

*Town of Kittery, ME*

# Real Estate Market Analysis

February 2024



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# 1. INTRODUCTION

## Overview

The Town of Kittery commissioned Camoin Associates to develop a study that provides a detailed analysis of where the town may best meet identified market opportunities for development. The study will examine current constraints facing development opportunities and look at how these constraints can help inform future policy decisions. The study will focus on market analysis, stakeholder engagement, and strategic planning to align the town with development opportunities that meet the needs of the community.

The following study provides a detailed analysis of where the town may best meet identified market opportunities. Additionally, it identifies constraints to realizing these opportunities to better inform future public policy decisions. The analysis encompasses a variety of real estate types, including residential, retail, office, industrial, and tourism & hospitality.

## Methodology

The study was conducted with a mixed approach including data analysis, stakeholder engagement, and a site visit. Data regarding demographics and economic conditions, as well as Kittery's existing real estate market conditions, were combined with interviews conducted with a range of individuals to better contextualize and inform the analysis. Finally, a site visit was conducted which comprised of a tour of study areas and interviews with focus groups.

## Study Areas

The Town of Kittery has two zones that are currently being considered for rezoning. These two zones are profiled below, with a map on the following page.

### Business Park Zone

The Business Park Zone consists of approximately 100 acres over 4 parcels, 90% of which is undeveloped. It is served directly by Dennett Road to the south, Route 236 to the north, and Martin Road to the west. In 2018, the Town rezoned the area to a Mixed Use neighborhood to meet market trends. In 2022, the Town reverted the zoning back to Business Park due to a citizen petition following a proposed development of 900 residential units and commercial development.

### Mixed Use Zone

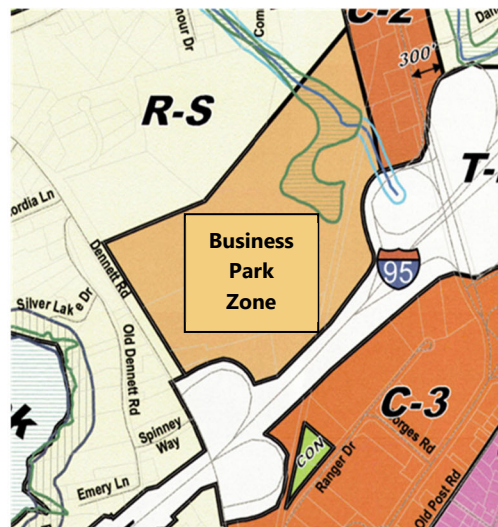
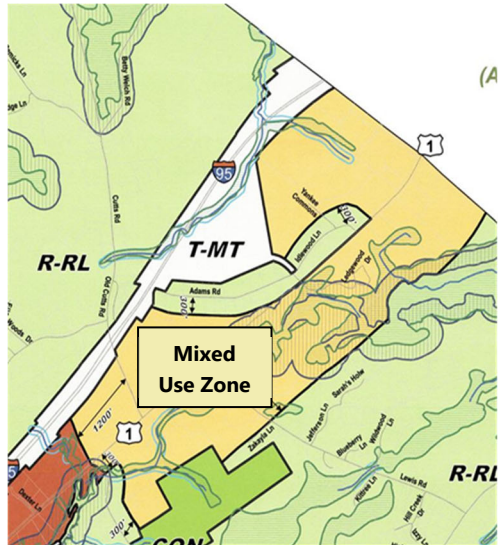
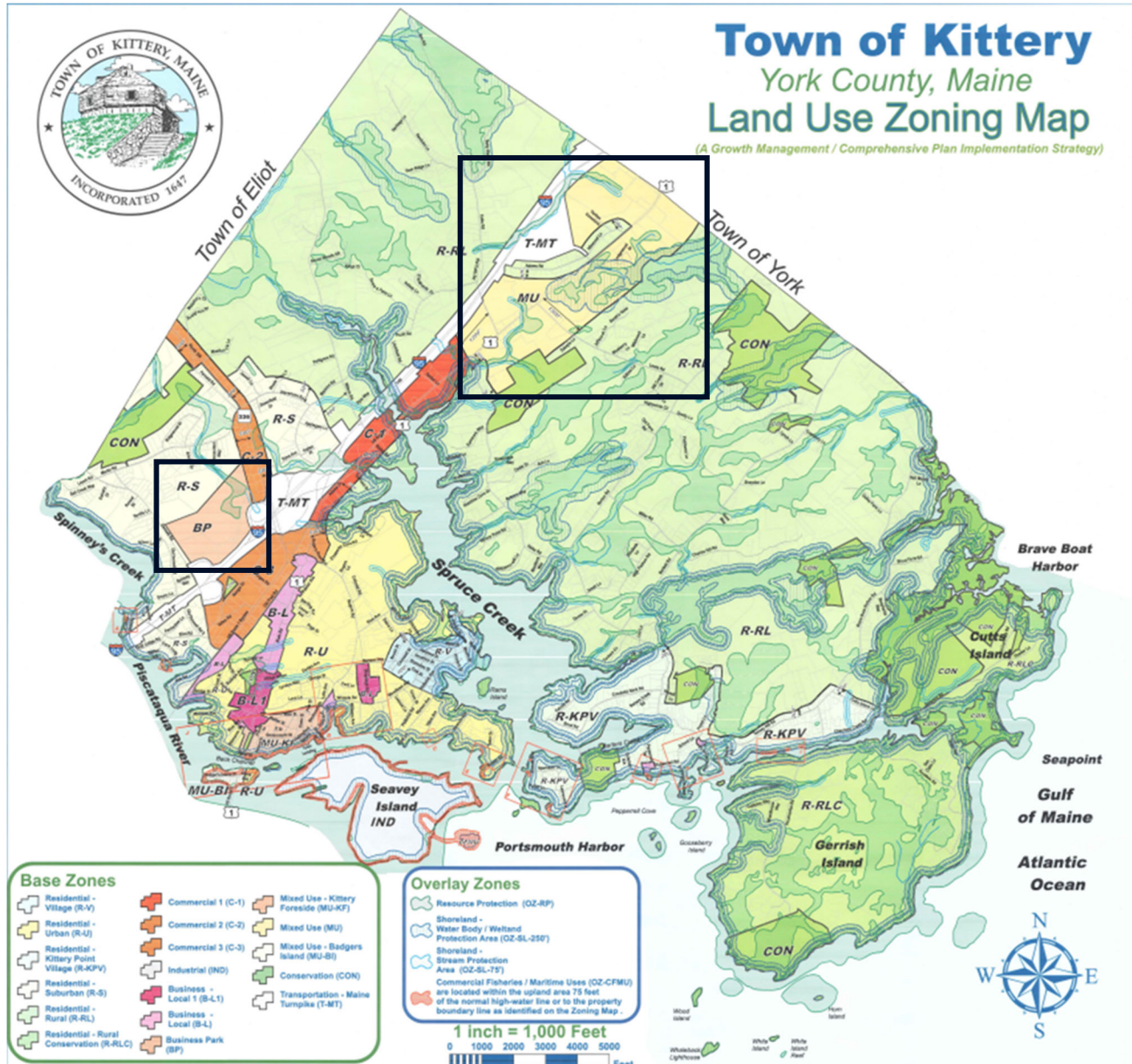
This zone is located at the northern portion of Route 1, starting at Haley Road and extending North to the border with the Town of York. It is comprised of approximately 46 parcels covering approximately 440 acres of land. The zone has challenging required performance standards, which may inhibit development. Recent developments include mixed residential and commercial space, townhomes, other commercial/service uses, and a proposed hotel.





# Town of Kittery York County, Maine Land Use Zoning Map

(A Growth Management / Comprehensive Plan Implementation Strategy)





## 2. COMMUNITY OVERVIEW



## Existing Business Mix

- The existing business mix in Kittery is provided in the table below by establishments by industry in Kittery.
- Retail Trade is the most common establishment type within the town with 108 establishments as of 2021 followed by Accommodation and Food Services with 50 and Construction with 26.
- The number of total establishments in 2021 were 335 in the Town of Kittery.
- Notably, these estimates do not capture the Naval Shipyard and its contribution to Kittery and Kittery's employment, which are discussed further in the Economic Profile and market analysis sections.

### Kittery Existing Business Mix, 2021

NAICS	Description	Number of Establishments
23	Construction	26
31-33	Manufacturing	15
42	Wholesale trade	10
44-45	Retail Trade	108
52	Finance and Insurance	12
53	Real Estate and Rental and Leasing	17
54	Professional, Scientific, and Technical Services	24
55	Management of Companies and Enterprises	4
56	Administrative and Support and Waste Management and Remediation Services	12
62	Health Care and Social Assistance	18
71	Arts, Entertainment, and Recreation	10
72	Accommodation and Food Services	50
81	Other Services (except Public Administration)	24
<b>Total</b>		<b>335</b>

**Source:** US Census Bureau County Business Patterns, 2021





## Development Patterns

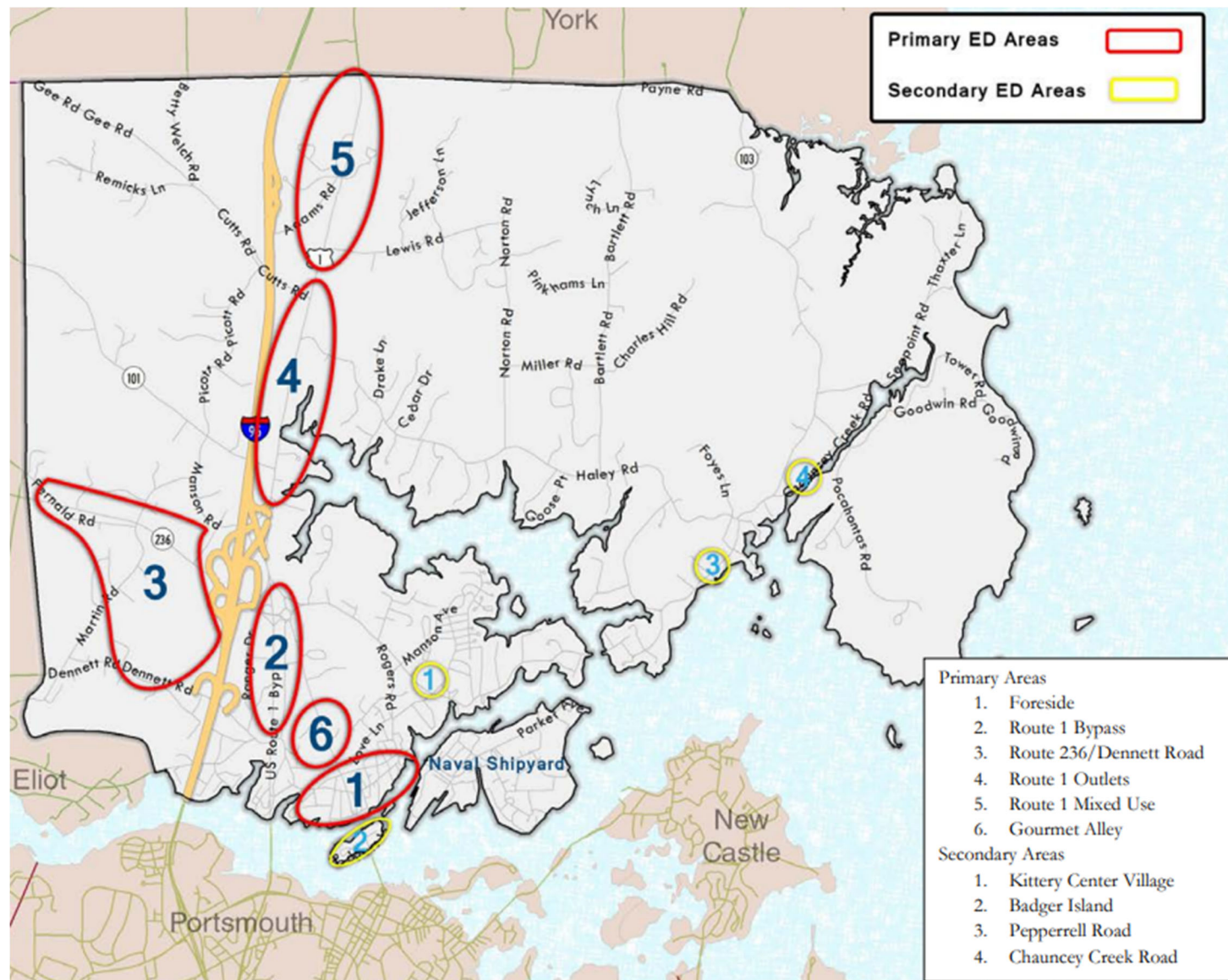
The Town of Kittery has, in the 2015-2025 Comprehensive Plan, identified six primary and four secondary areas for economic development (shown on the map on the following page), each with its unique offerings and potential for growth:

- 1. Downtown/Forside:** This vibrant commercial area features a diverse mix of retail, restaurants, and services, attracting both locals and visitors. Its accessibility by car, walking, or biking adds to its appeal as a bustling community hub.
- 2. Route 1 Bypass Area:** Zoned as Commercial 3 (C-3), this area supports general retail sales, services, and business spaces. It currently hosts a variety of businesses including a hardware store, motels, a fitness center, an automotive repair shop, a brewery, and a sewage disposal plant, indicating a diverse economic landscape.
- 3. Route 236/Dennett Road Area:** Largely undeveloped but with existing sanitary sewer line infrastructure, this business park area holds significant potential for growth. The current small-scale commercial developments along Route 236, like machine shops, office buildings, and a seafood wholesaler, underscore its suitability for varied commercial activities along the Route 236 corridor.
- 4. Route 1 Outlet Area:** This is one of Kittery's oldest and most successful economic development areas, second only to the Forside. The outlet stores not only generate substantial property tax revenue but also draw customers from both local and regional areas, making it a key retail destination.
- 5. Route 1 Mixed Use Area:** Zoned for mixed use, this area is designed to accommodate office, service, and residential uses, offering a balanced and integrated development approach.
- 6. Gourmet Alley:** Though the description is incomplete, it's implied that Gourmet Alley presents an interesting mix, potentially of culinary and gastronomic businesses along with a variety of local service and retail businesses, contributing to Kittery's diverse economic and cultural landscape.
- 7. Secondary Economic Development Areas:** These areas include Kittery Center Village, Badger Island, and Pepperrell Cove.

Each of these areas represents a distinct aspect of Kittery's economic framework, collectively contributing to its overall growth and development. The map on the following page identifies these primary and secondary economic development areas.



### Kittery Primary and Secondary Economic Development Areas



Source: Town of Kittery, Maine, Kittery Comprehensive Plan 2015-2025





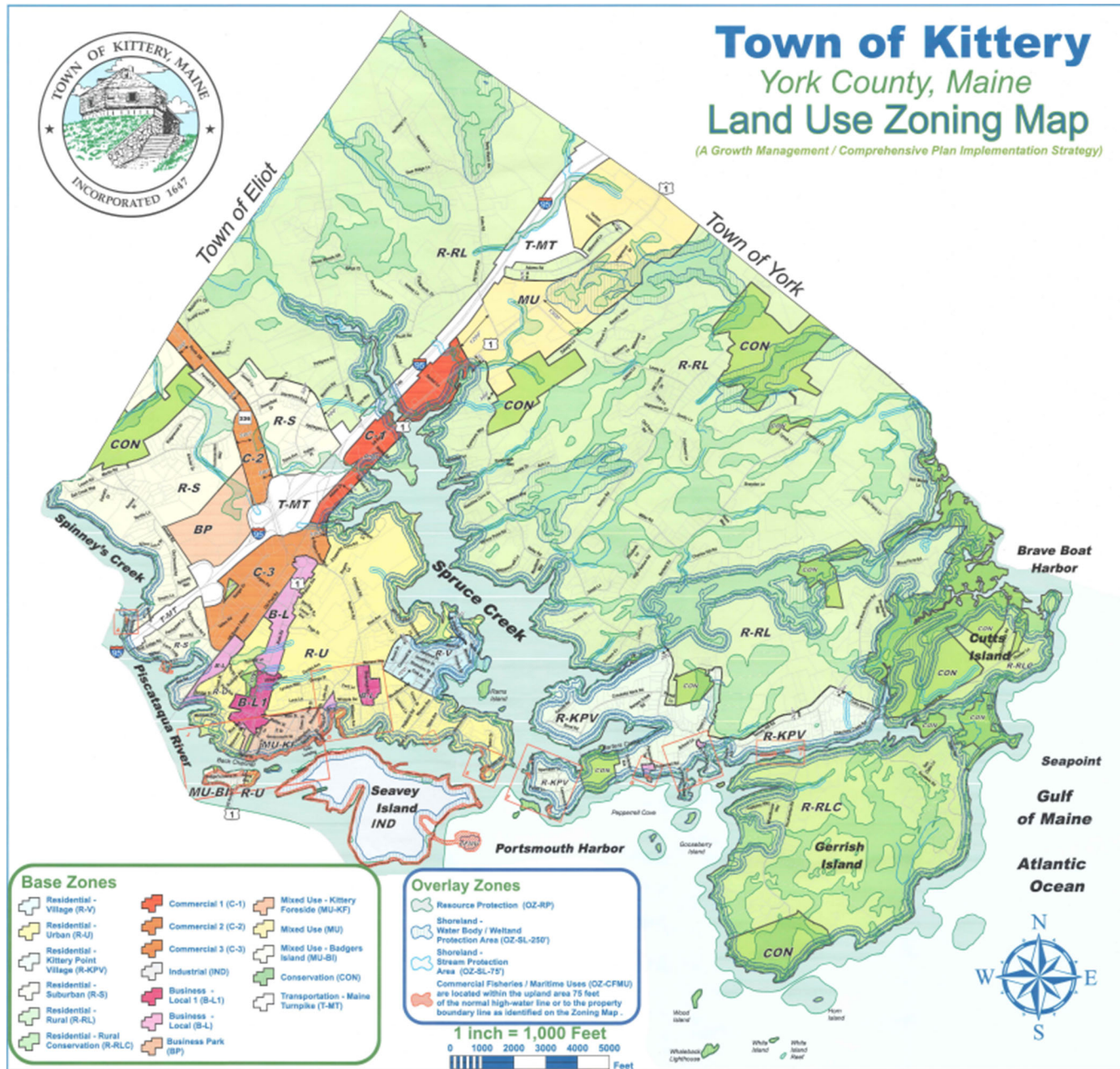
## Land Use and Zoning

The current Land Use and Development code divides Kittery into eighteen base zoning districts with four overlay districts.

1. **Residential Zones:** Over 57% of the land in Kittery is classified as a residential land use (both single and multi-family), primarily as the Residential-Rural (R-RL) district. Residential areas are mainly located in the northern and eastern parts of Kittery.
2. **Commercial Zones and Industrial Zones:** The zones combine to make up 8% of the land in Kittery. Kittery has three business districts, three commercial districts, and three mixed-use districts all allowing different types of commercial uses. The commercial areas are primarily concentrated along US Route 1 and Interstate 95, which serve as major thoroughfares for local and regional traffic. This strategic placement allows for easy access and visibility for businesses, making these zones ideal for retail, services, and other commercial enterprises. The notable industrial area in Kittery is Seavey Island. This zone is designated for industrial use, which may include manufacturing, warehousing, and other industrial activities. However, Seavey Island is the location of the Portsmouth Naval Shipyard, and therefore does not present potential for private industrial uses.
3. **Conservation Zones:** These zones are primarily situated along the eastern side of Kittery. The focus on conservation in these areas highlights Kittery's commitment to preserving natural landscapes, wildlife habitats, and providing green spaces for recreation and environmental protection. This zoning is crucial for maintaining ecological balance and offering residents and visitors natural areas to enjoy.

The map on the following page details all of the land-use and approved zoning in Kittery.







## Transportation

The Town has a road network that includes a combination of state routes, U.S. highways, and interstate highways, each playing a crucial role in facilitating movement within and beyond the community and region.

State Route 236 (SR 236) is a key state highway in the area, entirely situated within York County. Starting at State Route 103 in Kittery, SR 236 stretches northward, ending at State Route 9 in Berwick. Known as the Harold L. Dow Highway between Kittery and South Berwick, this route parallels the New Hampshire border for its entire length. SR 236 not only serves local traffic but also acts as a connector to other major routes, making it an essential part of the transportation framework in southern Maine.

Another major artery is U.S. Route 1, a significant north-south highway that runs along the eastern coast of the United States. In Maine, and particularly in Kittery, U.S. Route 1 is integral to local and regional traffic, linking various communities and serving as a vital conduit for various types of travel, including commerce and tourism.

Complementing these routes is Interstate 95, a major interstate highway that traverses the East Coast of the United States. I-95 is crucial for long-distance travel, connecting Maine to other parts of New England and further afield. In the Kittery area, it supports interstate and intrastate travel, accommodating a mix of commercial and passenger vehicles.

Together, these routes—SR 236, U.S. Route 1, and Interstate 95—form a comprehensive transportation network in Kittery. They cater to a diverse range of transportation needs, supporting local commutes, regional connections, and long-distance travel. This network is not only fundamental to the daily life of Kittery's residents but also plays a significant role in the economic vitality of the region, facilitating the movement of goods and people across state lines and within Maine itself.

Public transportation in Kittery is primarily facilitated by COAST, which operates bus services connecting Kittery to surrounding areas. The redesigned Route 44, which runs on the hour from Monday through Friday, has stops on Government Street, at Gate 1 of the Portsmouth Naval Shipyard, and Walker Street in Kittery. This route extends into Portsmouth with several stops, including Daniel/Chapel streets and the Hanover Street parking garage. At the Hanover Station, riders can connect to other transit routes serving Pease, Dover, Somersworth, and Rochester. This public transit option has been a significant development in Kittery, addressing the need for efficient and accessible transportation for both the general public and the employees of the Portsmouth Naval Shipyard.



## Infrastructure

The infrastructure in Kittery, Maine, demonstrates a well-organized and efficient system managed primarily by the Department of Public Works (DPW) and supplemented by other municipal services. Here is a detailed breakdown:

- Department of Public Works (DPW)
  - Facilities: The DPW operates from multiple facilities, including a garage and administrative offices located behind the Municipal Complex. These facilities are in good condition, adequately sized, and have potential for future expansion.
  - Solid Waste and Recycling: The Town's Resource Recovery Facility processes solid waste and recycling. This facility includes a transfer station for material solid wastes, a recycling center, and a licensed demolition debris disposal site. The facility is currently adequate for the town's needs and has room for expansion.
  - Stormwater Management: DPW recently completed an inventory of the town's stormwater infrastructure and found it to be in "very good" condition.
  - Environmental Monitoring: The DPW monitors contaminated areas, such as bacterial pollution in Admiralty Village and the Spruce Creek Watershed. Some improvements have been noted, although clam flats have been closed since 2005.
  - Parks Maintenance: DPW manages and staffs town-owned parks, with Fort Foster being a significant focus. This 94-acre park is extensively used by residents and visitors, especially in summer, and generates income for the town.
- Water Supply
  - Water District: The Kittery Water District (KWD), a quasi-municipal corporation, supplies water to about 70% of the town's residents and 95% of its businesses.
- Sewer System
  - Sewage Treatment Plant: Wastewater treatment is provided to 30% of Kittery residents and most businesses by the Municipal Sewage Treatment Plant.

In summary, Kittery's infrastructure, encompassing public works, water supply, and sewage treatment, is robust and well-maintained. It effectively meets the current needs of the community while also allowing room for future growth and enhancements.



### 3. DEMOGRAPHIC OVERVIEW





## Population and Households

- Kittery's population was 10,070 in the 2020 Census representing growth of 6.1% over the preceding decade, outpacing Maine's overall population growth but lagging the towns of York and Eliot, as well as the 3-County Region.
- Based on projections from Esri, Kittery's population is projected to grow by a further 5.4% over the next five years, faster than any other comparison region. Overall, this equates to population growth of about 558 people. With a shift to smaller household sizes, this growth will generate a 6.5% increase in households over the next five years (approximately 300 households).
- The number of households in Kittery grew by 209 in the decade from 2010-2020, representing 4.9% growth. This is on par with Portsmouth and Maine's household growth but lags the other study regions. However, in a similar trend as Population growth, 2023-2028 will see Kittery grow at a rate that outpaces surrounding towns, the 3-County region, the state, and the US.

### Population and Households Summary

	Town of Kittery	Town of York	Town of Eliot	City of Portsmouth	3-County Region	Maine	United States
2010 Population	9,490	12,529	6,204	20,779	615,497	1,328,361	308,745,538
2020 Population	10,070	13,723	6,717	21,956	657,037	1,362,359	331,449,281
<b>Change, 2010-2020</b>	<b>6.1%</b>	<b>9.5%</b>	<b>8.3%</b>	<b>5.7%</b>	<b>6.7%</b>	<b>2.6%</b>	<b>7.4%</b>
2023 Population	10,311	14,054	6,753	22,381	671,714	1,377,216	337,470,185
2028 Population	10,869	14,043	6,696	22,788	683,071	1,383,973	342,640,129
<b>Projected Change, 2023-2028</b>	<b>5.4%</b>	<b>-0.1%</b>	<b>-0.8%</b>	<b>1.8%</b>	<b>1.7%</b>	<b>0.5%</b>	<b>1.5%</b>
2010 Households	4,302	5,440	2,509	10,014	243,142	557,219	116,716,292
2020 Households	4,511	5,906	2,792	10,478	266,165	582,437	126,817,580
<b>Change, 2010-2020</b>	<b>4.9%</b>	<b>8.6%</b>	<b>11.3%</b>	<b>4.6%</b>	<b>9.5%</b>	<b>4.5%</b>	<b>8.7%</b>
2023 Households	4,658	6,032	2,848	10,774	274,137	594,882	129,917,449
2028 Households	4,961	6,109	2,879	11,051	281,889	607,159	133,099,006
<b>Projected Change, 2023-2028</b>	<b>6.5%</b>	<b>1.3%</b>	<b>1.1%</b>	<b>2.6%</b>	<b>2.8%</b>	<b>2.1%</b>	<b>2.4%</b>
<b>2023 Average Household Size</b>	<b>2.14</b>	<b>2.31</b>	<b>2.37</b>	<b>2.04</b>	<b>2.40</b>	<b>2.25</b>	<b>2.53</b>

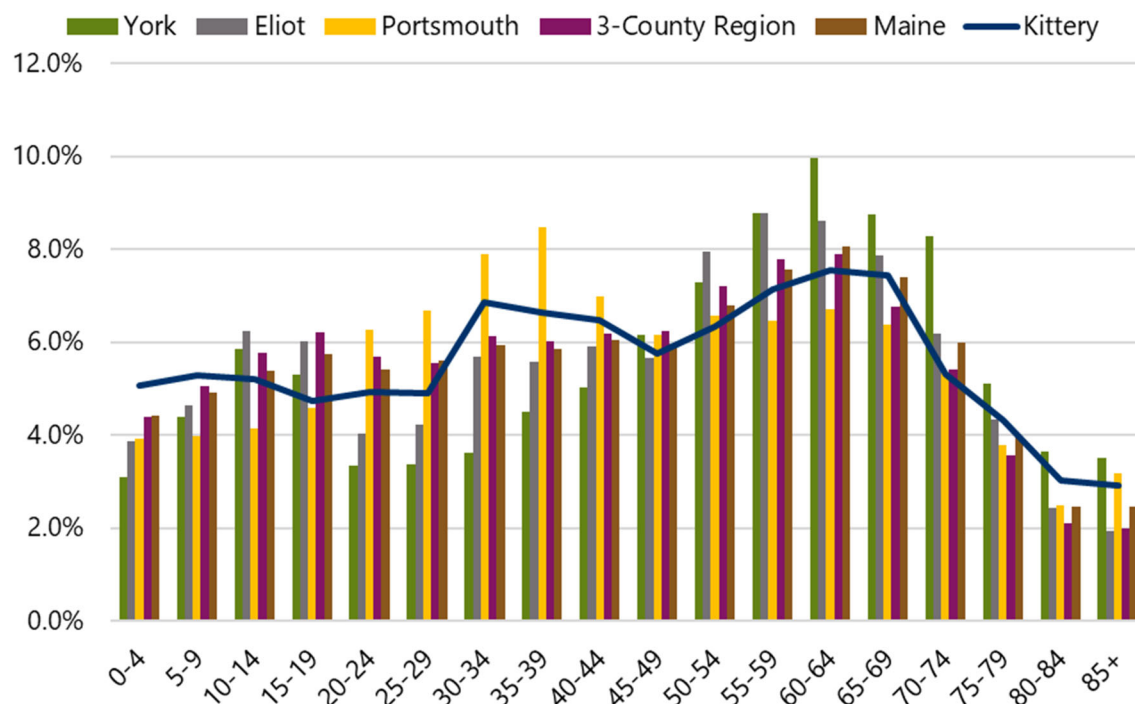
Source: Esri



## Age Characteristics

- In 2022, Kittery’s median age was 44.9 years old, significantly higher than the United States median age of 39.1 years, but lower than the surrounding towns and the State and similar to the 3-County region.
- In the next five years, the median age in Kittery is projected to grow to 45.9 years old.
- Kittery has a relatively high share of children aged 0-9 years old compared to the surrounding town, region, and state, with 10.4% of the population in this age cohort. Kittery also has a relatively high share of 30-44-year-olds compared York, Eliot, the Region, and Maine. Meanwhile, the town has a relatively low share of population age 55-69 years old. This suggests that Kittery has a strong core of prime working-age population and has a relatively low retirement age population compared to surrounding towns.

