with Jenine Wright , owner of Fit Life in Melrose, Mass., who quickly transitioned her fitness classes online following the closures of her two fitness clubs.

“Within 24 hours, they figured out how to roll out online classes through Zoom and another platform,” Cook says. Fit Life is averaging six live-streaming classes per day.

Virtual classes are not the only way for fitness brands to stay connected with their members, according to Cook, but since Fit Life is a small, local business, it’s also counting on community support. Members who can afford to are keeping their memberships open and continuing to pay.

Many fitness studios are operated by small business owners who may not be able to afford to pay rent or employees while closed. Wright estimated her club's memberships have so far dropped by around 20 to 30 percent.

Oversaturation was already a concern

"There were issues with the gym category even before COVID-19," notes Lauren Leach, director of real estate advisory services at Birmingham, Mich.-based consulting and advisory firm Conway MacKenzie.

"If you look at what exists, there are small, value-oriented gyms that charge $10 per month, and on the other end of the spectrum, there are expensive, large gyms for people looking for a luxury experience. Everything else falls in the middle and doesn't have clear distinguishing factors."

Most consumers either want a cheap experience where they don't feel the need to cancel their membership if they aren't dedicated enough to show up regularly or they're willing to spend the money for a "club feel," in Leach's view. As a result, she expects a lot of consolidation in the mid-market category.

Working with landlords

Since many fitness centers are freezing membership payments and have no revenue coming in at the moment, they're reaching out to landlords to try and renegotiate rents or ask for rent abatement , Cook says.

Every landlord is having a conversation with their tenants right now, Cook notes. "Landlords that don't have a lot of debt on their properties are the ones who have more wiggle room," he adds.

Experts forecast a recession coming out of this health crisis, and in recessions, there's typically a change in the consumer mindset, according to Cook. Over the last three weeks, 16.8 million Americans filed for unemployment .

Even consumers who aren't in danger of losing their jobs trend away from discretionary purchases during economic downturns.

"So, one of the winners long term when this is over might be value fitness [concepts]," Cook notes.

Value gym player Planet Fitness may be well-positioned for future growth, for example. A recent Cowen survey found that Planet Fitness is expected to recover quickly following the pandemic, according to Market Watch.

Planet Fitness has a lean business model and will recognize revenue when gyms reopen, Cowen researchers note. Additionally, it will gain market share from financially struggling fitness chains that are at risk.

"We've seen this bifurcation trend in fitness leading into this," Cook says, pointing to growth in two primary sectors.

The biggest growth was in the budget gym category and the other was in high-end concepts, including boutique fitness brands like Orange Theory Fitness, CycleBar and Core Power Yoga, as well as full-service, upscale health clubs like Equinox and Life Time. Life Time was opening locations in malls as part of the "experiential" retail movement as landlords tried to drum up traffic.

That bifurcation trend will likely amplify after the U.S. economy re-opens, Cook notes. Concepts in the "middle" may have to offer short-term discounts to maintain membership numbers, so there will be pressure on membership pricing, he says.

Additionally, brands that will come out ahead will likely be the ones that "go all in" on creating good digital fitness content in addition to their physical locations, as consumers will become more sophisticated about digital offerings.

Some bright spots

The U.S. may see somewhat of a "fitness renaissance" emerging from COVID-19, because people have been so cooped up and are turning to exercise as a release, Cook notes. "A lot of people are doing that right now," he notes. This "pent-up desire for access to fitness is only going to grow, in his view. "I think that's a good silver lining for fitness centers."

However, "there's no way to avoid the fact that this is bad for business," Cook goes on to say. "It's tough to say what the scope is going to be, because it's in the early days, but we're certainly going to see [fitness center] locations that have closed for COVID that are not going to reopen."

In general, if small businesses are lucky enough to tap government relief through the CARES Act or small business loans, many could make it through the crisis.

"It's the middle and large chains that may have already been carrying a debt load that will have the toughest times," Cook notes

There will be a thinning of the herd in the bricks-and-mortar industry, agrees Alan Zell, president of Phoenix-based retail property management/leasing firm ZELL Commercial Real Estate Services. He believes most of the closures will be at the small facility level, but some of the large health clubs will likely fail as well once their members' contracts expire and they will be targeted by competitors.

The biggest impact on landlords is that most, if not all, fitness center tenants and other non-essential retailers are seeking rent relief, which causes cash flow issues, Zell notes.

With fitness centers temporarily closed, there's also a drop-off in customer visits to retail centers that remain open, though with most businesses closed, it's not that much of a problem now.

However, when the retail centers do re-open, the permanent closures of fitness clubs will have a widespread impact since fitness is a big traffic draw for other tenants, Zell says.

Meanwhile, vacancies will offer surviving fitness brands a chance to backfill space at attractive lease terms. The fallout from the pandemic may lead to a lot of vacant spaces built out for fitness, Zell notes. Businesses seeking to lease these types of spaces after the crisis will have leverage in lease negotiations because there will be plenty of space to choose from and fewer tenants competing for it.

Source URL: https://www.nreionline.com/retail/mid-market-fitness-concepts-most-likely-feel-burn-covid-19

CITY OF PORTLAND
Assessor's Office
Christopher A. Huff, CMA

MARCH 16, 2022

GRANITE COAST PROP/PLANET FITNESS
DUCHARME, MCMILLEN ASSOC
205 PORTLAND ST, STE 200
BOSTON, MA 02114

NOTICE OF ACTION ON ABATEMENT/SUPPLEMENT OF REAL ESTATE TAX

LOCATION: **145 MARGINAL WAY**, PORTLAND MAINE; CBL **025-B-021-001**

Dear Sir/Madam:

We have reviewed your submitted Application for Abatement of Property Taxes for the above referenced parcel(s) for **FY2022**. This letter is to notify you that the abatement is denied on the basis of:

Our records indicate the actual NOI for this property is $423,134 with a cap rate of 8.5. This indicates that the current assessment is fair.

You have the right to appeal this decision within 60 days of the date of this notice to:

Board of Assessment Review
389 Congress Street, Room 211
Portland, Maine 04101
Telephone number 207-874-8480.

If you require additional property tax information, please contact the City Assessor's office at telephone number: 207-874-8486.

Sincerely,
Christopher A Huff
Christopher A Huff
Tax Assessor

CAH/BS

CURTIS THAXTER
ATTORNEYS AT LAW

ONE CANAL PLAZA, SUITE 1000, P.O. BOX 7320, PORTLAND, ME 04112-7320
TEL: 207.774.9000 • FAX 207.775.0612 • www.curtisthaxter.com

David P. Silk, Esq.
dsilk@curtisthaxter.com

RECEIVED
JUN 28 2022
By

June 28, 2022

VIA HAND DELIVERY

City of Portland
Board of Assessment Review
c/o Nancy English, Board Secretary
389 Congress Street, Room 115
Portland, Maine 04101

City of Portland
c/o Christopher A. Huff, Assessor
389 Congress Street, Room 115
Portland, Maine 04101

RE: Applicant: Albany Road-Portland LLC
Property: 100 Middle Street A
Chart/Block/Lot Number: 029 E006001

Dear Board of Assessment Review and Assessor Huff:

Enclosed please find a Board of Assessment Review Application For Abatement Of Property Taxes of Albany Road-Portland LLC.

If you have any questions regarding the abatement request, please feel free to call me.

Sincerely,

David P. Silk

DPS/jvw
Enclosures
Copy to: Mark Murphy, Esq. (mmurphy@markmurphylaw.com)

PORTLAND BOARD OF ASSESSMENT REVIEW
APPLICATION FOR ABATEMENT OF PROPERTY TAXES
(36 M.R.S.A. Section 843)

Note: Application must first be made to the Assessor.

1. Name of Applicant: Albany Road-Portland LLC

2. Address of Applicant: c/o Mark Murphy Law Offices, LLC, 30 Walpole Street, Norwood, MA 02062

3. Telephone number: 781 762-0088

4. Name and address of attorney, if any: David P. Silk, Esq., Curtis Thaxter, 1 Canal Plaza, St. 1000, Portland, ME 04101

5. Location of property: 100 Middle Street A

Chart, Block, Lot Number: 029 E006001 Account Number

6. Assessed value of real estate: $24,179,400

7. Assessed value of personal property: $

8. Assessment year for which abatement is requested: 2022 Date of Assessor's decision Deemed denied on 5/7/22

9. Owner's opinion of current value for property in question: See attached

Land	$		Personal Property	$
Building	$			
TOTAL:	$		TOTAL	$

10. Reasons for requesting abatement. Please be specific, stating grounds for belief that property is overvalued for tax purposes, such as value of comparable property. If further space is needed, please attach additional pages to application.

See Attached

11. Estimated time for your presentation at the hearing: 90 minutes / combined

To the Board of Assessment Review, Portland, Maine:

APPLICATION FOR ABATEMENT AND CERTIFICATE OF COMPLIANCE WITH 36 M.R.S.A. § 843(4)

Pursuant to 36 M.R.S.A. § 843(4), the applicant hereby certifies that he or she has paid, by the due date, either the amount of taxes not in dispute for the current tax year or an amount equal to the amount of taxes paid in the previous tax year-whichever is greater. The statements contained in this application are correct to the best of my knowledge and belief.

June 28, 2022

Date

Signature of Applicant

David P. Silk, Bar No. 3136

Attorney for Applicant

This application must be signed.

Separate application forms should be filed for each separately assessed parcel of real estate claimed to be overvalued.

EXHIBIT A

100 Middle Street A (029 E006001)

The subject property is a 0.77 acre parcel improved with a 157,239 sf office building constructed in 1987. The assessment is $24,179,400. Based on income approach to value, the owner estimates the value of the fee simple interest in the property to be $20,900,000. The owner respectfully requests that the assessment be adjusted accordingly. The owner reserves the right to have an independent expert determine the market value of the fee simple interest in the property.

CURTIS THAXTER
ATTORNEYS AT LAW

ONE CANAL PLAZA, SUITE 1000, P.O. BOX 7320, PORTLAND, ME 04112-7320
TEL: 207.774.9000 • FAX 207.775.0612 • www.curtisthaxter.com

David P. Silk, Esq.
dsilk@curtisthaxter.com

RECEIVED
JUN 28 2022
By

June 28, 2022

VIA HAND DELIVERY

City of Portland
Board of Assessment Review
c/o Nancy English, Board Secretary
389 Congress Street, Room 115
Portland, Maine 04101

City of Portland
c/o Christopher A. Huff, Assessor
389 Congress Street, Room 115
Portland, Maine 04101

RE: Applicant: Albany Road-Portland LLC
Property: 100 Middle Street B
Chart/Block/Lot Number: 029 E026001

Dear Board of Assessment Review and Assessor Huff:

Enclosed please find a Board of Assessment Review Application For Abatement Of Property Taxes of Albany Road-Portland LLC.

If you have any questions regarding the abatement request, please feel free to call me.

Sincerely,

David P. Silk

DPS/jvw
Enclosures
Copy to: Mark Murphy, Esq. (mmurphy@markmurphylaw.com)

PORTLAND BOARD OF ASSESSMENT REVIEW
APPLICATION FOR ABATEMENT OF PROPERTY TAXES
(36 M.R.S.A. Section 843)
Note: Application must first be made to the Assessor.

1. Name of Applicant: Albany Road-Portland LLC
2. Address of Applicant: c/o Mark Murphy Law Offices, LLC, 30 Walpole Street, Norwood, MA 02062
3. Telephone number: 781 762-0088
4. Name and address of attorney, if any: David P. Silk, Esq., Curtis Thaxter, 1 Canal Plaza, St. 1000, Portland, ME 04101
5. Location of property: 100 Middle Street B

   Chart, Block, Lot Number: 029 E026001 Account Number__________
6. Assessed value of real estate: $22,842,600
7. Assessed value of personal property: $__________
8. Assessment year for which abatement is requested: 2022 Date of Assessor's decision Deemed denied on 5/7/22
9. Owner's opinion of current value for property in question: See Attached

Land	$		Personal Property	$
Building	$			
TOTAL:	$		TOTAL	$

10. Reasons for requesting abatement. Please be specific, stating grounds for belief that property is overvalued for tax purposes, such as value of comparable property. If further space is needed, please attach additional pages to application.

    See Attached

11. Estimated time for your presentation at the hearing: 60 minutes / combined

To the Board of Assessment Review, Portland, Maine:

APPLICATION FOR ABATEMENT AND CERTIFICATE OF COMPLIANCE WITH 36 M.R.S.A. § 843(4)

Pursuant to 36 M.R.S.A. § 843(4), the applicant hereby certifies that he or she has paid, by the due date, either the amount of taxes not in dispute for the current tax year or an amount equal to the amount of taxes paid in the previous tax year-whichever is greater. The statements contained in this application are correct to the best of my knowledge and belief.

June 28, 2022

Date

Signature of Applicant

David P. Silk, Bar No. 3136

Attorney for Applicant

This application must be <u>signed</u>.

Separate application forms should be filed for each separately assessed parcel of real estate claimed to be overvalued.

EXHIBIT A

100 Middle Street B (029 E026001)

The subject property is a 0.818 acre parcel improved with a 147,863 sf office building constructed in 1987. The assessment is $22,842,600. Based on income approach to value, the owner estimates the value of the fee simple interest in the property to be $20,100,000. The owner respectfully requests that the assessment be adjusted accordingly. The owner reserves the right to have an independent expert determine the market value of the fee simple interest in the property.

CURTIS THAXTER
ATTORNEYS AT LAW

ONE CANAL PLAZA, SUITE 1000, P.O. BOX 7320, PORTLAND, ME 04112-7320
TEL: 207.774.9000 • FAX 207.775.0612 • www.curtisthaxter.com

David P. Silk, Esq.
dsilk@curtisthaxter.com

July 8, 2022

nle@portlandmaine.gov
City of Portland
Board of Assessment Review
c/o Nancy English, Board Secretary
389 Congress Street, Room 115
Portland, Maine 04101

RE: Applicant: Albany Road-Portland LLC
Property: 100 Middle Street A
Chart/Block/Lot Number: 029 E006001

Applicant: Albany Road-Portland LLC
Property: 100 Middle Street B
Chart/Block/Lot Number: 029 E026001

Dear Nancy:

Albany Road-Portland LLC filed its two applications to the Board of Assessment Review on June 28, 2022. Pursuant to 36 M.R.S. § 843(1), and due to my unavailability, the applicant respectfully requests the Board schedule a hearing in these matters after October 11, 2022 and agrees to extend the period of time for the Board to act and issue a written decision until December 1, 2022.

If you have any questions regarding this request, please feel free to call me.

Sincerely,

David P. Silk

DPS/jvw
Enclosures
Copy to: Mark Murphy, Esq. (mmurphy@markmurphylaw.com)

PORTLAND BOARD OF ASSESSMENT REVIEW
APPLICATION FOR ABATEMENT OF PROPERTY TAXES
(36 M.R.S.A. Section 843)
Note: Application must first be made to the Assessor.

1. Name of Applicant: DuCharme, McMillen & Associates - on behalf of Lafayette Portland LLC

2. Address of Applicant: 205 Portland Street, Suite 200, Boston, MA 02114

3. Telephone number: 617-798-2840 x2206

4. Name and address of attorney, if any:

5. Location of property: 88 Spring Street

Chart, Block, Lot Number: 039-E010001 Account Number 12011

6. Assessed value of real estate: $24,662,500

7. Assessed value of personal property:$ 1,500,000

8. Assessment year for which abatement is requested: 2021 (FY22) Date of Assessor's decision May 9, 2022

9. Owner's opinion of current value for property in question:

Land	$		Personal Property	$ 1,500,000
Building	$			
TOTAL:	$ 14,784,600		TOTAL	$ 1,500,000

10. Reasons for requesting abatement. Please be specific, stating grounds for belief that property is overvalued for tax purposes, such as value of comparable property. If further space is needed, please attach additional pages to application.

Property's market value less than assessment. See enclosed analysis. Operation includes abutting property - 40 Spring Street. See separate abatement application.

11. Estimated time for your presentation at the hearing: 30 minutes

To the Board of Assessment Review, Portland, Maine:

APPLICATION FOR ABATEMENT AND CERTIFICATE OF COMPLIANCE WITH 36 M.R.S.A. § 843(4)

Pursuant to 36 M.R.S.A. § 843(4), the applicant hereby certifies that he or she has paid, by the due date, either the amount of taxes not in dispute for the current tax year or an amount equal to the amount of taxes paid in the previous tax year-whichever is greater. The statements contained in this application are correct to the best of my knowledge and belief.

7/8/22
Date

Shayna M. Jones
Signature of Applicant

This application must be signed.

Separate application forms should be filed for each separately assessed parcel of real estate claimed to be overvalued.

PORTLAND BOARD OF ASSESSMENT REVIEW
APPLICATION FOR ABATEMENT OF PROPERTY TAXES
(36 M.R.S.A. Section 843)

Note: Application must first be made to the Assessor.

1. Name of Applicant: DuCharme, McMillen & Associates - on behalf of Lafayette Portland LLC

2. Address of Applicant: 205 Portland Street, Suite 200, Boston, MA 02114

3. Telephone number: 617-798-2840 x2206

4. Name and address of attorney, if any:

5. Location of property: 40 Spring Street Arterial

   Chart, Block, Lot Number: 039-F001001 Account Number 12011

6. Assessed value of real estate: $8,700,000

7. Assessed value of personal property: $0

8. Assessment year for which abatement is requested: 2021 (FY22) Date of Assessor's decision May 9, 2022

9. Owner's opinion of current value for property in question:

Land	$		Personal Property	$
Building	$			
TOTAL:	$ 5,215,400		TOTAL	$

10. Reasons for requesting abatement. Please be specific, stating grounds for belief that property is overvalued for tax purposes, such as value of comparable property. If further space is needed, please attach additional pages to application.

    Property's market value less than assessment. See enclosed analysis. Operation includes abutting property - 88 Spring Street. See separate abatement application.

11. Estimated time for your presentation at the hearing: 30 minutes

To the Board of Assessment Review, Portland, Maine:

APPLICATION FOR ABATEMENT AND CERTIFICATE OF COMPLIANCE WITH 36 M.R.S.A. § 843(4)

Pursuant to 36 M.R.S.A. § 843(4), the applicant hereby certifies that he or she has paid, by the due date, either the amount of taxes not in dispute for the current tax year or an amount equal to the amount of taxes paid in the previous tax year-whichever is greater. The statements contained in this application are correct to the best of my knowledge and belief.

7/8/22
Date

Shayna N. Jones
Signature of Applicant

This application must be signed.

Separate application forms should be filed for each separately assessed parcel of real estate claimed to be overvalued.

Real Estate Assessment Analysis

2021 Real Property Tax Assessment Appeal

Lafayette Portland LLC
88 & 40 Spring Street
Portland, ME

Market Value per City: 88 Spring: $32,201,300 | 40 Spring: $8,700,000

Prepared for:

Assessing Officials
City of Portland
389 Congress Street, Room 115
Portland, ME 04101

Prepared by:

Todd Kratt – Senior Tax Manager
Shayna Jones – Senior Tax Consultant
DuCharme, McMillen & Associates, Inc.
205 Portland Street ,Suite 200
Boston, MA 02114
Tel. 617-798-2840 ext. 2203 Fax (617) 671-0406

AN EXTENSION OF YOUR TAX DEPARTMENT

April 12, 2022

Assessing Officials
City of Portland
389 Congress Street, Room 115
Portland, ME 04101

Re: <u>2021 Assessment (FY22)</u>
Lafayette Portland LLC
Holiday Inn By the Bay
88 Spring Street & 40 Spring Street
Portland, ME

Dear Assessing Officials:

Lafayette Portland LLC has engaged our firm to review the real property tax assessments of their Portland, ME property. The enclosed is a summary of physical information on the facility, market data from the area, as well as other relevant information. The enclosed documentation is prepared according to a consulting assignment, as such, this assignment falls outside the purview of the Uniform Standards of Professional Appraisal Practice. Additionally, some of this information containing the subject property is confidential in nature.

The subject is an eleven-story, 239 room hotel situated on 1.13 acres and was originally constructed in 1973. The hotel is currently operated as the Holiday Inn By the Bay as a full-service property with an attached parking garage structure. The subject is located on Spring Street downtown and is surrounded by a mix of commercial and residential property. Also included in the hotel's operation is a multi-level parking garage that abuts the hotel located at 40 Spring Street. This parking garage sits on 1.17 acres.

The 2021 (FY22) assessment is **$32,201,300**, which at a 100% ratio equates to an assessed market value of $32,201,300, or $134,733 per room. The 2021 (FY22) assessment on 40 Spring St is **$8,700,000. Together, the total assessment on the two properties is $40,901,300.**

<u>Subject Increase</u>

The City performed a revaluation in 2021 and updated all assessed values. Below, is a breakdown of the subject's change in value from 2020-2021:

	2020 Assessment	Ratio	2020 Equalized Assessment	2021	**Increase**
88 Spring St	$17,438,200	77.00%	$22,647,013	$32,201,300	**42.2%**
40 Spring St	$2,648,700	77.00%	$3,439,870	$8,700,000	**152.9%**

Covid-19

The subject property has realized a significant negative impact as a result of the covid-19 pandemic. For example, total operating revenue was **down -70%** in 2020 while occupancy levels in 2020 were at 27%, down -35.7% from the previous year. The full impact of the covid-19 global pandemic on the different real estate segments has not been fully realized yet, but indications are that the hotel market has been one of the most heavily impacted segments. After the pandemic hit the U.S. in March 2020, companies and business were shut down and states were under stay-at-home order during the spring and even summer months of 2020. After the stay-at-home orders were lifted, many companies and their employees remained working from home through the remainder of the year, while events, meetings, corporate travel have all been limited, or non-existent. The pandemic and its infection rate, as well as hospitalizations, are at the highest levels entering into 2021.

As a result of covid-19, many companies will be shrinking their retail and office footprints, as well as moving to a hybrid work model with employees spending time in the office as well as working from home going forward. The following travel stats are from www.ustravel.org:

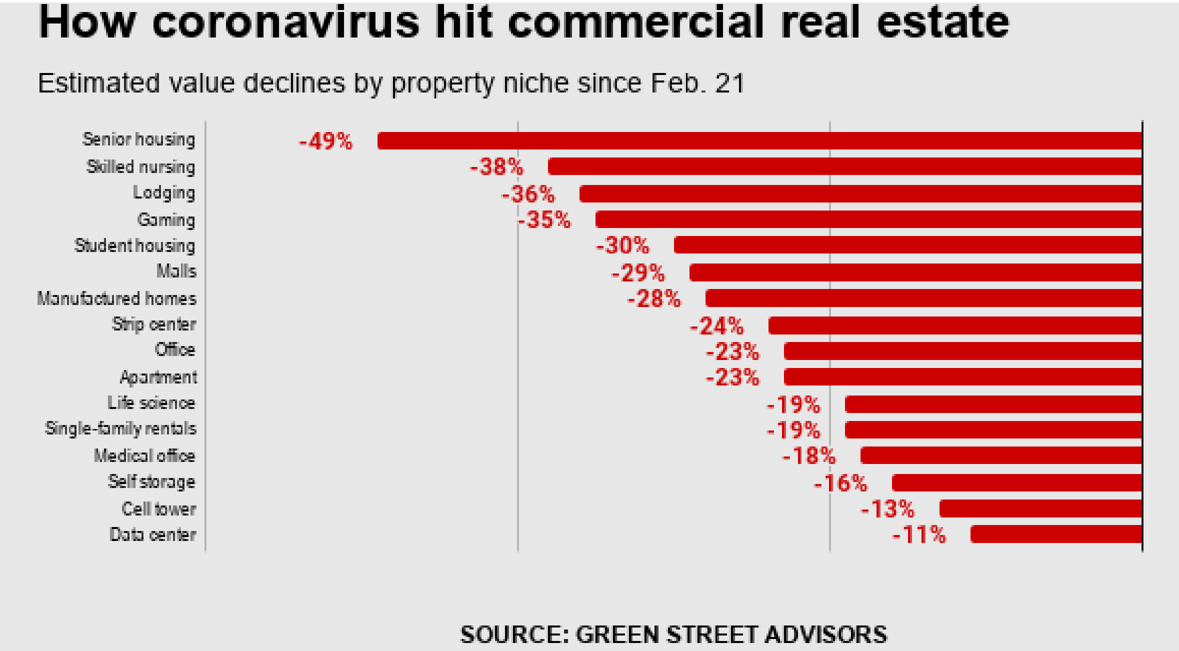
- Global travel spending was down ⬇ 42% in 2020.
- From March to the end of 2020, the pandemic resulted in losses of $492 Billion for the U.S. travel industry.
- According to TSA, the number of travelers through airport checkpoints for 2020 was down ⬇ 64%.
- Hotel occupancy in the U.S. averages at about 44%, down 33% from 2019.