**Age Distribution in Kittery and Surrounding Geographies, 2023**



**Median Age, 2023**

Region	2023	2028	Change
Town of Kittery	44.9	45.9	1.0
Town of York	53.7	54.7	1.0
Town of Eliot	48.3	48.7	0.4
City of Portsmouth	42.9	43	0.1
3-County Region	44.2	44.8	0.6
Maine	45.6	46.4	0.8
United States	39.1	39.8	0.7

Source: Esri

Source: Esri



## Household Income

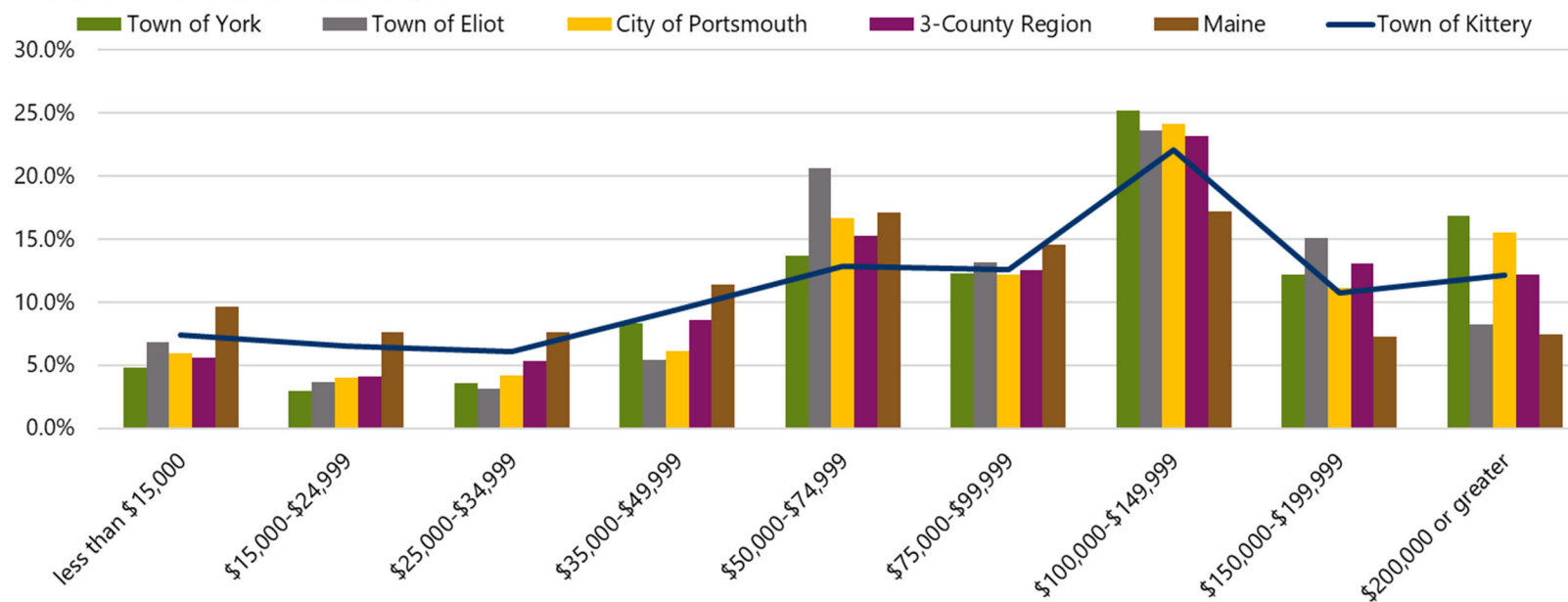
- The median household income in Kittery was \$88,454 in 2023, significantly higher than the State’s \$68,320 but lower than the surrounding towns and 3-county region.
- From 2023-2028, the median household income in Kittery is projected to increase by 16% to \$102,239, narrowing the income gap between Kittery and surrounding towns of Eliot and Portsmouth and the Region. High income growth is based on historic trends, and is likely linked to projected growth in high-wage industries such as Professional, Scientific, and Technical Services.

### Median Household Income Comparison

Region	2023	2028 Projected	Change
Town of Kittery	\$88,454	\$102,239	16%
Town of York	\$105,436	\$116,475	10%
Town of Eliot	\$93,019	\$104,596	12%
City of Portsmouth	\$100,967	\$109,864	9%
3-County Region	\$96,196	\$107,911	12%
Maine	\$68,320	\$79,024	16%
United States	\$72,603	\$82,410	14%

Source: Esri

### Household Income Distribution, 2023



Source: Esri

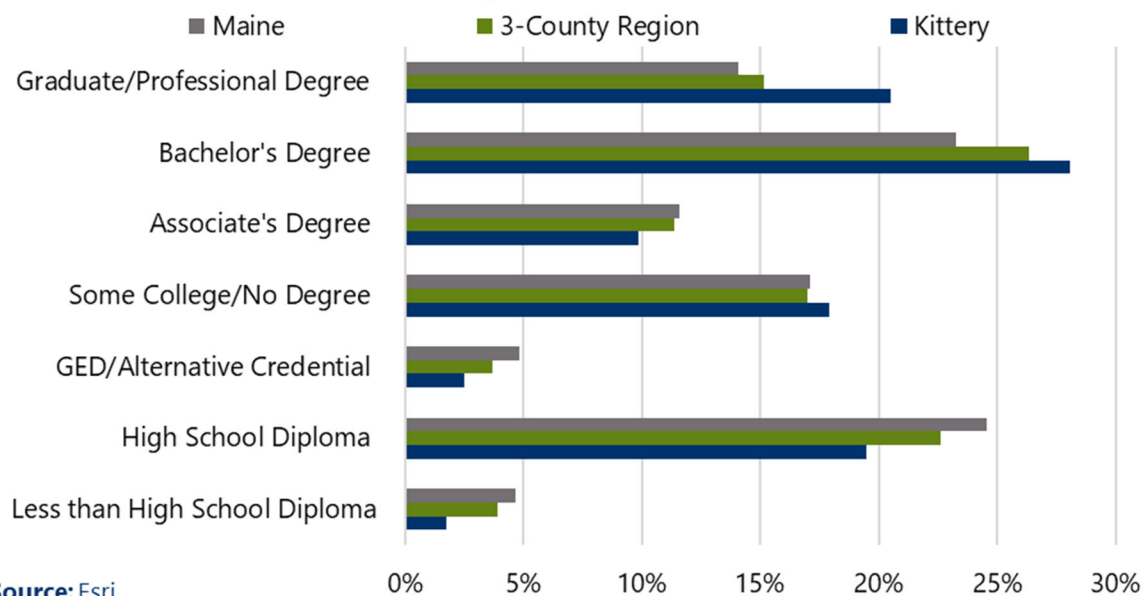




## Educational Attainment

- Compared to the 3-County Region, Maine, and the United States, Kittery's population has higher educational attainment. Kittery has higher shares of the population with bachelor's degrees and graduate/professional degrees and lower shares of the population with a high school degree or less.
- About half (49%) of Kittery's 25+ population has a bachelor's degree or higher, which is similar to Eliot (44%) but lower than York (56%) and Portsmouth (66%).

### Educational Attainment for the Population 25 and Over, 2023



### Share of the Population Age 25+ With a Bachelor's Degree or Higher

Region	Share
Kittery	49%
York	56%
Eliot	44%
Portsmouth	66%
3-County Region	41%
Maine	37%
United States	36%

Source: Esri



## Commuting Patterns

- The flow of workers in and out of Kittery is approximately balanced, with nearly an equal number of people who live in other towns commuting into Kittery as people commuting out from Kittery to work in other towns.
- In 2021, Kittery “imported” 3,035 workers – those who live in other towns but work in Kittery. It “exported” slightly fewer, 2,775. Meanwhile, approximately 686 people both live and work in Kittery.
- Outside of Kittery, the top destinations where Kittery residents work are Portsmouth and York, followed by Portland and Dover.
- Outside of Kittery, the top towns where Kittery workers live are York, Eliot, South Berwick, and Dover.
- Notably, a relatively low share – about 18.4% - of those working in Kittery also live in the town (by comparison, 28% of those working in York also live in York).
- **Note: The data on this page may not include the full extent of workers attached to the Portsmouth Naval Shipyard. A 2023 Joint Land Use Study Microtransit Pilot Service Design Report published by the Southern Maine Planning & Development Commission found that approximately 440 PNSY employees live in Kittery, with other top towns where employees live being Sanford and Berwick.**

Inflow/Outflow Job Counts in 2021



### Job Counts - Where Kittery Workers Live, 2021

Town/City	Count	Share
Kittery town (York, ME)	686	18.4%
York town (York, ME)	311	8.4%
Eliot town (York, ME)	284	7.6%
South Berwick town (York, ME)	200	5.4%
Dover city (Strafford, NH)	178	4.8%
Berwick town (York, ME)	131	3.5%
Portsmouth city (Rockingham, NH)	93	2.5%
Sanford city (York, ME)	93	2.5%
Rochester city (Strafford, NH)	85	2.3%
Wells town (York, ME)	85	2.3%
All Other Locations	1,575	42.3%
<b>Total</b>	<b>3,721</b>	<b>100.0%</b>

Source: Census OnTheMap

### Job Counts - Where Kittery Residents Work, 2021

Town/City	Count	Share
Kittery town (York, ME)	686	19.8%
Portsmouth city (Rockingham, NH)	552	15.9%
York town (York, ME)	313	9.0%
Portland city (Cumberland, ME)	124	3.6%
Dover city (Strafford, NH)	119	3.4%
Eliot town (York, ME)	79	2.3%
Exeter town (Rockingham, NH)	77	2.2%
Newington town (Rockingham, NH)	65	1.9%
Durham town (Strafford, NH)	63	1.8%
South Portland city (Cumberland, ME)	59	1.7%
All Other Locations	1,324	38.3%
<b>Total</b>	<b>3,461</b>	<b>100.0%</b>

Source: Census OnTheMap



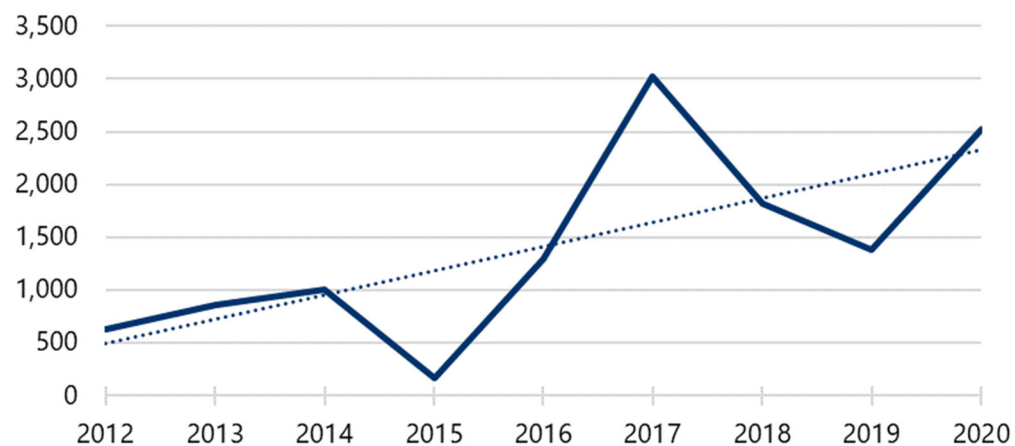
## Migration

### Top Origin Counties by Net Migration into York County (2020)

County	Inbound Migrations	Outbound Migrations	Net Migrations
Cumberland County, ME	2,469	1,849	620
Middlesex County, MA	567	142	425
Essex County, MA	401	112	289
Strafford County, NH	879	701	178
Rockingham County, NH	622	449	174
Worcester County, MA	201	54	148
Suffolk County, MA	167	66	101
Norfolk County, MA	138	40	98
New York County, NY	75	6	69
Hillsborough County, NH	172	111	62
<b>Total Migrations</b>	<b>10,374</b>	<b>7,844</b>	<b>2,530</b>

Source: Lightcast

### Net Migration to York County, 2012-2020



Source: Lightcast

### York County is gaining population through net migration.

- In 2020, York County saw positive net migration, meaning that more people moved into the county than moved out of the county. Net migration into York County was 2,530 in 2020.
- The counties that York County gained the most net in-migration from in 2020 were all in the Northeast, with all but one (New York County, NY) being in Maine, New Hampshire, and Massachusetts. York County's neighbors of Cumberland County, ME; Strafford County, NH; and Rockingham County, NH top the list.
- Since 2012, York County's net migration has remained positive, meaning that for almost a decade more people have been moving to York County than away on an annual basis.
- While net migration has fluctuated, it has generally trended upward in recent years.





## 4. ECONOMIC PROFILE



## Employment Summary

- Government is by far the largest sector in Kittery's economy, accounting for approximately 66% of all jobs in the town. This is primarily driven by employment at the Portsmouth Naval Shipyard.
- Other major employer sectors are Retail Trade, Accommodation and Food Services; Professional, Scientific, and Technical Services; and Health Care and Social Assistance. These make up the core of Kittery's economy.
- Compared to the 3-County Region and Maine, Kittery has a high concentration of jobs in Government, Retail Trade, and Accommodation and Food Services. The town has a relatively low concentration of Construction, Manufacturing, and Health Care and Social Assistance.

### Jobs by Sector, 2022

NAICS	Description	Kittery		3-County Region		Maine	
		Count	Share	Count	Share	Count	Share
11	Agriculture, Forestry, Fishing and Hunting	25	0%	2,574	1%	17,449	2%
21	Mining, Quarrying, and Oil and Gas Extraction	0	0%	244	0%	267	0%
22	Utilities	12	0%	916	0%	1,762	0%
23	Construction	245	2%	20,122	6%	48,689	7%
31	Manufacturing	228	2%	31,621	10%	56,941	8%
42	Wholesale Trade	80	1%	10,269	3%	20,030	3%
44	Retail Trade	1,256	10%	42,254	13%	84,984	12%
48	Transportation and Warehousing	22	0%	9,066	3%	19,873	3%
51	Information	22	0%	3,710	1%	8,778	1%
52	Finance and Insurance	50	0%	10,666	3%	26,457	4%
53	Real Estate and Rental and Leasing	89	1%	4,312	1%	9,723	1%
54	Professional, Scientific, and Technical Services	496	4%	19,691	6%	38,765	5%
55	Management of Companies and Enterprises	17	0%	3,485	1%	15,177	2%
56	Administrative and Support and Waste Management and Remediation Services	161	1%	16,497	5%	34,580	5%
61	Educational Services	25	0%	6,806	2%	20,025	3%
62	Health Care and Social Assistance	399	3%	36,167	12%	108,686	15%
71	Arts, Entertainment, and Recreation	119	1%	6,257	2%	11,768	2%
72	Accommodation and Food Services	960	7%	30,712	10%	57,517	8%
81	Other Services (except Public Administration)	187	1%	14,188	5%	31,496	4%
90	Government	8,717	66%	43,233	14%	104,081	14%
99	Unclassified Industry	0	0%	274	0%	4,080	1%
<b>Total, excluding Government</b>		<b>4,392</b>	<b>34%</b>	<b>269,557</b>	<b>86%</b>	<b>612,966</b>	<b>85%</b>
<b>Total, all sectors</b>		<b>13,109</b>	<b>100%</b>	<b>313,064</b>	<b>100%</b>	<b>721,127</b>	<b>100%</b>

**Source:** Lightcast, Southern Maine Planning & Development Commission

**Note:** Government employment figures for Kittery have been adjusted to reflect more accurate data for the Portsmouth Naval Shipyard as of Q1 2023.



## Private Sector Employment Growth & Projections (2-Digit NAICS): Kittery

- Kittery's private sector employment declined by 42 jobs from 2017-2022, representing overall employment loss of 0.9%. Job decline was greatest in Retail Trade, Health Care and Social Assistance, and Admin. And Support and Waste Management and Remediation Services.
- Some sectors in Kittery grew over the last five years. From 2017-2022, Professional, Scientific, and Technical Services has seen the most employment growth in Kittery, adding 69 jobs.
- In the next five years through 2027, Kittery's private sector employment is projected to grow by 101 jobs (+2.3%). Accommodation and Food Services (+61) and Professional, Scientific, and Technical Services (+47) are projected to see the most growth. These projections are based on historical trends for industry employment in Kittery.

### Town of Kittery Employment Growth

NAICS	Description	Historic		Projected	
		2017-2022 Change	2017-2022 % Change	2022-2027 Change	2022-2027 % Change
11	Agriculture, Forestry, Fishing and Hunting	16	179.6%	7	27.9%
21	Mining, Quarrying, and Oil and Gas Extraction	0	0.0%	0	0.0%
22	Utilities	6	116.9%	5	38.3%
23	Construction	19	8.7%	10	4.0%
31	Manufacturing	6	2.7%	10	4.5%
42	Wholesale Trade	18	30.1%	8	10.3%
44	Retail Trade	(68)	(5.1%)	(57)	(4.6%)
48	Transportation and Warehousing	(12)	(35.3%)	0	2.3%
51	Information	(8)	(27.2%)	4	19.8%
52	Finance and Insurance	4	9.6%	5	10.5%
53	Real Estate and Rental and Leasing	3	3.6%	4	4.6%
54	Professional, Scientific, and Technical Services	69	16.1%	47	9.5%
55	Management of Companies and Enterprises	9	106.2%	2	14.8%
56	Administrative and Support and Waste Management and Remediation Services	(24)	(13.2%)	4	2.3%
61	Educational Services	(5)	(16.4%)	1	3.4%
62	Health Care and Social Assistance	(26)	(6.0%)	(16)	(4.0%)
71	Arts, Entertainment, and Recreation	(12)	(8.9%)	12	10.0%
72	Accommodation and Food Services	(16)	(1.7%)	61	6.3%
81	Other Services (except Public Administration)	(22)	(10.7%)	(7)	(3.6%)
<b>Total, Private Sector</b>		<b>(42)</b>	<b>(0.9%)</b>	<b>101</b>	<b>2.3%</b>

Source: Lightcast





## Private Sector Employment Growth & Projections (2-Digit NAICS): Region

- Regionally, private sector employment has grown by 2.2% over the last five years, adding 5,719 jobs. The sectors that have grown the most are Construction (+2,153 jobs), Manufacturing (+1,884 jobs), and Management of Companies and Enterprises (+1,055 jobs).
- Conversely, some sectors in the region have seen job decline since 2017. The largest losses were felt in Retail Trade (-1,909 jobs), followed by Information (-1,365 jobs)
- In the next five years through 2027, regional private sector employment is projected to grow by 4.5%, reflecting the addition of 12,208 jobs. Accommodation and Food Services (+3,251 jobs) Health Care and Social Assistance (+2,328) are projected to add the most jobs.
- The Portsmouth Naval Shipyard added 2,000 civilian positions from 2017-2022 and is expected to fill another 1,200 through 2024.<sup>1</sup>

### 3-County Region Employment Growth

NAICS	Description	Historic		Projected	
		2017-2022 Change	2017-2022 % Change	2022-2027 Change	2022-2027 % Change
11	Agriculture, Forestry, Fishing and Hunting	851	49.4%	616	23.9%
21	Mining, Quarrying, and Oil and Gas Extraction	15	6.5%	24	9.8%
22	Utilities	(108)	(10.5%)	(30)	(3.3%)
23	Construction	2,153	12.0%	664	3.3%
31	Manufacturing	1,884	6.3%	1,746	5.5%
42	Wholesale Trade	534	5.5%	633	6.2%
44	Retail Trade	(1,909)	(4.3%)	(1,380)	(3.3%)
48	Transportation and Warehousing	803	9.7%	540	6.0%
51	Information	(1,365)	(26.9%)	(470)	(12.7%)
52	Finance and Insurance	51	0.5%	(169)	(1.6%)
53	Real Estate and Rental and Leasing	210	5.1%	186	4.3%
54	Professional, Scientific, and Technical Services	903	4.8%	1,564	7.9%
55	Management of Companies and Enterprises	1,055	43.4%	363	10.4%
56	Administrative and Support and Waste Management and Remediation Services	(185)	(1.1%)	443	2.7%
61	Educational Services	(398)	(5.5%)	214	3.1%
62	Health Care and Social Assistance	370	1.0%	2,328	6.4%
71	Arts, Entertainment, and Recreation	132	2.2%	648	10.4%
72	Accommodation and Food Services	654	2.2%	3,251	10.6%
81	Other Services (except Public Administration)	(133)	(0.9%)	883	6.2%
99	Unclassified Industry	202	284.4%	154	56.2%
<b>Total, Private Sector</b>		<b>5,719</b>	<b>2.2%</b>	<b>12,208</b>	<b>4.5%</b>

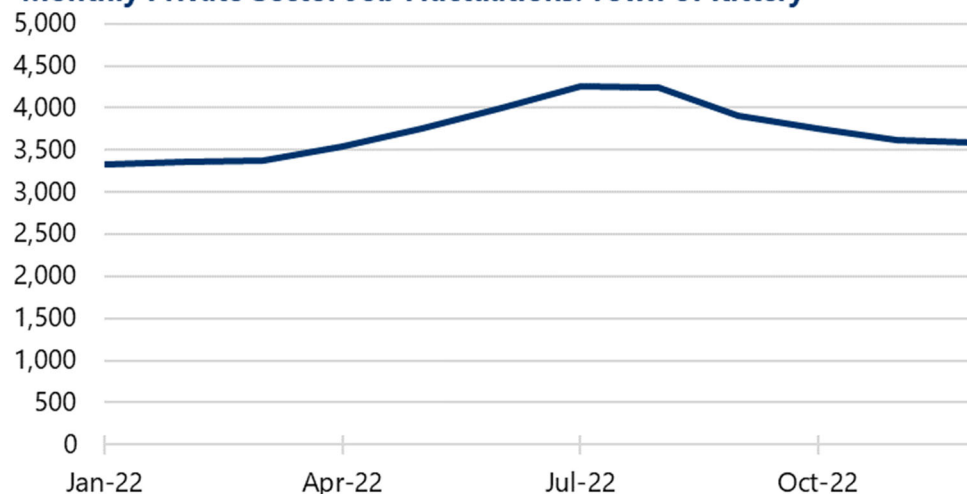
Source: Lightcast

1: <https://www.seacoastonline.com/story/news/local/2022/07/07/portsmouth-naval-shipyard-civilian-jobs-hiring-pay-wages-salary/7761924001/>



## Seasonal Job Fluctuations

**Monthly Private Sector Job Fluctuations: Town of Kittery**

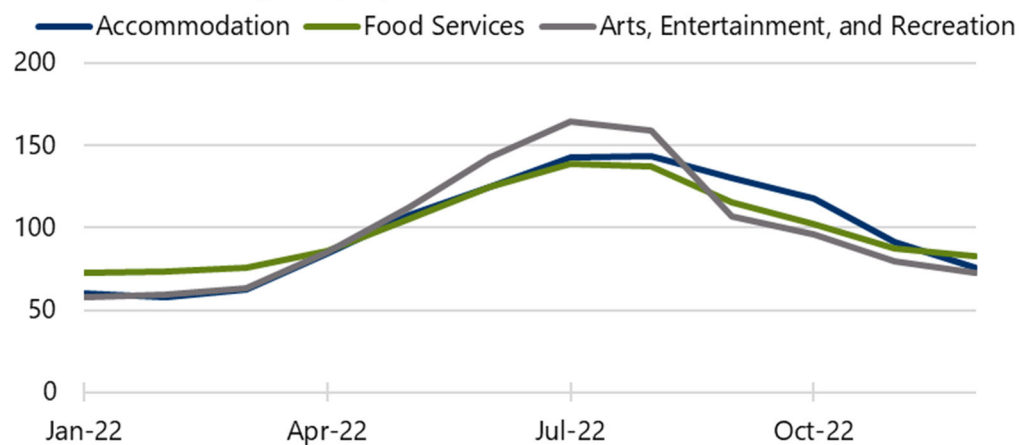


Source: Lightcast

Month-to-month job fluctuations are shown in the figure to the left for 2022, illustrating the seasonality of employment in Kittery. Based on Lightcast data, total private sector jobs peaked at about 4,250 in July and August and were smallest in January at about 3,300. Overall, there is a spread of about 900 jobs between the winter trough to the summer peak.

**Seasonal Employment Index by Industry - Town of Kittery**

100=annual average employment



Source: Lightcast

This figure details employment fluctuations in the industries that are more likely to experience seasonality. In 2022, Arts, Entertainment, and Recreation fluctuated from a low of about 60% of Kittery's average annual employment in January to about 65% higher than the annual average in July. Both Accommodation and Food Services peak around July and August with employment that sits about 40% higher than the annual average.



## Existing Job Trends (4-Digit NAICS): Kittery

- The town's fastest-growing industries are spread widely throughout various sectors in Kittery's economy. Management, Scientific, and Technical Consulting Services was the fastest-growing, and added 48 jobs from 2017-2022 representing 79% growth.
- Of the top 10 fastest-growing industries in Kittery, five have average earnings above the overall average for the town (\$51,877). These include Management, Scientific, and Technical consulting; Computer Systems Design and Related Services; Residential Building Construction; and Offices of Dentists; and Medical Equipment and Supplies Manufacturing
- Of the top growing industries, Specialty Food Stores is the most concentrated, with an LQ of 4.91. This is followed by Medical Equipment and Supplies Manufacturing, with an LQ of 4.54.