Additionally, according to a survey conducted by the AHLA – American Hotel and Lodging Association in November 2020, of the over 1,200 respondents, 71% said they would not be able to make it another 6 months without federal assistance. 47% indicated in the survey they would be forced to close hotels, and about one third of the hotels would be facing bankruptcy at the end of 2020.

The AHLA issued an analysis of the decline in hotel business travel in August 2021. As you can see from the attachment, "Analysis: Hotel Business Travel Revenue By State," Maine experienced a **–43.9%** decline in hotel business travel revenue from 2019 to 2020. The AHLA also predicts that business and group travel will not return to pre-pandemic levels until 2024.

Full-service hotels have seen the most significant negative impact due to the food and beverage component along with the meeting/event revenue contributing to declining operating revenues. These revenue drivers have been very limited or non-existent due to the pandemic. Limited service hotels, though also negatively impacted, did not see the impact that full-service properties have. In fact, CBRE estimates that full-service properties saw an impact two to three times more than lower tier, economy hotel properties.

According to Green Street Advisors, lodging property values have **declined 36%** since February of 2020. As you can see, this represents one of the more heavily impacted property segments overall.

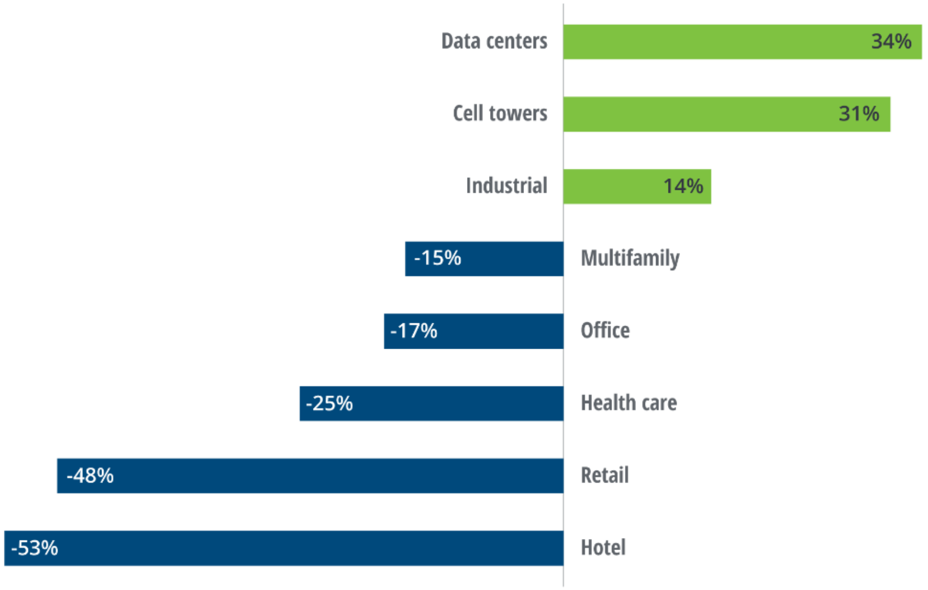


Additionally, the graph below from Deloitte Insights shows property price indices (REIT) as of April 2020 and the year-over-year percentage change on various property segments. According to this, Hotels were the most impacted showing a **<u>decline of 53%.</u>**

FIGURE 4

Returns on REIT property indices

Year-over-year percentage change in US REIT property indices as of April 15, 2020



Source: Nareit, "FTSE Nareit U.S. Real Estate Index," accessed April 16, 2020.

Deloitte Insights | deloitte.com/insights

In taking into account the estimated value decline and covid-19 impact realized from these various sources, we have applied this to the subject property to arrive at an overall economic impacted value range. As indicated previous, the full-service properties like the subject were the properties within the hotel/lodging segment that were most negatively impacted, therefore the subject's value decline would most certainly fall at the end of the range. These studies estimate a value decline anywhere from -36% to -53%.

	FY2022 Impacted Value	
2021 Value	-36%	-53%
$32,201,300	$20,608,832	$15,134,611

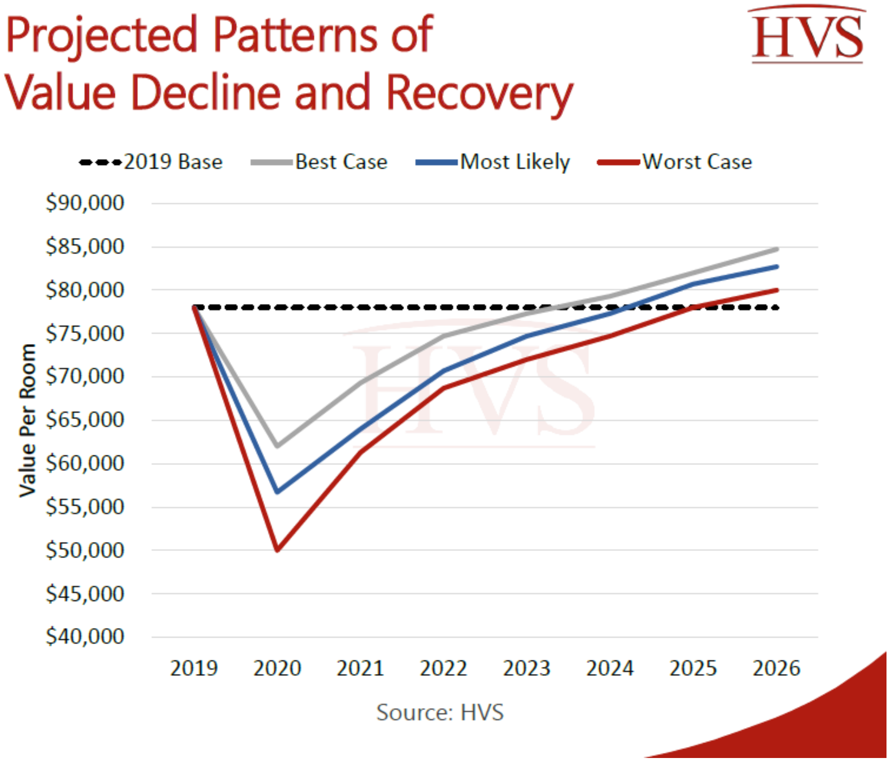
Based on this approach and the subject's assessed market, it is estimated that the market value of the real estate when factoring in the independent expert data sources should now be in the range of **$15,100,000 to $20,600,000.**

Even if temporary, the subject's value due to the pandemic and steep decline in revenue and occupancy, as well as the industry as a whole, has been negatively impacted. At some point, it is expected to return to pre-covid levels.

Recovery

According to HVS Global Hospitality Services, the current downturn will have a significant impact on hotel values due to 1: sharp revenue declines resulting in negative EBITDA, 2: the debt market pulling back from the hotel market, and 3: capital market disruption. All of these factors are putting a downward pressure on values.

In an HVS report from May 2020, the expected recovery will last years, depending on property type and location. The graph below illustrates the value decline and recovery path for hotels:

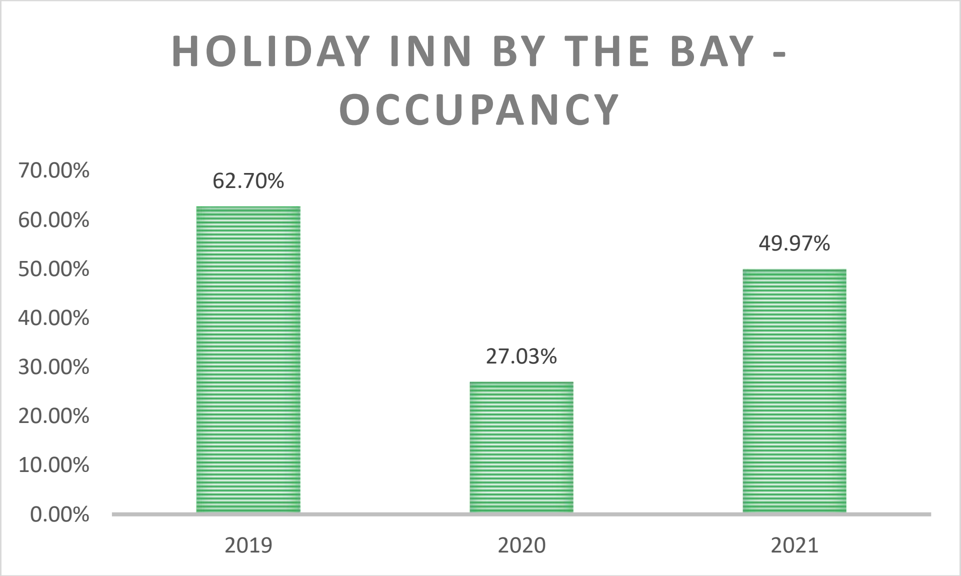


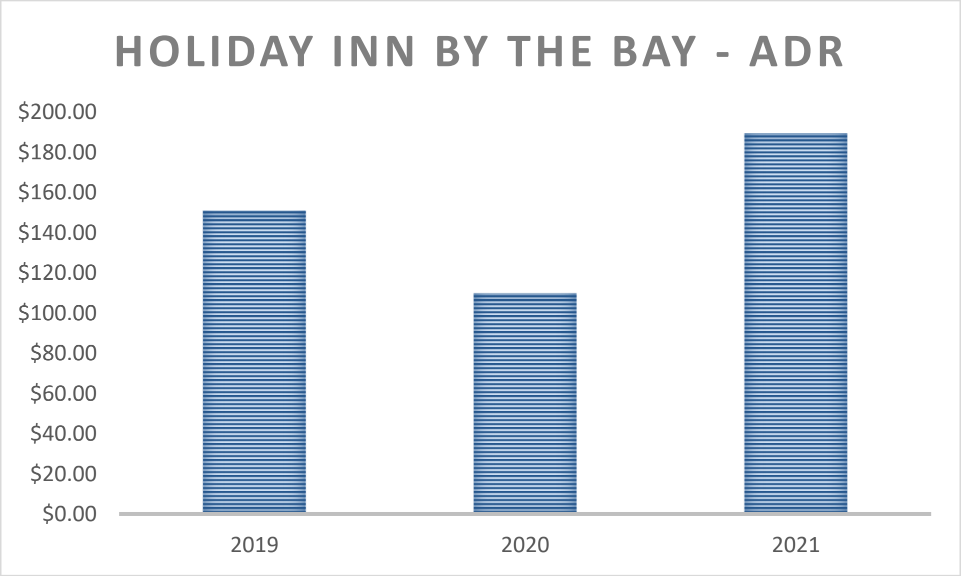
According to HVS
Best Case: EBITDA recovers to base-2019 levels by 2023/2024
Most Likely: EBITDA recovers to base-2019 levels by 2024/2025
Worst Case: EBITDA recovers to base-2019 levels by 2025/2026

With the subject being a full-service hotel it is likely the recovery for the subject will fall in the 2024-2025 mark.

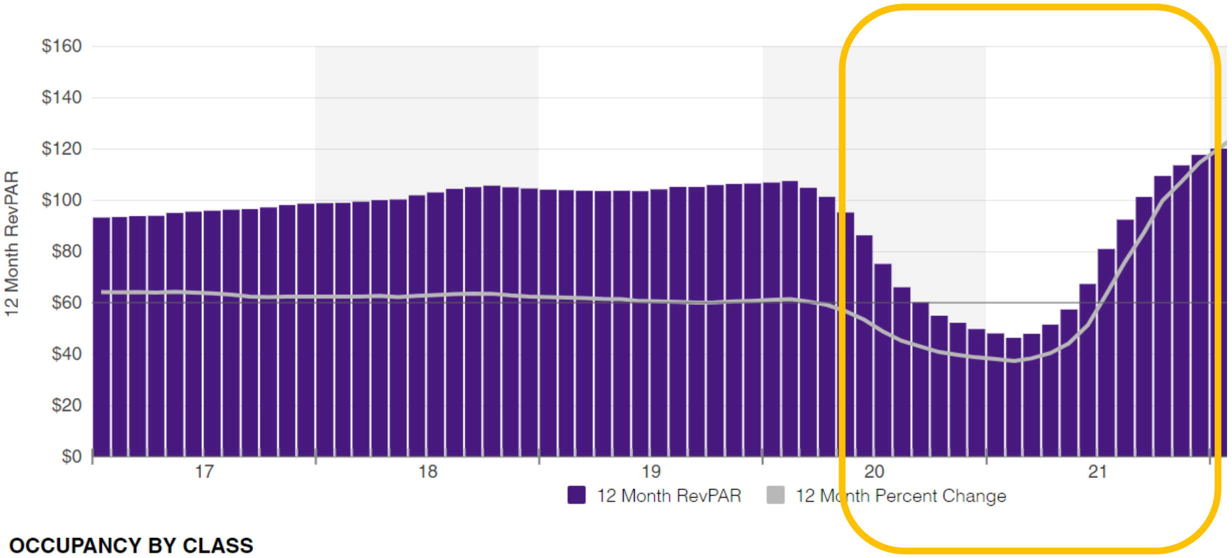
Market and Submarket Data

A review of the subject market data within the Portland, ME market including occupancy levels, occupancy by class of property, and Revpar. The following was gathered from Costar which furnishes data from STR Reports:

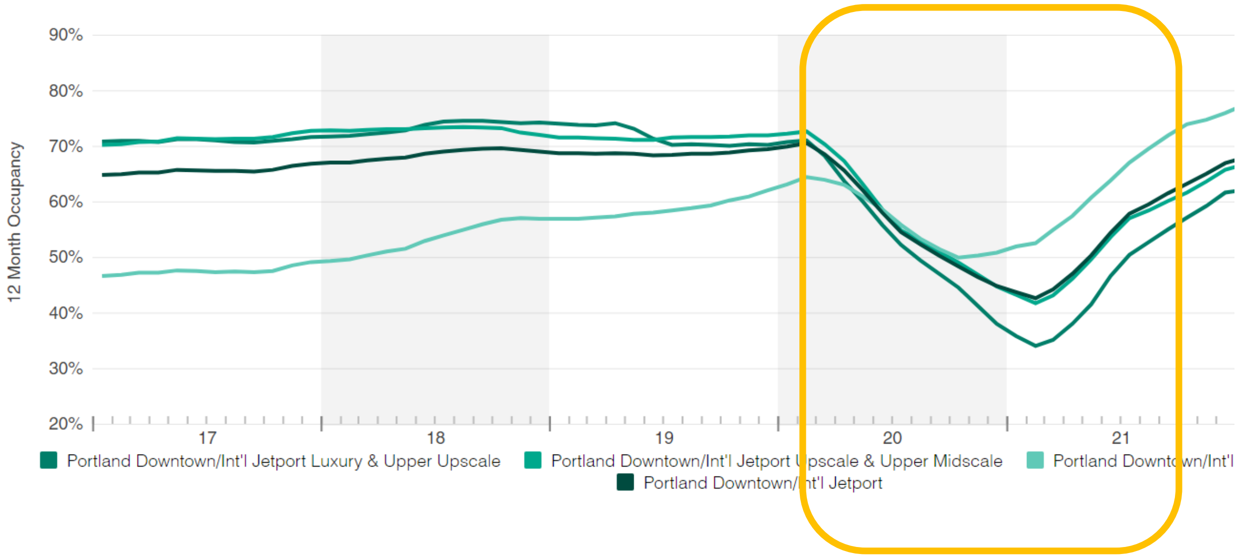




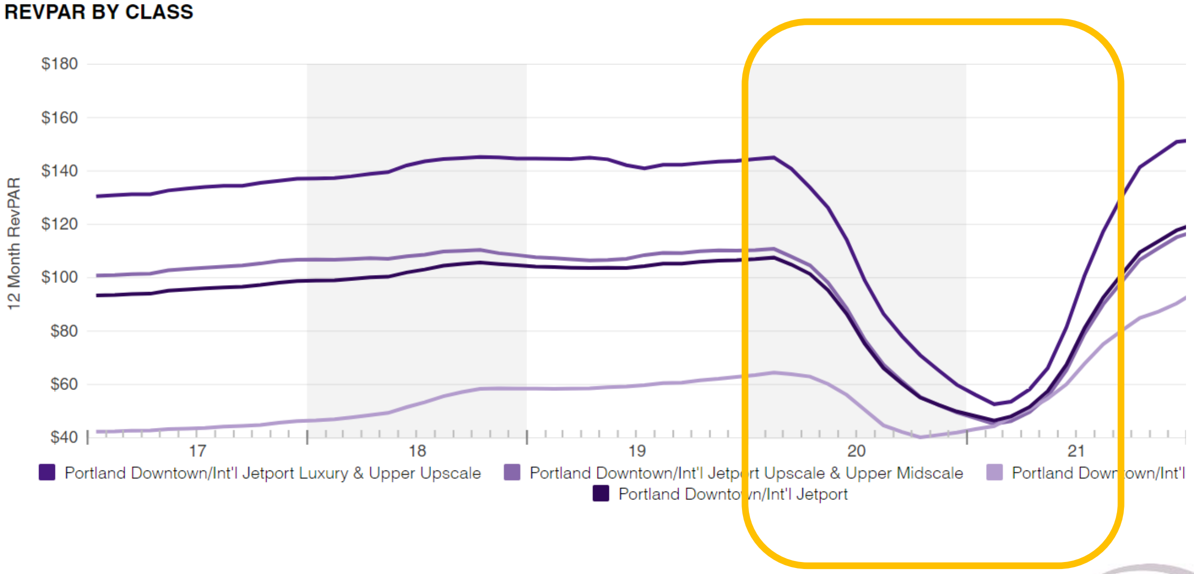
REVPAR



OCCUPANCY BY CLASS



REVPAR BY CLASS



Maine Covid Timeline:

March 8, 2020: Governor Mills issued an Executive Order mandating that all restaurants and bars statewide close to dine-in customers effective March 18, 2020 at 6:00 p.m. for a period of 14 days until midnight, March 31, 2020. Take-out, delivery, and drive-through options can continue. In her order, the Governor also prohibited all gatherings of more than 10 people until further notice, mandating the latest U.S. CDC's guidance on gatherings. In addition, Governor Mills strongly urged non-essential public-facing businesses, such as gyms, hair salons, theatres, casinos, shopping malls, to close their doors for the next two weeks to minimize public gatherings.

March 24, 2020: Governor Mills ordered all non-essential businesses and operations in Maine to close their physical locations that are public facing, meaning those that allow customer, vendor or other in-person contact. Governor Mills also strongly urged all large, essential, public-facing businesses to immediately employ strategies to reduce congestion in their stores, including limiting the number of customers in the store at any one time and enhancing curbside pick-up and delivery services.

March 31, 2020: Governor Mills issued a series of substantial new mandates to protect public health and safety in the face of COVID-19, including a Stay Healthy at Home directive that requires people living in Maine to stay at home at all times unless for an essential job or an essential personal reason, such as obtaining food, medicine, health care, or other necessary purposes.

April 3, 2020: Governor Mills issued an Executive Order mandating that travelers arriving in Maine, regardless of their state of residency, self-quarantine for 14 days to mitigate the spread of COVID-19. Additionally, the Order instructs visitors not to travel to Maine if they are displaying symptoms of COVID-19 and advises them not to travel to Maine if they are traveling from cities or regions identified as COVID-19 hot spots. To deter travel, the Order also suspends lodging operations, including hotels, motels, bed and breakfasts, inns, and short-term rentals such as those available through VRBO Airbnb, RV parks and campgrounds, and all public and private camping facilities as well as online reservations effective April 5, 2020 at 12:00 p.m.

April 15, 2020: As the State continues to respond to COVID-19, Governor Mills signed a proclamation extending Maine's state of civil emergency for another thirty days through May 15, 2020. The original state of civil emergency was scheduled to expire tomorrow, April 15, 2020.

April 29, 2020: Governor Janet Mills issues new Stay Safer at Home Executive Order. The new order continues to have Maine people stay at home with the same established exceptions for permitted activities, such as occasional grocery shopping or exercising. However, it now also allows Maine people to visit businesses or participate in activities deemed safe to open under Stage 1 of the reopening plan presented on April 28. These include barber shops and hair salons, auto dealerships and drive-in stay-in-your-vehicle religious services that follow COVID-19 Prevention Checklists. The Order is effective immediately and extends through May 31, 2020, subject to change.

May 13, 2020: Governor Janet Mills signed a proclamation extending Maine's state of civil emergency for thirty days through June 11, 2020.

May14, 2020: The Mills Administration announced that, effective immediately, Maine lodging providers can begin accepting future reservations for stays with an arrival date of June 1st and beyond for Maine residents and for non-residents who comply with the State's 14-day quarantine requirement.

May 19, 2020: The Mills Administration announced the following updates to its plan to restart Maine's economy: 1) Maine residents may enjoy private campgrounds beginning Memorial Day weekend; and 2) the Administration is delaying the full reopening of gyms, fitness centers, and nail salons in light of emerging research and experiences in other states of COVID-19 transmission related to these establishments.

July 8, 2020: Governor Janet Mills issued an Executive Order requiring large retail businesses, restaurants, outdoor bars, tasting rooms, and lodging establishments in Maine's more populous cities and coastal counties to enforce the State's face covering requirement. Governor Mills also extended the State of Civil Emergency for thirty days through August 6, 2020.

October 6, 2020: The Mills Administration announced that Maine will move into Stage 4 of the Plan to Restart Maine's Economy beginning Tuesday, October 13, 2020. Stage 4 increases limits on indoor seating to 50 percent capacity of permitted occupancy, or 100 people – whichever is less – and maintains the critical public health measures outlined in COVID-19 Prevention Checklists, such as enhanced cleaning practices and physical distancing. Today's Executive Order also further strengthens the State's face covering mandate by requiring that a broader set of entities, such as private schools and municipal buildings, ensure that employees and people in their buildings adhere to this critical health measure. The Order also expands the scope of the enforcement statewide, rather than in just Maine's coastal counties and more populous cities.

November 5, 2020: On the day Maine recorded 183 new cases of COVID-19, the highest single-day increase since the beginning of the pandemic, Governor Janet Mills announced an Executive Order requiring Maine people to wear face coverings in public settings, regardless of the ability to maintain physical distance.

As you can see detailed in this timeline of events and orders around trying to deal with the covid-19 pandemic, lodging properties were forced to shut down for a period of two months, and even after that could open back up with restrictions in place.

Income Analysis

Typically, an income approach to value is one of the primary approaches to value when looking at what a hotel property would be worth.

- Total operating revenue was **down -70%** in 2020 from 2019.
- Occupancy went **down -35.7%** in 2020 to 27%.
- Property NOI **down -194%** from 2019-2020.

To analyze the income and expenses and try to derive an indication of value for the subject's real estate, we reviewed recent financials. It should be noted this income is inclusive of the abutting property, a parking garage also owned by Lafayette Portland LLC located at 40 Spring Street.

2020 Operating Statistics:

	2020
# of Rooms	293
ADR	$109.83
Occupancy	27%

On the following pages, we have detail actual financial information including income and expenses. Because the income is tied to a going concern, we have to extract the value that would be tied to any business/goodwill value, in addition to the value tied to personal property (FFE), to end up with a net value to the real estate only. This is a common approach when valuing hotel properties in order to derive a value for just the real estate.

We have completed this by deducting out the management fee and franchise fee, which represents the "business" value, as well as the reserves for replacement and FFE value which represent the "personal property", to arrive at a value for the real estate only.

			2019				
FFE					Business Value		
Reserves (Return of)					Franchise Fee**	$595,088	
Total Revenue	$10,997,537				Mgmt Fee	$209,871	
Reserves	$439,901	4.0%				$804,959	
In Place FFE (Return on)							
HVS Cost - Midscale	Range						
Softgoods	$4,885	$6,766					
Add for full reno	$4,741	$6,199					
	$9,626	$12,965					
	$11,320		avg				
Rooms	239						
FFE Value - new	$2,705,480						
Less 30% depreciation	$1,893,836						
Cap Rate	11.28%						
Deduction	$213,625						
Total FFE (income)	**$653,526**						

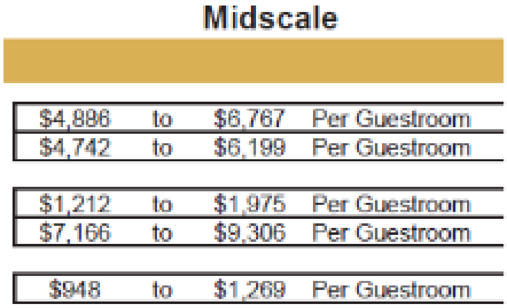
		2020			
FFE				Business Value	
Reserves (Return of)				Franchise Fee**	$238,910
Total Revenue	$3,464,499			Mgmt Fee	$96,127
Reserves	$138,580	4.0%			$335,037
In Place FFE (Return on)					
HVS Cost - Midscale	Range				
Softgoods	$4,885	$6,766			
Add for full reno	$4,741	$6,199			
	$9,626	$12,965			
	$11,320		avg		
Rooms	239				
FFE Value - new	$2,705,480				
Less 30% depreciation	$1,893,836				
Cap Rate	11.28%				
Deduction	$213,625				
Total FFE (income)	**$352,205**				

		2021			
FFE				Business Value	
Reserves (Return of)				Franchise Fee	$706,979
Total Revenue	$9,912,770			Mgmt Fee	$209,365
Reserves	$396,511	4.0%			$916,344
In Place FFE (Return on)					
HVS Cost - Midscale	Range				
Softgoods	$4,885	$6,766			
Add for full reno	$4,741	$6,199			
	$9,626	$12,965			
	$11,320		avg		
Rooms	239				
FFE Value - new	$2,705,480				
Less 30% depreciation	$1,893,836				
Cap Rate	11.29%				
Deduction	$213,814				
Total FFE (income)	**$610,325**				

Shown in the tables above, are the allocations for the income attributed to the FFE and Business/goodwill components which must be deducted to arrive at a value attributable to the real estate.

For the FFE, there are two components: the first is a reserves expense which is for replacing FFE items as needed over time. In theory, a sufficient amount of money is available to replace furniture and equipment at the end of its useful life. This is common at 4% of revenue. The deduction of a reserves for replacement from the stabilized income & expenses is a way to account for the return of personal property.

The second is the value of the FFE in place, or return on personal property. This is based on the cost of capital associated with obtaining the personal property. According to the 2020 HVS Cost estimating Guide, Midscale hotels like the subject would carry costs for FFE (softgoods & hardgoods) of between $9,626 - $12,965 per room. The avg of this range is $11,320.



		Midscale			
Guestroom	Softgoods	$4,886	to	$6,767	Per Guestroom
	Add for full renovation	$4,742	to	$6,199	Per Guestroom
Guestroom	Softgoods	$1,212	to	$1,975	Per Guestroom
	Add for full renovation	$7,166	to	$9,306	Per Guestroom
Guestroom Corridors		$948	to	$1,269	Per Guestroom

We will estimate the total cost for the subject property and apply some level of depreciation (30%) to arrive at an estimate of overall value of the FFE in place. Further, we apply our loaded capitalization rate to arrive at an estimated value. Combined with the reserves (return of) value, this total is to be capitalized to arrive at an overall FFE/Personal Property value.

Hotels are undisputedly a combination of business and real estate. The business value (going concern) must also be accounted for and extracted from the real estate. Isolating the business value of a hotel is essentially based on the fact that competent management is hired to operate the hotel. This, along with the hotel's flag, or, brand, has value which makes up a portion of its business value. To account for the business value, it is common to deduct these from Ebitda. Or, it is also common to capitalize these out using the loaded cap rate to arrive at an overall business value, as done in the Rushmore approach. By using this approach, we are assuming the cost of these fees equal value. When in fact, a hotel owner isn't in the business of not realizing a return on investment. Therefore, the true value is likely above and beyond what these fees represent.

Capitalization Rate

As you will see, for our purposes, the real estate taxes have been removed and will be loaded into the capitalization rate. According to Realty Rates, cap rates for lodging properties were 9.5% in Q2 2021. This is a weighted survey which includes band of investment, DCR, and a sales survey. This is typically derived from data leading up to 2020 and 2021. CBRE reported forecast cap rates for hotels between 8.5% - 9% pre-pandemic, with forecasted cap rates for hotel properties to increase to around 9.5% in

2020/2021 time frame. Additionally, HVS reported a March 2020 implied cap rate for lodging REITS of 10.5%.

Realty Rates: 9.5 %
CBRE: 9.5%
HVS – Implied Lodging REIT: 10.5%

Based on a review of capitalization rate information, as well as our knowledge of the market, we have utilized a base capitalization rate of **9.5%-10.0%** for our analysis.

	2021	% Change (19-20)	**2020**	**2019**
Revenue				
Total Revenue	$8,896,039	-70%	$3,081,927	$10,369,009
Other Income	$1,016,731		$382,572	$628,528
Total Income	$9,912,770		$3,464,499	$10,997,537
Expenses				
Department Expenses/Cost of Sale	$199,748		$169,336	$591,119
Operating Expenses				
Labor & Wages	$3,427,105		$2,533,832	$4,039,362
Variable Expenses	$2,839,910		$3,123,311	$3,436,779
Insurance	$98,297		$107,345	$119,366
Total Expenses	$6,365,312		$5,933,824	$8,186,626
Less Franchise Fee	-$706,979		-$238,910	-$595,088
Total Net Expenses	$5,658,333		$5,694,914	$7,591,538
*Excl property taxes				
NOI	$4,254,437	-165.5%	-$2,230,415	$3,405,999
Base Cap Rate	10.00%		9.50%	9.50%
Eff Tax Rate (load)	1.29%		1.78%	1.78%
Loaded Cap Rate	11.29%		11.28%	11.28%
Going Concern Value	**$37,683,233**		**-$19,773,183**	**$30,195,027**
Total Business Component	$916,344		$335,037	$804,959
Business Value	**$8,116,422**		**2,970,186**	**7,136,161**
Total FFE Component	$610,325		$352,205	$653,526
FFE Value	**$5,405,889**		**$3,122,382**	**$5,793,672**
RE Value ONLY	**$24,160,922**		**-$25,865,751**	**$17,265,193**
% of total	64.1%		n/a	57.2%

As you can see in the subject's financials, some of the years analyzed due not indicate a true and reliable indicator of its market value. Certainly in 2020 where income dropped by 70% and expenses exceeded revenue. This results in producing a negative value attributed to the property. This demonstrates the severity of the impact covid-19 has had on hotels and this property in particular. Though we may not be able to rely on 2020 as a representation of market value entirely, it does demonstrate that there was a severe impairment in value.

2021 income and expense information appear to show relatively positive performance, which in large part is due to labor costs remaining down (increasing NOI). This is likely due to a shortage and simply not having a full staff. At some point, staffing will be restored, and this cost will be higher like in pre-covid years.

As referenced previously, the Rushmore Approach for valuing hotel properties attributes value to the real estate, FFE/personal property, and business value. The Rushmore Approach typically results in the real estate only value being around 60% of the total going concern value. As you can see, the subject's income in 2019 and 2021 derives a value of **$17,200,000 - $24,100,000 (rounded)** for the RE only which equates to about 57-64% of the total going concern value. This is in line where Rushmore attributes the RE value component to the going concern (60%). Again, 2021 is arguably inflated due to lower-than-normal operating expenses.

Summary of Values

Covid-19 Est Impact Value: **$15,100,000 - $20,600,000**
Income Approach to Value: **$20,000,000 (RE only)**

This summary of values includes both parcels – 88 and 40 Spring Street.

I would like to discuss these concerns with you to hopefully rectify the current assessment. Thank you for your consideration. Please feel free to call me at 617-798-2840, extension 2206 or by email at tkratt@dmainc.com if you have any questions or concerns. I look forward to discussing with you soon.

Sincerely,

Todd Kratt
Senior Property Tax Manager

PROPERTY TAX
CERTIFICATE OF AUTHORITY

Date: 3/10/2022

TO WHOM IT MAY CONCERN:

This certifies that DuCharme, McMillen & Associates, Inc. and/or its designees is hereby authorized to represent the undersigned in all matters of property tax assessments before any governmental assessing officials or any other authority having jurisdiction regarding the assessment levied on the following described property for current or past years of assessment:

All Real Property

Portland, ME

BY: ____________________
(Signature)

Jonathan W. [illegible]
(Typed Signature)

CFO
(Corporate Title)

Lafayette Portland LLC & Lafayette
Portland West LLC
(Company)

* All correspondence to be reviewed by the Company prior to submittal to any governmental officials. JWO 3/10/2022

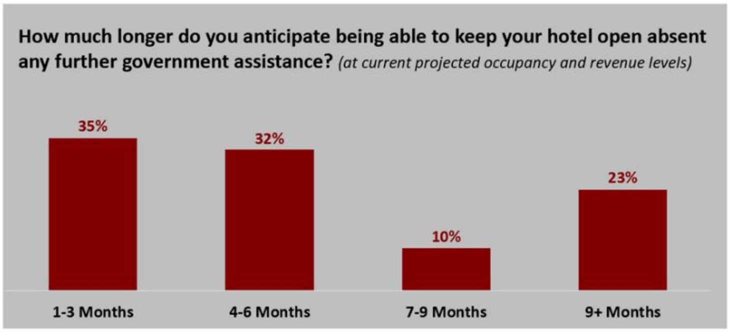
AHLA
AMERICAN HOTEL & LODGING ASSOCIATION

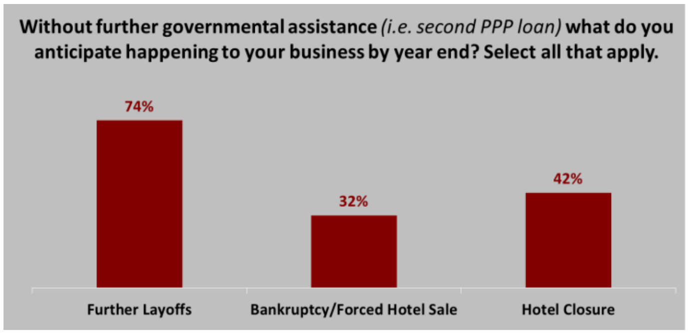
AHLA FRONT DESK FEEDBACK

SURVEY OF HOTELS ON FINANCIAL CRISIS

The American Hotel & Lodging Association conducted a survey of more than 1,000 members from September 14-16, 2020. Survey topics included the hotel's financial outlook and staffing levels at the six-month point into the COVID pandemic.

TOPLINE: 67% of hotels won't make it another 6 months given current and projected travel demand without further federal assistance. 74% will be forced to lay off more workers.
Without further government assistance (i.e. second PPP loan, expansion of Main Street Lending Program), more than one-third of hotels will be forced to close within the next three months. Nearly one-third of hotels would be facing bankruptcy or be forced to sell by the end of 2020. 42% would close due to lack of revenue.

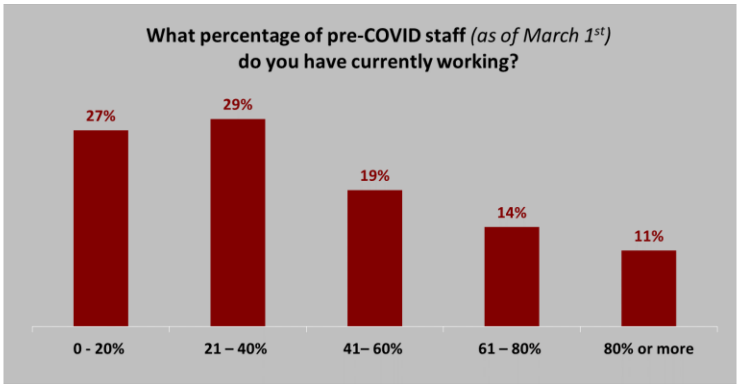


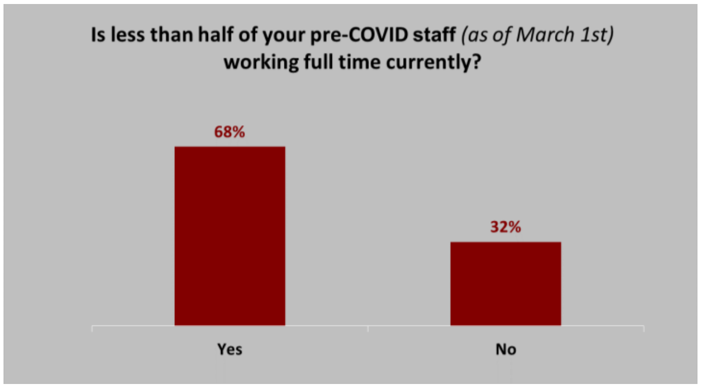


BOTTOM LINE: Without action by Congress, half of U.S. hotels could close with massive layoffs.

TOPLINE: Nearly 70% of hotels are operating with less than half of Pre-COVID staffing levels.

Six months into the COVID pandemic, hotels are still struggling to keep their doors open and unable to rehire all their staff due to the historic drop in travel demand. In fact, two out of three hotels (68%) say they have less than half of their pre-COVID staff back on the job, and 56 percent have been able to retain no more than 40 percent of their employees who were working pre-COVID.





BOTTOM LINE: Without action by Congress, 74% of hotels will be forced to lay off more staff.

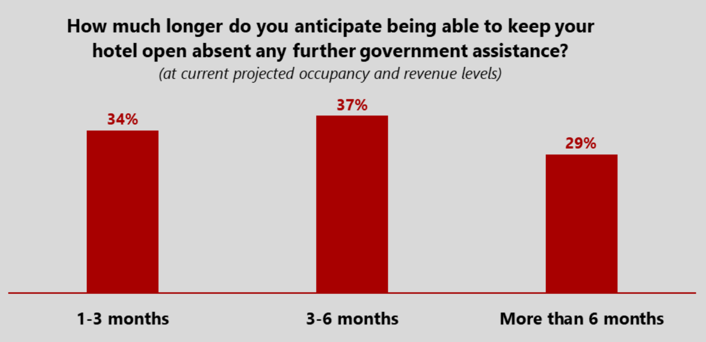
AHLA
AMERICAN HOTEL & LODGING ASSOCIATION

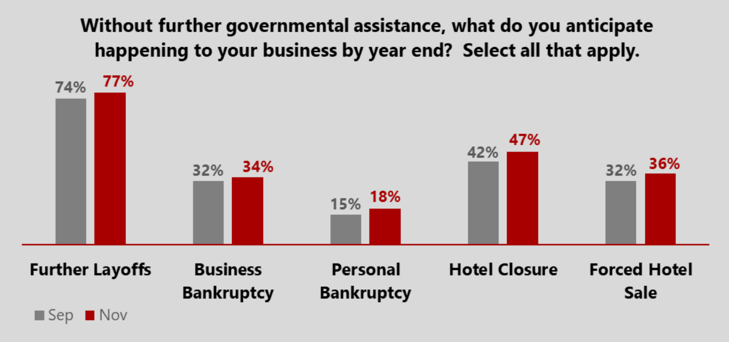
AHLA FRONT DESK FEEDBACK

SURVEY OF HOTELS ON FINANCIAL CRISIS

The American Hotel & Lodging Association conducted a survey of more than 1,200 members from November 10-13, 2020. Survey topics included the hotel's financial outlook and staffing levels at the eight-month point into the COVID pandemic. The margin of error is +3%.

TOPLINE: 71% of hotels won't make it another 6 months without further federal assistance given current and projected travel demand. 77% will be forced to lay off more workers.
Without further government assistance (i.e. second PPP loan, expansion of Main Street Lending Program), nearly half (47%) of respondents indicated they would be forced to close hotels. More than one-third of hotels will be facing bankruptcy or be forced to sell by the end of 2020.

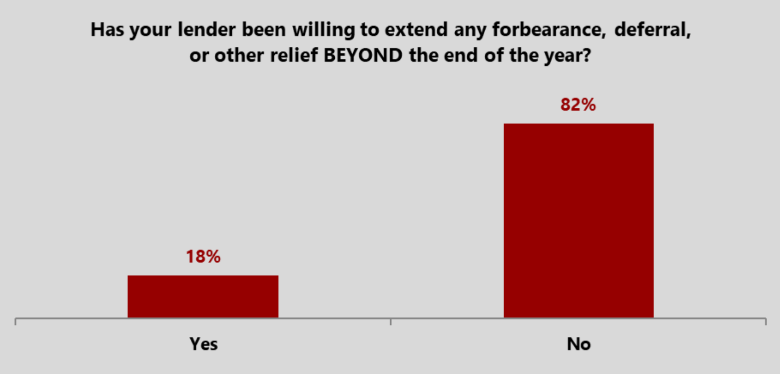


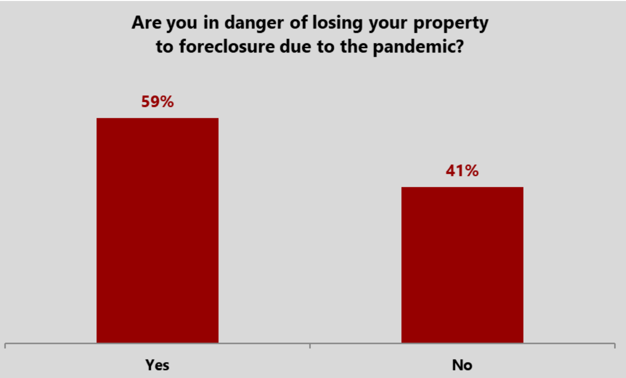


BOTTOM LINE: Without action by Congress, half of U.S. hotels could close with massive layoffs.

TOPLINE: Two-thirds of hotels have been unable to obtain additional debt relief.

Hotels are still struggling to keep their doors open and are unable to rehire all their staff, let alone make mortgage payments, due to the historic drop in travel demand. In fact, 82% say they have been unable to obtain additional debt relief from their lenders beyond the end of this year. More than half of respondents (59%) said they are in danger of foreclosure on their hotel(s).





BOTTOM LINE: Without action by Congress, 77% of hotels will be forced to lay off more staff.

ANALYSIS: HOTEL BUSINESS TRAVEL REVENUE BY STATE

Kalibri Labs – August 2021

The pandemic has been devastating to the hospitality industry, wiping out a decade's worth of revenue and job growth. **A new report from AHLA and Kalibri Labs projects that the hotel industry will finish 2021 down more than $59 billion in business travel revenue from 2019, after losing nearly $49 billion in business travel revenue in 2020.** Business travel includes corporate, group, government, and other commercial categories. Business and group travel are the industry's largest source of revenue and are not expected to reach pre-pandemic levels until 2024.

Hotel Business Travel Revenue By State

STATE	Total 2019 Revenue	Total 2021 Projected Revenue	$ Difference vs 2019	% Difference vs 2019
NATIONWIDE	**$89,549,029,613**	**$30,272,129,226**	**($59,276,900,387)**	**-66.2%**
ALABAMA	$875,467,868	$550,375,809	($325,092,059)	-37.1%
ALASKA	$491,384,904	$291,816,636	($199,568,268)	-40.6%
ARIZONA	$2,042,000,029	$722,293,958	($1,319,706,070)	-64.6%
ARKANSAS	$480,848,768	$278,097,770	($202,750,999)	-42.2%
CALIFORNIA	$13,306,103,343	$3,464,672,152	($9,841,431,191)	-74.0%
COLORADO	$2,298,501,744	$716,592,849	($1,581,908,896)	-68.8%
CONNECTICUT	$566,745,097	$184,609,353	($382,135,745)	-67.4%
DELAWARE	$180,325,609	$83,184,160	($97,141,448)	-53.9%
D.C.	$1,415,883,808	$137,687,711	($1,278,196,097)	-90.3%
FLORIDA	$8,804,251,492	$3,459,924,043	($5,344,327,450)	-60.7%
GEORGIA	$2,610,590,771	$1,027,824,646	($1,582,766,124)	-60.6%
HAWAII	$1,529,919,133	$346,393,230	($1,183,525,904)	-77.4%
IDAHO	$330,568,694	$200,551,078	($130,017,616)	-39.3%
ILLINOIS	$3,030,189,558	$599,125,416	($2,431,064,142)	-80.2%
INDIANA	$1,136,295,292	$492,757,697	($643,537,595)	-56.6%
IOWA	$571,225,206	$303,023,062	($268,202,144)	-47.0%
KANSAS	$456,946,838	$222,265,793	($234,681,045)	-51.4%
KENTUCKY	$774,795,012	$376,743,724	($398,051,288)	-51.4%
LOUISIANA	$1,377,451,261	$576,748,059	($800,703,203)	-58.1%
MAINE	$383,906,970	$215,508,558	($168,398,412)	-43.9%
MARYLAND	$1,256,296,518	$364,408,164	($891,888,354)	-71.0%
MASSACHUSETTS	$2,249,357,586	$341,078,159	($1,908,279,427)	-84.8%
MICHIGAN	$1,451,699,080	$583,773,888	($867,925,192)	-59.8%
MINNESOTA	$1,156,886,823	$321,036,880	($835,849,943)	-72.2%
MISSISSIPPI	$610,669,464	$434,546,417	($176,123,047)	-28.8%
MISSOURI	$1,244,842,851	$512,612,601	($732,230,250)	-58.8%
MONTANA	$316,677,418	$231,105,037	($85,572,381)	-27.0%
NEBRASKA	$348,088,391	$175,838,780	($172,249,611)	-49.5%
NEVADA	$2,789,554,577	$1,020,584,176	($1,768,970,401)	-63.4%
NEW HAMPSHIRE	$320,684,224	$129,542,771	($191,141,453)	-59.6%
NEW JERSEY	$2,471,612,928	$543,727,064	($1,927,885,864)	-78.0%

NEW MEXICO	$591,108,638	$277,075,574	($314,033,064)	-53.1%
NEW YORK	$6,135,487,180	$1,065,209,607	($5,070,277,574)	-82.6%
NORTH CAROLINA	$2,193,233,173	$854,791,213	($1,338,441,959)	-61.0%
NORTH DAKOTA	$208,945,115	$112,023,038	($96,922,077)	-46.4%
OHIO	$1,723,516,474	$671,839,421	($1,051,677,053)	-61.0%
OKLAHOMA	$646,901,580	$339,352,794	($307,548,787)	-47.5%
OREGON	$1,125,645,134	$439,503,012	($686,142,123)	-61.0%
PENNSYLVANIA	$2,142,102,518	$688,090,574	($1,454,011,943)	-67.9%
RHODE ISLAND	$173,317,783	$65,529,658	($107,788,125)	-62.2%
SOUTH CAROLINA	$1,445,412,953	$752,626,532	($692,786,421)	-47.9%
SOUTH DAKOTA	$232,761,093	$150,219,583	($82,541,510)	-35.5%
TENNESSEE	$ 1,983,045,109	$752,214,251	($1,230,830,858)	-62.1%
TEXAS	$ 6,817,748,427	$2,705,987,880	($4,111,760,548)	-60.3%
UTAH	$ 747,169,707	$327,026,274	($420,143,433)	-56.2%
VERMONT	$ 261,174,631	$138,657,469	($122,517,162)	-46.9%
VIRGINIA	$ 2,367,387,343	$864,506,673	($1,502,880,670)	-63.5%
WASHINGTON	$ 1,975,387,046	$521,823,944	($1,453,563,102)	-73.6%
WEST VIRGINIA	$ 307,791,153	$163,168,341	($144,622,812)	-47.0%
WISCONSIN	$ 961,271,756	$350,807,675	($610,464,081)	-63.5%
WYOMING	$ 629,851,541	$123,226,073	($506,625,469)	-80.4%
Source: Kalibri Labs				

REPORT: HOTELS PROJECTED TO END 2021 DOWN $59 BILLION IN BUSINESS TRAVEL REVENUE

Click here for a state-by-state breakdown
Click here for a market-by-market breakdown

WASHINGTON (September 15, 2021) – The hotel industry is projected to end 2021 down more than $59 billion in business travel revenue compared to 2019, according to a new report released today by the American Hotel & Lodging Association and Kalibri Labs. That comes after losing nearly $49 billion in business travel revenue in 2020.

Business travel is the hotel industry's largest source of revenue and has been slow to return since the onset of the pandemic. Business travel includes corporate, group, government, and other commercial categories. Business travel revenue is not expected to reach pre-pandemic levels until 2024.

The new analysis comes on the heels of a recent AHLA survey, which found that most business travelers are canceling, reducing, and postponing trips amid rising COVID-19 cases.

The lack of business travel and events has major repercussions for employment, and underscores the need for targeted federal relief, such as the Save Hotel Jobs Act.

Hotels are expected to end 2021 down nearly 500,000 jobs compared to 2019. For every 10 people directly employed on a hotel property, hotels support an additional 26 jobs in the community, from restaurants and retail to hotel supply companies—meaning an additional nearly 1.3 million hotel-supported jobs are also at risk.