### Town of Kittery, Top Growing Sub-Industries, 2017-2022

NAICS	Description	2017 Jobs	2022 Jobs	2017-2022 Change	2017-2022 % Change	2022 Location Quotient	Avg. Earnings Per Job
5416	Management, Scientific, and Technical Consulting Services	61	109	48	79%	1.51	\$110,608
4552	Warehouse Clubs, Supercenters, and Other General Merchandise Retailers	177	213	35	20%	2.83	\$37,354
3121	Beverage Manufacturing	12	35	23	186%	3.29	\$48,044
5415	Computer Systems Design and Related Services	45	60	15	33%	0.67	\$157,066
2361	Residential Building Construction	100	113	13	13%	2.33	\$56,485
4452	Specialty Food Stores	31	43	12	38%	4.91	\$47,213
8121	Personal Care Services	41	51	10	24%	1.14	\$32,065
4599	Other Miscellaneous Retailers	14	22	8	56%	1.03	\$26,652
6212	Offices of Dentists	21	28	7	35%	0.78	\$86,864
3391	Medical Equipment and Supplies Manufacturing	46	53	7	15%	4.54	\$95,780

Source: Lightcast

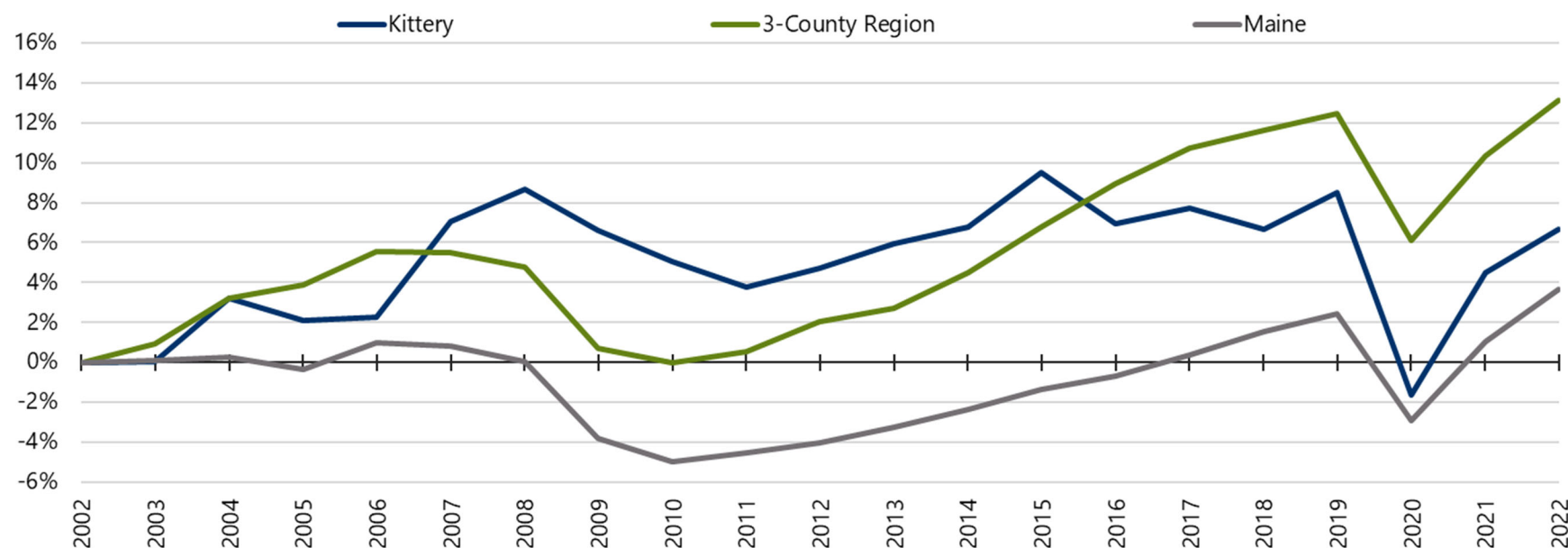


## Total Job Growth: Regional Comparison

The figure below demonstrates the historical job growth trends in Kittery and the surrounding regions from 2002-2022.

- Kittery has added 275 private sector jobs between 2002-2022 and had strong growth years in the mid-2000s as well as in the years following the pandemic.
- Notably, Kittery was not nearly as impacted by the Great Recession as the 3-County Region and Maine. From 2007-2009, Kittery's employment was flat at -0.4% decline, compared to a -4.5% decrease in the 3-County Region and -4.6% decrease in the state.
- Across the last two decades, Kittery's private sector employment peaked in 2015 with 4,507 jobs, and began to decline slightly in the years prior to the pandemic.
- Kittery was slightly more impacted by pandemic job losses, with a -9.4% decrease in jobs in 2020 compared to a -5.7% loss in the region and a 5.3% loss in Maine.

**Cumulative Percent Change in Jobs, 2002-2022**



Source: Lightcast



## Sector Characteristics: Kittery

- Retail Trade is the most concentrated sector in Kittery (LQ of 2.3), indicating that Retail Trade employment is 2.3 times more concentrated in Kittery than it is in the US on average.
- Average earnings per job across all private sectors is \$51,877 in Kittery, about \$20,000 lower than the region and about \$16,000 lower than the state's average. The sectors with wages well above average are Management of Companies and Enterprises; Utilities; Wholesale Trade; Finance and Insurance; and Professional, Scientific, and Technical Services, which have average earnings near or above \$100,000.
- Overall, the total change in jobs from 2017-2022 was 143 jobs lower than would be expected if Kittery grew in line with overall national and industry trends. During this time frame, most sectors in Kittery had a negative competitive effect, meaning they declined faster or grew slower than expected. Health Care and Social Assistance as well as Retail Trade had the largest negative competitive effects.

### Town of Kittery Sector Characteristics

NAICS Description	2022 Location Quotient	2017-2022 Competitive Effect	Avg. Earnings Per Job	GRP
44 Retail Trade	2.30	(41)	\$37,279	\$92,189,468
72 Accommodation and Food Services	2.07	(2)	\$37,427	\$64,956,768
71 Arts, Entertainment, and Recreation	1.27	(10)	\$44,769	\$9,407,069
54 Professional, Scientific, and Technical Services	1.23	1	\$94,187	\$68,309,989
53 Real Estate and Rental and Leasing	0.90	(4)	\$57,296	\$21,454,302
23 Construction	0.75	(2)	\$55,959	\$24,187,795
81 Other Services (except Public Administration)	0.67	(14)	\$36,444	\$12,145,998
22 Utilities	0.63	6	\$138,790	\$7,451,219
62 Health Care and Social Assistance	0.55	(48)	\$59,491	\$28,013,864
31 Manufacturing	0.52	(1)	\$71,060	\$33,203,412
Administrative and Support and Waste Management and Remediation Services	0.45	(34)	\$38,120	\$10,814,958
42 Wholesale Trade	0.39	18	\$101,471	\$28,472,670
11 Agriculture, Forestry, Fishing and Hunting	0.37	16	\$23,436	\$1,357,298
52 Finance and Insurance	0.21	1	\$97,211	\$17,959,791
51 Information	0.20	(11)	\$61,509	\$3,356,258
55 Management of Companies and Enterprises	0.20	8	\$143,868	\$2,896,594
61 Educational Services	0.18	(5)	\$34,196	\$991,611
48 Transportation and Warehousing	0.09	(21)	\$68,566	\$2,938,748
21 Mining, Quarrying, and Oil and Gas Extraction	0.00	0	\$0	\$1,062
<b>Total, all sectors excluding Government</b>		<b>(143)</b>	<b>\$51,877</b>	<b>\$430,108,875</b>

Source: Lightcast

### Location Quotient and Competitive Effect

Both the location quotient and the competitive effect help to illustrate what makes a region unique.

**Location quotient (LQ)** is a measure of industry concentration within a region. An LQ of 1.0 means that an industry is as concentrated within the region as it is on a national level. An LQ greater than 1.0 indicates that an industry is more concentrated in a region than at the national level.

The **competitive effect** illustrates how much change in an industry is not explained by national economic or industry trends and is expressed in the number of jobs that a region gained or lost beyond expectations given national and industry trends. A positive competitive effect means that the region has unique characteristics giving it a competitive advantage in that respective industry.

**Note:** The government sector (NAICS 90) includes Federal, State, and Local government, including hospitals and public education. Private educational institutions are included in the Educational Services sector.

LQ > 1.0  
LQ < 1.0





## Sector Characteristics: 3-County Region

- Retail Trade is also the most concentrated sector in the region (LQ of 1.4), though less concentrated than Kittery. Other sectors with high concentration in the region are Manufacturing; Arts, Entertainment, and Recreation; Accommodation and Food Services; and Construction.
- The average earnings per job across all private sectors is roughly \$73,000, higher than in Kittery. Regionally, Management of Companies and Enterprises has the highest average earnings per job at \$164,448.
- Overall, although regional employment grew, it grew by almost 5,000 jobs fewer than would be expected given overall national and industry trends. Several industries saw large negative competitive effects, with the largest being Professional, Scientific, and Technical Services. However, Accommodation and Food Services saw a positive competitive effect, growing by almost 1,100 jobs more than expected from 2017-2022 and indicating a competitive advantage in the region.

**3-County Region Sector Characteristics**

NAICS	Description	2022 Location Quotient	2017-2022 Competitive Effect	Avg. Earnings Per Job	GRP
44	Retail Trade	1.40	(1,018)	\$49,314	\$3,911,409,248
31	Manufacturing	1.30	976	\$92,949	\$5,855,909,845
71	Arts, Entertainment, and Recreation	1.22	191	\$34,477	\$492,382,193
72	Accommodation and Food Services	1.21	1,098	\$34,243	\$1,921,505,320
23	Construction	1.12	423	\$72,250	\$2,342,696,734
90	Government	0.96	(325)	\$85,323	\$4,482,084,917
81	Other Services (except Public Administration)	0.92	434	\$41,906	\$868,203,745
62	Health Care and Social Assistance	0.91	(1,558)	\$75,985	\$3,298,075,848
42	Wholesale Trade	0.90	445	\$109,009	\$3,793,512,250
54	Professional, Scientific, and Technical Services	0.88	(2,102)	\$109,884	\$3,784,735,135
61	Educational Services	0.88	(543)	\$54,836	\$440,183,375
22	Utilities	0.88	(114)	\$181,566	\$703,151,320
	Administrative and Support and Waste				
56	Management and Remediation Services	0.84	(1,026)	\$69,524	\$2,225,513,579
52	Finance and Insurance	0.83	(652)	\$135,481	\$3,541,016,602
53	Real Estate and Rental and Leasing	0.79	(119)	\$82,654	\$1,677,184,734
55	Management of Companies and Enterprises	0.75	814	\$164,448	\$751,356,509
11	Agriculture, Forestry, Fishing and Hunting	0.70	868	\$44,180	\$249,098,281
48	Transportation and Warehousing	0.66	(1,405)	\$68,416	\$873,573,932
51	Information	0.62	(1,806)	\$134,992	\$1,567,382,039
99	Unclassified Industry	0.47	171	\$47,794	
21	Mining, Quarrying, and Oil and Gas Extraction	0.23	40	\$79,811	\$63,783,548
<b>Total, all sectors</b>			<b>(4,883)</b>	<b>\$73,002</b>	<b>\$38,360,674,238</b>

Source: Lightcast

↑  
LQ > 1.0  
↓  
LQ < 1.0



## 5. WORKFORCE PROFILE



## Occupation Snapshot

### Jobs by Occupation, 2022

SOC	Description	Kittery		3-County	
		Count	Share	Count	Share
11-0000	Management	294	7%	19,635	7%
13-0000	Business and Financial Operations	154	3%	14,678	5%
15-0000	Computer and Mathematical	69	2%	7,451	3%
17-0000	Architecture and Engineering	95	2%	5,106	2%
19-0000	Life, Physical, and Social Science	19	0%	1,599	1%
21-0000	Community and Social Service	23	1%	3,112	1%
23-0000	Legal	24	1%	1,085	0%
25-0000	Educational Instruction and Library	82	2%	6,431	2%
27-0000	Arts, Design, Entertainment, Sports, and Media	90	2%	4,713	2%
29-0000	Healthcare Practitioners and Technical	150	3%	14,574	5%
31-0000	Healthcare Support	89	2%	9,754	4%
33-0000	Protective Service	11	0%	1,493	1%
35-0000	Food Preparation and Serving Related	867	20%	27,198	10%
37-0000	Building and Grounds Cleaning and Maintenance	172	4%	10,619	4%
39-0000	Personal Care and Service	209	5%	8,801	3%
41-0000	Sales and Related	879	20%	31,446	12%
43-0000	Office and Administrative Support	364	8%	32,113	12%
45-0000	Farming, Fishing, and Forestry	<10	0%	1,650	1%
47-0000	Construction and Extraction	191	4%	14,545	5%
49-0000	Installation, Maintenance, and Repair	122	3%	10,924	4%
51-0000	Production	204	5%	19,550	7%
53-0000	Transportation and Material Moving	275	6%	23,354	9%
<b>Total</b>		<b>4,384</b>	<b>100%</b>	<b>269,831</b>	<b>100%</b>

**Source:** Lightcast

**Note:** Includes private sector occupations only.

This table shows details of the occupational breakdown of Kittery and the surrounding region. While the previous section showed details of jobs by economic sector, the Occupation snapshot gives context to the more specific types of jobs that people have.

- Sales and Related Occupations and Food Prep & Serving Related Occupations are the largest occupation groups in Kittery, each representing 20% of all jobs in the local economy.
- Compared to the region, Kittery has relatively low concentrations of Office and Administrative Support Occupations, Production Occupations, Healthcare Practitioners as well as Healthcare Support, and Transportation and Material Moving Occupations.
- Conversely, Kittery has a relatively high share of Food Preparation and Serving Related Occupations, Sales and Related Occupations, and Personal Care and Service Occupations.



## Occupation Growth & Projections: Kittery

- Occupations with the largest declines are Sales and Related Occupations and Food Preparation and Serving Related Occupations.
- Business and Financial Operations and Management Occupations saw the most growth from 2017-2022.
- From 2022-2027, Food Preparation and Serving Related Occupations is projected to see the most growth (54 jobs). Kittery has seen the greatest growth in Management as well as business and Financial Operations occupations, in line with the Region as well as the wider New England region.

### Kittery Occupation Change

SOC	Description	2017-2022 Change		2022-2027 Change	
		Count	Share	Count	Share
11-0000	Management	67	30%	22	8%
13-0000	Business and Financial Operations	54	54%	18	12%
15-0000	Computer and Mathematical	11	20%	12	17%
17-0000	Architecture and Engineering	(5)	-5%	1	1%
19-0000	Life, Physical, and Social Science	6	40%	3	16%
21-0000	Community and Social Service	3	12%	1	2%
23-0000	Legal	(3)	-11%	0	2%
25-0000	Educational Instruction and Library	(21)	-20%	5	6%
27-0000	Arts, Design, Entertainment, Sports, and Media	0	0%	7	8%
29-0000	Healthcare Practitioners and Technical	(1)	-1%	3	2%
31-0000	Healthcare Support	(13)	-13%	(1)	-2%
33-0000	Protective Service	(1)	-11%	1	13%
35-0000	Food Preparation and Serving Related	(67)	-7%	55	6%
37-0000	Building and Grounds Cleaning and Maintenance	(3)	-2%	13	8%
39-0000	Personal Care and Service	9	5%	(5)	-2%
41-0000	Sales and Related	(96)	-10%	(47)	-5%
43-0000	Office and Administrative Support	(27)	-7%	(12)	-3%
45-0000	Farming, Fishing, and Forestry	Insf. Data	Insf. Data	Insf. Data	Insf. Data
47-0000	Construction and Extraction	11	6%	6	3%
49-0000	Installation, Maintenance, and Repair	13	12%	5	4%
51-0000	Production	(7)	-3%	0	0%
53-0000	Transportation and Material Moving	24	9%	12	4%
<b>Total, All</b>		<b>(45)</b>	<b>-1.0%</b>	<b>99</b>	<b>2.3%</b>

Source: Lightcast

Note: Includes private sector occupations only.



## Occupation Growth and Projections: Region

- The fastest-growing occupations in the region from 2017-2022 were Business and Financial Operations Occupations and Management Occupations, adding 4,566 jobs and 3,407 jobs, respectively.
- Similar to Kittery, Sales and Related Occupations saw the largest decline from 2017-2022 (-3,471 jobs)
- In the next five years, Food Preparation & Serving Related Occupations will see the greatest growth, followed by Management Occupations and Healthcare Practitioners & Technical Occupations.

### Region Occupation Change

SOC	Description	2017-2022 Change		2022-2027 Change	
		Count	Share	Count	Share
11-0000	Management	3,462	21%	1,452	7%
13-0000	Business and Financial Operations	3,952	37%	759	5%
15-0000	Computer and Mathematical	(729)	-9%	429	6%
17-0000	Architecture and Engineering	(125)	-2%	323	6%
19-0000	Life, Physical, and Social Science	325	26%	173	11%
21-0000	Community and Social Service	322	12%	276	9%
23-0000	Legal	21	2%	2	0%
25-0000	Educational Instruction and Library	(288)	-4%	438	7%
27-0000	Arts, Design, Entertainment, Sports, and Media	72	2%	329	7%
29-0000	Healthcare Practitioners and Technical	814	6%	1,062	7%
31-0000	Healthcare Support	(221)	-2%	586	6%
33-0000	Protective Service	16	1%	(6)	0%
35-0000	Food Preparation and Serving Related	(560)	-2%	2,719	10%
37-0000	Building and Grounds Cleaning and Maintenance	457	4%	703	7%
39-0000	Personal Care and Service	(86)	-1%	770	9%
41-0000	Sales and Related	(3,451)	-10%	(336)	-1%
43-0000	Office and Administrative Support	(829)	-3%	(241)	-1%
45-0000	Farming, Fishing, and Forestry	434	36%	312	19%
47-0000	Construction and Extraction	896	7%	494	3%
49-0000	Installation, Maintenance, and Repair	31	0%	462	4%
51-0000	Production	(244)	-1%	784	4%
53-0000	Transportation and Material Moving	1,450	7%	717	3%
<b>Total, All</b>		<b>5,719</b>	<b>2%</b>	<b>12,208</b>	<b>5%</b>

Source: Lightcast

Note: Includes private sector occupations only.



## Occupation Characteristics

- Food Preparation and Serving Related Occupations are the most concentrated in Kittery, with 2.28 times the typical share of employment than the US average.
- In the region, Architecture and Engineering Occupations is the most concentrated, with a Location Quotient of 1.22
- Median hourly earnings in Kittery tend to be lower than in the 3-County region. Management Occupations and Computer & Mathematical Occupations have the largest earnings discrepancy, with each being more than \$5 under regional hourly earnings.

### Occupation Characteristics, 2022

SOC	Description	Kittery		3-County Region	
		Location Quotient	Median Hourly Earnings	Location Quotient	Median Hourly Earnings
11-0000	Management	0.90	\$40.96	0.98	\$47.69
13-0000	Business and Financial Operations	0.55	\$34.42	0.85	\$35.00
15-0000	Computer and Mathematical	0.47	\$37.80	0.83	\$43.65
17-0000	Architecture and Engineering	1.35	\$39.51	1.18	\$39.52
19-0000	Life, Physical, and Social Science	0.65	\$33.02	0.88	\$33.64
21-0000	Community and Social Service	0.38	\$23.74	0.81	\$23.94
23-0000	Legal	0.70	\$31.46	0.51	\$32.88
25-0000	Educational Instruction and Library	0.87	\$21.96	1.12	\$25.31
27-0000	Arts, Design, Entertainment, Sports, and Media	1.02	\$21.56	0.87	\$22.81
29-0000	Healthcare Practitioners and Technical	0.60	\$33.81	0.94	\$36.78
31-0000	Healthcare Support	0.40	\$17.63	0.72	\$17.39
33-0000	Protective Service	0.26	\$25.20	0.56	\$23.35
35-0000	Food Preparation and Serving Related	2.28	\$16.88	1.16	\$15.28
37-0000	Building and Grounds Cleaning and Maintenance	1.09	\$16.84	1.10	\$17.84
39-0000	Personal Care and Service	1.66	\$14.83	1.14	\$14.95
41-0000	Sales and Related	1.96	\$15.72	1.14	\$16.54
43-0000	Office and Administrative Support	0.71	\$19.52	1.02	\$20.43
45-0000	Farming, Fishing, and Forestry	0.21	\$15.81	0.76	\$15.55
47-0000	Construction and Extraction	0.89	\$23.28	1.10	\$23.99
49-0000	Installation, Maintenance, and Repair	0.69	\$25.06	1.01	\$25.00
51-0000	Production	0.74	\$20.56	1.16	\$21.25
53-0000	Transportation and Material Moving	0.65	\$17.66	0.90	\$17.84

Source: Lightcast

Note: Includes private sector occupations only.





## Top Occupations (6-Dig SOC): Kittery

- Retail Salespersons are the largest sub-occupation in Kittery in 2022, with more than double the number of workers than the next-largest occupation (Waiters and Waitresses).
- Of the top 20 largest detailed occupations in Kittery, 9 have grown in the five years from 2017-2022, while 11 have seen decreasing employment.

### Top Detailed Occupations in Kittery, 2022

SOC	Description	2017 Jobs	2022 Jobs	2017-2022 Change	2017-2022 % Change	2022 Employment Concentration
41-2030	Retail Salespersons	580	435	(146)	(25%)	3.8
35-3030	Waiters and Waitresses	276	202	(74)	(27%)	3.1
41-2010	Cashiers	156	191	35	22%	1.9
53-7060	Laborers and Material Movers	164	181	18	11%	0.9
35-3020	Fast Food and Counter Workers	176	174	(2)	(1%)	1.7
41-1010	First-Line Supervisors of Sales Workers	154	160	7	4%	3.0
35-2010	Cooks	165	156	(9)	(6%)	2.0
39-9010	Childcare Workers	100	112	13	13%	3.2
37-2010	Building Cleaning Workers	108	106	(3)	(3%)	1.0
35-1010	Supervisors of Food Preparation and Serving Workers	67	99	31	47%	2.5
11-1020	General and Operations Managers	79	96	17	22%	0.9
35-2020	Food Preparation Workers	107	91	(16)	(15%)	3.4
31-9090	Miscellaneous Healthcare Support Occupations	60	65	4	7%	1.3
43-4050	Customer Service Representatives	63	64	1	2%	0.7
53-3030	Driver/Sales Workers and Truck Drivers	58	56	(1)	(2%)	0.5
43-6010	Secretaries and Administrative Assistants	67	55	(12)	(18%)	0.7
43-9060	Office Clerks, General	54	53	(1)	(2%)	0.8
35-3010	Bartenders	47	52	6	13%	3.0
47-2030	Carpenters	52	51	(0)	(1%)	1.7
37-3010	Grounds Maintenance Workers	50	48	(2)	(4%)	1.2

**Source:** Lightcast

**Note:** Includes private sector occupations only.



## Fastest-Growing Occupations: Kittery

The table below shows the fastest-growing occupations in Kittery by the number of jobs added.

- Cashiers have increased the most in number, adding 35 jobs (+22%) from 2017-2022. This is followed by Supervisors of Food Prep & Serving Workers.
- Despite the overall change in these occupations is relatively low over a 5-year period, the total demand for these positions is likely higher as the net change does not account for dynamics such as retirements, staff turnover, and churn between occupations. Details about demand can be found below.

### Fastest-Growing Detailed Occupations in Kittery, 2022

SOC	Description	2017 Jobs	2022 Jobs	2017-2022 Change	2017-2022 % Change	2022 Employment Concentration
41-2010	Cashiers	156	191	35	22%	1.9
35-1010	Supervisors of Food Preparation and Serving Workers	67	99	31	47%	2.5
53-7060	Laborers and Material Movers	164	181	18	11%	0.9
11-1020	General and Operations Managers	79	96	17	22%	0.9
39-9010	Childcare Workers	100	112	13	13%	3.2
11-9010	Farmers, Ranchers, and Other Agricultural Managers	<10	19	13	209%	3.2
13-1190	Miscellaneous Business Operations Specialists	<10	16	11	200%	0.6
13-1110	Management Analysts	17	28	10	59%	1.1

**Source:** Lightcast

**Note:** Includes private sector occupations only.



## Most In-Demand Occupations: Kittery

The table below shows the jobs with the most annual openings and the training required for these positions.

- The jobs that are most in-demand in Kittery are typically entry-level, with little education, on-the-job training, and work experience required.
- Of the top 20 most in-demand jobs, 11 have no formal education credential required, with another 6 requiring a high school diploma or equivalent. Overall, these jobs have a relatively low barrier to entry.

### Top In-Demand Occupations and Training Requirements in Kittery

Description	Avg. Annual		Work Experience		
	Openings	Typical Entry Level Education	Typical On-The-Job Training	Required	
Retail Salespersons	77	No formal educational credential	Short-term on-the-job training	None	
Waiters and Waitresses	54	No formal educational credential	Short-term on-the-job training	None	
Fast Food and Counter Workers	43	No formal educational credential	Short-term on-the-job training	None	
Cashiers	42	No formal educational credential	Short-term on-the-job training	None	
Stockers and Order Fillers	29	High school diploma or equivalent	Short-term on-the-job training	None	
Cooks, Restaurant	24	No formal educational credential	Moderate-term on-the-job training	Less than 5 years	
Childcare Workers	23	High school diploma or equivalent	Short-term on-the-job training	None	
First-Line Supervisors of Retail Sales Workers	22	High school diploma or equivalent	None	Less than 5 years	
Food Preparation Workers	21	No formal educational credential	Short-term on-the-job training	None	
First-Line Supervisors of Food Preparation and Serving Workers	15	High school diploma or equivalent	None	Less than 5 years	
General and Operations Managers	14	Bachelor's degree	None	5 years or more	
Bartenders	12	No formal educational credential	Short-term on-the-job training	None	
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	12	No formal educational credential	Short-term on-the-job training	None	
Customer Service Representatives	10	High school diploma or equivalent	Short-term on-the-job training	None	
Office Clerks, General	10	High school diploma or equivalent	Short-term on-the-job training	None	
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	10	No formal educational credential	Short-term on-the-job training	None	
Business Operations Specialists, All Other	10	Bachelor's degree	None	None	
Maids and Housekeeping Cleaners	9	No formal educational credential	Short-term on-the-job training	None	
Dishwashers	9	No formal educational credential	Short-term on-the-job training	None	

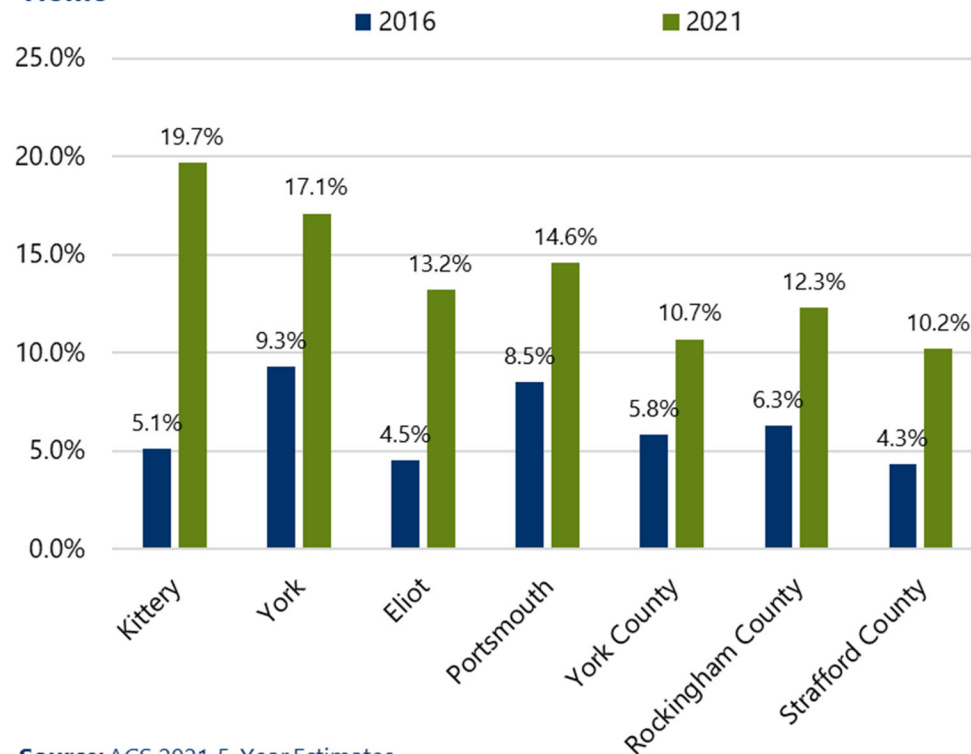
Source: Lightcast



## Remote Worker Households

- Remote worker households may present an opportunity for Kittery. Between 2016-2021, the share of workers who worked from home in Kittery grew from 5.1% or 267 workers to 19.7% or 952 workers.
- Kittery also has a larger share of remote workers than the surrounding towns and three surrounding counties. The share of remote workers in Kittery most closely resembles York, where 17.1% of workers work from home. In 2016, Kittery had a relatively average share of remote workers, mostly aligning with Eliot and the three surrounding counties and slightly lagging the surrounding York and Portsmouth.

**Percentage of Workers Aged 16+ Who Work From Home**



Source: ACS 2021 5-Year Estimates

**Work From Home, 2016, 2021**

Region	2016		2021	
	Share	Count	Share	Count
Kittery	267	5.1%	952	19.7%
York	616	9.3%	1,176	17.1%
Eliot	158	4.5%	501	13.2%
Portsmouth	1,086	8.5%	1,872	14.6%
York County	5,924	5.8%	11,851	10.7%
Rockingham County	10,404	6.3%	21,183	12.3%
Strafford County	2,767	4.3%	7,051	10.2%

Source: ACS 2021 5-year estimates

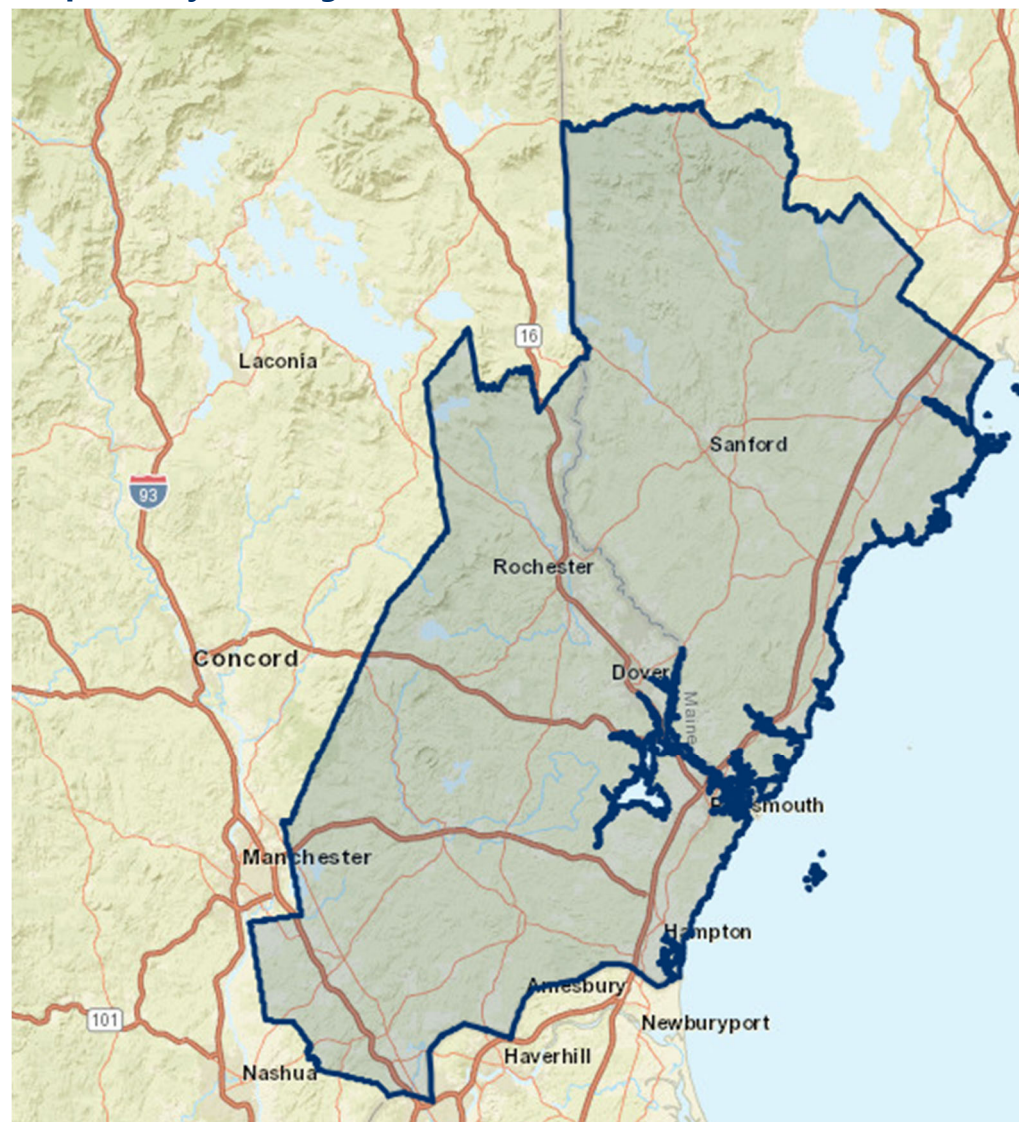


## 6. RESIDENTIAL MARKET ANALYSIS

The residential market analysis identifies the residential market demand and development potential in the Town of Kittery. It examines existing conditions and trends in residential development within a defined Housing Market Area (HMA) around the Town of Kittery.

To estimate market potential, a Housing Market Area (HMA) was defined from which the majority of tenants for new housing would be expected to come. Based largely on existing commuting patterns, a three-county region of York, Strafford, and Rockingham was defined as the HMA as shown in the following map. This analysis of housing stock conditions and trends presents data on occupancy and vacancy rates, existing structures, rental patterns, and values for the HMA to determine the market-feasible residential development potential for the site. For some data points, Kittery is also compared to the neighboring jurisdictions of the Town of York, ME, the Town of Eliot, ME, and the City of Portsmouth, NH.

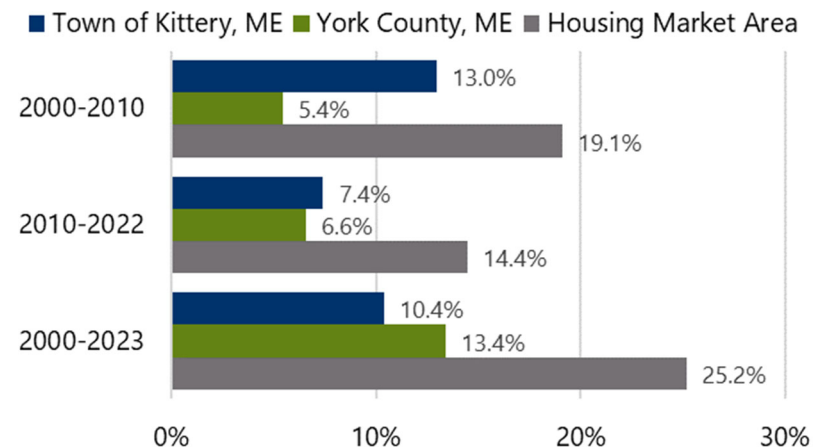
**Map: Kittery Housing Market Area**



## Overview of Existing Housing

- The town of Kittery had 5,210 total housing units in 2023, a net gain of 268 (+5.4%) units since 2010. The town has seen its housing stock increase by 19.1% since 2000.
- Compared to broader county and Housing Market Area, Kittery’s growth has lagged behind both York County (+9.6% from 2010-2023 and +23.0% from 2000-2023) and the Housing Market Area (+9.8% from 2010-2023 and +23.4% from 2000-2023).
- When compared to the local comparison jurisdictions of York, Eliot, and Portsmouth, Kittery’s recent growth from 2010-2023 lags behind all three, but Kittery has seen higher percentage growth than both York and Portsmouth going back further to 2000.

### Percent Change in Total Housing Units



Source: Esri

### Total Housing Units

Geography	Total Units			Percent Change		
	2000	2010	2023	2000-2010	2010-2023	2000-2023
Town of Kittery, ME	4,375	4,942	5,210	13.0%	5.4%	19.1%
Town of York, ME	8,053	8,649	9,216	7.4%	6.6%	14.4%
Town of Eliot, ME	2,418	2,669	3,027	10.4%	13.4%	25.2%
City of Portsmouth, NH	10,186	10,625	11,623	4.3%	9.4%	14.1%
York County, ME	94,234	105,773	115,953	12.2%	9.6%	23.0%
Housing Market Area	252,838	284,179	311,983	12.4%	9.8%	23.4%

Source: Esri





## HMA Housing Overview<sup>1</sup>

- Comparing population, households, housing units, and vacant unit counts from the US decennial census provides insight into the HMA's changing housing situation.
- Household growth in the HMA between 2000-2010 and 2010-2023 was 21,427 and 30,995 new households, respectively. Meanwhile, the number of housing units added over the same periods were 31,341 and 27,804. While vacant units increased by 9,914 from 2000-2010, they fell by 3,191 from 2010-2023.
- The decrease in vacant units from 2010-2023 may be the result of some conversions of seasonal homes to year-round homes and/or a decrease in for-sale or rental inventory.

### Housing Market Area, Population vs. Housing Units

	Units			Percent Change		
	2000	2010	2023	2000-2010	2010-2023	2000-2023
Population	576,455	615,497	671,714	6.8%	9.1%	16.5%
Households	221,715	243,142	274,137	9.7%	12.7%	23.6%
Housing Units	252,838	284,179	311,983	12.4%	9.8%	23.4%
Vacant Units	31,123	41,037	37,846	31.9%	-7.8%	21.6%
Vacancy Rate	12%	14%	12%	17.3%	-16.0%	-1.5%

Source: Esri

Data note: Housing Units can be vacant for a variety of reasons. Vacant units typically fall into one of the following categories:

- Currently for sale or for rent
- Rented or sold but not yet occupied
- For seasonal, recreational, or occasional use

<sup>1</sup> According to US Census definitions, every household is considered to live in a housing unit. A housing unit where a household is living is considered to be occupied. Any other housing unit is considered to be vacant, including units occupied by persons who have a usual residence elsewhere (e.g., seasonal unit or second home). Therefore, the following is always true for a given study area:

- A housing unit is a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied (or if vacant, is intended for occupancy) as separate living quarters. Separate living quarters are those in which the occupants live and eat separately from any other persons in the building, and which have direct access from the outside of the building or through a common hall.
- Households + Vacant Units = Total Housing Units

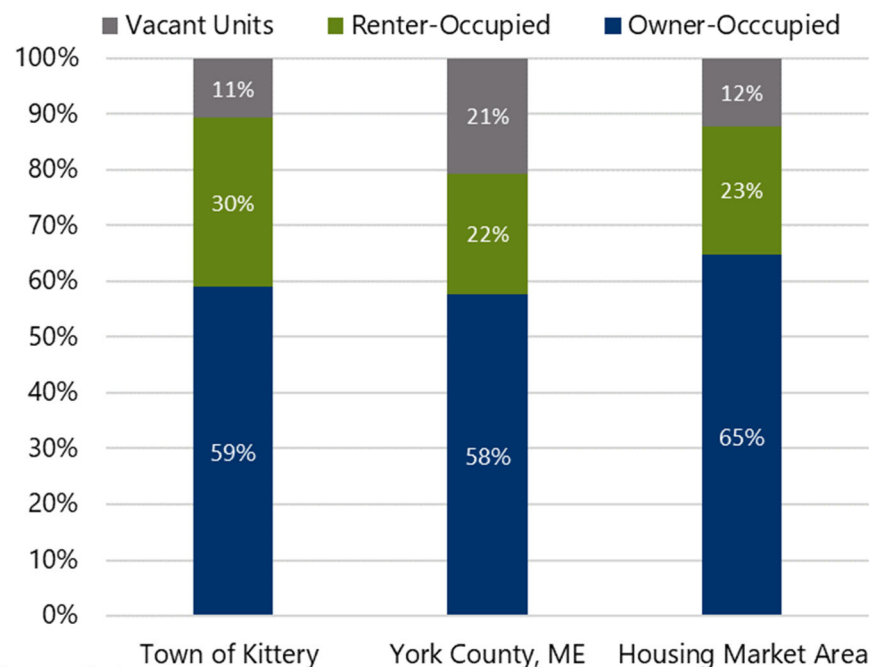


## Current Housing Tenure

The following figures outline existing housing units by occupancy status.

- 89% of Kittery’s housing units are occupied, while 11% are vacant (including seasonal).
- Of the housing units, 59% are owner-occupied. This is more than York County (58%) but less than the housing Market Area (65%).
- Kittery has a higher share of renter occupied units (30%) than York County (22%) or the Housing Market Area (23%)
- Once again for local comparisons, York Eliot, and Portsmouth tenures are also provided in the table below.

**Owner vs. Renter vs. Vacant Housing Units, 2023**



Source: Esri

**Housing Units Overview, 2023**

Geography	Owner-Occupied		Renter-Occupied		Vacant Units		Total	
	Count	Share	Count	Share	Count	Share	Count	Share
Town of Kittery	3,077	59%	1,581	30%	552	11%	5,210	100%
Town of York	4,872	53%	1,160	13%	3,184	35%	9,216	100%
Town of Eliot	2,342	77%	506	17%	179	6%	3,027	100%
Town of Portsmouth	5,513	47%	5,261	45%	849	7%	11,623	100%
York County, ME	66,981	58%	25,092	22%	23,880	21%	115,953	100%
Housing Market Area	202,303	65%	71,834	23%	37,846	12%	311,983	100%

Source: Esri



## Vacancy by Type

- Overall, 45.9% of Kittery's vacant housing units are used seasonally, with 186 of its total 405 vacant units being seasonal homes. This lags nearby towns of York and Eliot, with York having nearly one-third of its housing units being used seasonally.
- Looking at the wider York County, there is a relatively high share of seasonal use, at 78.1% of all unit vacant units. For the housing Market Area, 66.7% of the vacant units are seasonal homes.

### Vacancy Type, 2021

Vacancy Type	Town of Kittery, ME		Town of York, ME		Town of Eliot, ME		City of Portsmouth, NH		York County, ME		Housing Market Area	
	Count	Share	Count	Share	Count	Share	Count	Share	Count	Share	Count	Share
For Rent	62	15.3%	194	5.5%	0	0.0%	116	18.4%	913	3.9%	3,083	8.0%
Rented, Not Occupied	44	10.9%	26	0.7%	0	0.0%	93	14.7%	309	1.3%	1,179	3.1%
For Sale Only	48	11.9%	13	0.4%	0	0.0%	66	10.5%	822	3.5%	1,579	4.1%
Sold, Not Occupied	24	5.9%	44	1.3%	37	13.1%	0	0.0%	357	1.5%	881	2.3%
For Seasonal, Recreational, or Occasional Use	186	45.9%	3,095	88.2%	165	58.3%	173	27.4%	18,467	78.1%	25,694	66.7%
For Migrant Workers	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	33	0.1%
Other Vacant	41	10.1%	139	4.0%	81	28.6%	183	29.0%	2,770	11.7%	6,079	15.8%
<b>Total Vacant</b>	<b>405</b>	<b>7.6%</b>	<b>3,511</b>	<b>38.7%</b>	<b>283</b>	<b>9.6%</b>	<b>631</b>	<b>5.7%</b>	<b>23,638</b>	<b>21.2%</b>	<b>38,528</b>	<b>12.8%</b>

Source: ACS 2021 5-year estimates



## Housing by Size: Units in Structure

- Two-thirds of Kittery's housing is in single-family homes, while about 29% is in multifamily units
- Kittery's multifamily housing is relatively evenly split between small buildings with fewer than 10 units and larger buildings with more than 20 units. The largest share of Kittery's multifamily housing is in buildings with 2 units (13%).

### Units in Structure, 2021

Units	Town of Kittery		York County		Housing Market Area	
	Count	Share	Count	Share	Count	Share
1-Unit, Detached	3,200	60%	77,199	69%	195,595	65%
1-Unit, Attached	333	6%	4,058	4%	16,960	6%
2 Units	700	13%	6,657	6%	16,269	5%
3 or 4 Units	327	6%	6,316	6%	15,941	5%
5 to 9 Units	123	2%	3,964	4%	12,047	4%
10 to 19 Units	16	0%	1,522	1%	7,911	3%
20 to 49 Units	252	5%	2,941	3%	12,306	4%
50 or More Units	124	2%	1,492	1%	5,674	2%
Mobile Homes	292	5%	7,368	7%	18,329	6%
Boat/RV/Van/etc.	0	0%	35	0%	120	0%
<b>Total</b>	<b>5,367</b>	<b>100%</b>	<b>111,552</b>	<b>100%</b>	<b>301,152</b>	<b>100%</b>

Source: Esri



## Housing by Year Built

- As of 2021, nearly a quarter of Kittery's housing stock was built in 1939 or earlier, indicating that Kittery's housing skews toward older and outdated units
- However, 21% of housing units were built in 2000-2009, a more recent burst of housing growth.
- This data reflects Kittery's housing stock as of 2021. Therefore, any more recent housing development, including the Seacoast Residences completed in 2023, are not included in this data.

### Year Built of Housing Stock, 2021

Units	Town of Kittery		York County		Housing Market Area	
	Count	Share	Count	Share	Count	Share
2020 or Later	0	0%	127	0%	377	0%
2010-2019	285	5%	6,531	6%	19,707	7%
2000-2009	1,101	21%	15,327	14%	39,816	13%
1990-1999	327	6%	13,479	12%	34,512	11%
1980-1989	651	12%	18,418	17%	55,579	18%
1970-1979	289	5%	14,640	13%	43,278	14%
1960-1969	325	6%	7,175	6%	23,257	8%
1950-1959	326	6%	7,937	7%	21,523	7%
1940-1949	761	14%	5,585	5%	10,931	4%
1939 or Earlier	1,302	24%	22,333	20%	52,172	17%
<b>Median Year</b>	<b>1969</b>		<b>1979</b>		<b>1980</b>	

Source: Esri



## Housing Unit Development Activity

### Kittery Building Permits, 2013-2022

Units in Structure	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Units in Single-Family Structures	33	18	20	30	24	23	23	44	44	39
Units in All Multi-Family Structures	2	0	0	8	4	6	6	0	2	282
Units in 2-unit Multi-Family Structures	2	0	0	8	4	6	6	0	2	0
Units in 3- and 4-unit Multi-Family Structures	0	0	0	0	0	0	0	0	0	0
Units in 5+ Unit Multi-Family Structures	0	0	0	0	0	0	0	0	0	282
<b>Total Units</b>	<b>35</b>	<b>18</b>	<b>20</b>	<b>38</b>	<b>28</b>	<b>29</b>	<b>29</b>	<b>44</b>	<b>46</b>	<b>321</b>

Source: HUD

- Building permits issued in Kittery from 2013-2022 are tracked in the accompanying table. Most of the permits issued were for single family units with the notable exception being in 2022, where there were 282 5+ unit multi-family structure permitted.
- Recent development in 2023 has returned to form and primarily been driven by single family structure with very few multi-family units over the last year.
- In 2023, 282 units were delivered at the Seacoast Residences, Kittery's most significant housing development in the last decade. This development includes studio, 1-, and 2-bedroom units ranging from \$2,000 per month for smaller 1-bedroom apartments to \$3,345 per month for the largest 2-bedroom apartments.
- In 2022, a development between Route 236 and Dennett Road that would have brought 900 new units to the Kittery market was put on hold following community opposition. However, this proposed development showed that there is interest among developers as well as market potential for significant housing development in the Kittery-Portsmouth area, despite resistance among residents.





## Home Values

- In 2023, the median home value in Kittery was \$458,193. This is well above the median home value in Maine (\$273,381) and slightly higher than the 3-county region (\$411,169)
- Nearly 50% of Kittery's homes are valued between \$300,000-\$500,000. Another 28.7% of homes are valued between \$500,000-\$750,000.
- Overall, a relatively large share of homes are valued at the higher end of the spectrum

### Home Value, 2023

Value	Town of Kittery		York County		Housing Market Area	
	Count	Share	Count	Share	Count	Share
Less than \$50,000	69	2%	2,044	3%	5,875	3%
\$50,000-\$99,999	25	1%	1,259	2%	2,937	1%
\$100,000-\$149,999	1	0%	1,168	2%	2,553	1%
\$150,000-\$199,999	26	1%	3,458	5%	6,597	3%
\$200,000-\$249,999	168	5%	6,341	9%	11,371	6%
\$250,000-\$299,999	121	4%	6,390	10%	14,252	7%
\$300,000-\$399,999	713	23%	21,921	33%	52,787	26%
\$400,000-\$499,999	714	23%	10,605	16%	42,769	21%
\$500,000-\$749,999	882	29%	10,594	16%	46,309	23%
\$750,000-\$999,999	229	7%	1,343	2%	10,048	5%
\$1,000,000-\$1,499,999	100	3%	858	1%	3,623	2%
\$1,500,000-\$1,999,999	22	1%	406	1%	1,200	1%
\$2,000,000 or greater	7	0%	594	1%	1,977	1%
<b>Total</b>	<b>3,077</b>	<b>100%</b>	<b>66,981</b>	<b>100%</b>	<b>202,298</b>	<b>100%</b>
<b>Median Home Value</b>	<b>\$458,193</b>		<b>\$358,531</b>		<b>\$411,169</b>	
<b>Average Home Value</b>	<b>\$513,837</b>		<b>\$409,685</b>		<b>\$468,873</b>	

Source: Esri



## Gross Rent

- In addition to relatively high home values, gross rent is also relatively high in Kittery, with median gross rent of \$1,249 per month in 2021 compared to \$1,090 for York County and \$1,214 for the Housing Market Area
- 28% of Kittery Renters paid less than \$1,000 a month for rent compared to 41% in York County and 29% in the Housing Market Area.

### Gross Rent, 2021

Rent	Town of Kittery, ME		York County, ME		Housing Market Area	
	Count	Share	Count	Share	Count	Share
Under \$500	36	2%	2,383	11%	5,173	8%
\$500 - \$749	115	7%	1,870	9%	4,051	6%
\$750-\$799	17	1%	459	2%	929	1%
\$800-\$899	39	2%	1,446	7%	3,353	5%
\$900-\$999	233	15%	2,330	11%	5,135	8%
\$1,000-\$1,249	359	22%	5,227	25%	15,320	24%
\$1,250-\$1,499	198	12%	3,143	15%	10,524	17%
\$1,500-\$1,999	359	22%	3,056	15%	13,066	21%
\$2,000 and over	240	15%	822	4%	5,991	9%
<b>Median Gross Rent</b>	<b>\$1,249</b>		<b>\$1,090</b>		<b>\$1,214</b>	
<b>Households Paying Gross Rent</b>	<b>1,596</b>		<b>20,736</b>		<b>63,542</b>	

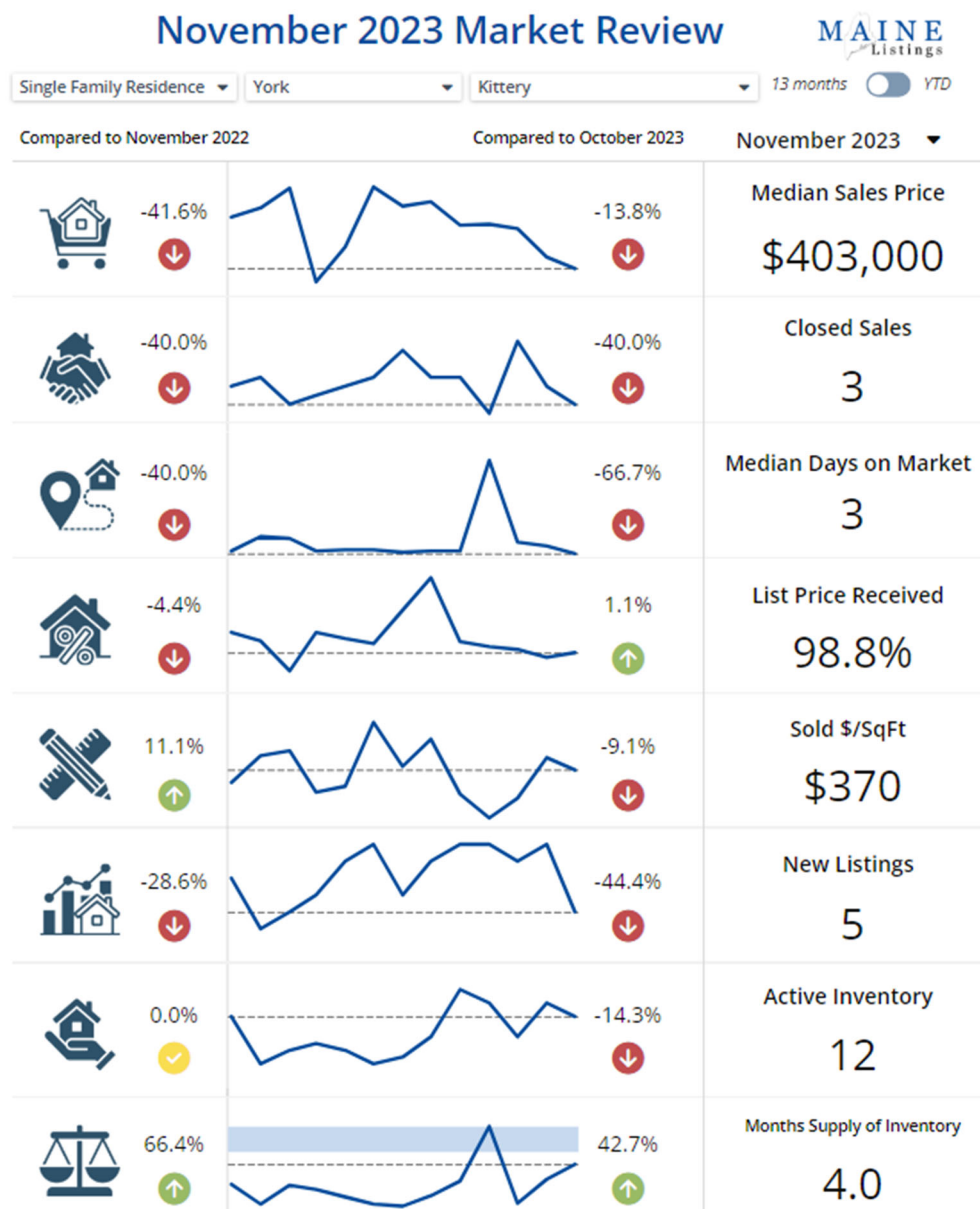
Source: ACS 2021 5-Year Estimates



## Single Family Home Sales Metrics Kittery

The following figures show data specific to Kittery's single-family sales providing a summary of real estate market data for Kittery:

- Median Sales prices were \$403,000 as of November 2023, there were 3 closed sales, 5 new listings, 12 units of inventory, and 4 months' supply of inventory.
- These trends have fallen since last month and over the last year, with decreases in median sales price, closes sales, days on the market, new listings and active listings.