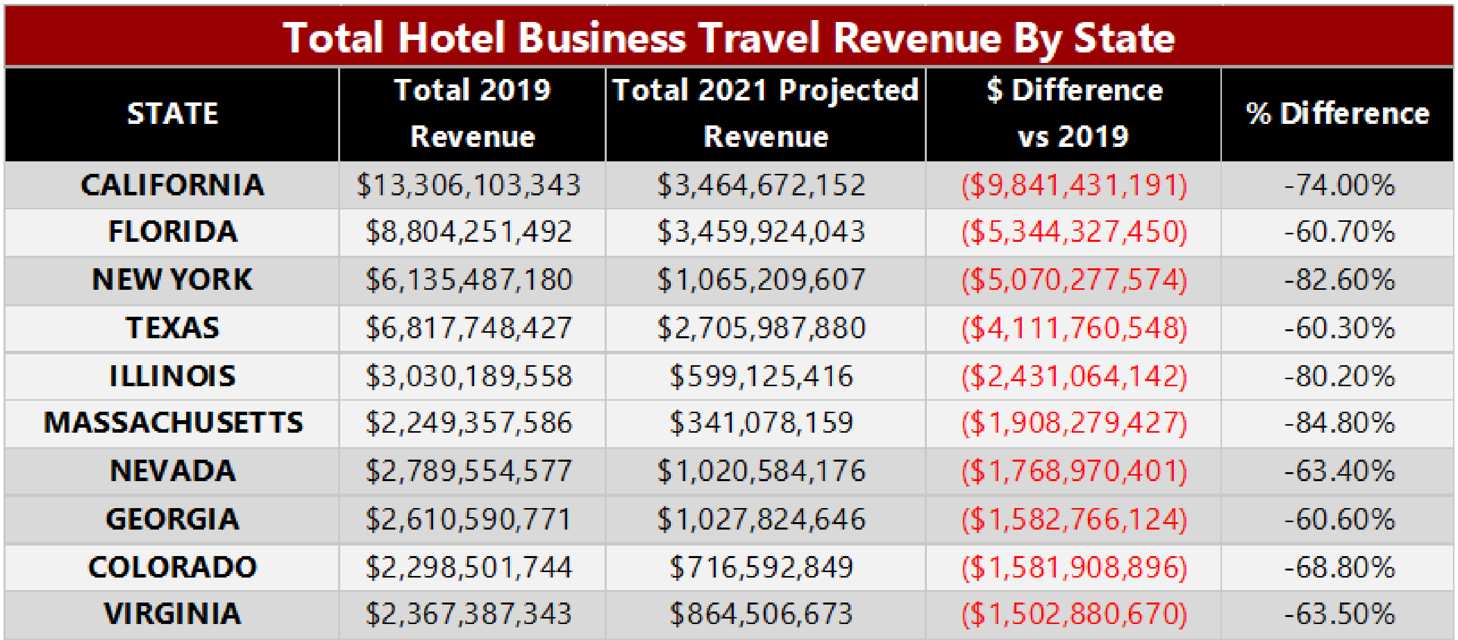
"While some industries have started rebounding from the pandemic, this report is a sobering reminder that hotels and hotel employees are still struggling," said **Chip Rogers, president and CEO of AHLA**. "Business travel is critical to our industry's viability, especially in the fall and winter months when leisure travel normally begins to decline. Continued COVID-19 concerns among travelers will only exacerbate these challenges. That's why it's time for Congress to pass the bipartisan Save Hotel Jobs Act to help hotel employees and small business owners survive this crisis."

COVID-19 is the worst economic event in the history of the U.S. hotel industry. Many urban markets, which rely heavily on business from events and group meetings, continue to face a severe financial crisis, as they have been disproportionately impacted by the pandemic. The 10 markets projected to end 2021 with the largest declines in hotel business travel revenue are:

Hotel Business Travel Revenue By Market

Market	Total 2019 Revenue	Total 2021 Projected Revenue	$ Difference vs 2019	% Difference vs 2019
NEW YORK, NY	$4,559,516,559	$530,600,844	($4,028,915,714)	-88.4%
WASHINGTON, DC/MD/VA	$2,740,582,466	$371,196,231	($2,369,386,235)	-86.5%
SAN FRANCISCO, CA	$2,531,094,160	$178,436,358	($2,352,657,803)	-93.0%
ORLANDO, FL	$2,796,237,340	$518,314,991	($2,277,922,349)	-81.5%
CHICAGO, IL	$2,527,891,469	$345,886,720	($2,182,004,749)	-86.3%
LOS ANGELES, CA	$2,682,549,152	$752,329,741	($1,930,219,410)	-72.0%
LAS VEGAS, NV	$2,326,149,404	$670,456,483	($1,655,692,922)	-71.2%
BOSTON, MA	$1,672,365,647	$190,785,287	($1,481,580,359)	-88.6%
SAN DIEGO, CA	$1,610,725,508	$394,564,554	($1,216,160,954)	-75.5%
HAWAIIAN ISLANDS, HI	$1,530,226,473	$346,489,857	($1,183,736,616)	-77.4%

The 10 states projected to end 2021 with the largest declines in hotel business travel revenue are:

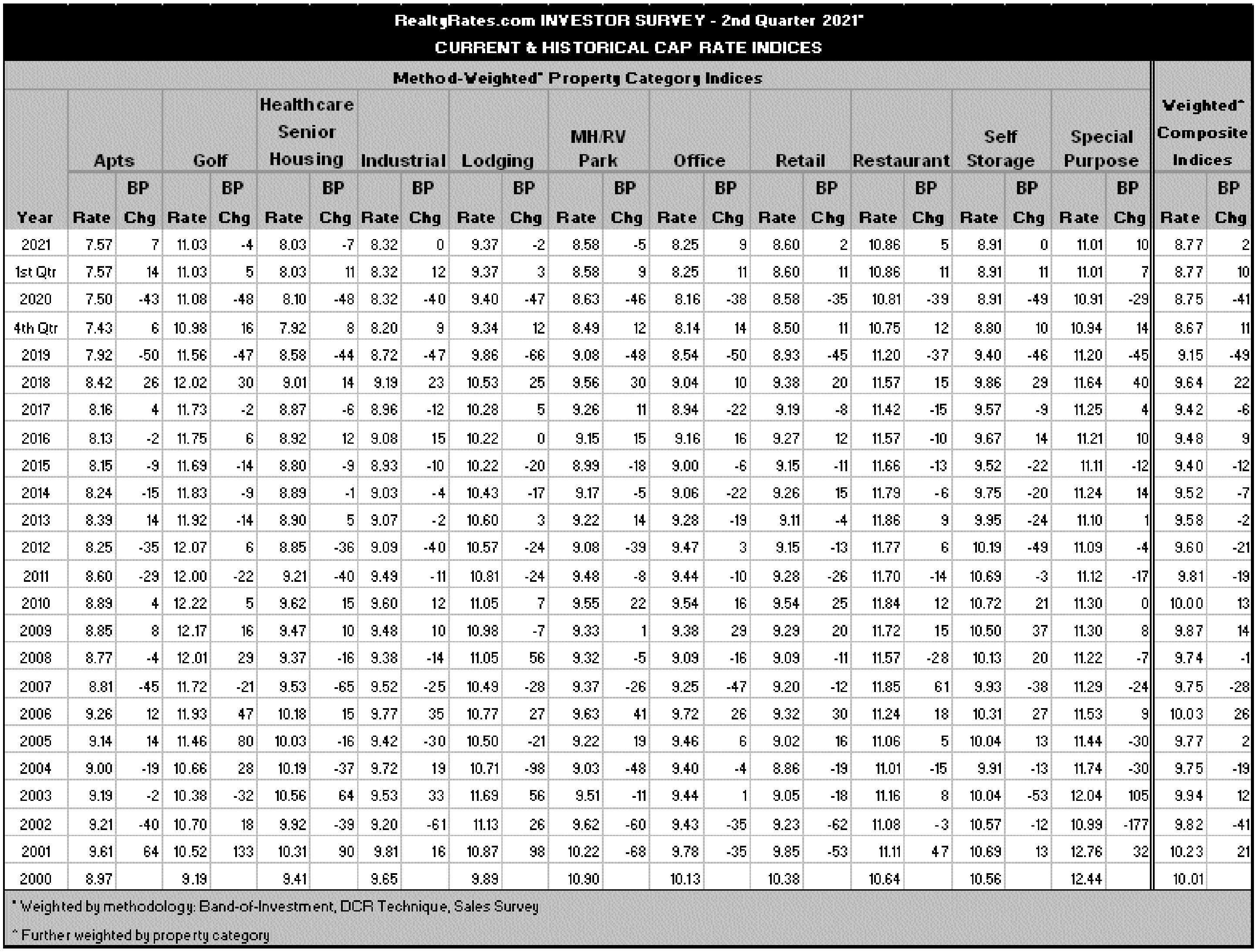


Total Hotel Business Travel Revenue By State

STATE	Total 2019 Revenue	Total 2021 Projected Revenue	$ Difference vs 2019	% Difference
CALIFORNIA	$13,306,103,343	$3,464,672,152	($9,841,431,191)	-74.00%
FLORIDA	$8,804,251,492	$3,459,924,043	($5,344,327,450)	-60.70%
NEW YORK	$6,135,487,180	$1,065,209,607	($5,070,277,574)	-82.60%
TEXAS	$6,817,748,427	$2,705,987,880	($4,111,760,548)	-60.30%
ILLINOIS	$3,030,189,558	$599,125,416	($2,431,064,142)	-80.20%
MASSACHUSETTS	$2,249,357,586	$341,078,159	($1,908,279,427)	-84.80%
NEVADA	$2,789,554,577	$1,020,584,176	($1,768,970,401)	-63.40%
GEORGIA	$2,610,590,771	$1,027,824,646	($1,582,766,124)	-60.60%
COLORADO	$2,298,501,744	$716,592,849	($1,581,908,896)	-68.80%
VIRGINIA	$2,367,387,343	$864,506,673	($1,502,880,670)	-63.50%

Despite being among the hardest hit, hotels are the only segment of the hospitality and leisure industry yet to receive direct aid. Hotels and their employees have displayed extraordinary resilience in the face of unprecedented economic challenges, and the industry needs support from Congress to achieve a full recovery.

RESOURCES CAREERS TAKE ACTION CERTIFICATIONS CONTACT
SPONSOR/PARTNER PRIVACY & TERMS OF USE



RealtyRates.com INVESTOR SURVEY - 2nd Quarter 2021*

CURRENT & HISTORICAL CAP RATE INDICES

Method-Weighted* Property Category Indices

Year	Apts		Golf		Healthcare Senior Housing		Industrial		Lodging		MH/RV Park		Office		Retail		Restaurant		Self Storage		Special Purpose		Weighted^ Composite Indices	
	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg
2021	7.57	7	11.03	-4	8.03	-7	8.32	0	9.37	-2	8.58	-5	8.25	9	8.60	2	10.86	5	8.91	0	11.01	10	8.77	2
1st Qtr	7.57	14	11.03	5	8.03	11	8.32	12	9.37	3	8.58	9	8.25	11	8.60	11	10.86	11	8.91	11	11.01	7	8.77	10
2020	7.50	-43	11.08	-48	8.10	-48	8.32	-40	9.40	-47	8.63	-46	8.16	-38	8.58	-35	10.81	-39	8.91	-49	10.91	-29	8.75	-41
4th Qtr	7.43	6	10.98	16	7.92	8	8.20	9	9.34	12	8.49	12	8.14	14	8.50	11	10.75	12	8.80	10	10.94	14	8.67	11
2019	7.92	-50	11.56	-47	8.58	-44	8.72	-47	9.86	-66	9.08	-48	8.54	-50	8.93	-45	11.20	-37	9.40	-46	11.20	-45	9.15	-49
2018	8.42	26	12.02	30	9.01	14	9.19	23	10.53	25	9.56	30	9.04	10	9.38	20	11.57	15	9.86	29	11.64	40	9.64	22
2017	8.16	4	11.73	-2	8.87	-6	8.96	-12	10.28	5	9.26	11	8.94	-22	9.19	-8	11.42	-15	9.57	-9	11.25	4	9.42	-6
2016	8.13	-2	11.75	6	8.92	12	9.08	15	10.22	0	9.15	15	9.16	16	9.27	12	11.57	-10	9.67	14	11.21	10	9.48	9
2015	8.15	-9	11.69	-14	8.80	-9	8.93	-10	10.22	-20	8.99	-18	9.00	-6	9.15	-11	11.66	-13	9.52	-22	11.11	-12	9.40	-12
2014	8.24	-15	11.83	-9	8.89	-1	9.03	-4	10.43	-17	9.17	-5	9.06	-22	9.26	15	11.79	-6	9.75	-20	11.24	14	9.52	-7
2013	8.39	14	11.92	-14	8.90	5	9.07	-2	10.60	3	9.22	14	9.28	-19	9.11	-4	11.86	9	9.95	-24	11.10	1	9.58	-2
2012	8.25	-35	12.07	6	8.85	-36	9.09	-40	10.57	-24	9.08	-39	9.47	3	9.15	-13	11.77	6	10.19	-49	11.09	-4	9.60	-21
2011	8.60	-29	12.00	-22	9.21	-40	9.49	-11	10.81	-24	9.48	-8	9.44	-10	9.28	-26	11.70	-14	10.69	-3	11.12	-17	9.81	-19
2010	8.89	4	12.22	5	9.62	15	9.60	12	11.05	7	9.55	22	9.54	16	9.54	25	11.84	12	10.72	21	11.30	0	10.00	13
2009	8.85	8	12.17	16	9.47	10	9.48	10	10.98	-7	9.33	1	9.38	29	9.29	20	11.72	15	10.50	37	11.30	8	9.87	14
2008	8.77	-4	12.01	29	9.37	-16	9.38	-14	11.05	56	9.32	-5	9.09	-16	9.09	-11	11.57	-28	10.13	20	11.22	-7	9.74	-1
2007	8.81	-45	11.72	-21	9.53	-65	9.52	-25	10.49	-28	9.37	-26	9.25	-47	9.20	-12	11.85	61	9.93	-38	11.29	-24	9.75	-28
2006	9.26	12	11.93	47	10.18	15	9.77	35	10.77	27	9.63	41	9.72	26	9.32	30	11.24	18	10.31	27	11.53	9	10.03	26
2005	9.14	14	11.46	80	10.03	-16	9.42	-30	10.50	-21	9.22	19	9.46	6	9.02	16	11.06	5	10.04	13	11.44	-30	9.77	2
2004	9.00	-19	10.66	28	10.19	-37	9.72	19	10.71	-98	9.03	-48	9.40	-4	8.86	-19	11.01	-15	9.91	-13	11.74	-30	9.75	-19
2003	9.19	-2	10.38	-32	10.56	64	9.53	33	11.69	56	9.51	-11	9.44	1	9.05	-18	11.16	8	10.04	-53	12.04	105	9.94	12
2002	9.21	-40	10.70	18	9.92	-39	9.20	-61	11.13	26	9.62	-60	9.43	-35	9.23	-62	11.08	-3	10.57	-12	10.99	-177	9.82	-41
2001	9.61	64	10.52	133	10.31	90	9.81	16	10.87	98	10.22	-68	9.78	-35	9.85	-53	11.11	47	10.69	13	12.76	32	10.23	21
2000	8.97		9.19		9.41		9.65		9.89		10.90		10.13		10.38		10.64		10.56		12.44		10.01	

* Weighted by methodology: Band-of-Investment, DCR Technique, Sales Survey

^ Further weighted by property category

*1st Quarter 2021 Data

PORTLAND BOARD OF ASSESSMENT REVIEW
APPLICATION FOR ABATEMENT OF PROPERTY TAXES
(36 M.R.S.A. Section 843)

Note: Application must first be made to the Assessor.

1. Name of Applicant: DuCharme, McMillen & Associates - on behalf of Lafayette Portland West LLC
2. Address of Applicant: 205 Portland Street, Suite 200, Boston, MA 02114
3. Telephone number: 617-798-2840 x2206
4. Name and address of attorney, if any:
5. Location of property: 81 Riverside Street

   Chart, Block, Lot Number: 266-A002001 Account Number 21359
6. Assessed value of real estate: $9,780,900
7. Assessed value of personal property: $ 600,000
8. Assessment year for which abatement is requested: 2021 (FY22) Date of Assessor's decision May 9, 2022
9. Owner's opinion of current value for property in question:

Land	$		Personal Property	$ 600,000
Building	$			
TOTAL:	$ 7,300,000		TOTAL	$ 600,000

10. Reasons for requesting abatement. Please be specific, stating grounds for belief that property is overvalued for tax purposes, such as value of comparable property. If further space is needed, please attach additional pages to application.

    Property's market value less than assessment. See enclosed analysis.

11. Estimated time for your presentation at the hearing: 30 minutes

To the Board of Assessment Review, Portland, Maine:

APPLICATION FOR ABATEMENT AND CERTIFICATE OF COMPLIANCE WITH 36 M.R.S.A. § 843(4)

Pursuant to 36 M.R.S.A. § 843(4), the applicant hereby certifies that he or she has paid, by the due date, either the amount of taxes not in dispute for the current tax year or an amount equal to the amount of taxes paid in the previous tax year-whichever is greater. The statements contained in this application are correct to the best of my knowledge and belief.

7/8/22
Date

Shayna N. Jones
Signature of Applicant

This application must be signed.

Separate application forms should be filed for each separately assessed parcel of real estate claimed to be overvalued.

Real Estate Assessment Analysis

2021 Real Property Tax Assessment Appeal

Lafayette Portland West LLC
81 Riverside Street
Portland, ME

Market Value per City: $11,967,200

Prepared for:

Assessing Officials
City of Portland
389 Congress Street, Room 115
Portland, ME 04101

Prepared by:

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AN EXTENSION OF YOUR TAX DEPARTMENT

April 12, 2022

Assessing Officials
City of Portland
389 Congress Street, Room 115
Portland, ME 04101

Re: <u>2021 Assessment (FY22)</u>
Lafayette Portland West LLC
Fireside Inn & Suites
81 Riverside Street
Portland, ME

Dear Assessing Officials:

Lafayette Portland West LLC has engaged our firm to review the real property tax assessment of their Portland, ME property. The enclosed is a summary of physical information on the facility, market data from the area, as well as other relevant information. The enclosed documentation is prepared according to a consulting assignment, as such, this assignment falls outside the purview of the Uniform Standards of Professional Appraisal Practice. Additionally, some of this information containing the subject property is confidential in nature.

The subject is a two-story, 196 room hotel situated on 5.36 acres and was originally constructed in 1963. The hotel is currently operated as the Fireside Inn and Suites as a full-service property. The subject is located on Riverside Street just off exit 48 from I-95, and is surrounded by a mix of commercial property as well as other hotels.

The 2021 (FY22) assessment is $11,967,200, which at a 100% ratio equates to an assessed market value of $11,967,200, or $61,057 per room.

<u>Subject Increase</u>

The City performed a revaluation in 2021 and updated all assessed values. Below, is a breakdown of the subject's change in value from 2020-2021:

2020 Assessment	Ratio	2020 Equalized Assessment	2021	**Increase**
6,570,400	77.0%	$8,532,987	$11,967,200	**40.2%**

Covid-19

The subject property has realized a significant negative impact as a result of the covid-19 pandemic. For example, total operating revenue was **down almost -58%** in 2020 while occupancy levels in 2020 were at 25.67%, down -20% from the previous year. The full impact of the covid-19 global pandemic on the different real estate segments has not been fully realized yet, but indications are that the hotel market has been one of the most heavily impacted segments. After the pandemic hit the U.S. in March 2020, companies and business were shut down and states were under stay-at-home order during the spring and even summer months of 2020. After the stay-at-home orders were lifted, many companies and their employees remained working from home through the remainder of the year, while events, meetings, corporate travel have all been limited, or non-existent. The pandemic and its infection rate, as well as hospitalizations, are at the highest levels entering into 2021.

As a result of covid-19, many companies will be shrinking their retail and office footprints, as well as moving to a hybrid work model with employees spending time in the office as well as working from home going forward. The following travel stats are from www.ustravel.org:

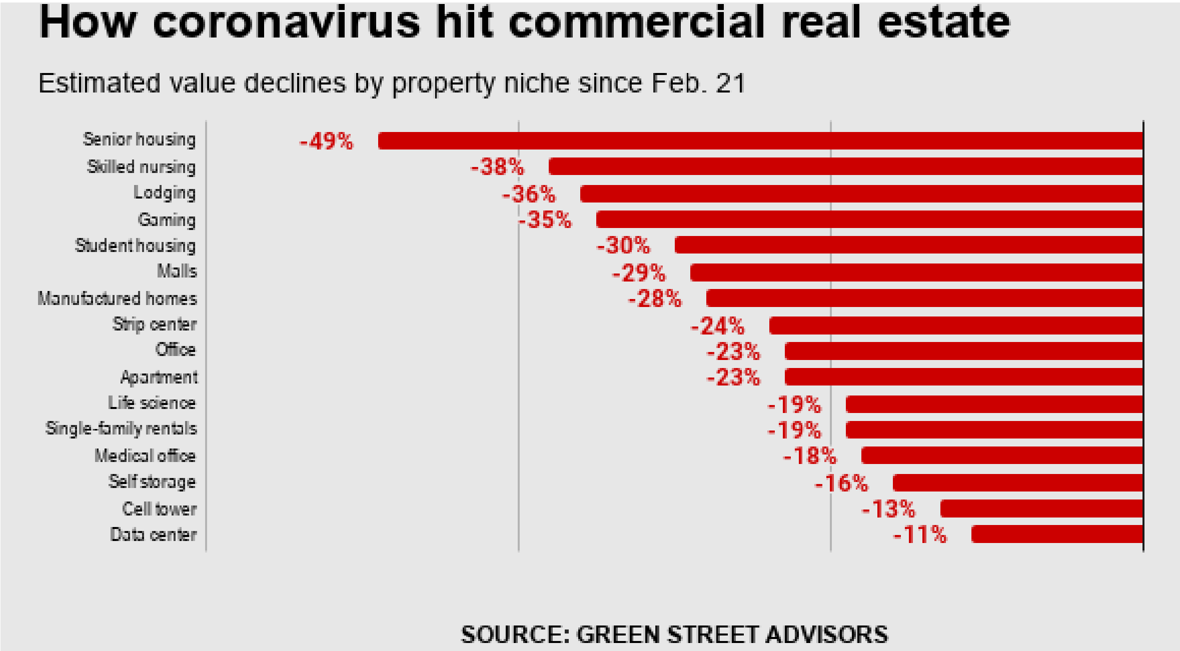
- Global travel spending was down ⬇ 42% in 2020.
- From March to the end of 2020, the pandemic resulted in losses of $492 Billion for the U.S. travel industry.
- According to TSA, the number of travelers through airport checkpoints for 2020 was down ⬇ 64%.
- Hotel occupancy in the U.S. averages at about 44%, down 33% from 2019.

Additionally, according to a survey conducted by the AHLA – American Hotel and Lodging Association in November 2020, of the over 1,200 respondents, 71% said they would not be able to make it another 6 months without federal assistance. 47% indicated in the survey they would be forced to close hotels, and about one third of the hotels would be facing bankruptcy at the end of 2020.

The AHLA issued an analysis of the decline in hotel business travel in August 2021. As you can see from the attachment, "Analysis: Hotel Business Travel Revenue By State," Maine experienced a **–43.9%** decline in hotel business travel revenue from 2019 to 2020. The AHLA also predicts that business and group travel will not return to pre-pandemic levels until 2024.

Full-service hotels have seen the most significant negative impact due to the food and beverage component along with the meeting/event revenue contributing to declining operating revenues. These revenue drivers have been very limited or non-existent due to the pandemic. Limited service hotels, though also negatively impacted, did not see the impact that full-service properties have. In fact, CBRE estimates that full-service properties saw an impact two to three times more than lower tier, economy hotel properties.

According to Green Street Advisors, lodging property values have **declined 36%** since February of 2020. As you can see, this represents one of the more heavily impacted property segments overall.

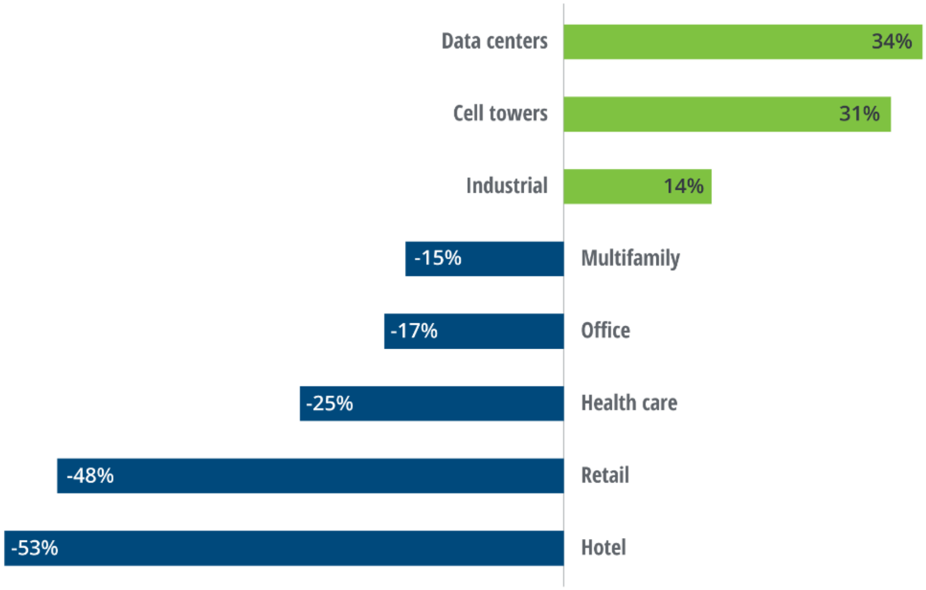


Additionally, the graph below from Deloitte Insights shows property price indices (REIT) as of April 2020 and the year-over-year percentage change on various property segments. According to this, Hotels were the most impacted showing a **decline of 53%.**

FIGURE 4

Returns on REIT property indices

Year-over-year percentage change in US REIT property indices as of April 15, 2020



Source: Nareit, "FTSE Nareit U.S. Real Estate Index," accessed April 16, 2020.