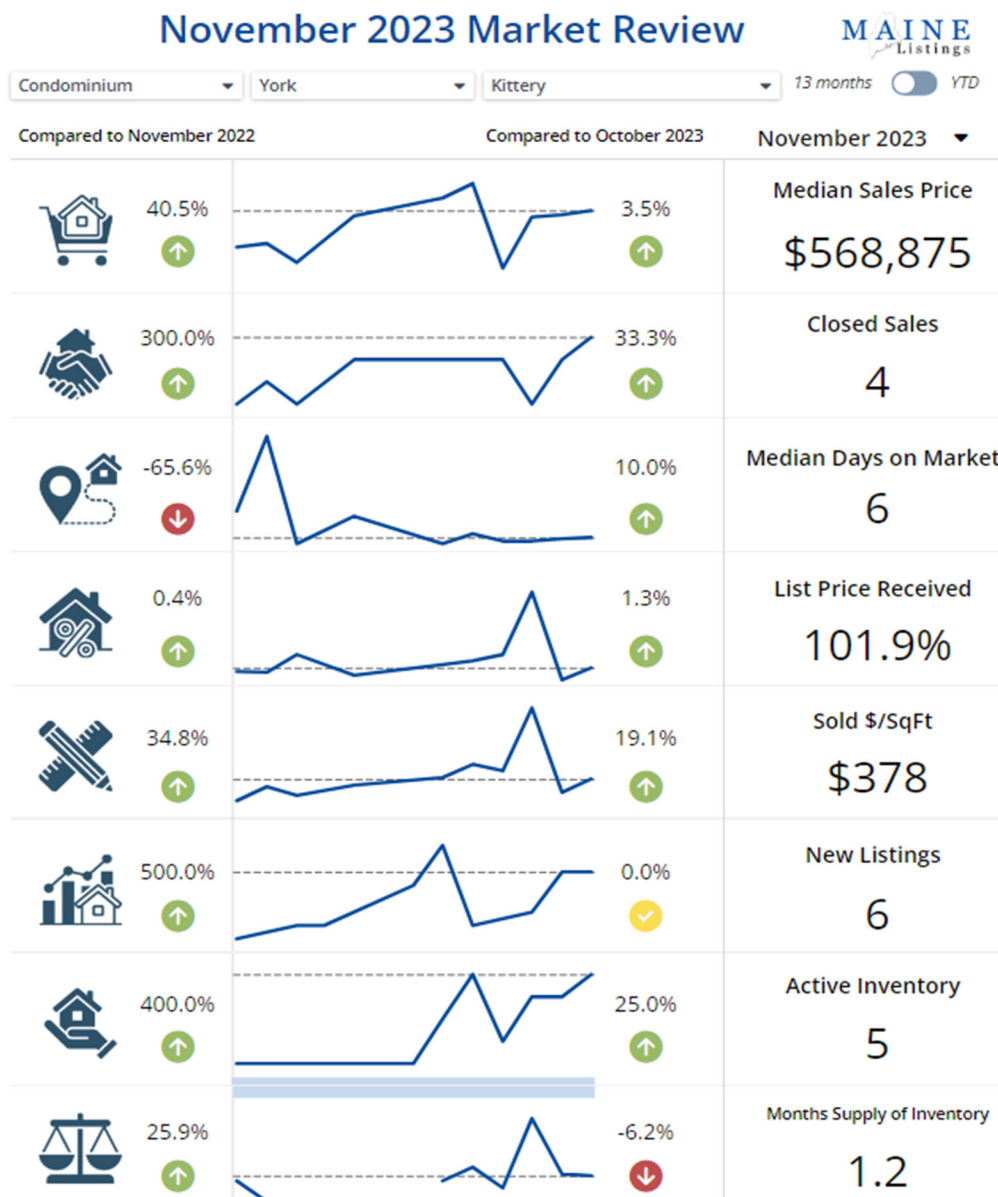
Based on information from the Maine Real Estate Information System, Inc. (d/b/a Maine Listings). ©2023 Maine Listings & Domus Analytics



## Condominium Sales Metrics Kittery

The following figures show data specific to Kittery's condominium sales providing a summary of real estate market data for Kittery:

- Median Sales prices were \$568,875 as of November 2023, there were 4 closed sales, 6 new listings, 5 units of inventory, and 1.2 months' supply of inventory.
- These trends have risen since last month and over the last year, with increases in median sales price, closes sales, new listings, and active listings.



Based on information from the Maine Real Estate Information System, Inc. (d/b/a Maine Listings). ©2023 Maine Listings & Domus Analytics



## Multifamily Market: Town of Kittery

- The vacancy rate has spiked in 2023 as 282 new units were delivered at the end of the third quarter but not yet occupied. Prior to 2023, vacancy rates trended down from a recent high of 9.1% in 2018 to 6.6% in 2022. It should be noted that vacancy rates would be expected to normalize as the new units delivered to the market are absorbed (occupied).
- Prior to 2023, the market had little development activity. Absorption was low in recent years, but increased to 13 units for 2023 YTD. Absorption can be expected to increase as more of the new units at Seacoast Residences are absorbed.
- Rent growth has tended to be stable in Kittery over the five years. Rents in multifamily buildings were relatively flat from 2018-2023, with rents declining by 4.9% in 2023 amidst high vacancy and significant deliveries. From 2018-2022, rent prices increased by about 6%.
- Overall, asking rent per unit is \$2,440 in Kittery as of 2023.

### Kittery Key Multifamily Metrics

Year	Total Units	Asking Rent per Unit	Asking Rent Per SF	Asking Rent % Growth/Yr.	Vacant Units	Vacancy Rate	Absorption	Under Construction	Deliveries
2018	719	\$2,374	\$2.48	0.7%	46	9.1%	(2)	-	-
2019	719	\$2,427	\$2.54	2.3%	45	8.8%	2	-	-
2020	719	\$2,476	\$2.59	2.0%	41	8.0%	4	-	-
2021	719	\$2,525	\$2.64	2.0%	39	7.8%	1	-	-
2022	719	\$2,570	\$2.69	1.8%	34	6.6%	6	282	-
2023 YTD	1,001	\$2,440	\$2.55	(4.9%)	302	38.3%	13	-	282

Source: CoStar, as of Q4 2023



## Multifamily Market: HMA

- The vacancy rate reversed a recent declining trend, rising to 4.1% in 2023 as 915 new units were delivered at the end of the third quarter. Prior to 2023, vacancy rates trended down from a recent high of 4.3% in 2018 to 2.8% in 2022.
- The market has seen steady development activity. Absorption has been high in recent years, with an absorption of 915 units in 2023. Absorption can be expected to increase as more of the new units are constructed and subsequently filled throughout the HMA.
- Rent growth has increased significantly following the pandemic after price growth had been stable in the years prior to 2020. From 2019-2023, asking rent per unit increased by 18.5%
- Overall, asking rent per unit is \$1,845 in Kittery as of 2023.

### HMA Key Multifamily Metrics

Year	Total Units	Asking Rent per Unit	Asking Rent Per SF	Asking Rent % Growth/Yr.	Vacant Units	Vacancy Rate	Absorption	Under Construction	Deliveries
2018	1,060	\$1,511	\$1.80	3.4%	1,159	4.3%	584	400	583
2019	1,062	\$1,557	\$1.86	3.0%	1,081	4.0%	211	1350	132
2020	1,077	\$1,604	\$1.92	3.0%	1,131	4.0%	986	657	1036
2021	1,081	\$1,721	\$2.06	7.3%	899	3.2%	701	720	469
2022	1,087	\$1,806	\$2.16	4.9%	812	2.8%	656	1209	569
2023 YTD	1,095	\$1,845	\$2.21	2.2%	1,214	4.1%	513	842	915

Source: CoStar, as of Q4 2023



## Housing Market Potential

To estimate housing development potential on the site, the following types of demand drivers were analyzed:

- 1. Household growth in the HMA:** Household growth in the HMA is projected using Esri estimates over the next five years. Households separated by income bracket and tenure (owner vs. renter) with the growth expected in each bracket parsed out.
- 2. Demand from annual housing turnover:** To estimate annual housing turnover, housing mobility patterns were explored to determine the annual turnover rate for both renter and owner households over the last 10 years. These rates are then projected into the next five years to determine the demand for both rental and owner households resulting from housing turnover.
- 3. Demand from households in need:** Demand from households in need was calculated based on cost-burdened households in the HMA. These households pay 30% or more of their household income on housing costs and, as such, require less expensive housing. It is estimated that a new housing project could capture up to 20% of these households in five years, making this the benchmark for the capture rate of households in need.
- 4. Demand from displaced workers:** Demand from displaced workers was calculated based on displaced workers in the HMA. These are households that work in Kittery but do not reside there for a variety of reasons. Currently only 18.6% of workers reside in Kittery, it is estimated that a new housing project could increase these to a market capture rate of up to 25%, making this the benchmark for the capture rate of displaced workers.





## Household Tenure by Income

- The tables on the right display the distribution of renter and owner household by income bracket in the HMA.
- Renter households are concentrated in the lower income brackets
- Owner households are concentrated in the higher income brackets
- An overall increase in households is expected from 2023-2028.

### Housing Tenure by Income Level (HMA), 2023

Income Bracket	Total Households	Percent Owners	Owner Households	Percent Renters	Renter Households
less than \$15,000	15,367	47%	7,202	53%	8,165
\$15,000-\$24,999	11,415	52%	5,962	48%	5,453
\$25,000-\$34,999	14,670	55%	8,126	45%	6,544
\$35,000-\$49,999	23,492	60%	14,198	40%	9,294
\$50,000-\$74,999	41,905	66%	27,756	34%	14,149
\$75,000-\$99,999	34,409	75%	25,675	25%	8,734
\$100,000-\$149,999	63,609	84%	53,421	16%	10,188
\$150,000+	69,269	93%	64,438	7%	4,831
<b>Total</b>	<b>274,136</b>	<b>75%</b>	<b>206,777</b>	<b>25%</b>	<b>67,359</b>

Source: Esri, ACS 5-year estimates, 2021

### Housing Tenure by Income Level (HMA), 2028

Income Bracket	Total Households	Percent Owners	Owner Households	Percent Renters	Renter Households
less than \$15,000	13,383	47%	6,272	53%	7,111
\$15,000-\$24,999	8,649	52%	4,517	48%	4,132
\$25,000-\$34,999	11,174	55%	6,190	45%	4,984
\$35,000-\$49,999	19,711	60%	11,913	40%	7,798
\$50,000-\$74,999	37,426	66%	24,789	34%	12,637
\$75,000-\$99,999	33,467	75%	24,972	25%	8,495
\$100,000-\$149,999	72,269	84%	60,694	16%	11,575
\$150,000+	85,809	93%	79,824	7%	5,985
<b>Total</b>	<b>281,888</b>	<b>75%</b>	<b>219,171</b>	<b>25%</b>	<b>62,717</b>

Source: Esri, ACS 5-year estimates, 2021



## Housing Demand from Household Growth

- The projected five-year baseline change in households by income range is shown in the table to the right.
- The projections consider natural population growth (births and deaths) as well as recent migration trends.
- The projections indicate overall positive growth, with increases in the number of households in the upper-income brackets (above \$100,000 annual household income) and decreases in households in the lower-income brackets
- The table below breaks the projected change out by renter and owner again, indicating that owner households are projected to increase by 12,394 over the next five years
- Renter households are projected to decrease by 4,642 by 2028 based on baseline projections

### Projected Change in Households by Income Level (HMA)

Income Bracket	2023	2028	Change	% Change
less than \$15,000	15,367	13,383	-1,984	-13%
\$15,000-\$24,999	11,415	8,649	-2,766	-24%
\$25,000-\$34,999	14,670	11,174	-3,496	-24%
\$35,000-\$49,999	23,492	19,711	-3,781	-16%
\$50,000-\$74,999	41,905	37,426	-4,479	-11%
\$75,000-\$99,999	34,409	33,467	-942	-3%
\$100,000-\$149,999	63,609	72,269	8,660	14%
\$150,000+	69,269	85,809	16,540	24%
<b>Total</b>	<b>274,136</b>	<b>281,888</b>	<b>7,752</b>	<b>3%</b>

Source: Esri

### Housing Demand From Housing Growth by Income Level (HMA), 2023-2028

Income Bracket	Total Households	Owner Households	Renter Households
less than \$15,000	-1,984	-930	-1,054
\$15,000-\$24,999	-2,766	-1,445	-1,321
\$25,000-\$34,999	-3,496	-1,937	-1,559
\$35,000-\$49,999	-3,781	-2,285	-1,496
\$50,000-\$74,999	-4,479	-2,967	-1,512
\$75,000-\$99,999	-942	-703	-239
\$100,000-\$149,999	8,660	7,273	1,387
\$150,000+	16,540	15,386	1,154
<b>Total</b>	<b>7,752</b>	<b>12,394</b>	<b>-4,642</b>

Source: Esri, ACS 5-year estimates, 2021



## Housing Demand from Household Turnover

- Housing turnover was examined to understand the demand potential in the PMA.
- Since 2019, approximately 5% of owners moved into their current unit and 17% of renters.
- The average annual turnover for owner-occupied households in the HMA 7,329 units, or approximately 3.7% annually.
- The renter-occupied households' turnover rate is 7.7% in the HMA.

### HMA Housing Mobility, 2021

Year Moved In	Owner-Occupied		Renter-Occupied	
	Count	Share	Count	Share
2019 or Later	9,894	5%	11,036	17%
2015-2018	38,978	19%	29,998	45%
2010-2014	31,747	13%	15,237	23%
2000-2009	49,939	28%	6,931	10%
1990-1999	32,293	15%	2,084	3%
1989 or Earlier	33,183	20%	1,304	2%
<b>Total</b>	<b>196,034</b>	<b>100%</b>	<b>66,590</b>	<b>100%</b>
<b>Avg. Annual Turnover 2010-2020</b>	<b>7,329</b>		<b>5,116</b>	
<b>Avg. Annual Turnover 2010-2020 (%)</b>		<b>3.7%</b>		<b>7.7%</b>

Source: Esri



## Household Mobility by Tenure

- The rental turnover rate of 7.7% in the HMA was applied to the number of renter households to determine the rental housing demand for the HMA from housing turnover.
- As shown in the following table, there is annual market owner-occupied demand potential for an estimated 7,731 units or 38,653 units over the next five years in the Housing Market Area.
- Similar to the owner-occupied analysis, the total turnover demand in the HMA for renter-occupied units was calculated in the accompanying table.
- The analysis indicates an overall five-year market turnover demand potential of 5,175 units or 25,873 units over the next five years in the HMA.

### Owner Housing Turnover Demand (HMA)

Income Bracket	Owner			
	Households (2023)	Annual Turnover	Turnover Demand	5-Year Demand
less than \$15,000	7,202	3.7%	269	1,346
\$15,000-\$24,999	5,962	3.7%	223	1,114
\$25,000-\$34,999	8,126	3.7%	304	1,519
\$35,000-\$49,999	14,198	3.7%	531	2,654
\$50,000-\$74,999	27,756	3.7%	1,038	5,189
\$75,000-\$99,999	25,675	3.7%	960	4,799
\$100,000-\$149,999	53,421	3.7%	1,997	9,986
\$150,000+	64,438	3.7%	2,409	12,045
<b>Total</b>	<b>206,777</b>		<b>7,731</b>	<b>38,653</b>

Source: Esri, ACS 5-year estimates, 2021

### Rental Housing Turnover Demand (HMA)

Income Bracket	Renter			
	Households (2023)	Annual Turnover	Turnover Demand	5-Year Demand
less than \$15,000	8,165	7.7%	627	3,136
\$15,000-\$24,999	5,453	7.7%	419	2,095
\$25,000-\$34,999	6,544	7.7%	503	2,514
\$35,000-\$49,999	9,294	7.7%	714	3,570
\$50,000-\$74,999	14,149	7.7%	1,087	5,435
\$75,000-\$99,999	8,734	7.7%	671	3,355
\$100,000-\$149,999	10,188	7.7%	783	3,913
\$150,000+	4,831	7.7%	371	1,856
<b>Total</b>	<b>67,359</b>		<b>5,175</b>	<b>25,873</b>

Source: Esri, ACS 5-year estimates, 2021



## Housing Demand from Cost-Burdened Households

- Cost burdened households are included separately as they are not expected to be part of the regular housing “churn” or turnover.
- The table to the right shows the number and share of households at different income levels in Kittery that are considered “cost-burdened,” or are spending 30% or more of their income on housing costs.
- According to Esri and the US Census Bureau American Community Survey, approximately 1,553 Kittery households are considered cost-burdened, or 33.3% of all households in the town. This is high compared to surrounding towns of Eliot and York, but similar to Portsmouth.
- It is conservatively estimated that at least 20% of the overburdened households would move into new housing in Kittery, if suitable housing at the right price point were available. That is, 20% of cost burdened households represent a source of unmet housing demand in the community.
- Over a five-year period, cost-burdened households in the Town represent demand for approximately 311 units.

### Cost-Burdened Households by Income Level, 2023

Household Income Level	Town of Kittery		
	All-Occupied	Owner-Occupied	Renter-Occupied
Less than \$20,000	477	191	286
\$20,000 to \$34,999	561	363	198
\$35,000 to \$49,999	204	172	32
\$50,000 to \$74,999	196	105	92
\$75,000 or More	115	83	32
<b>Total</b>	<b>1,553</b>	<b>914</b>	<b>639</b>

Source: Esri, ACS 2021 5-year Estimates

### Cost-Burdened Households Capture Potential, 2023-2028

Household Income Level	Town of Kittery		
	All-Occupied	Owner-Occupied	Renter-Occupied
Less than \$20,000	95	38	57
\$20,000 to \$34,999	112	73	40
\$35,000 to \$49,999	41	34	6
\$50,000 to \$74,999	39	21	18
\$75,000 or More	23	17	6
<b>Total</b>	<b>311</b>	<b>183</b>	<b>128</b>

Note: A five-year capture of 20% is used

Source: Esri, ACS 2021 5-year Estimates



## Housing Demand from Displaced Workers

Displaced workers households are analyzed separately as a discrete source of demand. These are households for workers employed in the Town but are commuting to their jobs due to the lack of suitable housing. If new housing were developed meeting their needs, they would be induced to move and therefore represent another source of housing demand.

- In the Town of Kittery, 18.6% of the primary jobs within the town are filled by residents of Kittery, accounting for approximately 686 households.
- Kittery could capture demand from commuters who may prefer to live in Kittery. With a "resident worker rate" of at least 30% if suitable workforce housing were available, there is estimated market demand of approximately 430 units over the next five years, with 323 owner units and 107 renter units associated with displaced workers.

### Displaced Worker Potential, Town of Kittery

A	Total workers in Kittery	3,721
B	Total resident workers	686
C	Total in-commuters (displaced workers)	3,035
D	Resident Worker Capture (B ÷ A)	18%
E	Target Resident Worker Capture	30%
F	Potential Resident Worker Capture (E*A)	1,116
<b>G</b>	<b>Excess Displaced Worker Potential (F-B)</b>	<b>430</b>

Source: US Census OnTheMap, Camoin Associates

### Displaced Workers by Income Level Capture Potential, 2023-2028

Income Bracket	Total Households	Percent Owners	Owner Households	Percent Renters	Renter Households
less than \$15,000	24	47%	11	53%	13
\$15,000-\$24,999	18	52%	9	48%	9
\$25,000-\$34,999	23	55%	13	45%	10
\$35,000-\$49,999	37	60%	22	40%	15
\$50,000-\$74,999	66	66%	43	34%	22
\$75,000-\$99,999	54	75%	40	25%	14
\$100,000-\$149,999	100	84%	84	16%	16
\$150,000+	108	93%	101	7%	8
<b>Total</b>	<b>430</b>	<b>75%</b>	<b>323</b>	<b>25%</b>	<b>107</b>

Source: Esri, Census OnTheMap, ACS 5-year estimates, 2021



## Summary of Housing Demand

A single site or development project can typically capture only a portion of the overall market demand. The amount of the overall demand that can be captured depends on many factors, including the supply of competitive properties/units, marketing/branding, amenities and desirability of a location, pricing, and others. Based on current and anticipated market conditions, it is expected that development in Kittery could capture 1.5% of overall market demand for owner-occupied units and 2.2% of overall market demand for renter-occupied units in the Housing Market Area<sup>2</sup>.

Therefore, there is an estimated housing development potential for approximately 909 owner-occupied units and 652 renter-occupied units over the next five years (with an average absorption rate of 181 owner-occupied units per year and 130 renter-occupied units per year). The following table provides a detailed breakdown of the estimated “capture potential,” which represents the development potential.

### HMA Demand Capture Potential

Income Range	Owner-Occupied		Renter-Occupied		Total
	Total 5-YR Market Demand	Capture Potential (1.5%)	Total 5-YR Market Demand	Capture Potential (2.2%)	
<\$15,000	428	6	2,095	46	53
\$15,000 - \$24,999	-321	0	782	17	17
\$25,000 - \$34,999	-405	0	964	21	21
\$35,000 - \$49,999	391	6	2,089	46	52
\$50,000 - \$74,999	2,265	34	3,945	87	121
\$75,000 - \$99,999	4,137	62	3,130	69	131
\$100,000 - \$149,999	17,343	260	5,317	117	377
\$150,000+	27,533	413	3,017	66	479
<b>Cost-Burdened Capture</b>	<b>128</b>		<b>183</b>		<b>311</b>
<b>Total (5-Year)</b>	<b>51,498</b>	<b>909</b>	<b>21,521</b>	<b>652</b>	<b>1,562</b>
<b>Total (Avg. Annual)</b>	<b>10,300</b>	<b>182</b>	<b>4,304</b>	<b>130</b>	<b>312</b>

Source: Camoin Associates

<sup>2</sup> Based on current share of the HMA’s housing accounted for by Kittery. Note that the capture potential rates do not apply to the cost-burdened capture as the cost burdened households are just from Kittery and not the whole HMA, and a 20% capture potential was already used in their calculation.





The rental and owner capture potential is presented by income bracket below. The tables also provide the affordable home values and rents for each bracket to give a sense of the appropriate price points to satisfy demand.

- **Overall, there is development potential for 909 owner units and 652 renter units over the next five years in the Town of Kittery.**
- For owner-occupied housing, the greatest demand is concentrated in homes priced for households making \$100,000 or more, with a total of 716 units of demand over the next five years.
- For renter-occupied housing, demand is more mixed. Demand is nearly evenly distributed among the household income categories, though there is slightly higher demand for units available to those making between \$100,000-\$150,000.
- Households in lower-income brackets are priced out of ownership in the current housing market, and more realistically represent rental demand.

#### HMA Owner Demand Capture Potential

Income Category (Annual Income)	Affordable Home Value	5-YR Development Potential
Less than \$25,000	Under \$89,285	28
\$25,000 to \$49,999	\$89,286 to \$178,571	27
\$50,000 to \$74,999	\$178,572 to \$267,857	55
\$75,000 to \$99,999	\$267,858 to \$357,142	83
\$100,000 to \$150,000	\$357,143 to \$535,714	281
\$150,000 or more	\$535,715 or more	434
<b>Total</b>		<b>909</b>

Source: Camoin Associates

#### HMA Rental Demand Capture Potential

Income Category (Annual Income)	Affordable Rent Level	5-YR Development Potential
Less than \$25,000	Under \$624	94
\$25,000 to \$49,999	\$625 to \$1,249	98
\$50,000 to \$74,999	\$1,250 to \$1,874	117
\$75,000 to \$99,999	\$1,875 to \$2,499	99
\$100,000 to \$150,000	\$2,500 to \$3,749	147
\$150,000 or more	\$3,750+	97
<b>Total</b>		<b>652</b>

Source: Camoin Associates



## 7. RETAIL, RESTAURANT, AND ENTERTAINMENT MARKET ANALYSIS

This section assesses the market potential for retail goods and services, restaurants, and entertainment uses in Kittery. It examines past industry and market trends, assesses local and regional consumer characteristics, and projects demand potential for new space in the community.

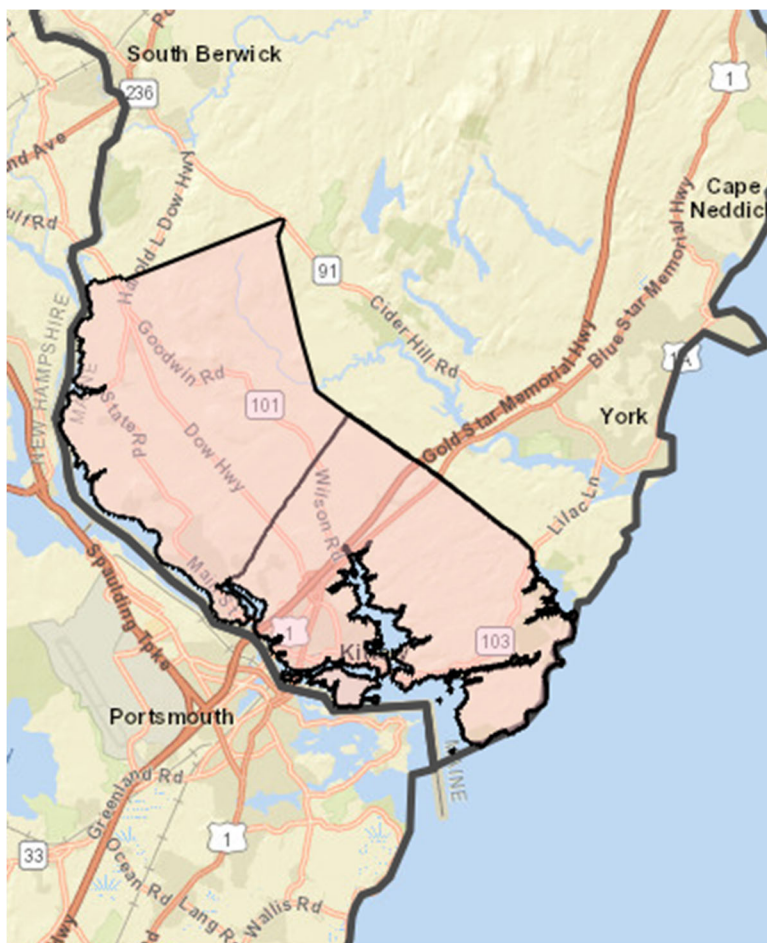
Based on the location of Kittery and desire to meet retail, restaurant, and entertainment needs, two retail trade areas were created.

- **Local Retail Trade Area:** The first, a local trade area was defined to satisfy primarily local needs. More specifically, this local trade area is for “everyday” needs: grocery, pharmacy, personal care services, bank, fitness, etc. The local retail trade area serves a small geography, covering Eliot and Kittery. Customers outside this area typically shop for daily needs in surrounding communities. A Map of this area is provided on the following page.
- **Regional Retail Trade Area:** Given Kittery’s status as a retail destination for its outlet shopping and diverse merchandise options, it has a greater opportunity to draw from a larger Regional Trade Area. Factory outlet centers serve very large trade areas, with shoppers driving from metro areas sometimes over an hour away. For this reason, shoppers at outlet malls often stay longer than shoppers at a typical mall, and often include tourists visiting nearby attractions. Factory outlet destinations typically have a trade area of at least 25 miles. The Regional Trade Area for Kittery is shown in the map on the following page, and includes most of York county, parts of Rockingham and Strafford counties in New Hampshire, and a small area of Northern Massachusetts.

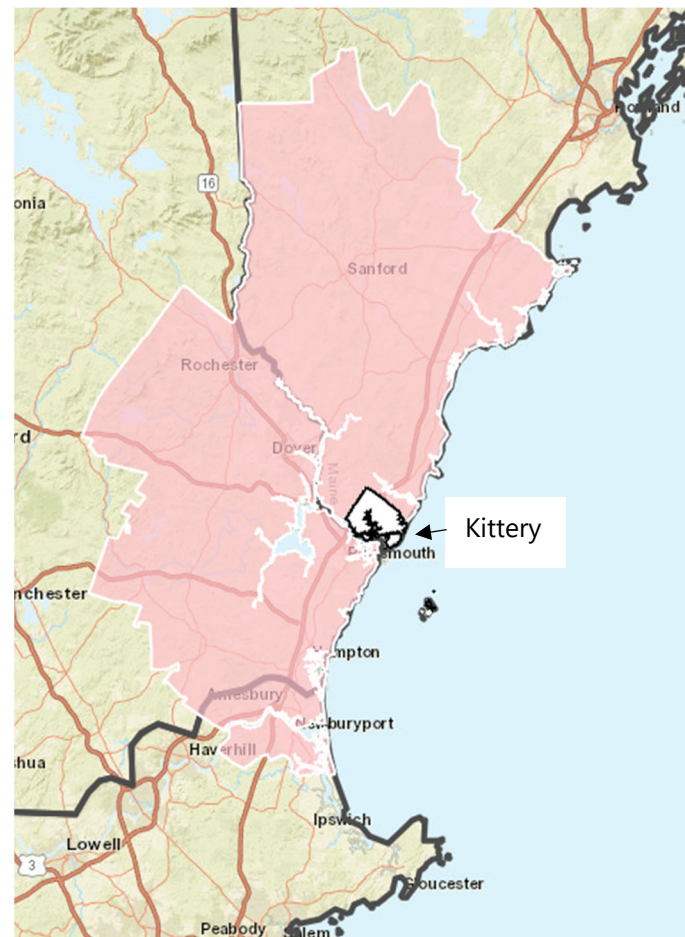


## Local and Regional Trade Area Maps

Map 2: Local Trade Area



Map 1: Regional Trade Area



## Trade Area Characteristics

The two trade areas vary slightly in their demographic makeup. While the Local Trade Area covers a total population of approximately 17,000, the Regional Trade Area covers a much larger population of over 500,000 in 2023. It includes most of York County, the Eastern and coastal areas of New Hampshire, and the very northern sliver of Massachusetts. These two areas have a very similar median household income, with the Regional Trade Area slightly higher. However, the Regional Trade Area has a slightly younger population, with a median age of 44.4 compared to 46.2 in the Local Trade Area.

### Top 5 Tapestry Segments in the Local Trade Area (2023)

Name	Share of Households
Savvy Suburbanites	25%
The Great Outdoors	19%
In Style	18%
Bright Young Professionals	11%
Golden Years	8%

Source: Esri

### Top 5 Tapestry Segments in the Regional Trade Area (2023)

Name	Share of Households
Green Acres	12%
Parks and Rec	8%
The Great Outdoors	8%
Savvy Suburbanites	7%
Golden Years	6%

Source: Esri

### Trade Area: Key Statistics (2023)

	Local Trade Area	Regional Trade Area
Total Population	17,053	515,997
Total Households	7,505	214,490
Median Household Income	\$90,175	\$93,930
Median Age	46.2	44.4

Source: Esri

## Tapestry Segmentation

Tapestry segmentation is a tool used by retail site selectors in determining the demographic, socioeconomic, housing, and lifestyle characteristics of a particular trade area's market segmentation. It is how retailers and site selectors compare consumer trends across trade areas when considering many site locations.

Market segmentation is based on the concept that people with similar demographic characteristics, purchasing habits, and media preferences naturally gravitate toward one another and into the same communities. Segmentation can be used to understand customers' lifestyle choices, purchasing preferences, and how they spend their free time. Segmentation data for the trade areas were obtained from Esri's Tapestry segmentation model. It is important to recognize that the classifications and labels that Esri uses for defining market segments are generalizations. The descriptions of each segment is based on comparisons within the US as a whole and reflect the propensity of a household within that segment to exhibit certain demographic, lifestyle, and consumer characteristics relative to the overall population.

Profiles of each segment are listed in Attachment 2.



## Retail Market: Local Trade Area

- The current vacancy rate of 2.4% is a slight decrease from a year ago (2.7%) but is the third highest vacancy rate since 2018.
- The market had little development activity since 2018 (the last delivery). As a result, absorption has been low in recent years, but has reversed the trend of negative absorption in 2018, 2019, and 2021.
- Rent growth has not been stable in the Local Trade Area over the five years, with heavy fluctuation but tending to increase at high rates in recent years. In 2023, rents increased by 9.2%.
- Overall, asking rent per sf is \$17.37 in the Local Trade Area as of 2023.

### Local Trade Area Key Retail Metrics

Year	Asking Rent		Asking Rent % Growth/Yr.	Vacancy Rate	Vacant SF	Net Absorption	Under	
	Total SF	Per SF					Construction SF	Deliveries SF
2018	1,410,459	\$12.59	16.9%	1.5%	21,700	(7,539)	-	-
2019	1,413,659	\$12.72	1.0%	2.2%	31,100	(6,200)	-	3,200
2020	1,413,659	\$15.33	20.5%	1.2%	17,148	13,952	-	-
2021	1,413,659	\$15.00	(2.2%)	2.7%	38,848	(21,700)	-	-
2022	1,413,659	\$15.91	6.1%	2.7%	38,106	742	-	-
2023	1,413,659	\$17.37	9.2%	2.4%	33,929	4,177	-	-

Source: CoStar, as of Q4 2023



## Retail Market: Regional Trade Area

- The current vacancy rate of 3.0% is a slight increase from a year ago (2.7%) but is the third lowest vacancy rate since 2018.
- The market had little development activity since 2019 (the last delivery). As a result, absorption has been low in recent years, but has reversed the trend of negative absorption in 2021 and 2022.
- Rent growth has not been stable in the Regional Trade Area over the five years, with an of -0.6% annual growth from 2018-2022. In 2023, rents skyrocketed increasing by 86.1%.
- Overall, asking rent per sf is \$21.43 in the Regional Trade Area as of 2023.

### Regional Trade Area Key Retail Metrics

Year	Asking Rent		Asking Rent % Growth/Yr	Vacancy Rate	Vacant SF	Net Absorption	Under Construction SF	Deliveries SF
	Total SF	Per SF						
2018	8,157,020	\$11.81	0.3%	2.5%	201,485	77,511	22,000	68,230
2019	8,179,020	\$12.24	1.1%	3.3%	267,327	(43,842)	27,101	22,000
2020	8,184,655	\$12.52	3.2%	4.3%	350,408	(77,446)	18,000	19,101
2021	8,223,055	\$12.42	0.8%	3.2%	263,853	124,955	-	38,400
2022	8,223,055	\$11.57	(8.5%)	2.7%	220,583	43,270	3,055	-
2023	8,226,110	\$21.14	86.1%	3.0%	244,364	(20,726)	-	3,055

Source: CoStar, as of Q4 2023



## Market Demand: Retail Gap Analysis

In a retail gap analysis, the existing retail sales (“supply”) of trade area businesses are compared to the estimated retail spending of trade area residents (“demand”). The difference between demand and supply is referred to as the “retail gap.” The retail gap can be positive or negative.

When the demand (spending by trade area residents) for goods and services is greater than sales at trade area businesses, sales are said to “leak out” of the trade area, creating a positive retail gap (i.e., sales leakage).

Conversely, if the supply of goods sold (local trade area sales) exceeds trade area demand (spending by trade area residents), it is assumed that non-residents are coming into the trade area and spending money, creating a negative retail gap (i.e., sales surplus).

Sales leakage and sales surplus carry different implications. In many cases, sales leakage presents an opportunity to capture unmet demand in a trade area since a percentage of residential spending occurs outside the trade area. This demand can be met within the trade area by opening new businesses or expanding existing businesses within retail sectors that show sales leakage. However, not all retail categories that exhibit sales leakage within a particular trade area are a good fit for the region. Rapidly changing retail norms mean long term consequences for potential build out of retail space. It is important to consider that while there may be leakage indicated for a certain industry, that leakage could be due to ecommerce and therefore is not a retail category that would be as productive as a brick-and-mortar space. What were once retail locations may have more economic potential as flex space, office or redevelopment in housing. This data should be used as a starting point to determine which categories have leakage and whether they are viable for brick-and-mortar locations.

A sales surplus might exist for several reasons. For example, a region might be a popular shopping destination for tourists and other out-of-towners, or a cluster of competing businesses offering a similar product or service may be located within the trade area, creating a specialty cluster that draws in spending by households from outside the trade area. Alternatively, a sales surplus could be an indicator of market saturation.

The following Retail Gap Analysis table contains a list of industries by 6-digit NAICS codes and includes figures for sales demand (estimated purchases by local trade area residents both in and out of the trade area, and purchases by non-trade-area residents), sales supply (existing sales within the trade area), and retail gap (demand minus supply). Retail categories with the greatest sales leakage are displayed.





## Retail Gap Analysis: Local Trade Area

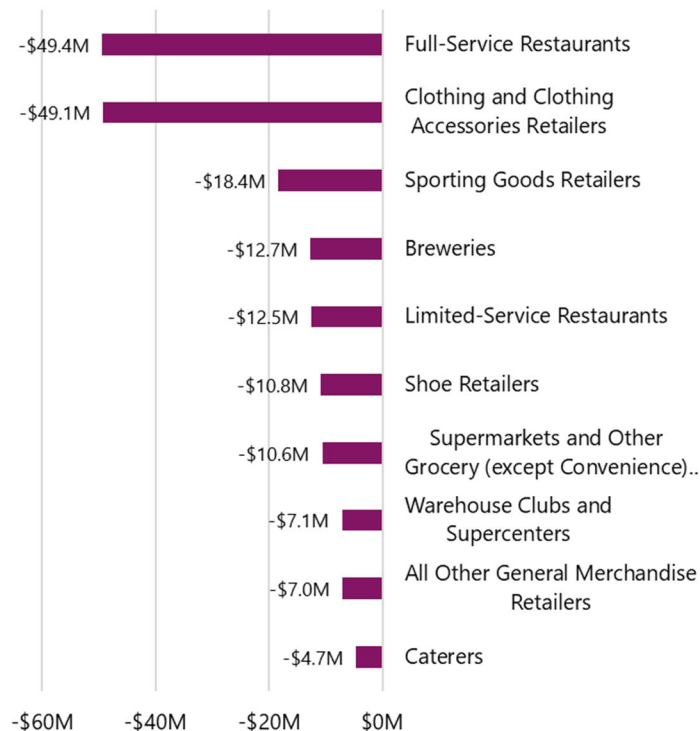
- The local trade area has limited retail potential. While several retail industries show gaps, none show enough to support new businesses indicating that the local needs are currently satisfied by the existing retail businesses.
- Large retail surpluses in categories such as full-service restaurants, clothing & accessories retailers, sporting goods, etc. show that Kittery's retail establishments are largely supplemented by visitors from outside of the local trade area

**Retail Gap: Top 10 Leakage Industries**



Source: Lightcast

**Retail Gap: Top 10 Surplus Industries**



Source: Lightcast



- The following table shows the retail industries with the largest sales leakage. Assuming Kittery could recapture 30% of this leakage, we estimate the supportable retail demand that Kittery can support.
- There is little opportunity for new retail businesses in Kittery based on retail leakage in the local trade area. However, this does not include considerations for demand from tourists and other consumers located outside the local trade area.
- While no retail industry has enough potential to support at least one business, a handful show some potential. These include Snack and Nonalcoholic Beverage Bars, Pharmacies and Drug Retailers, and Fitness and Recreational Sports Centers.
- Overall, nearly all retail needs are being met in Kittery, and all further retail potential would come from tourism and consumers from outside the Local Trade Area. Analysis of wider regional retail demand can be found in the following pages.

### Supportable Retail Businesses, Kittery

NAICS	Description	2022 Total Demand	2022 Total Sales	Retail Leakage (Surplus)	30% Recapture	Average Sales per Business*	Supportable Businesses
	Snack and Nonalcoholic						
722515	Beverage Bars	\$1,760,361	\$85,230	\$1,675,130	\$502,539	\$585,564	0.9
456110	Pharmacies and Drug	\$6,919,224	\$2,073,229	\$4,845,995	\$1,453,798	\$1,844,202	0.8
	Fitness and Recreational						
713940	Sports Centers	\$1,891,671	\$463,464	\$1,428,207	\$428,462	\$681,703	0.6
441110	New Car Dealers	\$13,205,111	\$749,991	\$12,455,119	\$3,736,536	\$10,646,603	0.4
449110	Furniture Retailers	\$2,334,518	\$794,625	\$1,539,893	\$461,968	\$1,568,692	0.3
441340	Tire Dealers	\$1,541,468	\$194,768	\$1,346,700	\$404,010	\$1,523,686	0.3
458310	Jewelry Retailers	\$1,959,666	\$897,006	\$1,062,660	\$318,798	\$1,216,929	0.3
441120	Used Car Dealers	\$2,387,620	\$1,214,604	\$1,173,016	\$351,905	\$1,389,188	0.3
	Cosmetics, Beauty Supplies, and Perfume Retailers						
456120		\$1,272,382	\$116,499	\$1,155,883	\$346,765	\$1,432,819	0.2
	Automotive Parts and Accessories Retailers						
441330		\$2,423,735	\$1,574,857	\$848,877	\$254,663	\$1,075,142	0.2
	Pet Care (except Veterinary) Services						
812910		\$652,381	\$230,085	\$422,296	\$126,689	\$546,789	0.2
	Pet and Pet Supplies Retailers						
459910		\$1,079,999	\$71,851	\$1,008,148	\$302,444	\$1,511,160	0.2

\*Average sales for businesses in the 3-County Region including York, Strafford, and Rockingham Counties

Source: Lightcast



## Retail Gap Analysis: Regional Trade Area

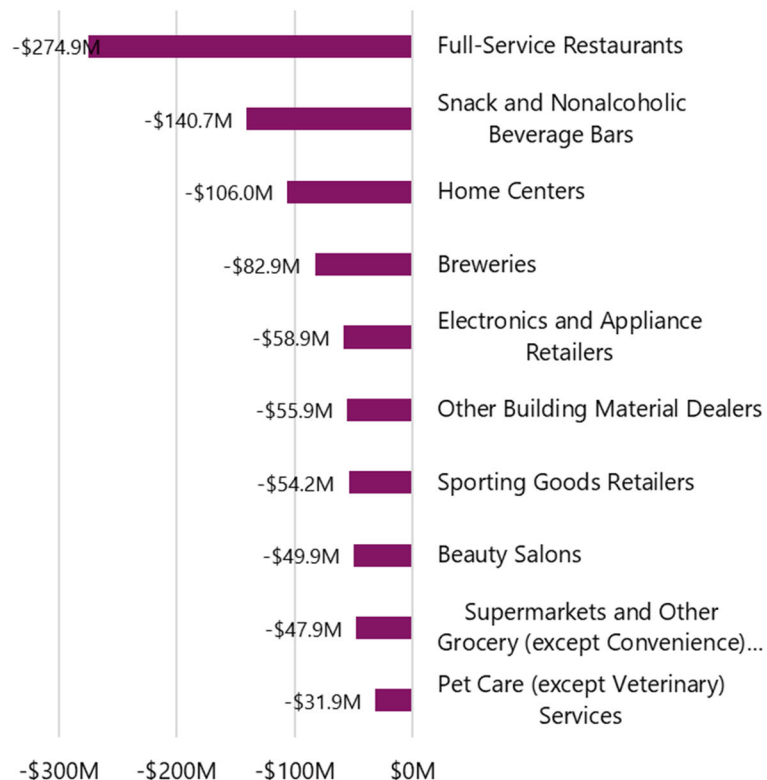
- In the Regional Trade Area, Limited-Service Restaurants have the largest gap, at nearly \$259 million of sales.
- Regional gaps in everyday retailers such as pharmacies and cosmetics retailers may suggest opportunities for new retail businesses that could be supplemented by visitors.

**Retail Gap: Top 10 Leakage Industries**



Source: Lightcast

**Retail Gap: Top 10 Surplus Industries**



Source: Lightcast



- Retail types geared toward larger market areas, such as Clothing & Accessories Retailers, Car Dealers, or Furniture Retailers show sufficient sales gaps to support new businesses, assuming Kittery captures 15% of the regional gap in demand.
- The leakage analysis revealed a number of supportable businesses in Kittery based on recapture potential from Regional Trade Area leakage, the top being Limited-Service Restaurants, Clothing and Clothing Accessories Retailers, All Other General Merchandise Retailers, and Drinking Places. The Market analysis revealed that the regional trade area could reasonably support at least one, and up to 8.3 businesses of these types.
- Other retail types with at least one supportable business in Kittery include Nail Salons, Pharmacies, and Beer, Wine, and Liquor Retailers.

### Supportable Retail Businesses, Regional Trade Area

NAICS	Description	2022 Total Demand	2022 Total Sales	Retail Leakage (Surplus)	5% Recapture	Average Sales per Business*	Supportable Businesses in Kittery
722513	Limited-Service Restaurants	\$918,653,941	\$659,907,712	\$258,746,229	\$12,937,311	\$1,559,047	8.3
458110	Clothing and Clothing Accessories Retailers	\$281,982,857	\$205,899,936	\$76,082,921	\$3,804,146	\$1,302,486	2.9
455219	All Other General Merchandise Retailers	\$126,594,347	\$81,567,873	\$45,026,473	\$2,251,324	\$1,121,166	2.0
722410	Drinking Places (Alcoholic Beverages)	\$40,971,443	\$13,221,836	\$27,749,607	\$1,387,480	\$773,837	1.8
812113	Nail Salons	\$37,506,842	\$24,272,427	\$13,234,415	\$661,721	\$428,113	1.5
456110	Pharmacies and Drug Retailers	\$242,195,167	\$189,660,010	\$52,535,157	\$2,626,758	\$1,844,202	1.4
445320	Beer, Wine, and Liquor Retailers	\$37,986,886	\$12,674,667	\$25,312,219	\$1,265,611	\$1,051,968	1.2
456120	Cosmetics, Beauty Supplies, and Perfume Retailers	\$44,453,147	\$17,627,488	\$26,825,658	\$1,341,283	\$1,432,819	0.9
449110	Furniture Retailers	\$79,901,854	\$51,323,399	\$28,578,456	\$1,428,923	\$1,568,692	0.9
458310	Jewelry Retailers	\$68,809,458	\$47,872,324	\$20,937,135	\$1,046,857	\$1,216,929	0.9
456130	Optical Goods Retailers	\$21,088,577	\$8,444,720	\$12,643,858	\$632,193	\$743,342	0.9
312130	Wineries	\$40,930,723	\$11,486,504	\$29,444,219	\$1,472,211	\$1,852,250	0.8

\*Average sales for businesses in the 3-County Region including York, Strafford, and Rockingham Counties

Source: Lightcast



- Based on the Regional Trade Area's retail leakage, there is some limited supportable square footage of new retail space in Kittery.
- Kittery has over 62,000 SF based on its potential to recapture sales leakage in the larger Regional Market Area. Based on historic absorption rates, Kittery could likely absorb this demand over a period of 5-10 years.

### Supportable Square Feet of Retail, Regional Trade Area

NAICS	Description	2022 Total Demand	2022 Total Sales	Retail Leakage (Surplus)	5% Recapture	Average Sales per SF	Supportable SF in Kittery
722513	Limited-Service Restaurants	\$918,653,941	\$659,907,712	\$258,746,229	\$12,937,311	\$725	17,845
458110	Clothing and Clothing Accessories Retailers	\$281,982,857	\$205,899,936	\$76,082,921	\$3,804,146	\$300	12,680
722410	Drinking Places (Alcoholic Beverages)	\$40,971,443	\$13,221,836	\$27,749,607	\$1,387,480	\$200	6,937
456110	Pharmacies and Drug Retailers	\$242,195,167	\$189,660,010	\$52,535,157	\$2,626,758	\$525	5,003
449110	Furniture Retailers	\$79,901,854	\$51,323,399	\$28,578,456	\$1,428,923	\$325	4,397
455219	All Other General Merchandise Retailers	\$126,594,347	\$81,567,873	\$45,026,473	\$2,251,324	\$525	4,288
312130	Wineries	\$40,930,723	\$11,486,504	\$29,444,219	\$1,472,211	\$575	2,560
445320	Beer, Wine, and Liquor Retailers	\$37,986,886	\$12,674,667	\$25,312,219	\$1,265,611	\$575	2,201
458310	Jewelry Retailers	\$68,809,458	\$47,872,324	\$20,937,135	\$1,046,857	\$525	1,994
456120	Cosmetics, Beauty Supplies, and Perfume Retailers	\$44,453,147	\$17,627,488	\$26,825,658	\$1,341,283	\$675	1,987
812113	Nail Salons	\$37,506,842	\$24,272,427	\$13,234,415	\$661,721	\$425	1,557
456130	Optical Goods Retailers	\$21,088,577	\$8,444,720	\$12,643,858	\$632,193	\$525	1,204
<b>Total, Top Supportable Businesses</b>							<b>62,654</b>

Source: CoStar, Lightcast, Camoin Associates



## 8. OFFICE & MEDICAL OFFICE MARKET ANALYSIS

The office and medical office market analysis compares existing conditions and project trends in office development within the Town of Kittery and the 3-County region of York, Rockingham, and Strafford Counties.

The current supply of office space is examined at the two geographical levels and broken out by total office space and medical office space. The reason for this is Medical Office Buildings (MOBs) have unique characteristics and a different market than traditional office space and as such provide a unique opportunity to explore independently of traditional office space.

To estimate market demand, job growth for the industries most likely to use office spaces is projected over the next ten years. These industries are separated out between traditional office space using industries and medical office space using industries.



## Office and Medical Office Market: Town of Kittery

- Data is limited for Town office space but provides helpful insights into the town's office market conditions
- Total SF of available office space was 181,115 in 2023 remaining constant over the last five years
- There has been no new construction or deliveries for Office Space in Kittery in the last five years as tracked by CoStar
- Overall, asking rent per sf was most recently tracked in 2018 and was \$14.40 in Kittery.

### Kittery Key Office Metrics

Year	Total SF	Asking Rent per SF	Vacant SF	Vacancy Rate	Absorption	Under Construction	Deliveries
2018	181,115	\$14.40	1,025	0.6%	(1,025)	-	-
2019	181,115	-	-	-	1,025	-	-
2020	181,115	-	3,440	1.9%	(3,440)	-	-
2021	181,115	-	3,540	2.0%	(100)	-	-
2022	181,115	-	-	-	3,540	-	-
2023 YTD	181,115	-	-	-	-	-	-

**Source:** CoStar, as of Q4 2023





## Office Market: 3-County Region

- The current vacancy rate of 4.8% is a slight increase from a year ago (4.2%) and is the second highest vacancy rate since 2018.
- The market had strong development activity with new construction and deliveries in each of the last five years.
- As a result, absorption has most recently been negative as of 2023, and fluctuated heavily on a year-to-year bases since 2018
- Overall, asking rent per sf is \$26.97 in the 3-County Region, the highest over the last five years.

### 3-County Region Key Office Metrics

Year	Total SF	Asking Rent		Vacant Vacancy		Under	
		per SF	SF	Rate	Absorption	Construction	Deliveries
2018	22,186,475	\$18.02	714,193	3.2%	(17,713)	207,196	25,897
2019	22,419,836	\$19.03	796,424	3.6%	151,130	155,020	253,036
2020	22,561,856	\$25.27	1,133,317	5.0%	(194,873)	215,552	142,020
2021	22,639,841	\$26.08	991,194	4.4%	220,108	559,676	96,876
2022	22,864,517	\$25.72	966,761	4.2%	249,109	781,560	224,676
2023 YTD	22,908,777	\$26.97	1,109,282	4.8%	(98,261)	1,007,850	44,260

Source: CoStar, as of Q4 2023



## Medical Office Market: 3-County Region

- The current vacancy rate is very high at 26.3% and is an increase from last year (25.2%), it is also the highest vacancy rate since 2018.
- The market had weak development activity with new construction in 2018 with delivery in 2019 and no development since.
- As a result, absorption has been negative since 2018
- Overall, asking rent per sf is \$24.48 in the 3-County Region, a slight decrease from last year (\$25.57)

### 3-County Region Key Medical Office Metrics

Year	Total SF	Asking Rent per SF	Vacant SF	Vacancy Rate	Absorption	Under Construction	Deliveries
2018	598,725	\$22.21	39,064	6.5%	(221)	7,450	-
2019	606,175	\$21.47	116,610	19.2%	(70,096)	-	7,450
2020	606,175	\$23.91	131,313	21.7%	(14,703)	-	-
2021	606,175	\$23.60	135,985	22.4%	(4,672)	-	-
2022	606,175	\$25.71	152,865	25.2%	(16,880)	-	-
2023 YTD	606,175	\$24.48	159,286	26.3%	(6,421)	-	-

Source: CoStar, as of Q4 2023



## Office Market Demand

Future demand for office space can be understood by looking at the employment projections with the industry sectors likely to use this space. Specifically, the following NAICS industries are examined:

### **For Office Demand:**

- Information
- Finance and Insurance
- Real Estate and Rental Leasing
- Professional, Scientific, and Technical Services
- Management of Companies
- Administrative and Support and Waste Management and Remediation Services

### **For Medical Office Demand:**

- Offices of Physicians
- Offices of Dentists
- Offices of Other Health Practitioners
- Outpatient Care Centers
- Medical and Diagnostic Laboratories
- Other Ambulatory Health Care Services

The following tables show the projected ten-year employment growth in these industries in Kittery and the 3-County Region, identifying potential opportunities for office demand within Kittery.



## Office Demand

The demand outlook for office space depends on growth in the types of industries and jobs that utilize office space in the region. The following tables show the categories of office utilizing industries and the projected change in the number of jobs in those industries in the next ten years. Presently there are 873 office industry jobs in Kittery and 59,151 in the 3-County Region. From 2023-2032 the estimated number of office jobs in Kittery is anticipated to grow by 9%, driven by Professional, Scientific, and Technical Services growth. The 3-county region has projected slower growth of 4% and is also primarily driven by Professional, Scientific, and Technical Services.

### Office Industry Growth, Town of Kittery

NAICS	Description	2023 Jobs	2033 Jobs	2023 - 2033 Change	2023 - 2033 % Change
51	Information	<10	<10	Insf. Data	Insf. Data
52	Finance and Insurance	51	53	2	3%
53	Real Estate and Rental and Leasing	59	63	3	6%
54	Professional, Scientific, and Technical Services	567	634	67	12%
55	Management of Companies and Enterprises	14	17	4	26%
56	Administrative and Support and Waste Management and Remediation Services	179	181	2	1%
<b>Total</b>		<b>873</b>	<b>956</b>	<b>83</b>	<b>9%</b>

Source: Lightcast

### Office Industry Growth, 3-County Region

NAICS	Description	2023 Jobs	2033 Jobs	2023 - 2033 Change	2023 - 2033 % Change
51	Information	3,562	2,779	(783)	(22%)
52	Finance and Insurance	10,685	10,499	(186)	(2%)
53	Real Estate and Rental and Leasing	4,387	4,661	274	6%
54	Professional, Scientific, and Technical Services	20,231	22,305	2,074	10%
55	Management of Companies and Enterprises	3,627	4,316	689	19%
56	Administrative and Support and Waste Management and Remediation Services	16,660	16,849	190	1%
<b>Total</b>		<b>59,151</b>	<b>61,410</b>	<b>2,259</b>	<b>4%</b>

Source: Lightcast



### Supportable Office Demand, 2022-2027

	Kittery	3-County Region	Kittery Share of 3-County Region
Office-Utilizing Jobs, 2022	1,322	68,521	2%
5-Year Growth Forecast	4%	3%	
Projected New Jobs	49	2,174	2%
<b>New Demand (SF)</b>			
High WFH Scenario	4,876	217,394	2%
Hybrid Scenario	7,314	326,091	2%
Fully In-Office Scenario	9,752	434,788	2%
<b>Available Supply (SF)</b>			
Occupied Space	181,115	22,908,777	1%
Vacant Space	0	1,109,282	0%
Development Pipeline	0	1,007,850	0%
<b>Net Supportable Space (SF)</b>			
High WFH Scenario	4,876	-1,899,738	0%
Hybrid Scenario	7,314	-1,791,041	0%
Fully In-Office Scenario	9,752	-1,682,344	-1%

**Source:** Camoin Associates, Lightcast, CoStar

Under all three scenarios, Kittery is expected to have need for some office space, ranging from about 4,900-9,750 SF in the next five years. This would represent a 2.7%-5.4% increase from the current 181,115 square feet of office space in Kittery. However, the 3-County Region has less demand for office space, as the current vacant space and development pipeline surpasses any new demand from growth in office-utilizing industry. Therefore, it is unlikely that Kittery absorbs new office demand from the larger region.