Deloitte Insights | deloitte.com/insights

In taking into account the estimated value decline and covid-19 impact realized from these various sources, we have applied this to the subject property to arrive at an overall economic impacted value range. As indicated previous, the full-service properties like the subject were the properties within the hotel/lodging segment that were most negatively impacted, therefore the subject's value decline would most certainly fall at the end of the range. These studies estimate a value decline anywhere from -36% to -53%.

	FY2022 Impacted Value	
2021 Value	-36%	-53%
$11,967,200	$7,659,008	$5,624,584

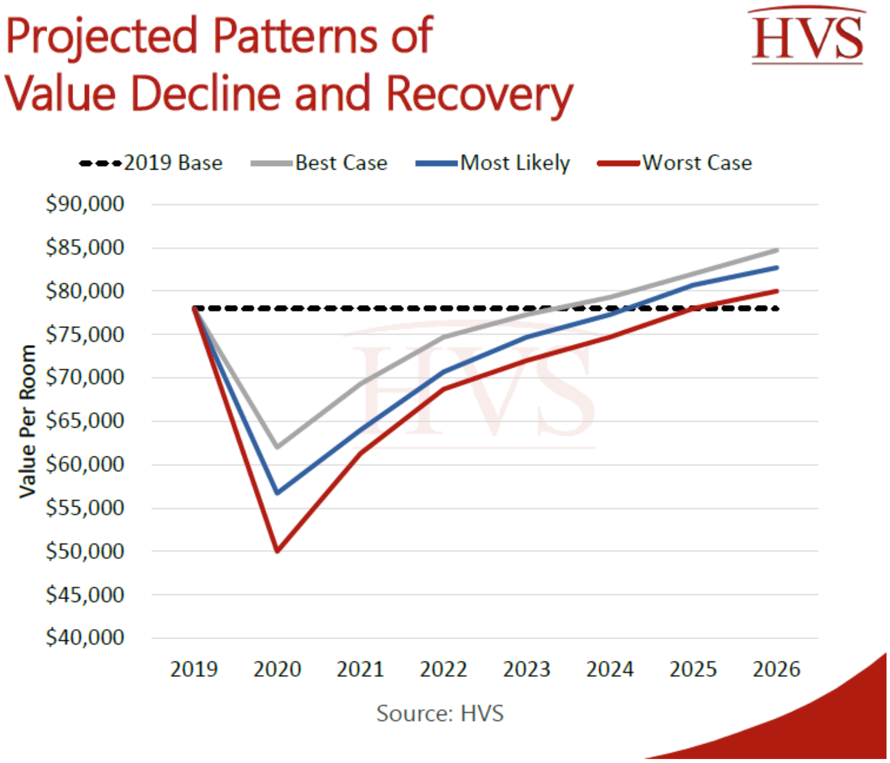
Based on this approach and the subject's assessed market value it is estimated that the market value of the real estate when factoring in the independent expert data sources should now be in the range of **$5,600,000 to $7,700,000.**

Even if temporary, the subject's value due to the pandemic and steep decline in revenue and occupancy, as well as the industry as a whole, has been negatively impacted. At some point, it is expected to return to pre-covid levels.

Recovery

According to HVS Global Hospitality Services, the current downturn will have a significant impact on hotel values due to 1: sharp revenue declines resulting in negative EBITDA, 2: the debt market pulling back from the hotel market, and 3: capital market disruption. All of these factors are putting a downward pressure on values.

In an HVS report from May 2020, the expected recovery will last years, depending on property type and location. The graph below illustrates the value decline and recovery path for hotels:

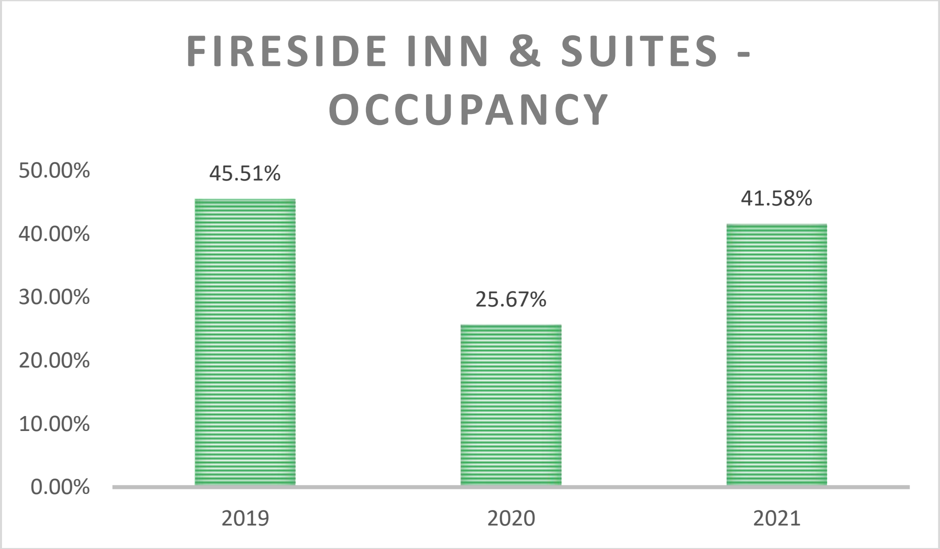


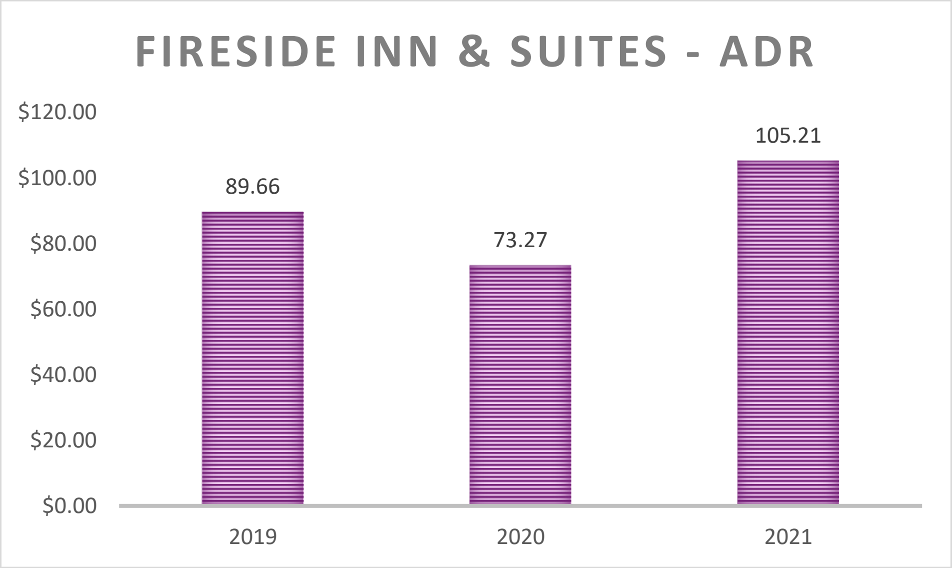
According to HVS
Best Case: EBITDA recovers to base-2019 levels by 2023/2024
Most Likely: EBITDA recovers to base-2019 levels by 2024/2025
Worst Case: EBITDA recovers to base-2019 levels by 2025/2026

With the subject being a full-service hotel it is likely the recovery for the subject will fall in the 2024-2025 mark.

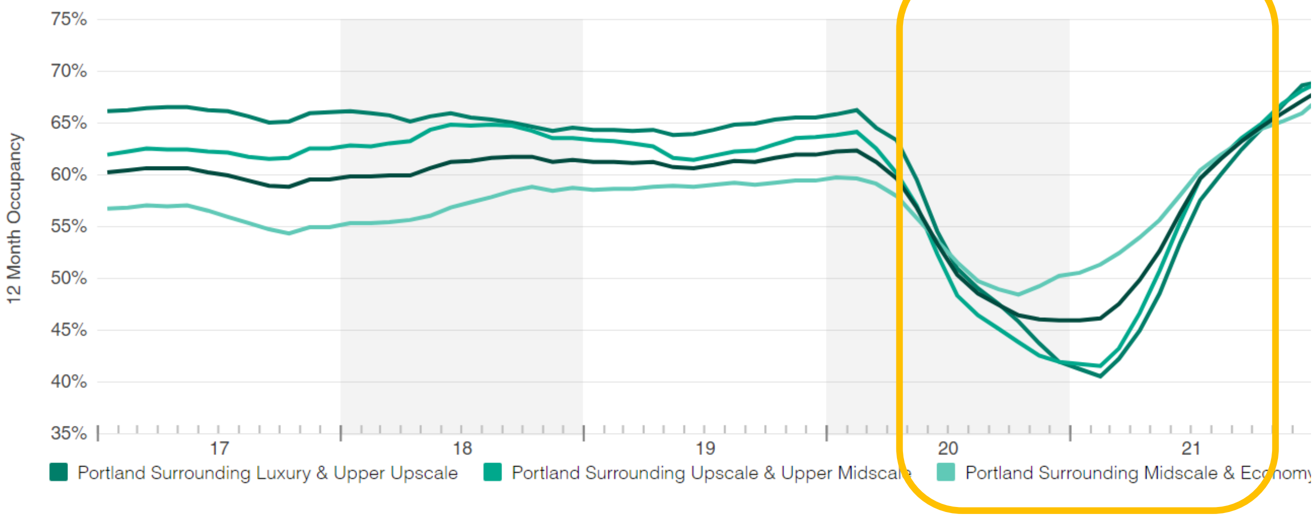
Market and Submarket Data

A review of the subject market data within the Portland, ME market including occupancy levels, occupancy by class of property, and Revpar. The following was gathered from Costar which furnishes data from STR Reports:

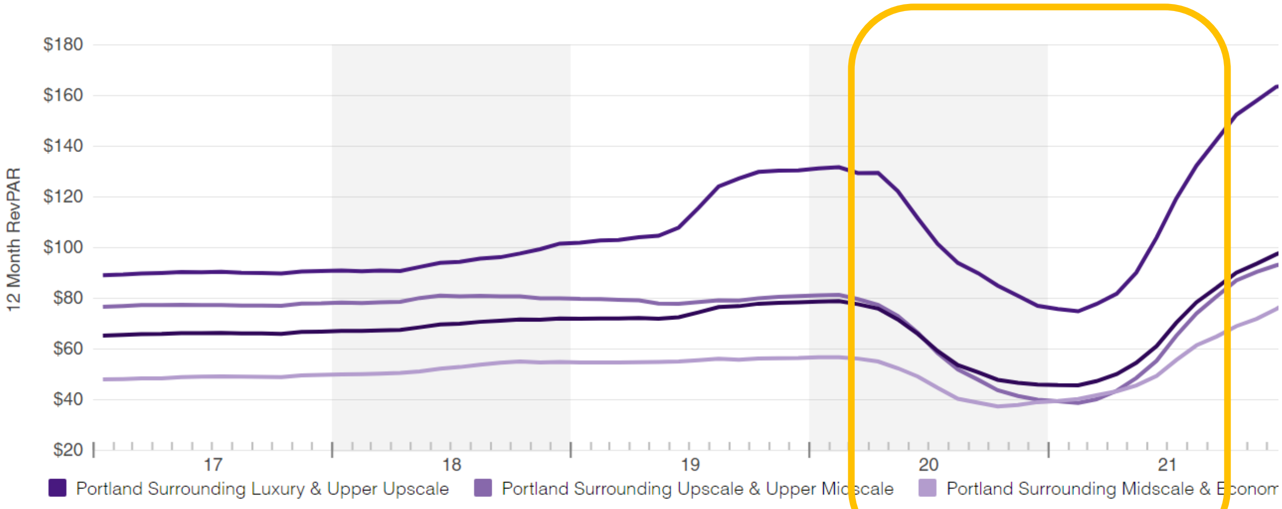




OCCUPANCY BY CLASS



REVPAR BY CLASS



Maine Timeline:

March 8, 2020: Governor Mills issued an Executive Order mandating that all restaurants and bars statewide close to dine-in customers effective March 18, 2020 at 6:00 p.m. for a period of 14 days until midnight, March 31, 2020. Take-out, delivery, and drive-through options can continue. In her order, the Governor also prohibited all gatherings of more than 10 people until further notice, mandating the latest U.S. CDC's guidance on gatherings. In addition, Governor Mills strongly urged non-essential public-facing businesses, such as gyms, hair salons, theatres, casinos, shopping malls, to close their doors for the next two weeks to minimize public gatherings.

March 24, 2020: Governor Mills ordered all non-essential businesses and operations in Maine to close their physical locations that are public facing, meaning those that allow customer, vendor or other in-person contact. Governor Mills also strongly urged all large, essential, public-facing businesses to immediately employ strategies to reduce congestion in their stores, including limiting the number of customers in the store at any one time and enhancing curbside pick-up and delivery services.

March 31, 2020: Governor Mills issued a series of substantial new mandates to protect public health and safety in the face of COVID-19, including a Stay Healthy at Home directive that requires people living in Maine to stay at home at all times unless for an essential job or an essential personal reason, such as obtaining food, medicine, health care, or other necessary purposes.

April 3, 2020: Governor Mills issued an Executive Order mandating that travelers arriving in Maine, regardless of their state of residency, self-quarantine for 14 days to mitigate the spread of COVID-19. Additionally, the Order instructs visitors not to travel to Maine if they are displaying symptoms of COVID-19 and advises them not to travel to Maine if they are traveling from cities or regions identified as COVID-19 hot spots. To deter travel, the Order also suspends lodging operations, including hotels, motels, bed and breakfasts, inns, and short-term rentals such as those available through VRBO Airbnb, RV parks and campgrounds, and all public and private camping facilities as well as online reservations effective April 5, 2020 at 12:00 p.m.

April 15, 2020: As the State continues to respond to COVID-19, Governor Mills signed a proclamation extending Maine's state of civil emergency for another thirty days through May 15, 2020. The original state of civil emergency was scheduled to expire tomorrow, April 15, 2020.

April 29, 2020: Governor Janet Mills issues new Stay Safer at Home Executive Order. The new order continues to have Maine people stay at home with the same established exceptions for permitted activities, such as occasional grocery shopping or exercising. However, it now also allows Maine people to visit businesses or participate in activities deemed safe to open under Stage 1 of the reopening plan presented on April 28. These include barber shops and hair salons, auto dealerships and drive-in stay-in-your-vehicle religious services that follow COVID-19 Prevention Checklists. The Order is effective immediately and extends through May 31, 2020, subject to change.

May 13, 2020: Governor Janet Mills signed a proclamation extending Maine's state of civil emergency for thirty days through June 11, 2020.

May14, 2020: The Mills Administration announced that, effective immediately, Maine lodging providers can begin accepting future reservations for stays with an arrival date of June 1st and beyond for Maine residents and for non-residents who comply with the State's 14-day quarantine requirement.

May 19, 2020: The Mills Administration announced the following updates to its plan to restart Maine's economy: 1) Maine residents may enjoy private campgrounds beginning Memorial Day weekend; and 2) the Administration is delaying the full reopening of gyms, fitness centers, and nail salons in light of emerging research and experiences in other states of COVID-19 transmission related to these establishments.

July 8, 2020: Governor Janet Mills issued an Executive Order requiring large retail businesses, restaurants, outdoor bars, tasting rooms, and lodging establishments in Maine's more populous cities and coastal counties to enforce the State's face covering requirement. Governor Mills also extended the State of Civil Emergency for thirty days through August 6, 2020.

October 6, 2020: The Mills Administration announced that Maine will move into Stage 4 of the Plan to Restart Maine's Economy beginning Tuesday, October 13, 2020. Stage 4 increases limits on indoor seating to 50 percent capacity of permitted occupancy, or 100 people – whichever is less – and maintains the critical public health measures outlined in COVID-19 Prevention Checklists, such as enhanced cleaning practices and physical distancing. Today's Executive Order also further strengthens the State's face covering mandate by requiring that a broader set of entities, such as private schools and municipal buildings, ensure that employees and people in their buildings adhere to this critical health measure. The Order also expands the scope of the enforcement statewide, rather than in just Maine's coastal counties and more populous cities.

November 5, 2020: On the day Maine recorded 183 new cases of COVID-19, the highest single-day increase since the beginning of the pandemic, Governor Janet Mills announced an Executive Order requiring Maine people to wear face coverings in public settings, regardless of the ability to maintain physical distance.

As you can see detailed in this timeline of events and orders around trying to deal with the covid-19 pandemic, lodging properties were forced to shut down for a period of two months, and even after that could open back up with restrictions in place.

Income Analysis

Typically, an income approach to value is one of the primary approaches to value when looking at what a hotel property would be worth.

- Total operating revenue was **down 58%** in 2020 from 2019.
- Occupancy went **down -20%** in 2020 to 25.6%.
- Property NOI **down -167%** from 2019-2020.

To analyze the income and expenses and try to derive an indication of value for the subject's real estate, we reviewed recent financials.

2020 Operating Statistics:

	2020
# of Rooms	196
ADR	$73.27
Occupancy	25.6%

On the following pages, we have detail actual financial information including income and expenses. Because the income is tied to a going concern, we have to extract the value that would be tied to any business/goodwill value, in addition to the value tied to personal property (FFE), to end up with a net value to the real estate only. This is a common approach when valuing hotel properties in order to derive a value for just the real estate.

We have completed this by deducting out the management fee and franchise fee, which represents the "business" value, as well as the reserves for replacement and FFE value which represent the "personal property", to arrive at a value for the real estate only.

2019							
FFE					Business Value		
Reserves (Return of)					Franchise Fee**	$0	
Total Revenue	$3,501,582				Mgmt Fee	$96,405	
Reserves	$140,063	4.0%				$96,405	
In Place FFE (Return on)							
HVS Cost - Midscale	Range						
Softgoods	$4,885	$6,766					
Add for full reno	$4,741	$6,199					
	$9,626	$12,965					
	$11,320		avg				
Rooms	196						
FFE Value - new	$2,218,720						
Less 30% depreciation	$1,553,104						
Cap Rate	11.28%						
Deduction	$175,190						
Total FFE (income)	**$315,253**						

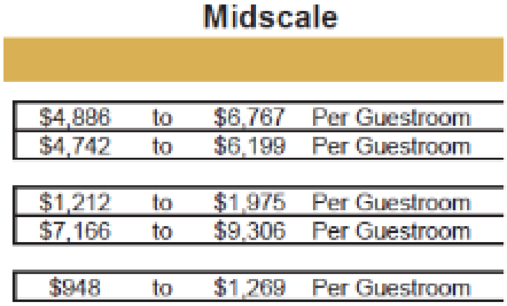
			2020				
FFE					Business Value		
Reserves (Return of)					Franchise Fee**	$0	
Total Revenue	$1,485,964				Mgmt Fee	$64,234	
Reserves	$59,439	4.0%				$64,234	
In Place FFE (Return on)							
HVS Cost - Midscale	Range						
Softgoods	$4,885	$6,766					
Add for full reno	$4,741	$6,199					
	$9,626	$12,965					
	$11,320		avg				
Rooms	196						
FFE Value - new	$2,218,720						
Less 30% depreciation	$1,553,104						
Cap Rate	11.28%						
Deduction	$175,190						
Total FFE (income)	**$234,629**						

			2021			
FFE					Business Value	
Reserves (Return of)					Franchise Fee	$0
Total Revenue	$3,407,734				Mgmt Fee	$100,401
Reserves	$136,309	4.0%				$100,401
In Place FFE (Return on)						
HVS Cost - Midscale	Range					
Softgoods	$4,885	$6,766				
Add for full reno	$4,741	$6,199				
	$9,626	$12,965				
	$11,320		avg			
Rooms	196					
FFE Value - new	$2,218,720					
Less 30% depreciation	$1,553,104					
Cap Rate	11.29%					
Deduction	$175,345					
Total FFE (income)	**$311,655**					

Shown in the tables above, are the allocations for the income attributed to the FFE and Business/goodwill components which must be deducted to arrive at a value attributable to the real estate.

For the FFE, there are two components: the first is a reserves expense which is for replacing FFE items as needed over time. In theory, a sufficient amount of money is available to replace furniture and equipment at the end of its useful life. This is common at 4% of revenue.   The deduction of a reserves for replacement from the stabilized income & expenses is a way to account for the return of personal property.

The second is the value of the FFE in place, or return on personal property. This is based on the cost of capital associated with obtaining the personal property. According to the 2020 HVS Cost estimating Guide, Midscale hotels like the subject would carry costs for FFE (softgoods & hardgoods) of between $9,626 - $12,965 per room. The avg of this range is $11,320.



		Midscale			
Guestroom	Softgoods	$4,886	to	$6,767	Per Guestroom
	Add for full renovation	$4,742	to	$6,199	Per Guestroom
Guestroom	Softgoods	$1,212	to	$1,975	Per Guestroom
	Add for full renovation	$7,166	to	$9,306	Per Guestroom
Guestroom Corridors		$948	to	$1,269	Per Guestroom

We will estimate the total cost for the subject property and apply some level of depreciation (30%) to arrive at an estimate of overall value of the FFE in place. Further, we apply our loaded capitalization rate to arrive at an estimated value. Combined with the reserves (return of) value, this total is to be capitalized to arrive at an overall FFE/Personal Property value.

Hotels are undisputedly a combination of business and real estate. The business value (going concern) must also be accounted for and extracted from the real estate. Isolating the business value of a hotel is essentially based on the fact that competent management is hired to operate the hotel. This, along with the hotel's flag, or, brand, has value which makes up a portion of its business value. To account for the business value, it is common to deduct these from Ebitda. Or, it is also common to capitalize these out using the loaded cap rate to arrive at an overall business value, as done in the Rushmore approach. By using this approach, we are assuming the cost of these fees equal value. When in fact, a hotel owner isn't in the business of not realizing a return on investment. Therefore, the true value is likely above and beyond what these fees represent.

Capitalization Rate

As you will see, for our purposes, the real estate taxes have been removed and will be loaded into the capitalization rate. According to Realty Rates, cap rates for lodging properties were 9.5% in Q2 2021. This is a weighted survey which includes band of investment, DCR, and a sales survey. This is typically derived from data leading up to 2020 and 2021. CBRE reported forecast cap rates for hotels between 8.5% - 9% pre-pandemic, with forecasted cap rates for hotel properties to increase to around 9.5% in 2020/2021 time frame. Additionally, HVS reported a March 2020 implied cap rate for lodging REITS of 10.5%.

Realty Rates: 9.5 %
CBRE: 9.5%
HVS – Implied Lodging REIT: 10.5%

Based on a review of capitalization rate information, as well as our knowledge of the market, we have utilized a base capitalization rate of **9.5%-10.0%** for our analysis.

	2021	% Change (19-20)	**2020**	**2019**
Revenue				
Total Revenue	$3,213,536	-58%	$1,471,966	$3,473,559
Other Income	$194,198		$13,998	$28,023
Total Income	$3,407,734		$1,485,964	$3,501,582
Expenses				
Department Expenses/Cost of Sale	$6,963		$34,688	$126,571
Operating Expenses				
Labor & Wages	$1,172,800		$1,070,710	$1,820,746
Variable Expenses	$972,808		$636,851	$1,015,663
Insurance	$27,297		$42,815	$43,664
Total Expenses	$2,172,905		$1,785,064	$3,006,644
Less Franchise Fee	$0		$0	$0
Total Net Expenses	$2,172,905		$1,785,064	$3,006,644
*Excl property taxes				
NOI	$1,234,829	-160.4%	-$299,100	$494,938
Base Cap Rate	10.00%		9.50%	9.50%
Eff Tax Rate (load)	1.29%		1.78%	1.78%
Loaded Cap Rate	11.29%		11.28%	11.28%
Going Concern Value	**$10,937,369**		**-$2,651,596**	**$4,387,748**
Total Business Component	$100,401		$64,234	$96,405
Business Value	**$889,291**		**569,450**	**854,654**
Total FFE Component	$311,655		$234,629	$315,253
FFE Value	**$2,760,450**		**$2,080,042**	**$2,794,800**
RE Value ONLY	**$7,287,628**		**-$5,301,088**	**$738,294**
% of total	66.6%		n/a	16.8%

As you can see in the subject's financials, some of the years analyzed due not indicate a true and reliable indicator of its market value. Certainly in 2020 where income dropped by almost 60% and expenses exceeded revenue. This results in producing a negative value attributed to the property. This demonstrates the severity of the impact covid-19 has had on hotels and this property in particular. Though we may not be able to rely on this as a representation of market value entirely, it does demonstrate that there was a severe impairment in value.

2021 income and expense information appear to show relatively positive performance, which in large part is due to labor costs remaining down (increasing NOI). This is likely due to a shortage and simply not having a full staff. At some point, staffing will be restored, and this cost will be higher like in pre-covid years.

As referenced previously, the Rushmore Approach for valuing hotel properties attributes value to the real estate, FFE/personal property, and business value. The Rushmore Approach typically results in the real estate only value being around 60% of the total going concern value. As you can see, the subject's income in 2021 derives a value of **$7,300,000 (rounded)** which equates to about 66% of the total going concern value. This would represent a more reliable indication of the subject's value based on income and expense information versus the other years. However, with expenses expected to increase closer to where they were in 2019, this will put downward pressure on NOI and likely result in a lower value.

Summary of Values

Covid-19 Est Impact Value 1: **$5,600,000-$7,700,000**
Income Approach to Value: **$7,300,000 (no more than)**

I would like to discuss these concerns with you to hopefully rectify the current assessment. Thank you for your consideration. Please feel free to call me at 617-798-2840, extension 2206 or by email at tkratt@dmainc.com if you have any questions or concerns. I look forward to discussing with you soon.

Sincerely,

Todd Kratt
Senior Property Tax Manager

PROPERTY TAX
CERTIFICATE OF AUTHORITY

Date: 3/10/2022

TO WHOM IT MAY CONCERN:

This certifies that DuCharme, McMillen & Associates, Inc. and/or its designees is hereby authorized to represent the undersigned in all matters of property tax assessments before any governmental assessing officials or any other authority having jurisdiction regarding the assessment levied on the following described property for current or past years of assessment:

All Real Property

Portland, ME

BY:
(Signature)

Jonathan W. Mueller
(Typed Signature)

CFO
(Corporate Title)

Lafayette Portland LLC & Lafayette
Portland West LLC
(Company)

* All correspondence to be reviewed by the Company prior to submittal to any governmental officials. JWM 3/10/2022

AHLA
AMERICAN HOTEL & LODGING ASSOCIATION

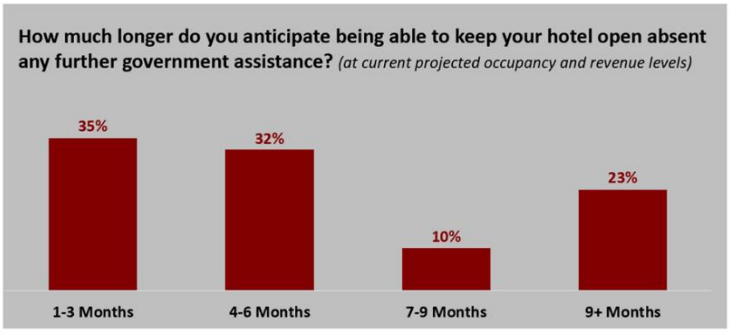
AHLA FRONT DESK FEEDBACK

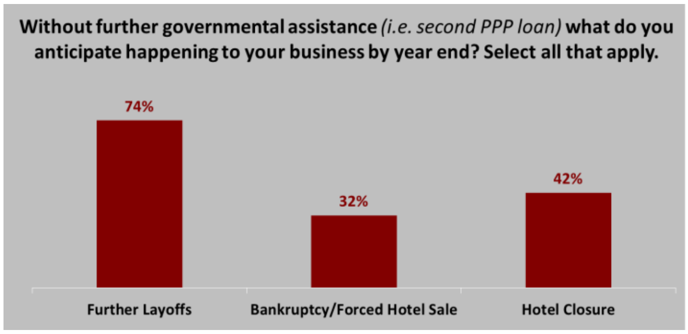
SURVEY OF HOTELS ON FINANCIAL CRISIS

The American Hotel & Lodging Association conducted a survey of more than 1,000 members from September 14-16, 2020. Survey topics included the hotel's financial outlook and staffing levels at the six-month point into the COVID pandemic.

TOPLINE: 67% of hotels won't make it another 6 months given current and projected travel demand without further federal assistance. 74% will be forced to lay off more workers.

Without further government assistance (i.e. second PPP loan, expansion of Main Street Lending Program), more than one-third of hotels will be forced to close within the next three months. Nearly one-third of hotels would be facing bankruptcy or be forced to sell by the end of 2020. 42% would close due to lack of revenue.

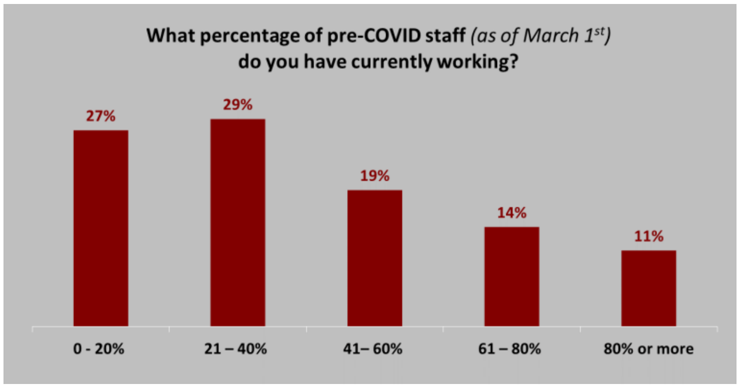

How much longer do you anticipate being able to keep your hotel open absent any further government assistance? *(at current projected occupancy and revenue levels)*

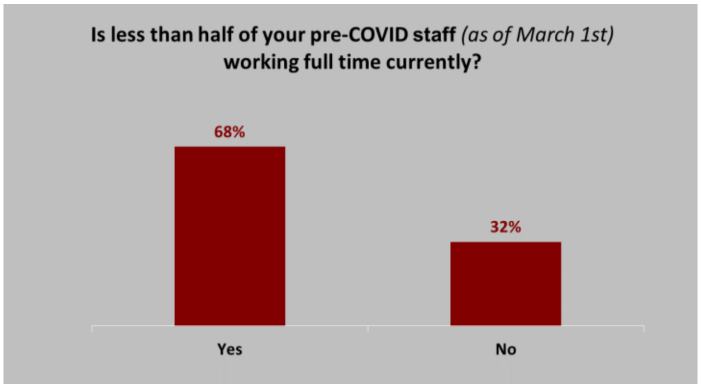

Without further governmental assistance *(i.e. second PPP loan)* what do you anticipate happening to your business by year end? Select all that apply.

BOTTOM LINE: Without action by Congress, half of U.S. hotels could close with massive layoffs.

TOPLINE: Nearly 70% of hotels are operating with less than half of Pre-COVID staffing levels.

Six months into the COVID pandemic, hotels are still struggling to keep their doors open and unable to rehire all their staff due to the historic drop in travel demand. In fact, two out of three hotels (68%) say they have less than half of their pre-COVID staff back on the job, and 56 percent have been able to retain no more than 40 percent of their employees who were working pre-COVID.


What percentage of pre-COVID staff *(as of March 1st)* do you have currently working?


Is less than half of your pre-COVID staff *(as of March 1st)* working full time currently?

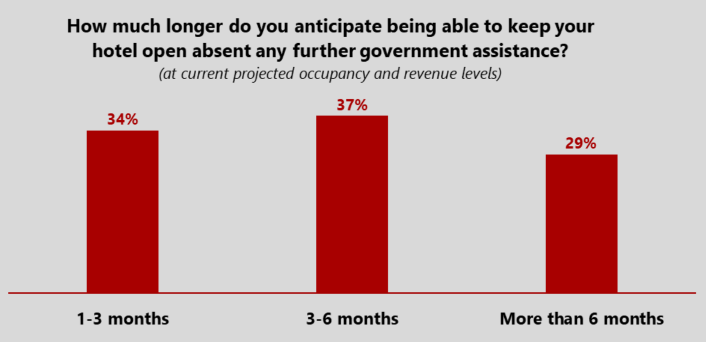
BOTTOM LINE: Without action by Congress, 74% of hotels will be forced to lay off more staff.

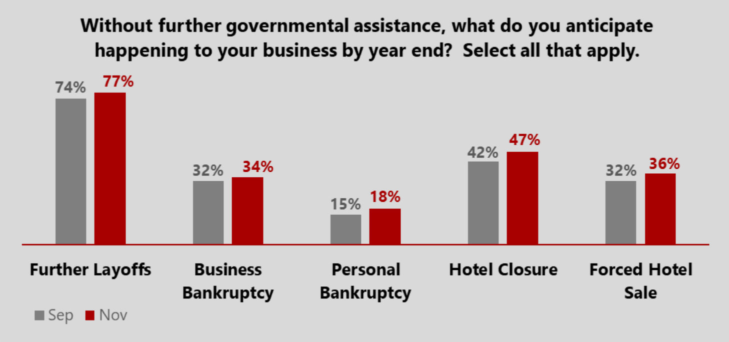
AHLA FRONT DESK FEEDBACK

SURVEY OF HOTELS ON FINANCIAL CRISIS

The American Hotel & Lodging Association conducted a survey of more than 1,200 members from November 10-13, 2020. Survey topics included the hotel's financial outlook and staffing levels at the eight-month point into the COVID pandemic. The margin of error is ±3%.

TOPLINE: 71% of hotels won't make it another 6 months without further federal assistance given current and projected travel demand. 77% will be forced to lay off more workers.
Without further government assistance (i.e. second PPP loan, expansion of Main Street Lending Program), nearly half (47%) of respondents indicated they would be forced to close hotels. More than one-third of hotels will be facing bankruptcy or be forced to sell by the end of 2020.

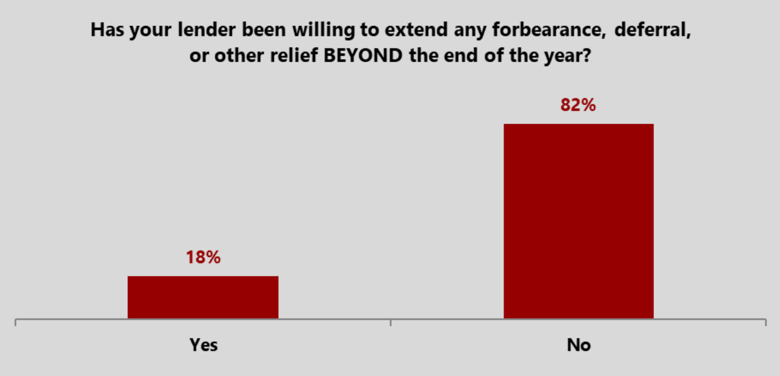


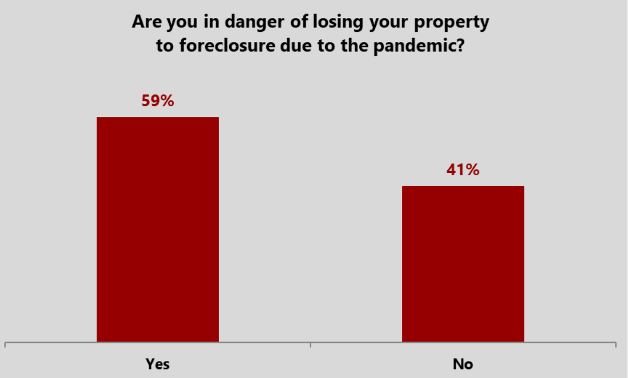


BOTTOM LINE: Without action by Congress, half of U.S. hotels could close with massive layoffs.

TOPLINE: Two-thirds of hotels have been unable to obtain additional debt relief.

Hotels are still struggling to keep their doors open and are unable to rehire all their staff, let alone make mortgage payments, due to the historic drop in travel demand. In fact, 82% say they have been unable to obtain additional debt relief from their lenders beyond the end of this year. More than half of respondents (59%) said they are in danger of foreclosure on their hotel(s).





BOTTOM LINE: Without action by Congress, 77% of hotels will be forced to lay off more staff.

AHLA
AMERICAN HOTEL & LODGING ASSOCIATION

ANALYSIS: HOTEL BUSINESS TRAVEL REVENUE BY STATE

Kalibri Labs – August 2021

The pandemic has been devastating to the hospitality industry, wiping out a decade's worth of revenue and job growth. **A new report from AHLA and Kalibri Labs projects that the hotel industry will finish 2021 down more than $59 billion in business travel revenue from 2019, after losing nearly $49 billion in business travel revenue in 2020.** Business travel includes corporate, group, government, and other commercial categories. Business and group travel are the industry's largest source of revenue and are not expected to reach pre-pandemic levels until 2024.

Hotel Business Travel Revenue By State

STATE	Total 2019 Revenue	Total 2021 Projected Revenue	$ Difference vs 2019	% Difference vs 2019
NATIONWIDE	**$89,549,029,613**	**$30,272,129,226**	**($59,276,900,387)**	**-66.2%**
ALABAMA	$875,467,868	$550,375,809	($325,092,059)	-37.1%
ALASKA	$491,384,904	$291,816,636	($199,568,268)	-40.6%
ARIZONA	$2,042,000,029	$722,293,958	($1,319,706,070)	-64.6%
ARKANSAS	$480,848,768	$278,097,770	($202,750,999)	-42.2%
CALIFORNIA	$13,306,103,343	$3,464,672,152	($9,841,431,191)	-74.0%
COLORADO	$2,298,501,744	$716,592,849	($1,581,908,896)	-68.8%
CONNECTICUT	$566,745,097	$184,609,353	($382,135,745)	-67.4%
DELAWARE	$180,325,609	$83,184,160	($97,141,448)	-53.9%
D.C.	$1,415,883,808	$137,687,711	($1,278,196,097)	-90.3%
FLORIDA	$8,804,251,492	$3,459,924,043	($5,344,327,450)	-60.7%
GEORGIA	$2,610,590,771	$1,027,824,646	($1,582,766,124)	-60.6%
HAWAII	$1,529,919,133	$346,393,230	($1,183,525,904)	-77.4%
IDAHO	$330,568,694	$200,551,078	($130,017,616)	-39.3%
ILLINOIS	$3,030,189,558	$599,125,416	($2,431,064,142)	-80.2%
INDIANA	$1,136,295,292	$492,757,697	($643,537,595)	-56.6%
IOWA	$571,225,206	$303,023,062	($268,202,144)	-47.0%
KANSAS	$456,946,838	$222,265,793	($234,681,045)	-51.4%
KENTUCKY	$774,795,012	$376,743,724	($398,051,288)	-51.4%
LOUISIANA	$1,377,451,261	$576,748,059	($800,703,203)	-58.1%
MAINE	$383,906,970	$215,508,558	($168,398,412)	-43.9%
MARYLAND	$1,256,296,518	$364,408,164	($891,888,354)	-71.0%
MASSACHUSETTS	$2,249,357,586	$341,078,159	($1,908,279,427)	-84.8%
MICHIGAN	$1,451,699,080	$583,773,888	($867,925,192)	-59.8%
MINNESOTA	$1,156,886,823	$321,036,880	($835,849,943)	-72.2%
MISSISSIPPI	$610,669,464	$434,546,417	($176,123,047)	-28.8%
MISSOURI	$1,244,842,851	$512,612,601	($732,230,250)	-58.8%
MONTANA	$316,677,418	$231,105,037	($85,572,381)	-27.0%
NEBRASKA	$348,088,391	$175,838,780	($172,249,611)	-49.5%
NEVADA	$2,789,554,577	$1,020,584,176	($1,768,970,401)	-63.4%
NEW HAMPSHIRE	$320,684,224	$129,542,771	($191,141,453)	-59.6%
NEW JERSEY	$2,471,612,928	$543,727,064	($1,927,885,864)	-78.0%

NEW MEXICO	$591,108,638	$277,075,574	($314,033,064)	-53.1%
NEW YORK	$6,135,487,180	$1,065,209,607	($5,070,277,574)	-82.6%
NORTH CAROLINA	$2,193,233,173	$854,791,213	($1,338,441,959)	-61.0%
NORTH DAKOTA	$208,945,115	$112,023,038	($96,922,077)	-46.4%
OHIO	$1,723,516,474	$671,839,421	($1,051,677,053)	-61.0%
OKLAHOMA	$646,901,580	$339,352,794	($307,548,787)	-47.5%
OREGON	$1,125,645,134	$439,503,012	($686,142,123)	-61.0%
PENNSYLVANIA	$2,142,102,518	$688,090,574	($1,454,011,943)	-67.9%
RHODE ISLAND	$173,317,783	$65,529,658	($107,788,125)	-62.2%
SOUTH CAROLINA	$1,445,412,953	$752,626,532	($692,786,421)	-47.9%
SOUTH DAKOTA	$232,761,093	$150,219,583	($82,541,510)	-35.5%
TENNESSEE	$ 1,983,045,109	$752,214,251	($1,230,830,858)	-62.1%
TEXAS	$ 6,817,748,427	$2,705,987,880	($4,111,760,548)	-60.3%
UTAH	$ 747,169,707	$327,026,274	($420,143,433)	-56.2%
VERMONT	$ 261,174,631	$138,657,469	($122,517,162)	-46.9%
VIRGINIA	$ 2,367,387,343	$864,506,673	($1,502,880,670)	-63.5%
WASHINGTON	$ 1,975,387,046	$521,823,944	($1,453,563,102)	-73.6%
WEST VIRGINIA	$ 307,791,153	$163,168,341	($144,622,812)	-47.0%
WISCONSIN	$ 961,271,756	$350,807,675	($610,464,081)	-63.5%
WYOMING	$ 629,851,541	$123,226,073	($506,625,469)	-80.4%
Source: Kalibri Labs				

REPORT: HOTELS PROJECTED TO END 2021 DOWN $59 BILLION IN BUSINESS TRAVEL REVENUE

Click here for a state-by-state breakdown
Click here for a market-by-market breakdown

WASHINGTON (September 15, 2021) – The hotel industry is projected to end 2021 down more than $59 billion in business travel revenue compared to 2019, according to a new report released today by the American Hotel & Lodging Association and Kalibri Labs. That comes after losing nearly $49 billion in business travel revenue in 2020.
Business travel is the hotel industry's largest source of revenue and has been slow to return since the onset of the pandemic. Business travel includes corporate, group, government, and other commercial categories. Business travel revenue is not expected to reach pre-pandemic levels until 2024.

The new analysis comes on the heels of a recent AHLA survey, which found that most business travelers are canceling, reducing, and postponing trips amid rising COVID-19 cases.

The lack of business travel and events has major repercussions for employment, and underscores the need for targeted federal relief, such as the Save Hotel Jobs Act.

Hotels are expected to end 2021 down nearly 500,000 jobs compared to 2019. For every 10 people directly employed on a hotel property, hotels support an additional 26 jobs in the community, from restaurants and retail to hotel supply companies—meaning an additional nearly 1.3 million hotel-supported jobs are also at risk.
"While some industries have started rebounding from the pandemic, this report is a

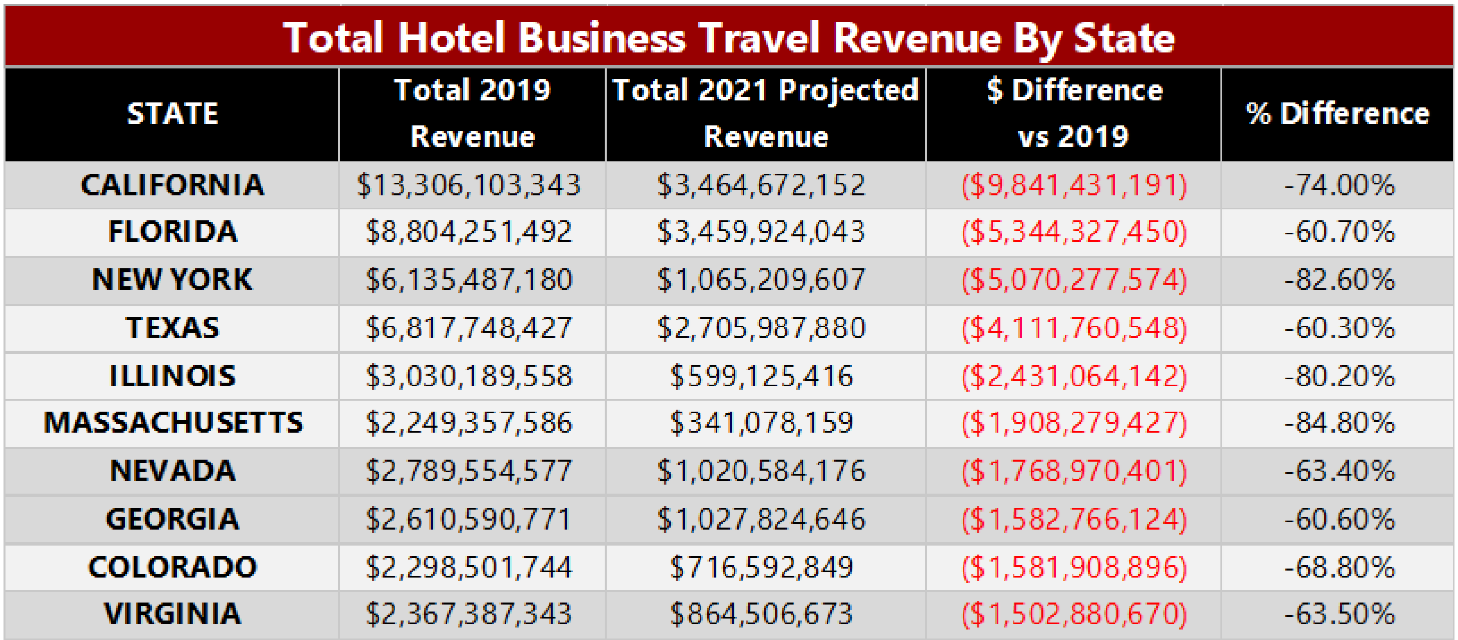
sobering reminder that hotels and hotel employees are still struggling," said **Chip Rogers, president and CEO of AHLA**. "Business travel is critical to our industry's viability, especially in the fall and winter months when leisure travel normally begins to decline. Continued COVID-19 concerns among travelers will only exacerbate these challenges. That's why it's time for Congress to pass the bipartisan Save Hotel Jobs Act to help hotel employees and small business owners survive this crisis."

COVID-19 is the worst economic event in the history of the U.S. hotel industry. Many urban markets, which rely heavily on business from events and group meetings, continue to face a severe financial crisis, as they have been disproportionately impacted by the pandemic. The 10 markets projected to end 2021 with the largest declines in hotel business travel revenue are:

Hotel Business Travel Revenue By Market

Market	Total 2019 Revenue	Total 2021 Projected Revenue	$ Difference vs 2019	% Difference vs 2019
NEW YORK, NY	$4,559,516,559	$530,600,844	($4,028,915,714)	-88.4%
WASHINGTON, DC/MD/VA	$2,740,582,466	$371,196,231	($2,369,386,235)	-86.5%
SAN FRANCISCO, CA	$2,531,094,160	$178,436,358	($2,352,657,803)	-93.0%
ORLANDO, FL	$2,796,237,340	$518,314,991	($2,277,922,349)	-81.5%
CHICAGO, IL	$2,527,891,469	$345,886,720	($2,182,004,749)	-86.3%
LOS ANGELES, CA	$2,682,549,152	$752,329,741	($1,930,219,410)	-72.0%
LAS VEGAS, NV	$2,326,149,404	$670,456,483	($1,655,692,922)	-71.2%
BOSTON, MA	$1,672,365,647	$190,785,287	($1,481,580,359)	-88.6%
SAN DIEGO, CA	$1,610,725,508	$394,564,554	($1,216,160,954)	-75.5%
HAWAIIAN ISLANDS, HI	$1,530,226,473	$346,489,857	($1,183,736,616)	-77.4%

The 10 states projected to end 2021 with the largest declines in hotel business travel revenue are:



Total Hotel Business Travel Revenue By State

STATE	Total 2019 Revenue	Total 2021 Projected Revenue	$ Difference vs 2019	% Difference
CALIFORNIA	$13,306,103,343	$3,464,672,152	($9,841,431,191)	-74.00%
FLORIDA	$8,804,251,492	$3,459,924,043	($5,344,327,450)	-60.70%
NEW YORK	$6,135,487,180	$1,065,209,607	($5,070,277,574)	-82.60%
TEXAS	$6,817,748,427	$2,705,987,880	($4,111,760,548)	-60.30%
ILLINOIS	$3,030,189,558	$599,125,416	($2,431,064,142)	-80.20%
MASSACHUSETTS	$2,249,357,586	$341,078,159	($1,908,279,427)	-84.80%
NEVADA	$2,789,554,577	$1,020,584,176	($1,768,970,401)	-63.40%
GEORGIA	$2,610,590,771	$1,027,824,646	($1,582,766,124)	-60.60%
COLORADO	$2,298,501,744	$716,592,849	($1,581,908,896)	-68.80%
VIRGINIA	$2,367,387,343	$864,506,673	($1,502,880,670)	-63.50%

Despite being among the hardest hit, hotels are the only segment of the hospitality and leisure industry yet to receive direct aid. Hotels and their employees have displayed extraordinary resilience in the face of unprecedented economic challenges, and the industry needs support from Congress to achieve a full recovery.