Currently in 2023, there is no vacant office space in Kittery and 1.1 million SF of vacant office space in the 3-County region. An additional 1.0 million SF of new office space are in the development pipeline in the 3-County region.

According to job forecasts provided by Lightcast, the number of jobs in office utilizing industries in the 3-County Region are expected to grow by 3% over the next five years, while Kittery is projected to add 4%. Therefore, it is estimated that there will be approximately 49 new office utilizing jobs in Kittery and 2,174 in the 3-County Region in the next five years.

According to surveys conducted by JLL Research, the average square foot per office employee was 196 in 2020. This is up from JLL's estimates of 120 to 150 square feet per employee (depending on the industry) pre-COVID-19. However, the office-using landscape has shifted drastically since the onset of COVID-19, with the more common use of work-from-home and hybrid arrangements that require fewer square feet per employee. Therefore, we estimate a series of office-use scenarios, with High Work-From-Home (WFH) scenario reflecting high work-from-home take-up, Hybrid Office Use scenario reflecting a moderate mix of work-from-home, hybrid, and in-office arrangements, and Fully In Office scenario reflecting a scenario with workers mostly working in an office setting.



## Medical Office Demand

The demand outlook for medical office space depends on growth in the types of industries and jobs that utilize medical office space in the region. The following tables show the categories of medical office utilizing industries and the projected change in the number of jobs in those industries over the next ten years. Presently there are 183 medical office industry jobs in Kittery and 15,702 in the 3-County Region. From 2023-2033 the projected number of medical office jobs in Kittery is essentially unchanged, while the region is projecting growth of 11% for medical office jobs primarily driven by Outpatient Care Centers and Offices of Other Health Care Practitioners.

Overall, negative net absorption, climbing vacancy rates, and little growth in jobs requiring office space suggests little to no market opportunity for new medical office space in Kittery.

### Medical Office Industry Growth, Town of Kittery

NAICS	Description	2023 Jobs	2033 Jobs	2023 - 2033 Change	2023 - 2033 % Change
6211	Offices of Physicians	86	80	(6)	-8%
6212	Offices of Dentists	27	31	4	15%
6213	Offices of Other Health Practitioners	55	58	3	5%
6214	Outpatient Care Centers	<10	<10	Insf. Data	Insf. Data
6215	Medical and Diagnostic Laboratories	<10	<10	Insf. Data	Insf. Data
6216	Home Health Care Services	<10	<10	Insf. Data	Insf. Data
6219	Other Ambulatory Health Care Services	11	11	0	2%
<b>Total</b>		<b>183</b>	<b>184</b>	<b>1</b>	<b>0%</b>

Source: Lightcast

### Medical Office Industry Growth, 3-County Region

NAICS	Description	2023 Jobs	2033 Jobs	2023 - 2033 Change	2023 - 2033 % Change
6211	Offices of Physicians	6,172	6,801	629	10%
6212	Offices of Dentists	2,443	2,702	259	11%
6213	Offices of Other Health Practitioners	2,830	3,332	502	18%
6214	Outpatient Care Centers	2,401	2,913	512	21%
6215	Medical and Diagnostic Laboratories	226	155	(71)	(32%)
6216	Home Health Care Services	1,288	1,208	(80)	(6%)
6219	Other Ambulatory Health Care Services	341	381	39	11%
<b>Total</b>		<b>15,702</b>	<b>17,492</b>	<b>1,790</b>	<b>11%</b>

Source: Lightcast



## 9. INDUSTRIAL

Coming out of the global pandemic, industrial real estate continues to be the bright spot across commercial sectors generally across the U.S., fueled by a growing demand for logistics and distribution space from both e-commerce as well as other industries. Beyond e-commerce, other drivers of demand include users of general logistics and distribution space, third-party logistics (3PL) tenants, food, and beverage warehousing (cold storage in particular), traditional retailers, and construction materials and building fixture distributors. There is also a longstanding trend to convert underutilized industrial space to uses such as apartment lofts, breweries, and other entertainment venues.

The industrial market analysis compares existing conditions and project trends in industrial development within the Town of Kittery and the 3-County region of York, Rockingham, and Strafford Counties.

The current supply of industrial space is examined at the two geographical levels taking an inventory of recent supply trends for industrial spaces.

To estimate market demand, job growth for the industries most likely to use industrial spaces is projected over the next ten years.



## Industrial: Town of Kittery

- Total SF of available industrial space, tracked by the CoStar commercial real estate data provider, was 162,274 in 2023 remaining constant over the last five years
- There has been no new construction or deliveries for industrial in Kittery in the last five years as tracked by CoStar
- Overall, asking rent per sf was most recently tracked in 2023 after a three-year gap and was \$15.00 in Kittery.

### Kittery Key Industrial Metrics

Year	Total SF	Asking Rent per SF	Vacant SF	Vacancy Rate	Absorption	Under Construction	Deliveries
2018	165,274	\$14.00	1,633	1.0%	(1,633)	-	-
2019	165,274	\$14.00	5,155	3.1%	(3,522)	-	-
2020	165,274	-	-	-	5,155	-	-
2021	165,274	-	-	-	-	-	-
2022	165,274	-	-	-	-	-	-
2023 YTD	165,274	\$15.00	-	-	-	-	-

**Source:** CoStar, as of Q4 2023





## Industrial Market: 3-County Region

- The current vacancy rate of 3.9% is a slight decrease from a year ago (4.1%) but is the second highest vacancy rate since 2018.
- The market had strong development activity with new construction and deliveries in each of the last five years.
- Absorption was positive in 2023 and only was negative in 2021, being positive every other year since 2018
- Overall, asking rent per sf is \$12.26 in the 3-County Region, the highest over the last five years.

### 3-County Region Key Industrial Metrics

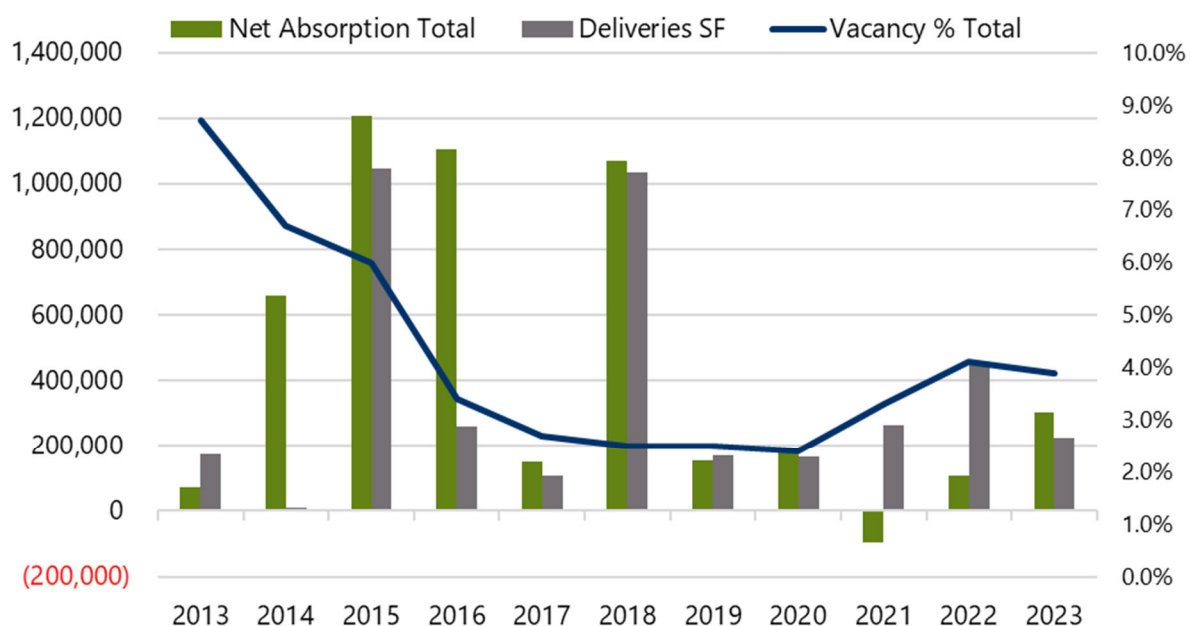
Year	Total SF	Asking Rent per SF	Vacant SF	Vacancy Rate	Absorption	Under Construction	Deliveries
2018	37,667,827	\$6.52	955,655	2.5%	1,071,879	164,906	1,034,000
2019	37,796,133	\$7.20	929,321	2.5%	154,640	216,849	169,906
2020	37,962,982	\$7.25	917,567	2.4%	178,603	149,110	166,849
2021	38,209,292	\$9.36	1,258,627	3.3%	(94,750)	372,200	262,310
2022	38,648,006	\$12.05	1,589,484	4.1%	107,857	157,500	446,058
2023 YTD	38,871,656	\$12.26	1,508,192	3.9%	304,942	230,280	223,650

Source: CoStar, as of Q4 2023



- In the last decade, the Region’s industrial market landscape has seen changing dynamics. From 2015-2018, industrial space saw significant development, with over 1 million SF of deliveries in both 2015 and 2018 and over 1 million SF of net absorption in three of the four years. During this time, the vacancy rate fell significantly, from 6.0% to 2.5% during the time period.
- Meanwhile, the market has slowed slightly in more recent years. From 2019-2023, the vacancy rate has ticked up to almost 4%, and deliveries are slower but more consistent, averaging just over 250,000 SF per year during the time period. Net absorption has been low during these years, even dipping to about -95,000 SF in 2021.

**Net Absorption and Vacancy in the Region's Industrial Market**

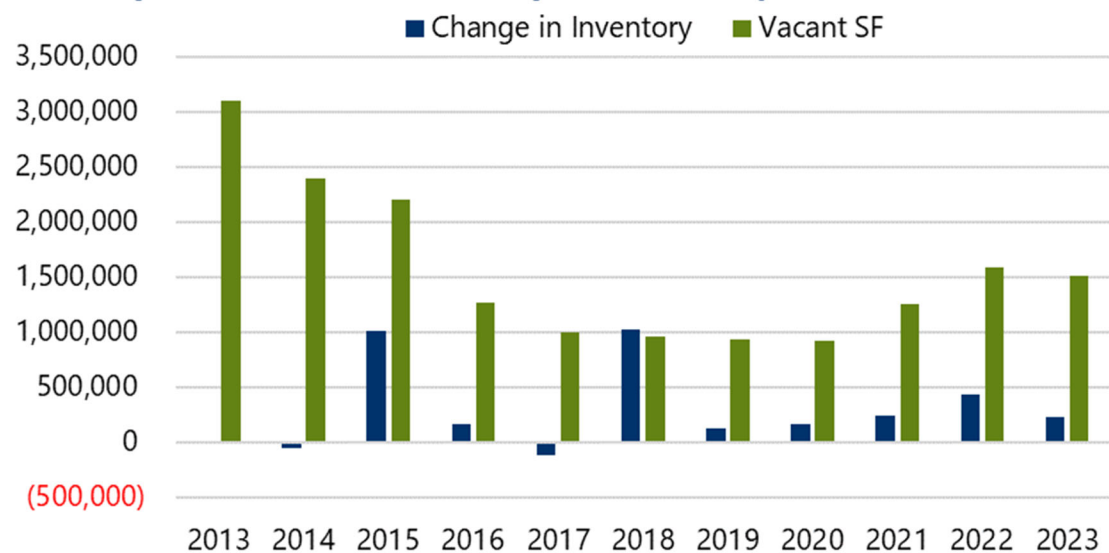


Source: CoStar



- At the start of the last decade total inventory of vacant industrial space in the 3-county region was high, topping 3 million SF. The amount of vacant space has drastically declined since then, dropping to about 920,000 SF in 2020 before increasing to about 1.5 million SF more recently.
- Meanwhile, the total inventory of space grew by approximately 9% in the last decade, driven by large deliveries in 2015 and 2018.

### 3-County Area: Industrial Inventory and Vacant Space



Source: CoStar



## Industrial Market Demand

Future demand for industrial space can be understood by looking at the employment projections with the industry sectors likely to use this space. Specifically, the following NAICS industries are examined:

- Utilities
- Construction
- Manufacturing
- Transportation and Warehousing

The following tables show the projected ten-year employment growth in these industries in Kittery and the 3-County Region, identifying potential opportunities for industrial demand within Kittery.



## Industrial Demand

The demand outlook for industrial space depends on growth in the types of industries and jobs that utilize industrial space in the region. The following tables show the categories of industrial utilizing industries and the projected change in the number of jobs in those industries in the next ten years. Presently there are 493 industrial industry jobs in Kittery and 63,040 in the 3-County Region. From 2023-2032 the estimated number of industrial jobs in Kittery is anticipated to grow by 3%. The 3-county region has projected similar growth of 3% and is primarily driven by Manufacturing jobs.

Based on Kittery's growth in industrial using jobs, an estimated 27,250 SF of industrial space could be supported in Kittery over the next five years, given the projected job increase and absorption rates.

### Industrial Industry Growth, Town of Kittery

NAICS	Description	2023 Jobs	2033 Jobs	2023 - 2033 Change	2023 - 2033 % Change
22	Utilities	<10	11	Insf. Data	Insf. Data
23	Construction	252	257	4	2%
31	Manufacturing	213	215	3	1%
48	Transportation and Warehousing	22	24	2	9%
<b>Total</b>		<b>493</b>	<b>507</b>	<b>15</b>	<b>3%</b>

Source: Lightcast

### Projected Industrial Demand in Kittery, 2023-2033

Projected growth in Industrial Using Jobs	15
Average SF per Worker in Industrial Jobs	3,703
<b>Total Projected SF of Industrial Space</b>	<b>54,562</b>

Source: Lightcast, US Energy Information Administration,

Note: Average SF per worker for New England

### Industrial Industry Growth, 3-County Region

NAICS	Description	2023 Jobs	2033 Jobs	2023 - 2033 Change	2023 - 2033 % Change
22	Utilities	928	937	10	1%
23	Construction	20,306	20,724	418	2%
31	Manufacturing	32,513	33,847	1,334	4%
48	Transportation and Warehousing	9,294	9,719	426	5%
<b>Total</b>		<b>63,040</b>	<b>65,227</b>	<b>2,188</b>	<b>3%</b>

Source: Lightcast



The fastest growing industrial-using industries for the 3-county region are detailed in the table below.

- Of the top 15 fastest growing industries, 10 are within the Manufacturing sector, three are in the Construction sector, and two are in the Transportation and Warehousing sector.
- Couriers & Express Delivery Services is projected to see the fastest growth and is expected to add 388 jobs through the next decade.
- Pharmaceutical and Medicine Manufacturing; Motor Vehicle Body and Trailer Manufacturing; Rubber Product Manufacturing; and Medical Equipment and Supplies Manufacturing are the manufacturing industries that are projected to see the most growth through 2033.
- Meanwhile, Building Equipment Contractors, Residential Building Construction, and Building Finishing Contractors are the construction industries that are projected to grow the fastest in the 3-County Region.

### Top Growing Industrial Industries, 3-County Region (Projected)

NAICS	Description	2023 Jobs	2033 Jobs	2023 - 2033 Change	2023 - 2033 % Change
4921	Couriers and Express Delivery Services	2,107	2,495	388	18%
3254	Pharmaceutical and Medicine Manufacturing	1,809	2,154	346	19%
3362	Motor Vehicle Body and Trailer Manufacturing	796	1,064	268	34%
2382	Building Equipment Contractors	5,210	5,471	261	5%
3262	Rubber Product Manufacturing	656	906	250	38%
3391	Medical Equipment and Supplies Manufacturing	1,119	1,363	243	22%
3241	Petroleum and Coal Products Manufacturing	563	782	219	39%
2361	Residential Building Construction	4,186	4,352	166	4%
3329	Other Fabricated Metal Product Manufacturing	1,802	1,963	161	9%
3121	Beverage Manufacturing	1,428	1,584	157	11%
2383	Building Finishing Contractors	3,631	3,771	139	4%
4821	Rail Transportation	268	383	115	43%
3363	Motor Vehicle Parts Manufacturing	663	773	110	17%
3112	Grain and Oilseed Milling	206	316	110	53%
3222	Converted Paper Product Manufacturing	434	537	103	24%

Source: Lightcast



## 10. TOURISM & HOSPITALITY

The Town of Kittery is an intriguing tourist destination known for its diverse attractions. As the oldest town in Maine, Kittery boasts a rich historical significance, with sites like Fort McClary State Historic Site and the John Paul Jones Memorial drawing history enthusiasts. Shopping is another major draw, with the Kittery Outlets offering over 120 outlet stores that appeal to a wide array of shoppers across the region. The town's coastal location enhances its tourism draw, providing scenic, ocean-related activities such as beaches, boating, and fishing. Kittery's proximity to other popular tourist spots in Maine and New Hampshire, including Portsmouth, NH, makes it a convenient stop for those exploring the region.

The local culinary scene, especially its fresh seafood, adds to the town's appeal, offering a taste of Maine's regional cuisine. Outdoor enthusiasts are drawn to the area for hiking, biking, and kayaking, especially in places like the Rachel Carson National Wildlife Refuge. Cultural events and festivals throughout the year offer visitors a glimpse into local traditions and celebrations. Additionally, the iconic lighthouses and rich maritime heritage of the area are significant attractions. These varied offerings make Kittery an inviting place for a wide array of tourists, from those seeking leisure and shopping to nature lovers and cultural aficionados.



## Property Listings

- **Ramada Kittery-** A midscale hotel built in 1981 and operating as a Ramada Franchise since 2010. The hotel is located at 2 Gorges Rd and boasts 72 total rooms.
- **Northeaster Motel-** An economy hotel built in 1945 and renovated in 1966. The hotel is independently operated and not part of any existing franchise. The hotel is located at 79 Old Post Rd and boasts 16 total rooms.
- **Liston Villas-** An economy hotel built in 1926. The hotel is independently operated and is not part of any existing franchise. The hotel is located at 127 State Rd and boasts 27 total rooms.
- **Hampton by Hilton Inn & Suites Kittery-** An upper midscale hotel built in 2019 and operating as part of the Hampton by Hilton Franchise since opening. The hotel is located at 275 US Route 1 and boasts 83 total rooms.
- **The Coachman Inn-** An economy hotel built in 1941. The hotel is independently operating and not part of any existing franchise. The hotel is located at 380 US Route 1 and boasts 43 total rooms.
- **Kittery Inn & Suites-** An economy hotel built in 1950. The hotel is independently operating and not part of any existing franchise. The hotel is located at 70 US Route 1 Bypass and boasts 30 total rooms.
- **Rex Motel-** An economy hotel built in 1954. The hotel is independently operating and not part of any existing franchise. The hotel is located at 90 US Route 1 Bypass and boasts 11 total rooms.
- **The Water Street Inn-** An upper upscale hotel built in 1879 and renovated in 2018. The hotel is independently operating and not part of any existing franchise. The hotel is located at 6 Water St and boasts 8 total rooms.

### Current Proposals for additional development in Kittery include:

- **Holiday Inn Express at 90 U.S. Route 1 Bypass-** A proposed Three-story, 63-room hotel. The 13,308-square-foot building includes a 1,411-square-foot canopy at the entryway and 67 parking spaces. The site was formerly the Little Guest House motel.
- **New Hotel at 112 and 120 Route 1 Bypass and 139 Old Post Road-** A proposed four-story, 102-room hotel. The site was previously a gas station, and the hotel will feature an outdoor patio area facing Old Post Road. The property owner is Kittery Circle LLC.

Additional proposed lodging properties in Kittery not yet approved include:





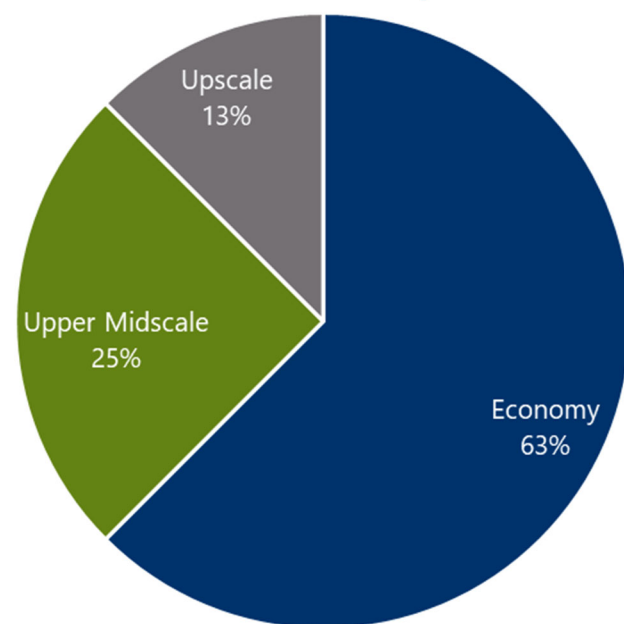
- **TownePlaces Suites by Marriot Kittery**- A proposed upper midscale hotel to be built by 2026 and located at US-1 & Lewis Rd. The hotel is anticipated to have 111 rooms.
- **New Hotel at 85 U.S. Route 1 Bypass (Former Days Inn Site)**- A proposed four-story, 107-room hotel. The redevelopment includes the removal of the existing outdoor swimming pool and creation of a 110-space parking lot. Owned by Kittery Motor Inn Inc.
- **Two New Inns at 27 and 29 Wentworth Street (Old Enchanted Nights Parcel)**- Two separate proposed inns, each with 12 rooms (total of 24 rooms) consisting of a three-story structure with an ADA-accessible innkeeper's suite on the ground floor and six bedrooms on each of the two upper floors. Developed by Madbury Real Estate Ventures.
- **New Hotel at 283 U.S. Route 1 Bypass (The Outlets at Kittery Site)**- A proposed four-story 119 rooms hotel. The redevelopment includes the demolition of The Outlets at Kittery and the creation of a 199-room hotel with an indoor pool and 6,000 sf of restaurant space and 16 parking spaces.



## Hotel Market

Currently Kittery boasts eight lodging properties as tracked by CoStar. The market in Kittery has a current occupancy rate of 46% and a market average daily rate of \$116 with a total of 290 rooms. The lodging offerings range from economy to upscale and are primarily positioned along Interstate 95 and US Route 1, making the options easily visible to those traveling through or to Kittery. Description of the currently operating and proposed lodging options are provided below.

**Hotel Class within Kittery**



Source: CoStar

**Kittery Key Hotel Market Metrics**

Year	Inventory Room	Existing Buildings	Average Daily Rate	Occupancy Rate	RevPAR	Supply	Demand
2018	273	9	\$90.38	47%	\$42.11	7,890	3,676
2019	356	10	\$94.41	48%	\$45.59	10,380	5,013
2020	356	10	\$80.11	32%	\$25.35	10,380	3,285
2021	356	10	\$99.70	50%	\$49.47	10,380	5,150
2022	356	10	\$118.84	52%	\$62.24	10,380	5,436
2023	290	8	\$116.29	46%	\$53.33	8,700	3,990

Source: CoStar, as of Q4 2023

**3-County Region Key Hotel Market Metrics**

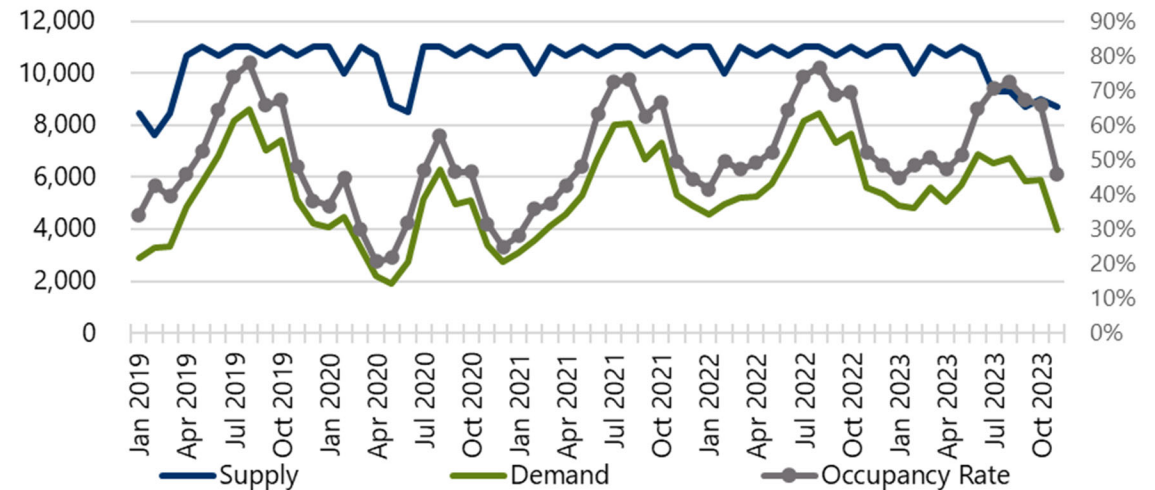
Year	Inventory Room	Existing Buildings	Average Daily Rate	Occupancy Rate	RevPAR	Supply	Demand
2018	14,990	335	\$107.29	51%	\$55.09	341,790	175,492
2019	15,117	334	\$104.72	51%	\$52.98	346,800	175,456
2020	15,236	333	\$88.64	36%	\$32.14	346,050	125,457
2021	15,322	333	\$111.77	53%	\$59.23	352,350	186,727
2022	15,326	333	\$129.74	53%	\$68.94	346,320	184,029
2023	15,308	328	\$131.08	47%	\$61.63	348,780	163,990

Source: CoStar, as of Q4 2023



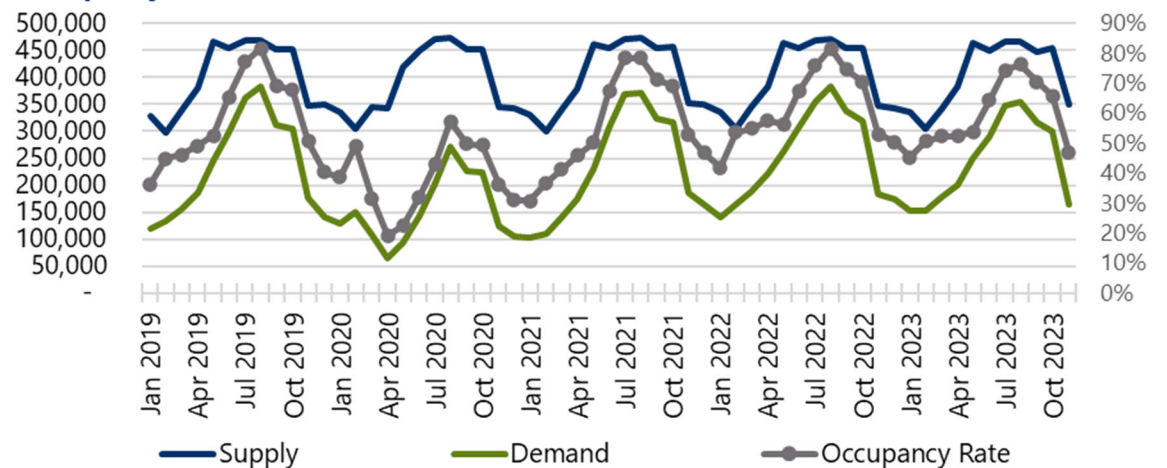
The accompanying charts show the supply, demand, and occupancy rate fluctuations for Kittery and the broader Three-County region since 2019. As the graphs indicate, both market areas indicate a high degree of seasonality for the hospitality markets with greater demand in the summer months and weaker demand in the winter months. As of November 2023 Kittery accounts for 2.49% of the three-county regional supply and 2.43% of the regional demand.