RealtyRates.com INVESTOR SURVEY - 2nd Quarter 2021*

CURRENT & HISTORICAL CAP RATE INDICES

Method-Weighted* Property Category Indices

	Apts		Golf		Healthcare Senior Housing		Industrial		Lodging		MH/RV Park		Office		Retail		Restaurant		Self Storage		Special Purpose		Weighted^ Composite Indices	
Year	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg	Rate	BP Chg
2021	7.57	7	11.03	-4	8.03	-7	8.32	0	9.37	-2	8.58	-5	8.25	9	8.60	2	10.86	5	8.91	0	11.01	10	8.77	2
1st Qtr	7.57	14	11.03	5	8.03	11	8.32	12	9.37	3	8.58	9	8.25	11	8.60	11	10.86	11	8.91	11	11.01	7	8.77	10
2020	7.50	-43	11.08	-48	8.10	-48	8.32	-40	9.40	-47	8.63	-46	8.16	-38	8.58	-35	10.81	-39	8.91	-49	10.91	-29	8.75	-41
4th Qtr	7.43	6	10.98	16	7.92	8	8.20	9	9.34	12	8.49	12	8.14	14	8.50	11	10.75	12	8.80	10	10.94	14	8.67	11
2019	7.92	-50	11.56	-47	8.58	-44	8.72	-47	9.86	-66	9.08	-48	8.54	-50	8.93	-45	11.20	-37	9.40	-46	11.20	-45	9.15	-49
2018	8.42	26	12.02	30	9.01	14	9.19	23	10.53	25	9.56	30	9.04	10	9.38	20	11.57	15	9.86	29	11.64	40	9.64	22
2017	8.16	4	11.73	-2	8.87	-6	8.96	-12	10.28	5	9.26	11	8.94	-22	9.19	-8	11.42	-15	9.57	-9	11.25	4	9.42	-6
2016	8.13	-2	11.75	6	8.92	12	9.08	15	10.22	0	9.15	15	9.16	16	9.27	12	11.57	-10	9.67	14	11.21	10	9.48	9
2015	8.15	-9	11.69	-14	8.80	-9	8.93	-10	10.22	-20	8.99	-18	9.00	-6	9.15	-11	11.66	-13	9.52	-22	11.11	-12	9.40	-12
2014	8.24	-15	11.83	-9	8.89	-1	9.03	-4	10.43	-17	9.17	-5	9.06	-22	9.26	15	11.79	-6	9.75	-20	11.24	14	9.52	-7
2013	8.39	14	11.92	-14	8.90	5	9.07	-2	10.60	3	9.22	14	9.28	-19	9.11	-4	11.86	9	9.95	-24	11.10	1	9.58	-2
2012	8.25	-35	12.07	6	8.85	-36	9.09	-40	10.57	-24	9.08	-39	9.47	3	9.15	-13	11.77	6	10.19	-49	11.09	-4	9.60	-21
2011	8.60	-29	12.00	-22	9.21	-40	9.49	-11	10.81	-24	9.48	-8	9.44	-10	9.28	-26	11.70	-14	10.69	-3	11.12	-17	9.81	-19
2010	8.89	4	12.22	5	9.62	15	9.60	12	11.05	7	9.55	22	9.54	16	9.54	25	11.84	12	10.72	21	11.30	0	10.00	13
2009	8.85	8	12.17	16	9.47	10	9.48	10	10.98	-7	9.33	1	9.38	29	9.29	20	11.72	15	10.50	37	11.30	8	9.87	14
2008	8.77	-4	12.01	29	9.37	-16	9.38	-14	11.05	56	9.32	-5	9.09	-16	9.09	-11	11.57	-28	10.13	20	11.22	-7	9.74	-1
2007	8.81	-45	11.72	-21	9.53	-65	9.52	-25	10.49	-28	9.37	-26	9.25	-47	9.20	-12	11.85	61	9.93	-38	11.29	-24	9.75	-28
2006	9.26	12	11.93	47	10.18	15	9.77	35	10.77	27	9.63	41	9.72	26	9.32	30	11.24	18	10.31	27	11.53	9	10.03	26
2005	9.14	14	11.46	80	10.03	-16	9.42	-30	10.50	-21	9.22	19	9.46	6	9.02	16	11.06	5	10.04	13	11.44	-30	9.77	2
2004	9.00	-19	10.66	28	10.19	-37	9.72	19	10.71	-98	9.03	-48	9.40	-4	8.86	-19	11.01	-15	9.91	-13	11.74	-30	9.75	-19
2003	9.19	-2	10.38	-32	10.56	64	9.53	33	11.69	56	9.51	-11	9.44	1	9.05	-18	11.16	8	10.04	-53	12.04	105	9.94	12
2002	9.21	-40	10.70	18	9.92	-39	9.20	-61	11.13	26	9.62	-60	9.43	-35	9.23	-62	11.08	-3	10.57	-12	10.99	-177	9.82	-41
2001	9.61	64	10.52	133	10.31	90	9.81	16	10.87	98	10.22	-68	9.78	-35	9.85	-53	11.11	47	10.69	13	12.76	32	10.23	21
2000	8.97		9.19		9.41		9.65		9.89		10.90		10.13		10.38		10.64		10.56		12.44		10.01	

* Weighted by methodology: Band-of-Investment, DCR Technique, Sales Survey

^ Further weighted by property category

*1st Quarter 2021 Data

✓ DID

Bill #: 53794

Bill #: 75386

ABATEMENT FORM

FISCAL YEAR 2022

***ATTACH IAS PRC

OWNER LaFayette Portland

ADDRESS 155 Littlefield Ave

Bangor ME

PARCEL ID # 39-E-10-001

MUNIS/HTE # 12011

RECEIVED
MAY 09 2022
DEPT OF ASSESSOR
CITY OF PORTLAND

	ORIGINAL FY22 ASSESSMENT	REVISED FY22 ASSESSMENT
LAND	3,576,000	3,576,000
BUILDING	28,625,300	21,086,500
EXEMPTIONS		
TOTAL	32,201,360	24,662,500

ABATED VALUE 7,538,860

DID:
OLD: 18,354.74
NEW: 14,057.63

NEW TAX AMOUNT 0.01299 320,365.88

ABATED TAX= 0.01299 97,929.01

REASON

DID PARCEL ☒

After processing in Munis, give this form to Treasury for credit/refund processing

APPLICATION FOR ABATEMENT OF PROPERTY TAXES
UNDER TITLE 36 SECTION 841 MRSA

Name(s) of Applicant(s) DuCharme, McMillen & Associates - on behalf of Lafayette Portland LLC

Address of Applicant(s) 205 Portland Street, Suite 200, Boston, MA 02114

Daytime Telephone # 617-798-2840 x2206

Property Identification (Chart, Block, Lot and/or Tax ID #) 039-E010001 (88 Spring Street)

Tax Year for which Abatement is Requested 2021 (FY22)

Assessed Value of Real Estate $32,201,300

Abatement Requested in Real Estate Value $12,000,000 ($20,201,300 in abatement value)

Assessed Value of Personal Property (if applicable)

Abatement Requested in Personal Property Value (if applicable)

Reason(s) for requesting abatement (please be specific, stating grounds for belief that property is overvalued for tax purposes) Property's market value less than assessment. See enclosed analysis.

Operation includes abutting property - 40 Spring Street. See separate abatement application.

Please attach a separate sheet as needed.

To the Tax Assessor, City of Portland, Maine

In accordance with provisions of Title 36 Section 841 MRSA, I hereby make written application for abatement of property taxes as noted above. The above statements are correct to the best of my knowledge and belief.

3|11|22

Date

Signature of Applicant

THIS APPLICATION MUST BE SIGNED.

SEPARATE APPLICATION SHOULD BE FILED FOR EACH SEPARATELY ASSESSED PARCEL OF REAL ESTATE CLAIMED TO BE OVERVALUED.

COMMERCIAL PROPERTY RECORD CARD 2022

CITY OF PORTLAND

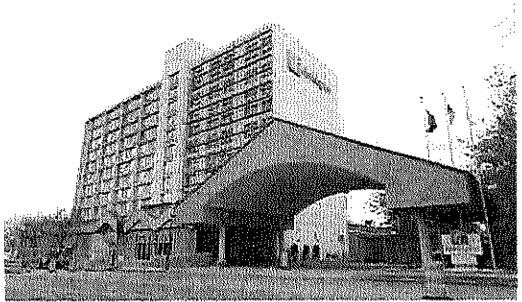
Situs : 88 SPRING ST	PARCEL ID: 039 E010001	Class: 23	Card: 1 of 2	Printed: May 6, 2022

CURRENT OWNER

LAFAYETTE PORTLAND LLC
155 LITTLEFIELD AVE
BANGOR ME 04401
26879/263 05/12/2009

GENERAL INFORMATION

Living Units	239
Neighborhood	201
Alternate ID	12011
Vol / Pg	26879/263
District	13DD
Zoning	DOWNTOWN BUSINESS
Class	



039 E010001 05/24/2019

Property Notes

39-E-10
PLEASANT ST 83-99 OAK ST 2-18
SPRING ST ART 72-92
49157 SF

Land Information

Type		Size	Influence Factors	Influence %	Value
Primary	SF	49,157			3,575,990

Total Acres: 1.1285
Spot:
Location:

Assessment Information

	Assessed	Appraised	Cost	Income	Market
Land	3,576,000	3,576,000	3,576,000	3,576,000	0
Building	21,086,500	21,086,500	28,625,300	21,086,500	0
Total	24,662,500	24,662,500	32,201,300	24,662,500	0

Manual Override Reason
Base Date of Value 01-APR-21
Value Flag INCOME APPROACH
Effective Date of Value 01-APR-21
Gross Building:

Entrance Information

Date	ID	Entry Code	Source
07/16/90	JS	Entry & Sign	Other

Permit Information

Date Issued	Number	Price	Purpose		% Complete
11/02/17	201701240	3,500,000	BLDG	Fy22 Cladding Of Existing Hotel W	
04/16/15	123	2,906,400	C		

Sales/Ownership History

Transfer Date	Price	Type	Validity	Deed Reference	Deed Type	Grantee
05/12/09	8,503,571	Land & Building	Involved Only Part Of Parcel	26879/263		LAFAYETTE PORTLAND LLC
03/23/72				3221/132		HARPER HOTELS OF VERMONT INC

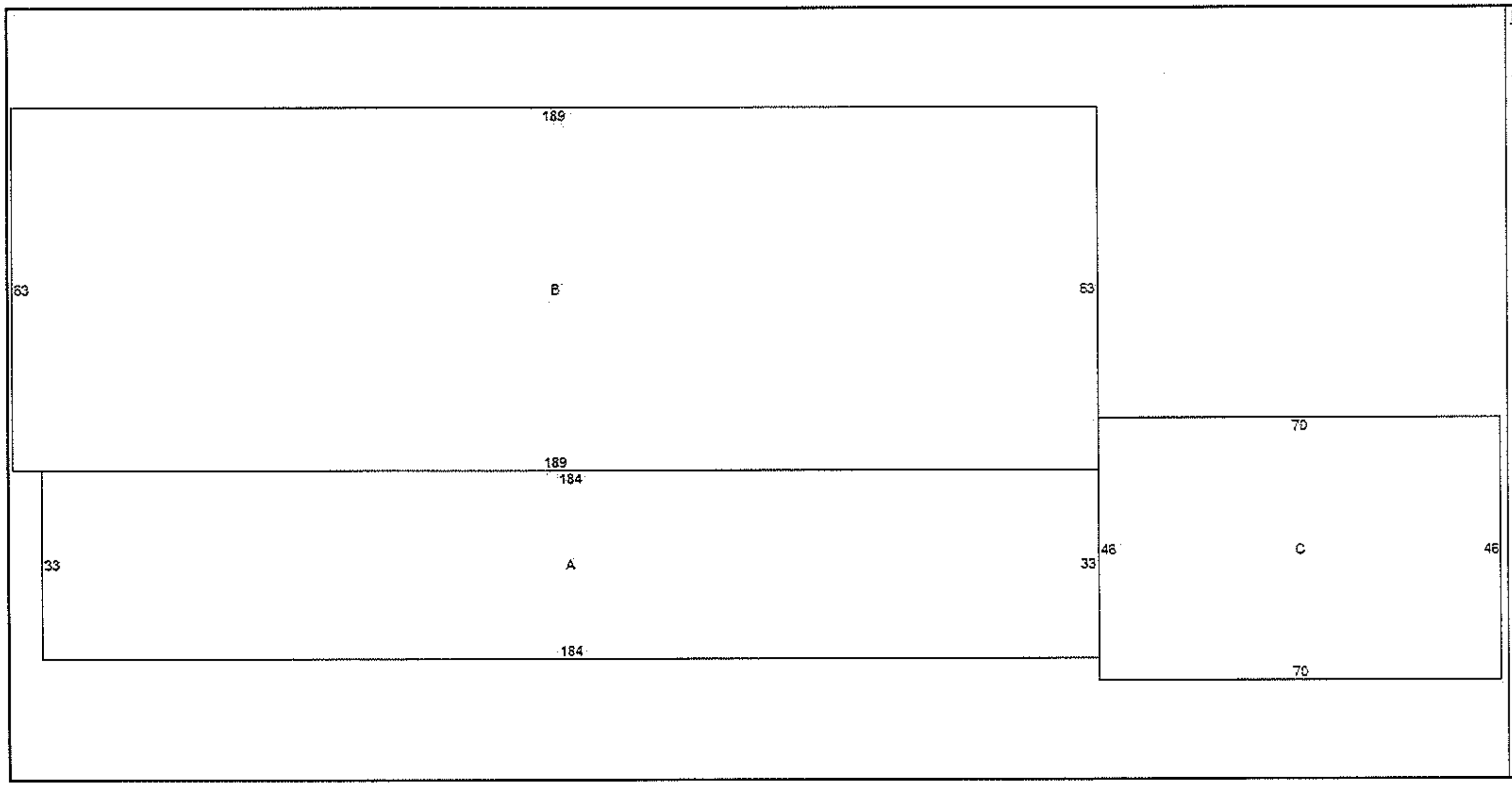
Inspection Witnessed By ____________________

tyler
cl division

COMMERCIAL PROPERTY RECORD CARD 2022

CITY OF PORTLAND

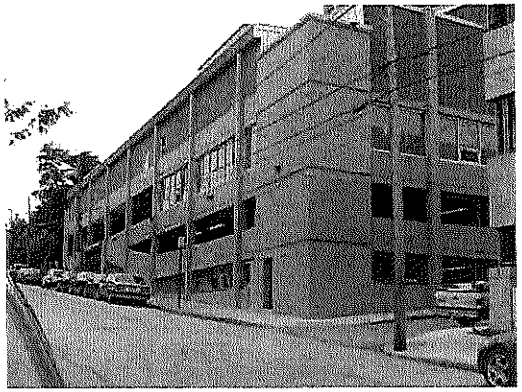
Situs : 88 SPRING ST	**Parcel Id: 039 E010001**	**Class: 23**	Card: 1 of 2	Printed: May 6, 2022



ID	Code	Description	Area
A	031	RESTAURANT	6072
B	012	HOTEL	11907
C	CP9	CANOPY RF-GOOD	3220
D	090	PARKING GARAGE	4158*
E	086	SUPPORT AREA	7749*
F	090	PARKING GARAGE	4158*
G	066	SUPPORT AREA	7749*
H	095	COVERED MALL	17979*
I	012	HOTEL	8064*
J	SC2	INDOOR POOL	1100*
K	OD1	OVERHEAD DR-WOOD/MTL	80*
L	EL2	ELEVATOR ELECTRIC PASNGR	87500*
M	SS1	SPRINKLER SYS WET	155028*
N	PC1	PAVING CONCRETE AVERAGE	2000*

Addtional Property Photos

039 E010001 05/24/2019



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cit division

COMMERCIAL PROPERTY RECORD CARD 2022

CITY OF PORTLAND

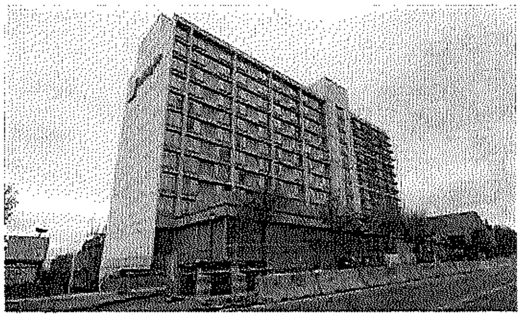
Situs : 88 SPRING ST	**PARCEL ID: 039 E010001**	**Class: 23**	Card: 2 of 2	Printed: May 6, 2022

CURRENT OWNER

LAFAYETTE PORTLAND LLC
155 LITTLEFIELD AVE
BANGOR ME 04401
26879/263 05/12/2009

GENERAL INFORMATION

Living Units	239
Neighborhood	201
Alternate ID	12011
Vol / Pg	26879/263
District	13DD
Zoning	DOWNTOWN BUSINESS
Class	



039 E010001 05/24/2019

Property Notes

39-E-10
PLEASANT ST 83-99 OAK ST 2-18
SPRING ST ART 72-92
49157 SF

Land Information

Type		Size	Influence Factors	Influence %	Value
Primary	SF	49,157			3,575,990

Total Acres: 1.1285
Spot:
Location:

Assessment Information

	Assessed	Appraised	Cost	Income	Market
Land	3,576,000	3,576,000	3,576,000	3,576,000	0
Building	21,086,500	21,086,500	28,625,300	21,086,500	0
Total	24,662,500	24,662,500	32,201,300	24,662,500	0

Manual Override Reason
Base Date of Value 01-APR-21
Value Flag INCOME APPROACH
Effective Date of Value 01-APR-21
Gross Building:

Entrance Information

Date	ID	Entry Code	Source
07/16/90	JS	Entry & Sign	Other

Permit Information

Date Issued	Number	Price	Purpose		% Complete
11/02/17	201701240	3,500,000	BLDG	Fy22 Cladding Of Existing Hotel W	
04/16/15	123	2,906,400	C		

Sales/Ownership History

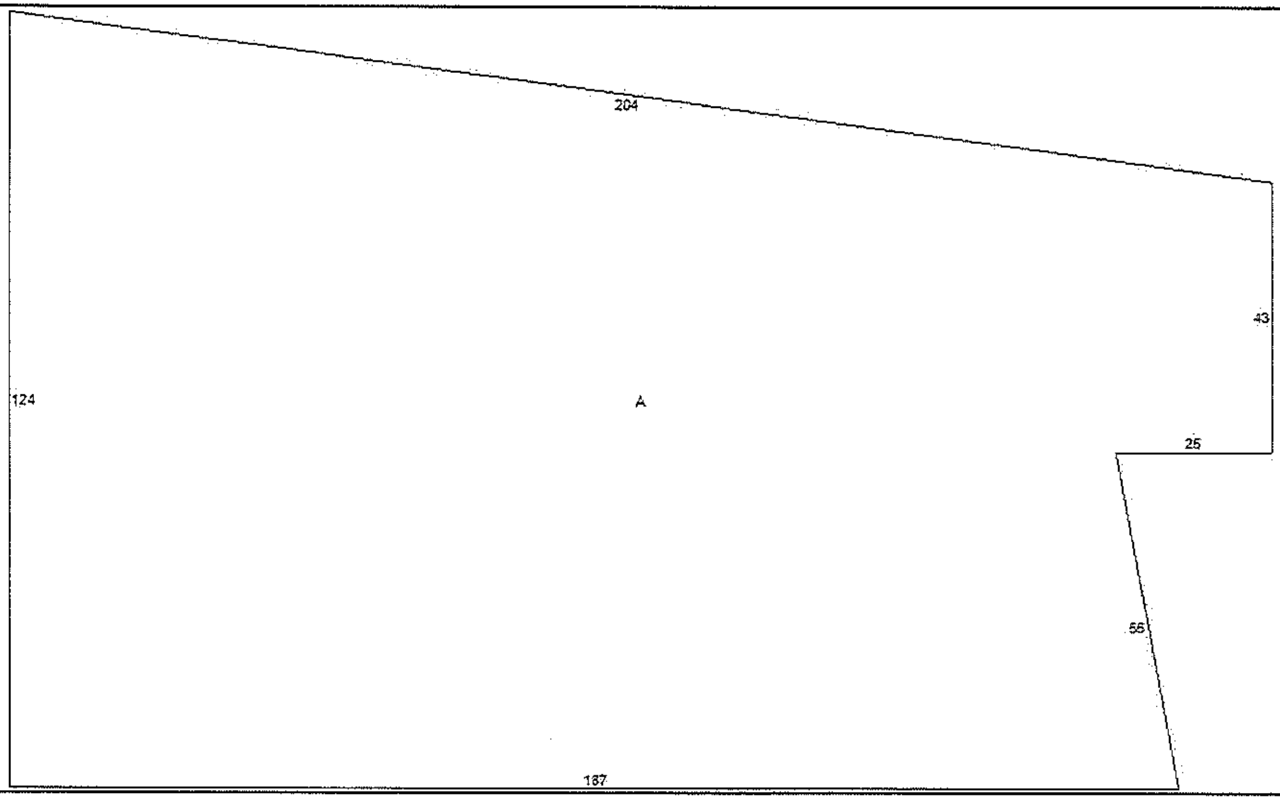
Transfer Date	Price	Type	Validity	Deed Reference	Deed Type	Grantee
05/12/09	8,503,571	Land & Building	Involved Only Part Of Parcel	26879/263		LAFAYETTE PORTLAND LLC
03/23/72				3221/132		HARPER HOTELS OF VERMONT INC

Inspection Witnessed By ____________________

COMMERCIAL PROPERTY RECORD CARD 2022

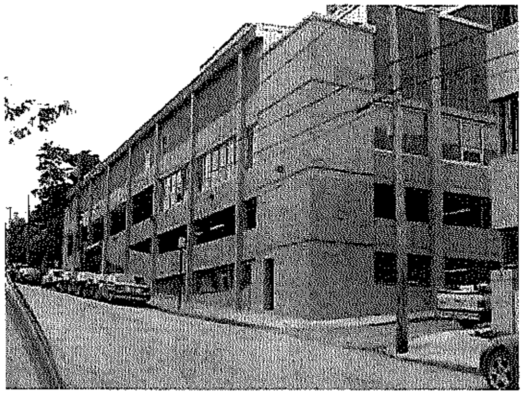
CITY OF PORTLAND

Situs : 88 SPRING ST	**Parcel Id: 039 E010001**	**Class: 23**	Card: 2 of 2	Printed: May 6, 2022



ID	Code	Description	Area
A	086	SUPPORT AREA	21241
B	090	PARKING GARAGE	21241*
C	090	PARKING GARAGE	21241*
D	083	MULTI-USE SALES	21241*
E	SS1	SPRINKLER SYS WET	42396*

Addtional Property Photos


PID	ADDRESS	DBA	APP DATE	DUE DATE	APPRAISED VALUE	APPELLANT OOV	VALUE DIFFERENCE	UNITS	ASSESSED $/UNIT	OOV $/UNIT	RECOMMENDATION	NEW APPRAISED VALUE	VALUE CHANGE ($)	VALUE CHANGE (%)	NOTES
266 A001001	1 RIVERSIDE ST	MOTEL 6	3/5/22	5/4/22	$6,667,400	$5,875,000	13%	129	$51,685	$45,543	NO CHANGE				Sold for $5.875M in Feb 2020- waiting for Wesley Taylor to send possible appraisal (reaching out to his client as opf 4/12). No change without addition documentation.
065 A003001	340 PARK AVE	LA QUINTA INN	3/5/22	5/4/22	$14,104,200	$9,620,600	47%	105	$134,326	$91,625	CHANGE	$13,320,600	-$783,600	-6%	Changed base cap from 7.0% to 7.5% based on CoStar data.
037 E005001	32 FOREST AVE	WESTIN	3/5/22	5/4/22	$353,700	$353,700	0%				NO CHANGE				Accessory parcel
037 E007001	157 HIGH ST	WESTIN	3/5/22	5/4/22	$56,649,300	$42,838,500	32%	289	$196,018	$148,230	NO CHANGE				Expenses on appellant's pro forma exceed industry standards. Will raise value to $66M upon court appeal based on actual income.
029 E006001	100 MIDDLE ST	OFFICE BLDG	3/8/22	5/7/22	$24,179,400	$20,900,000	16%				NO CHANGE				City is using NOI similar to actual. Appellant claims higher cap rate due to expiring leases. Requested further documentation on 4/28. No change without additional docs.
029 E026001	100 MIDDLE ST	OFFICE BLDG	3/8/22	5/7/22	$22,842,600	$20.100.000	14%				NO CHANGE				City is using NOI similar to actual. Appellant claims higher cap rate due to expiring leases. Requested further documentation on 4/28. No change without additional docs.
039 E001001	40 SPRING ST	IDAY INN (GAR.	3/11/22	5/10/22	$8.700.000	$5,000,000	74%	290	$30,000	$17,241	NO CHANGE				Parking garage- no change
039 E010001	88 SPRING ST	DAY INN BY THE	3/11/22	5/10/22	$32,201,300	$15,000,000	115%	239	$134,733	$62,762	CHANGE	$24,662,500	-$7,538,800	-23%	Adjusted to $33.3M combined (hotel & garage) value based on 2021 actuals. Adjusted base cap from 7.0% to 7.5% based on CoStar data. Adjusted expenses to 68%.
209A A016002	145 JETPORT BL	TON GARDEN I	3/11/22	5/10/22	$12,992,900	$9,325,981	39%	76	$170,959	$122,710	NO CHANGE				Value using appellant's methodology and 2021 actual income is higher than city's value. Sold for $19.6M in 2018. Will raise to $17.8M upon court appeal based on actual income.
266 A002001	81 RIVERSIDE S	FIRESIDE INN	3/11/22	5/10/22	$11,967,200	$7,300,000	64%	200	$59,836	$36,500	CHANGE	$9,780,900	-$2,186,300	-18%	Changed base cap from 7.0% to 8.9% based on CBRE survey.
215 B002001	2211 CONGRE	UNUM	3/14/22	5/13/22	$114,118,800	$94,738,000	20%				CHANGE	$98,902,900	-$15,215,900	-13%	Changed economic adjustment from 150 to 130 to match 2145 Congress.
215 B001001	2145 CONGRES	UNUM	3/14/22	5/13/22	$103,509,200	$85,530,000	21%				NO CHANGE				No change.
268 A002001	191 RIVERSIDE	RLIN CITY TOYC	3/15/22	5/14/22	$13,871,500	$12,787,556	8%				NO CHANGE				Appeal based on comparable assessments value/acre. Subject is median of comps
189 A014001	1230 CONGRE	CLARION HOTE	3/18/22	5/17/22	$15,445,300	$8,000,000	93%	149	$103,660	$53,691	NO CHANGE				NOI on pro forma should be $1.5-1.6M. Will raise to $17.3M upon court appeal based on actual income.

DID

05/09/2022 08:40 |CITY OF PORTLAND, ME
bjs |CORRECTION DIFFERENCES

|P 1
|txcormnt

PROPERTY ID: 039-E-010-001 TAX YEAR: 2022 AR CATEGORY: 20 BILL NUMBER: 75386
OLD PRIMARY OWNER: LAFAYETTE PORTLAND LLC NEW PRIMARY OWNER: LAFAYETTE PORTLAND LLC

CHARGE CORRECTIONS

SEQUENCE	OLD CHARGE	OLD AMOUNT	NEW CHARGE	NEW AMOUNT	DIFFERENCE AMOUNT
1	DDTAX	18,354.74	DDTAX	14,057.63	-4,297.11

TOTAL OLD AMOUNT: 18,354.74 TOTAL NEW AMOUNT: 14,057.63 TOTAL DIFFERENCE AMOUNT: -4,297.11

VALUE CORRECTIONS

SEQUENCE	OLD TYPE	OLD CLASS	OLD AMOUNT	NEW TYPE	NEW CLASS	NEW AMOUNT	DIFFERENCE AMOUNT
1	L	23	3,576,000	L	23	3,576,000	0
2	N	23	28,625,300	N	23	21,086,500	-7,538,800

TOTAL OLD AMOUNT: 32,201,300 TOTAL NEW AMOUNT: 24,662,500 TOTAL DIFFERENCE AMOUNT: -7,538,800

** END OF REPORT - Generated by Bradley Saucier **

05/09/2022 08:36 |CITY OF PORTLAND, ME |P 1
bjs |CORRECTION DIFFERENCES |txcormnt

PROPERTY ID: 039-E-010-001 TAX YEAR: 2022 AR CATEGORY: 20 BILL NUMBER: 53794

OLD PRIMARY OWNER: LAFAYETTE PORTLAND LLC NEW PRIMARY OWNER: LAFAYETTE PORTLAND LLC

CHARGE CORRECTIONS

SEQUENCE	OLD CHARGE	OLD AMOUNT	NEW CHARGE	NEW AMOUNT	DIFFERENCE AMOUNT
1	RETAX	418,294.89	RETAX	320,365.88	-97,929.01

TOTAL OLD AMOUNT: 418,294.89 TOTAL NEW AMOUNT: 320,365.88 TOTAL DIFFERENCE AMOUNT: -97,929.01

VALUE CORRECTIONS

SEQUENCE	OLD TYPE	OLD CLASS	OLD AMOUNT	NEW TYPE	NEW CLASS	NEW AMOUNT	DIFFERENCE AMOUNT
1	N	23	28,625,300	N	23	21,086,500	-7,538,800
2	L	23	3,576,000	L	23	3,576,000	0

TOTAL OLD AMOUNT: 32,201,300 TOTAL NEW AMOUNT: 24,662,500 TOTAL DIFFERENCE AMOUNT: -7,538,800

** END OF REPORT - Generated by Bradley Saucier **

CITY OF PORTLAND
Assessor's Office
Christopher A Huff, CMA, Assessor
Brentley C. Martin, CMA-4, Assistant Assessor

MAY 9, 2022

LAFAYETTE PORTLAND LLC
% DUCHARME, MCMILLEN & ASSOC
205 PORTLAND STREET, STE 200
BOSTON, MA 02114

NOTICE OF ACTION ON ABATEMENT/SUPPLEMENT OF REAL ESTATE TAX

LOCATION: 88 SPRING ST, PORTLAND MAINE; CBL 039-E-010-001

Dear Sir/Madam:

Your request/application for abatement of property taxes for FY2022 on the above-described property was granted on May 9, 2022.

REASON: OVERVALUATION

Where an abatement has been granted in whole or in part, we have included a computation showing your new valuation and tax liability below.

If this was a formal application and you wish to appeal this decision, you have 60 days from the date of receipt of this notice to do so. An appeal may be taken to the Board of Assessment Review. To request an application, please call 207-874-8480 or write to Portland Board of Assessment Review, 389 Congress Street, Room 211, Portland, ME, 04101.

ORIGINAL VALUATION:	$ 32,201,300	ORIGINAL TAX:	$ 418,294.89
NEW VALUATION:	**$ 24,662,500**	**NEW TAX:**	**$ 320,365.88**

A copy of your updated bill may be included. If you have any further assessing questions, please call the Assessor's office at 207-874-8486. For any tax payment questions, please contact the Treasury Division at 207-874-8490 or portlandmaine.gov/selfservice. A refund is issued only when a credit exists on the full-year tax amount. Otherwise, a credit will be applied towards the next payment due.

Sincerely,

Brentley C Martin, CMA-4
Assistant Tax Assessor

BCM/bs

CITY OF PORTLAND
Assessor's Office
Christopher A Huff, CMA, Assessor
Brentley C. Martin, CMA-4, Assistant Assessor

MAY 9, 2022

LAFAYETTE PORTLAND LLC
% DUCHARME, MCMILLEN & ASSOC
205 PORTLAND STREET, STE 200
BOSTON, MA 02114

NOTICE OF ACTION ON ABATEMENT/SUPPLEMENT OF REAL ESTATE TAX

LOCATION: 88 SPRING ST, PORTLAND MAINE; CBL 039-E-010-001

Dear Sir/Madam:

Your request/application for abatement of property taxes for <u>**FY2022**</u> on the above-described property was granted on May 9, 2022.

REASON: OVERVALUATION-DOWNTOWN IMPROVEMENT DISTRICT

Where an abatement has been granted in whole or in part, we have included a computation showing your new valuation and tax liability below.

If this was a formal application and you wish to appeal this decision, you have 60 days from the date of receipt of this notice to do so. An appeal may be taken to the Board of Assessment Review. To request an application, please call 207-874-8480 or write to Portland Board of Assessment Review, 389 Congress Street, Room 211, Portland, ME, 04101.

ORIGINAL VALUATION:	$ 32,201,300	ORIGINAL TAX:	$ 18,354.74
NEW VALUATION:	**$ 24,662,500**	**NEW TAX:**	**$ 14,057.63**

A copy of your updated bill may be included. If you have any further assessing questions, please call the Assessor's office at 207-874-8486. For any tax payment questions, please contact the Treasury Division at 207-874-8490 or portlandmaine.gov/selfservice. A refund is issued only when a credit exists on the full-year tax amount. Otherwise, a credit will be applied towards the next payment due.

Sincerely,

Brent Martin

Brentley C Martin, CMA-4
Assistant Tax Assessor

BCM/bs

Bill #67108

ABATEMENT FORM

FISCAL YEAR 2022

***ATTACH IAS PRC

OWNER LAFAYETTE PORTLAND

ADDRESS 155 LITTLEFIELD AVE.

BANGOR ME

PARCEL ID # 266-A-2-001

MUNIS/HTE # 21359

RECEIVED
MAY 09 2022
DEPT OF ASSESSOR
CITY OF PORTLAND ME

	ORIGINAL FY22 ASSESSMENT	REVISED FY22 ASSESSMENT	
LAND	2,987,500	2,987,500	
BUILDING	8,979,700	6,793,400	
EXEMPTIONS			ABATED VALUE
TOTAL	11,967,200	9,780,900	2,186,300
		0.01299	0.01299
NEW TAX AMOUNT		127,053.89	ABATED TAX= 28,400.04

REASON OVERVALUATION

DID PARCEL ○

After processing in Munis, give this form to Treasury for credit/refund processing

APPLICATION FOR ABATEMENT OF PROPERTY TAXES
UNDER TITLE 36 SECTION 841 MRSA

Name(s) of Applicant(s) DuCharme, McMillen & Associates - on behalf of Lafayette Portland West LLC

Address of Applicant(s) 205 Portland Street, Suite 200, Boston, MA 02114

Daytime Telephone # 617-798-2840 x2206

Property Identification (Chart, Block, Lot and/or Tax ID #) 266-A002001 (81 Riverside Street)

Tax Year for which Abatement is Requested 2021 (FY22)

Assessed Value of Real Estate $11,967,200

Abatement Requested in Real Estate Value Market Value $5,575,000 ($6,392,200 in abatement value)

Assessed Value of Personal Property (if applicable) ______

Abatement Requested in Personal Property Value (if applicable) ______

Reason(s) for requesting abatement (please be specific, stating grounds for belief that property is overvalued for tax purposes) Property's market value less than assessment. See enclosed analysis.

Please attach a separate sheet as needed.

To the Tax Assessor, City of Portland, Maine

In accordance with provisions of Title 36 Section 841 MRSA, I hereby make written application for abatement of property taxes as noted above. The above statements are correct to the best of my knowledge and belief.

3/11/22

Date

Signature of Applicant

THIS APPLICATION MUST BE SIGNED.

SEPARATE APPLICATION SHOULD BE FILED FOR EACH SEPARATELY ASSESSED PARCEL OF REAL ESTATE CLAIMED TO BE OVERVALUED.

tyler
cis division

COMMERCIAL PROPERTY RECORD CARD 2022

CITY OF PORTLAND

Situs : 81 RIVERSIDE ST

PARCEL ID: 266 A002001

Class: 23

Card: 1 of 1

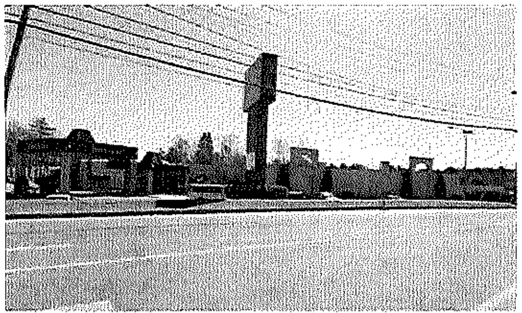
Printed: May 6, 2022

CURRENT OWNER

LAFAYETTE PORTLAND WEST LLC
155 LITTLEFIELD AVE
BANGOR ME 04401
27052/096 07/01/2009

GENERAL INFORMATION

Living Units	200
Neighborhood	203
Alternate ID	21359
Vol / Pg	27052/096
District	4
Zoning	COMMUNITY BUSINESS
Class	



266 A002001 04/11/2019

Property Notes

266-A-2
RIVERSIDE ST 61-95
233879 SF

Land Information

Type		Size	Influence Factors	Influence %	Value
Primary	SF	233,879			2,987,520

Total Acres: 5.3691
Spot:

Location:

Assessment Information

	Assessed	Appraised	Cost	Income	Market
Land	2,987,500	2,987,500	2,987,500	2,987,500	0
Building	6,793,400	6,793,400	14,927,600	6,793,400	0
Total	9,780,900	9,780,900	17,915,100	9,780,900	0

Manual Override Reason
Base Date of Value 01-APR-21
Value Flag INCOME APPROACH
Effective Date of Value 01-APR-21
Gross Building:

Entrance Information

Date	ID	Entry Code	Source
02/19/90	SAH	Entry & Sign	Other

Permit Information

Date Issued	Number	Price	Purpose		% Complete
01/06/11	1A		OTHER	Fy12 Permit To Add Elevator, Narr	
11/19/02	21299	0	BLDG	Erect 65 Sq. Ft	
05/08/02	20469	787,000	BLDG	Addition Of A L	
11/19/01	11447	81,000	BLDG	Upgrade Bathroo	

Sales/Ownership History

Transfer Date	Price	Type	Validity	Deed Reference	Deed Type	Grantee
07/01/09	2,011,950	Land & Building		27052/096		LAFAYETTE PORTLAND WEST LLC HARPER HOTELS INC

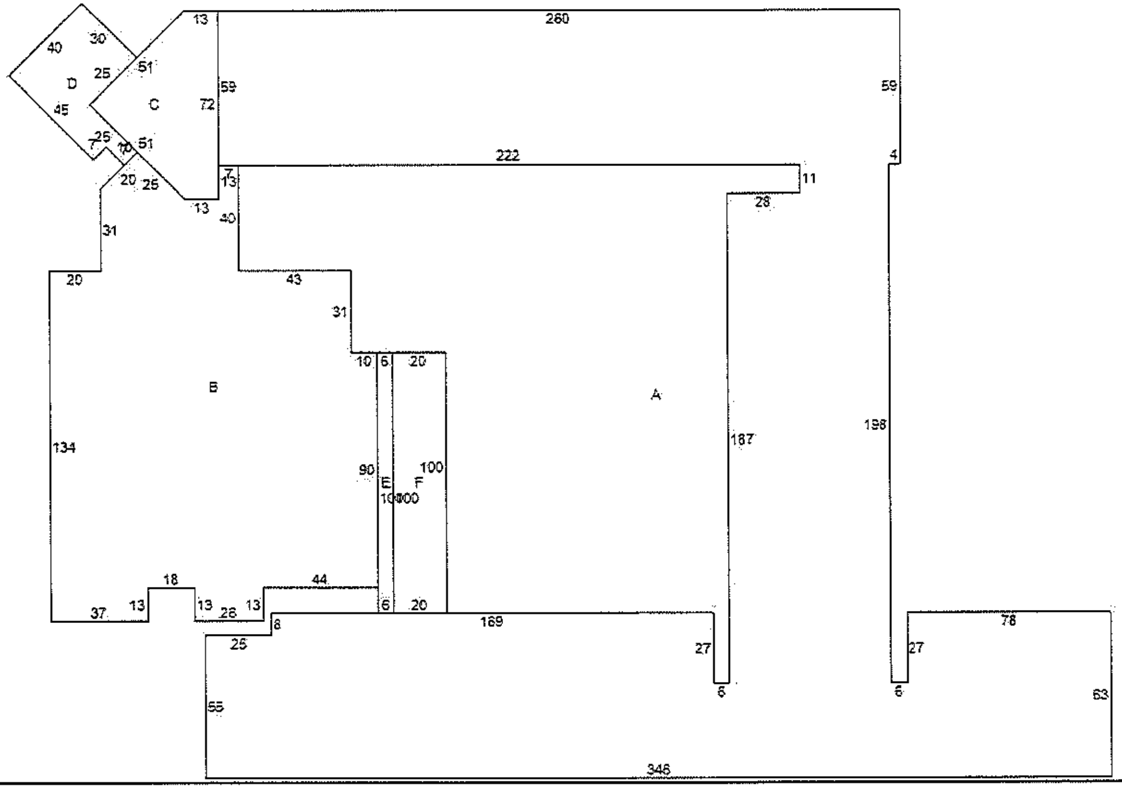
Inspection Witnessed By ____________________

tyler
cit division

COMMERCIAL PROPERTY RECORD CARD 2022

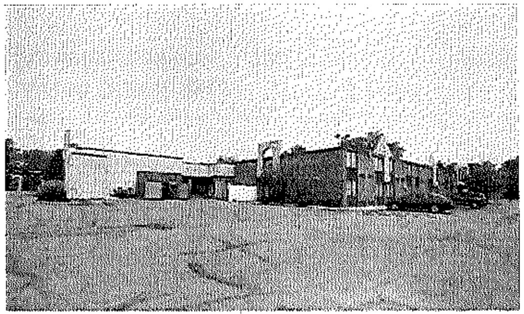
CITY OF PORTLAND

Situs : 81 RIVERSIDE ST	**Parcel Id: 266 A002001**	**Class: 23**	Card: 1 of 1	Printed: May 6, 2022



ID	Code	Description	Area
A	021	MOTEL	46906
B	021	MOTEL	17445
C	086	SUPPORT AREA	2232
D	CP6	CANOPY ROOF/SLAB	1466
E	EE1	ENCLOSED ENTRY	600
F	CP6	CANOPY ROOF/SLAB	2000
G	SC2	INDOOR POOL	1506*
H	LD1	LOAD DOCK ST OR CONC	72*
I	CP5	CANOPY ONLY	72*
J	EL2	ELEVATOR ELECTRIC PASNGR	375000*
K	PA1	PAVING ASPHALT PARKING	69400*
L	RS1	FRAME UTILITY SHED	100*
M	CP6	CANOPY, ROOF/SLAB	576*
N	FN1	FENCE CHAIN	4000*

Addtional Property Photos



266 A002001 05/31/2019

266 A002001 05/31/2019

PID	ADDRESS	DBA	APP DATE	DUE DATE	APPRAISED VALUE	APPELLANT OOV	VALUE DIFFERENCE	UNITS	ASSESSED $/UNIT	OOV $/UNIT	RECOMMENDATION	NEW APPRAISED VALUE	VALUE CHANGE ($)	VALUE CHANGE (%)	NOTES
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065 A003001	340 PARK AVE	LA QUINTA INN	3/5/22	5/4/22	$14,104,200	$9,620,600	47%	105	$134,326	$91,625	CHANGE	$13,320,600	-$783,600	-6%	Changed base cap from 7.0% to 7.5% based on CoStar data.
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037 E007001	157 HIGH ST	WESTIN	3/5/22	5/4/22	$56,649,300	$42,838,500	32%	289	$196,018	$148,230	NO CHANGE				Expenses on appellant's pro forma exceed industry standards. Will raise value to $66M upon court appeal based on actual income.
029 E006001	100 MIDDLE ST	OFFICE BLDG	3/8/22	5/7/22	$24,179,400	$20,900,000	16%				NO CHANGE				City is using NOI similar to actual. Appellant claims higher cap rate due to expiring leases. Requested further documentation on 4/28. No change without additional docs.
029 E026001	100 MIDDLE ST	OFFICE BLDG	3/8/22	5/7/22	$22,842,600	$20,100,000	14%				NO CHANGE				City is using NOI similar to actual. Appellant claims higher cap rate due to expiring leases. Requested further documentation on 4/28. No change without additional docs.
039 F001001	40 SPRING ST	IDAY INN (GAR.	3/11/22	5/10/22	$8,700,000	$5,000,000	74%	290	$30,000	$17,241	NO CHANGE				Parking garage- no change
039 E010001	88 SPRING ST	DAY INN BY THI	3/11/22	5/10/22	$32,201,300	$15,000,000	115%	239	$134,733	$62,762	CHANGE	$24,662,500	-$7,538,800	-23%	Adjusted to $33.3M combined (hotel & garage) value based on 2021 actuals. Adjusted base cap from 7.0% to 7.5% based on CoStar data. Adjusted expenses to 68%.
209A A016002	145 JETPORT BL	TON GARDEN I	3/11/22	5/10/22	$12,992,900	$9,325,981	39%	76	$170,959	$122,710	NO CHANGE				Value using appellant's methodology and 2021 actual income is higher than city's value. Sold for $19.6M in 2018. Will raise to $17.8M upon court appeal based on actual income.
266 A002001	81 RIVERSIDE S	FIRESIDE INN	3/11/22	5/10/22	$11,967,200	$7,300,000	64%	200	$59,836	$36,500	CHANGE	$9,780,900	-$2,186,300	-18%	Changed base cap from 7.0% to 8.9% based on CBRE survey.
215 B002001	2211 CONGRE	UNUM	3/14/22	5/13/22	$114,118,800	$94,738,000	20%				CHANGE	$98,902,900	-$15,215,900	-13%	Changed economic adjustment from 150 to 130 to match 2145 Congress.
215 B001001	2145 CONGRE	UNUM	3/14/22	5/13/22	$103,509,200	$85,530,000	21%				NO CHANGE				No change.
268 A002001	191 RIVERSIDE	RLIN CITY TOYC	3/15/22	5/14/22	$13,871,500	$12,787,556	8%				NO CHANGE				Appeal based on comparable assessments value/acre. Subject is median of comps
189 A014001	1230 CONGRE	CLARION HOTE	3/18/22	5/17/22	$15,445,300	$8,000,000	93%	149	$103,660	$53,691	NO CHANGE				NOI on pro forma should be $1.5-1.6M. Will raise to $17.3M upon court appeal based on actual income.

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05/09/2022 08:48     |CITY OF PORTLAND, ME                                                                                    |P        1
bjs                  |CORRECTION DIFFERENCES                                                                                  |txcormnt

PROPERTY ID: 266-A-002-001    TAX YEAR: 2022    AR CATEGORY: 20    BILL NUMBER: 67108
OLD PRIMARY OWNER: LAFAYETTE PORTLAND WEST LLC               NEW PRIMARY OWNER: LAFAYETTE PORTLAND WEST LLC

CHARGE CORRECTIONS

SEQUENCE  OLD CHARGE      OLD AMOUNT  NEW CHARGE      NEW AMOUNT  DIFFERENCE AMOUNT

       1  RETAX           155,453.93  RETAX           127,053.89          -28,400.04

TOTAL OLD AMOUNT: 155,453.93      TOTAL NEW AMOUNT: 127,053.89      TOTAL DIFFERENCE AMOUNT: -28,400.04

VALUE CORRECTIONS

SEQUENCE  OLD TYPE  OLD CLASS      OLD AMOUNT  NEW TYPE  NEW CLASS      NEW AMOUNT  DIFFERENCE AMOUNT

       1  N         23              8,979,700  N         23              6,793,400         -2,186,300
       2  L         23              2,987,500  L         23              2,987,500                  0

TOTAL OLD AMOUNT: 11,967,200      TOTAL NEW AMOUNT: 9,780,900       TOTAL DIFFERENCE AMOUNT: -2,186,300

                                        ** END OF REPORT - Generated by Bradley Saucier **
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CITY OF PORTLAND
Assessor's Office
Christopher A Huff, CMA, Assessor
Brentley C. Martin, CMA-4, Assistant Assessor

MAY 9, 2022

LAFAYETTE PORTLAND LLC
% DUCHARME, MCMILLEN & ASSOC
205 PORTLAND STREET, STE 200
BOSTON, MA 02114

NOTICE OF ACTION ON ABATEMENT/SUPPLEMENT OF REAL ESTATE TAX

LOCATION: 81 RIVERSIDE ST, PORTLAND MAINE; CBL 266-A-002-001

Dear Sir/Madam:

Your request/application for abatement of property taxes for **FY2022** on the above-described property was granted on May 9, 2022.

REASON: OVERVALUATION

Where an abatement has been granted in whole or in part, we have included a computation showing your new valuation and tax liability below.

If this was a formal application and you wish to appeal this decision, you have 60 days from the date of receipt of this notice to do so. An appeal may be taken to the Board of Assessment Review. To request an application, please call 207-874-8480 or write to Portland Board of Assessment Review, 389 Congress Street, Room 211, Portland, ME, 04101.

ORIGINAL VALUATION:	$ 11,967,200	ORIGINAL TAX:	$ 155,453.93
NEW VALUATION:	**$ 9,780,900**	**NEW TAX:**	**$ 127,053.89**

A copy of your updated bill may be included. If you have any further assessing questions, please call the Assessor's office at 207-874-8486. For any tax payment questions, please contact the Treasury Division at 207-874-8490 or portlandmaine.gov/selfservice. A refund is issued only when a credit exists on the full-year tax amount. Otherwise, a credit will be applied towards the next payment due.

Sincerely,

Brent Martin

Brentley C Martin, CMA-4
Assistant Tax Assessor

BCM/bs