**Kittery Hospitality Supply, Demand, and Occupancy 2019-2023**



Source: CoStar

**Three County Region Hospitality Supply, Demand, and Occupancy 2019-2023**

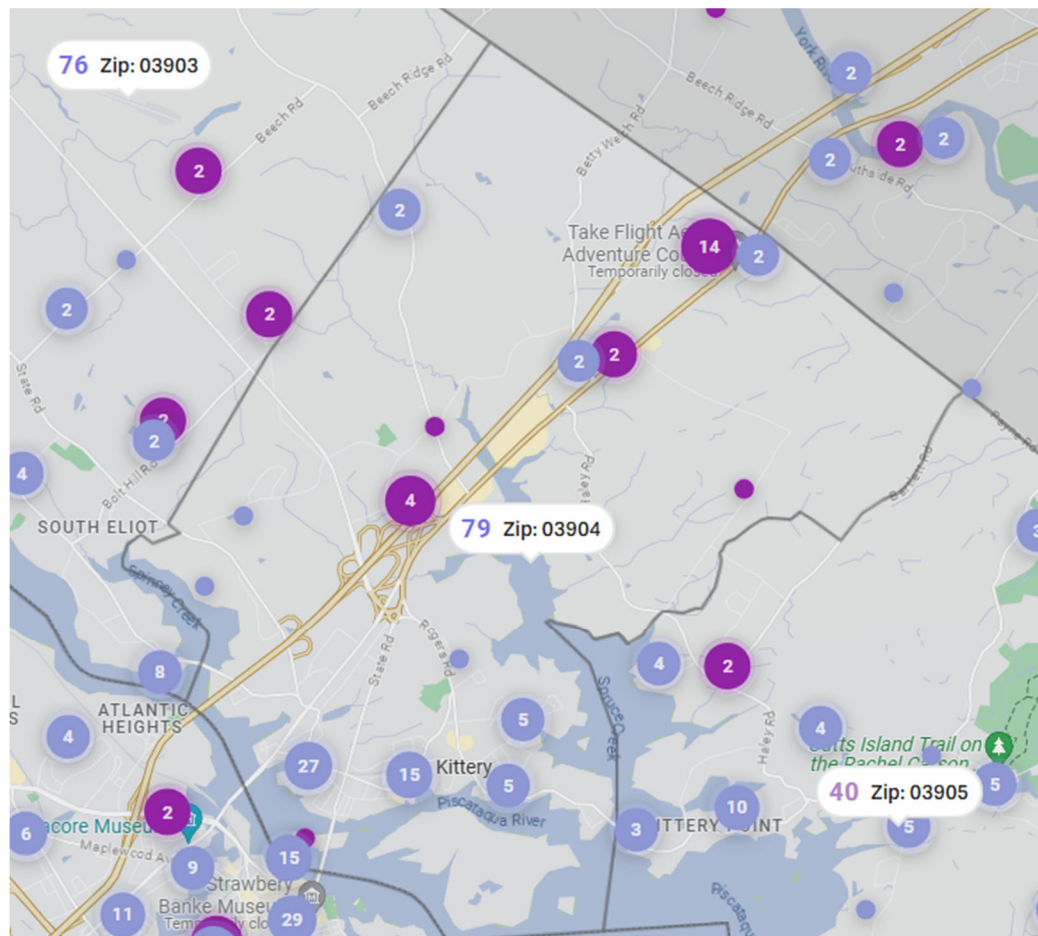


Source: CoStar



## Short-Term Rentals

The table below displays the short-term rentals available in the Kittery Market Area. There are currently 66 active rentals, with an average daily rate of \$266. Total revenue generated over the last 12 months from these properties was \$64,500. A relatively small portion of the of the town’s housing units are active rentals with 1.2% in the Town of Kittery based on available data.



### Kittery AirDNA Market Metrics

Metric	Value
Average Daily Rate	\$266
Occupancy Rate	67%
Revenue	\$64,500
Active Rentals	66
Entire Home Rentals	78%
Rentals Growth (2020-2023)	22%

Average Daily Rate is the average booked nightly rate + cleaning fees for all booked days over the last year. Occupancy Rate is the number of booked days divided by the total number of days available to rent over the last 12 months. Revenue is the median month revenue over the last 12 months. Active Rentals are those that had at least one reserved or available day in the last 12 months. Percent Home Rentals is the percentage of rentals that are rentals for an entire home. Share Full-Time Rentals is the share of rentals that are year-round listings. Rental growth is increase in active rentals over the time series.

**Source:** AirDNA



## Demand Drivers

The primary draw to Kittery is the Kittery Outlets situated along US Route 1 and Interstate 95. This proximity to Route 1 provides direct and straightforward access for those traveling along the Maine coast. Additionally, this location near Interstate 95 makes the Kittery Outlets a convenient stop for travelers journeying between the northern and southern parts of New England. With over 120 different stores, the complex hosts a range of popular brands, including Coach, Polo Ralph Lauren, and Nike. It offers a diverse selection of products, from fashion and home goods to children's wear and outdoor gear. The outlets are not only a hub for local shoppers but also attract tourists due to their extensive variety of stores and the convenience of on-site dining options. As a result, the Kittery Outlets are a significant contributor to the region's tourism, drawing visitors who are interested in a comprehensive shopping experience.

Additional attractions include the KAA Gallery, Rice Public Library, The Dance Hall, a number of early architecture attractions, and many parks, beaches, and recreational spaces.

The KAA Gallery located at 2 Walker Street in Kittery, Maine, was founded in 1958. The gallery is a cultural center with two galleries for year-round exhibits and fine acoustics for music programs. It's a community of about 450 members, encompassing artists and art appreciators of all levels and mediums.

The Rice Public Library located 8 Wentworth Street was built in 1889 and is a notable landmark, added to the National Historic Register in 1979. The library offers a unique tourist attraction, blending historical, cultural, and educational elements into one destination. Housed in a Victorian-era

building, its Romanesque style, marble steps, granite sills, and stained glass-paneled vaulted ceiling make it an architectural gem. Beyond its physical allure, the library is a hub of cultural activities, hosting various events like family movie nights, children's story time, and book clubs that attract both locals and tourists.

The Dance Hall in Kittery, Maine, located at 7 Walker Street, is known for its vibrant music and dance scene. Founded in 2010, this non-profit organization resides in a historic 1928 Grange Hall, offering a unique, vintage atmosphere. It features intimate, diverse performances and dance classes, attracting visitors of all ages. The Dance Hall's eclectic lineup, community-focused environment, mix of live shows and dance opportunities, along with the availability of refreshments like beer and wine, provides engaging experience for tourists.

Kittery's further amenities and attractions include fine early architecture, including the Sir William Pepperrell House, built in 1733, and the Lady Pepperrell House, built in 1760. The John Bray House, built in 1662, is believed to be the oldest surviving house in Maine. As well many parks, beaches, and recreational spaces. The largest is Fort Foster, a former federal military installation from the 19th century until the 1950s and John Paul Jones Memorial Park, Fort McClary State Historic State, Kittery Memorial Field, and Seapoint Beach.

Demand may also be driven by contractors at the Portsmouth Naval Shipyard who seek extended stay accommodations. Recent development in Kittery's accommodations offerings may also be linked to demand from extended-stay customers.



## Hospitality Demand and Market Potential

Demand for lodging in Kittery is anticipated to come from a variety of sources. The primary driver being the shoppertainment option provided by the Kittery Outlets, with their extensive variety of stores and convenient on-site dining options which pull in a majority of the overnight stayers to the area. Additional demand comes from tourism of the KAA Gallery, Rice Public Library, The Dance Hall, and a number of early architecture attractions as well as the many parks, beaches, and recreational spaces in the area. Beyond shoppers and tourists, the market experiences additional demand for extended stay lodging tied to shipyard employees and contractors.

### Town of Kittery Lodging Market Potential

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Projected Demand (room nights)	2,879,508	2,907,651	2,936,069	2,964,765	2,993,742	3,023,001
Fair Share Capture	1.9%	55,084	55,622	56,166	56,714	57,269
Expected Capture	4.0%	116,306	117,443	118,591	119,750	120,920
Max Capture	6.0%	174,459	176,164	177,886	179,625	181,380
<b>Minimum Occupancy Threshold</b>	55%					
<b>Expected Case</b>						
Supportable Room Nights		211,466	213,532	215,619	217,727	219,855
Total Supportable Rooms		579	585	591	597	602
New Supportable Room Potential (less existing)		289	295	301	307	312
<b>5-Year Average (Expected Case)</b>						<b>301</b>
<b>High Case</b>						
Supportable Room Nights		317,198	320,298	323,429	326,590	329,782
Total Supportable Rooms		869	878	886	895	904
New Supportable Room Potential (less existing)		579	588	596	605	614
<b>5-Year Average (Low Case)</b>						<b>596</b>

Source: CoStar; Camoin Associates

**An analysis of hotel demand and the Town's ability to "capture" that demand indicates that the Town can support a total of approximately 300 to 600 new rooms over the next five years.** To achieve the upper end of that potential, new establishments will need to be diversified in amenity mix and price point. If the 361 proposed and/or planned rooms in the Town of Kittery are completed, then it is expected those new establishments will fully absorb the existing market potential, at least in the near term. Under the most optimistic case, there may be some "slack" for additional market growth but overall limited additional potential.



## 10. INTERVIEW FINDINGS

Interviews were conducted with knowledgeable local and regional individuals to gain additional insights into the market potential for different types of development within Kittery. Key insights and themes from those interviews are provided below:

- **Outlet Retail Space is becoming dated and in need of modernization.** Much of the existing retail space has become dated and additional investment is needed to make the space competitive in attracting new and higher quality retail businesses to the Town. It was also noted that dated retail space may also present opportunities for adaptive reuse for other types of businesses, entertainment options, or community facilities.
- **Additional Incentives May Spur Additional Development.** It was noted that current incentives for commercial development may not be sufficient and that additional resources for developers may make development more financially feasible. This indicates that the Town may be able to realize additional development projects and capture unmet demand, *but for* development not “penciling” out in many cases.
- **Additional Infrastructure Capacity Seen as a Need.** The expansion of water and sewer services was generally perceived as a need to support sustainable growth and new development in Kittery, particularly as the infrastructure is perceived to be relatively old and in potential need of improvements.
- **Untapped Opportunities to Further Capitalize on Visitors.** While the Town is a retail destination, there are likely additional opportunities to attract visitors, such as through new and enhanced lodging options and other entertainment, including nightlife options.
- **Zoning is perceived as restrictive.** The Town’s zoning was generally seen as overly restrictive and not conducive to new development. Density restrictions were primarily seen as the most significant constraint, particularly in the downtown area. Density restrictions for housing were also identified as a critical constraint, with density limitations being such that they impair the financial feasibility of building housing in certain instances.
- **Housing is one of the most significant market opportunities.** Residential development has the greatest market potential in Kittery. Multifamily development is seen as having tremendous growth opportunity with lots of demand for high-end market-rate rentals. There is also a need for workforce level housing in the community. The Route 1 corridor was identified as a prime location for increased housing density and multifamily housing construction.
- **Labor availability and construction costs are a constraint to new development.** Limited labor availability has translated into higher labor costs and material costs remain relatively high for new construction. As a result, it has become more challenging financially to do development projects in the town and region. High development costs makes the market more favorable for residential right now where premium price points can be achieved.



- **Industrial market is relatively weak.** Demand for industrial space has declined and is much less than other types of uses such as residential. There are also more competitive locations for industrial development outside of Kittery.
- **Room for growth in hotel sector.** There is room for new rooms to come online in Kittery but there is uncertainty about how supply and demand will be balanced if all pipeline hotel projects are completed. However, it was noted that lodging options are relatively low end and may become outdated and not meet visitor preferences in the future.





# 11. KEY MARKET ANALYSIS FINDINGS

## Residential

Overall, housing development is the most substantial opportunity for the Town of Kittery with strong demand for a variety of housing product types across the income/price spectrum. **Overall, the Town of Kittery has market potential for up to 1,562 housing units over the next five years.** Additional key findings of the market analysis include:

- **Housing prices indicate strong, and growing demand for housing.** Kittery has high home values compared to the county and Housing Market area while Rents are also higher in Kittery than in York County.
- **The housing market is very competitive and inventory is limited.** Housing market is tight in late 2023: the months of supply has recovered slightly, but there are few new listings and the median number of days on market is only 3, just over half of what it was a year ago.
- **Demand for condominiums is very high, indicating market and development potential.** While median sale price of single family homes has dropped year over year, for condos it is up about 40%.
- **Recent major market-rate development has helped to “prove” the market.** One new multifamily development of 282 units represents the most significant housing development the town has seen in the last decade. The project has seen strong leasing activity and is achieving premium price points. Additionally, other recent developer housing interest indicates there is likely market demand for newer, more high-end apartments in the Kittery area.
- **Longer-term underproduction of housing has created pent up demand for housing.** Lack of significant development in Kittery has led to pent-up demand for housing. This demand comes from multiple sources that are all contributing to a strong market for new housing. Major housing demand segments in the Town of Kittery include:
  - **Pent-up demand from displaced workers in Kittery.** Kittery contains multiple major employers, including the Portsmouth Naval Shipyard. Currently, only 18% of people who work in Kittery also live in Kittery, representing a significant number of in-commuters or displaced workers. Moreover, housing demand from displaced workers is most concentrated at higher income levels, indicating a strong market for high-end apartments that are able to capture premium price points.
  - **Demand for more attainable housing from cost-burdened households.** While higher-income workers present opportunities for luxury apartments, another significant source of demand for housing comes from cost-burdened households, or those with high housing costs totaling more than 30% of their income. In Kittery, one-third of all households are overburdened by housing costs, with many of them likely to move into more suitable housing if available. The significant population of cost-burdened households points to a sizeable market opportunity for workforce housing at more affordable price points, both rental and for-sale.



- **In-Migration from remote workers, empty nesters, and early retirees.** The region continues to see an influx of new residents attracted by the area's high quality of life, including many urban dwellers and others. These households typically represent demand for market-rate and luxury housing types, including both rental and owner-occupied housing types.
- **Most opportunity for mid- to upper-scale apartments and for-sale housing.** For-sale housing demand in the next five years is strongly concentrated among households making more than \$100,000 per year. Renter-occupied housing demand is more mixed among income levels, though slightly over half of demand for these units will be driven by households making over \$75,000 per year. Housing demand from these higher-income households suggest strong market opportunity for mid- to upper-scale market-rate housing.

## Retail/Entertainment

While Kittery has long served as a retail destination with its outlet offerings, the retail market has been relatively flat in the last several years. Overall, the market analysis found limited development opportunity for retail and entertainment offerings related to permanent households in the area or seasonal tourists. **The Town is estimated to have market absorption potential for up to approximately 62,000 square feet over the next five to ten years.** Additional key findings of the analysis include:

- **Little new development activity:** Approximately 20,000 square feet of retail space has been delivered to the market in the last decade, nearly all in 2017. However, in more recent years there has been very little new development and no major construction.
- **Relatively flat absorption indicates limited market demand:** Net absorption of retail space in the town has not been consistent. From 2018 through 2023, net absorption totaled -2,761 square feet, pulled down by significant negative net absorption in 2021. However, low net absorption overall in the last five years demonstrates that the supply of retail space exceeds demand.
- **Vacancy stable while and lease rates rise.** Vacancy rates have hovered Between 1-3% since 2015 and the Local Market Area has about 34,000 square feet of vacant retail space available. Lease rates in local area have been on a general upward trend, rising from \$12.59 per SF in 2018 to \$17.37 per SF in 2023, likely attributable to inflationary pressure rather than market demand.
- **Kittery has seen less demand and activity than the broader Regional Trade Area.** The wider Regional Trade Area from which Kittery attracts consumers for its larger retail base has seen slightly more activity, with approximately 266,000 SF of new retail space delivered in the last decade. Net absorption has fluctuated in a similar manner to the Local Trade Area. The vacancy rate is slightly higher than the Local Trade Area, remaining in the 2.5%-3.5% range for most of the last five years, and there are currently 244,364 SF of vacant retail space. While asking rent per SF remained stable from 2018-2022, it spiked significantly, nearly doubling to \$21.14 in 2023.
- **Overall, there is little retail potential in Kittery, and all existing retail potential will be driven by tourists and consumers outside of the local area.**
  - **There is very little retail "leakage" in the local area, and in fact many retail types show a "surplus."** Retail "leakage" from local residents indicates there are no significant enough retail gaps to support locally-serving businesses. The retail gap analysis, which



measures how much spending by residents occurs outside of the city, found that essentially all of local residents' retail needs are being met, and that there is not enough demand in the local area to make new retail feasible.

- **Demand from the wider Regional Trade Area shows that some retail potential could be captured from retail leakage deriving from consumers outside of the local area.** The retail categories that show the largest retail leakage and recapture potential are shown below, with the estimated maximum square footage that could be supported shown in parentheses.
  - Limited-Service Restaurants (17,845)
  - Clothing and Clothing Accessories (12,680)
  - Drinking Places (Alcoholic Beverages (6,937)
  - Pharmacies and Drug Retailers (5,003)
  - Furniture Retailers (4,397)
  - All Other General Merchandise (4,288)
  - Wineries (2,560)
  - Beer, Wine, and Liquor Retailers (2,201)

## Office

Like many markets, the region and the town's office market has become very weak in the wake of the pandemic and shifting work-life preferences and standards. **Overall, the market analysis found nominal market potential for any new office development in Kittery in the foreseeable future.** Additional key findings of the analysis include:

- **Overall office outlook shows weak potential for new demand.** Projected growth in office space-utilizing industries and jobs are expected to create only minor demand for office space in Kittery, though a surplus of office space in the surrounding region may absorb any identified potential. Both local and regional geographies are expected to have 3%-4% growth in office-utilizing jobs in the next five years. Currently, Kittery has no vacant office space, indicating that growth in office-using jobs would generate new office space ranging from approximately 4,900 SF to 9,750 SF
- **It is possible that Kittery's small-scale demand for new office space is absorbed by the existing available space in the wider region.** Meanwhile, despite projected growth in office-using jobs in the surrounding 3-County Region, existing vacant space and planned development surpass any potential demand. Currently, there are 1.1 million SF of vacant office space in the 3-County Region and an additional 1.0 million SF of new office space in the development pipeline.
- **There is also weak potential for medical office space in Kittery.** Overall, negative net absorption, climbing vacancy rates, and little growth in jobs requiring medical office space suggest that there is little to no new market opportunity for medical office space in Kittery.
- **Office development most likely with mixed-use development.** Standalone office properties are unlikely to be developed in the Town; however, limited professional office space could potentially be incorporated into new mixed-use development. However, demand for this space is likely to be driven by existing office users in the Town representing a "flight to quality" rather than overall new market demand in the Town.



## Industrial

The industrial development potential for Kittery is limited with little projected demand and with more competitive locations available for development there is expected to be little industrial opportunity for the Town. Additional key findings of the analysis include:

- **Local Industrial market has been stagnant.** Despite having no industrial vacancy since 2020, the market has been flat in recent years with little new absorption, an indication of little demand. Additionally, no notable industrial development has occurred in more than a decade.
- **The region contains more competitive locations for industrial development.** In the surrounding 3-County Region, the industrial market is much more active. Net absorption is generally positive, and totaled 305,942 SF in the last quarter of 2023, indicating that there is an active market seeking industrial space in the region. Since 2018, over 2.3 million SF of industrial space has been delivered to the market, with over 230,000 SF currently under construction.
- **Regional industrial growth expected in select sectors.** The demand outlook in the region is strongest for Manufacturing. The industry is expected to gain 1,334 jobs in the next 10 years across York, Rockingham, and Strafford Counties. On a more detailed level, manufacturing activities such as Pharmaceutical and Medicine Manufacturing, Motor Vehicle Body & Trailer Manufacturing, Rubber Product Manufacturing, and Medical Equipment and Supplies Manufacturing have the greatest projected growth. Overall, Couriers/Express Delivery Services is the industrial-using industry that is poised for the most regional growth in the next decade. However, this regional growth is concentrated in areas outside of Kittery and the Town is not expected to compete for or “capture” any significant portion of industrial growth in the region.
- **Kittery’s industrial opportunities are likely smaller-scale and local-serving.** Kittery is unlikely to “capture” significant industrial growth in the region based on recent trends in industrial real estate in the wider region. Recent industrial development in the region is primarily located inland, with very little new development on the coast. This indicates that industrial is not the highest and best use of land near the coast, in part due to higher land value requiring higher value uses. Kittery’s opportunities for industrial development are more likely to be smaller-scale and more local-serving, rather than a larger regional-scale industrial facility.

## Lodging

The Town is relatively well-positioned to absorb additional lodging demand. The town is underserved by midscale and upscale establishments with existing offerings concentrated in the economy class. **Overall, the market analysis identified potential for 300 to 600 new rooms over the next five years. However, if all 526 planned/proposed rooms currently in the pipeline are built, it will likely absorb the full market potential in the near-term and a risk exists of over-saturation.** Additional key findings of the analysis include:



- **The local market is dominated by a concentration of economy options and lacks higher quality options found in other nearby markets.** Currently Kittery has eight lodging properties operating as tracked by CoStar. The market in Kittery has a relatively weak occupancy rate of 46% and a market average daily rate of \$116 with a total of 290 rooms. The lodging offerings range are mostly economy and are primarily positioned along the Interstate 95 and US Route 1, making the options easily visible to those traveling through or to Kittery. The Kittery market and the broader three-county region also indicate a high degree of seasonality for the hospitality markets with greater demand in the summer months and weaker demand in the winter months.
- **Demand may be bolstered by Portsmouth Naval Shipyard contractors.** These customers are likely to seek alternative extended-stay options that may be met by development in the hotel sector.
- **Additional Lodging and hospitality not expected to have additional potential given current pipeline of projects, if all projects move forward.** While the market has indicated additional need for lodging, the presence of two approved and an additional five proposed developments is anticipated to capture all the market leakages for Kittery and satisfy the market demand for lodging.



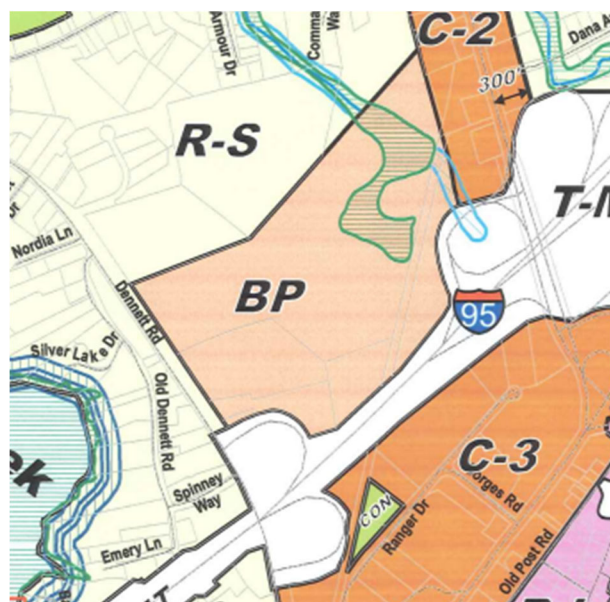
## 12. TARGET AREA OPPORTUNITIES AND CONSTRAINTS

### Overview

The real estate market analysis identified a number of feasible market and development opportunities for the town as a whole. This section examines alignment between the identified opportunities and the two focus areas. Each focus area was assessed for its suitability and marketability for each use type. An estimated market capture potential of the townwide market potential was estimated to provide an estimate of the development potential within each area. **Overall, given the limited commercial and industrial opportunities for Kittery in the near to mid-term, residential development was determined to be the use with the strongest market potential for each zone.**

### Business Park

#### Overview



The Business Park Zone consists of around 100 acres over 4 parcels, 90% of which is undeveloped. It is served directly by Dennett Road to the south, Route 236 to the North, and Martin Road to the West. In 2018, the Town rezoned the area to Mixed Use Neighborhood to meet market trends. In 2022, the Town reverted the zoning back to Business Park due to citizen petition following proposed development of 900 residential units and commercial development. A portion of the zone in the northeastern corner is zoned as a resource protection area.

A hydrologic study covering this area was published in November 2023 to assess existing flooding concerns including potential drainage and stormwater management, causes of localized flooding, the impacts of potential developments, and mitigation of flood impacts for existing and future conditions. In the Central Study Area of the report, where potential future development is likely to occur, the report notes that storage in the eastern wetland portion of the study area is significant and provides attenuation during both routine and extreme storm events under existing conditions and 1- and 10-year storms. However, there is potential for flooding during a 100-year, 24-hour storm event. This may provide a greater constraint to development of larger-footprint industrial and commercial compared to other use types with greater design flexibility to avoid at-risk areas.

## Development Use Type Assessment

**Residential:** The Business Park zone is largely undeveloped, leaving plenty of developable land for new housing development. The Business Park zone is surrounded by existing Residential Suburban-Zoned land on two sides and is the site of the newly constructed Seacoast Residences, suggesting residential development, particularly multifamily or higher-density housing, would fit well with existing surrounding land use. Additionally, it is adjacent to I-95 and its proximity to the highway makes it an attractive location for potential residents given the ease of commuting to employment centers.

Previous analysis revealed that overall, Kittery is poised for significant residential demand from 2023 to 2028, with a demand for 1,562 new units. This surge is fueled by a blend of pent-up demand and the needs of diverse groups. Key drivers include high-income displaced workers, mainly from major local employers like the Portsmouth Naval Shipyard, seeking luxury apartments, and cost-burdened households, representing one-third of the population, looking for more affordable options. Given the location of the business park and surrounding land uses, and proximity to I-95, the business park is an attractive location for residential development. New development at the site could potentially capture a significant portion of the town's housing demand.

**Overall, residential development has the strongest market potential and feasibility for the Business Park Zone.**

**Retail:** Similar to residential, the Business Park Zone is located adjacent to two commercially zoned areas, with C-2 to the northeast and C-3 to the southeast. These commercial zones contain businesses such as light industrial, lodging, auto parts, and marine dealers, among others. Kittery's central hub of retail is located approximately 1 mile away from the zone. While proximity to the highway is an advantage, lack of existing retail in the immediate area and the concentration of Kittery's primary retail center about a mile away indicate the location is not likely to be desirable among retailers. Furthermore, the site lacks visibility and high traffic counts indicating that only destination retail would be likely to be sustained at this location.

Overall, the retail market potential in Kittery over the next five years is limited, with a stagnant local retail sector and minor opportunities in the Regional Trade Area. Despite a low vacancy rate and rising lease rates, the oversupply of retail space and inconsistent net absorption suggest a market that has already met local demands. Retail growth is primarily dependent on non-local consumers and tourists, with some potential in capturing retail leakage in specific sectors like limited-service restaurants and clothing. However, overall prospects for new retail development in Kittery remain modest. Total additional square footage demand would be just below 56,000 sf. **Given the characteristics of the site, there is expected to be nominal retail demand for the site.**

**Office:** Suitability for office space in the Business Park Zone is moderate with the location likely to have some desirability if demand existed. Surrounding land uses do not include office space, for which existing space in Kittery is located more to the Southeast across the highway from this zone. Overall, in the next five years, Kittery's office space market presents a cautiously optimistic outlook. With a projected 3%-4% growth in office-utilizing jobs and no current vacant office space, there's a notable opportunity for new, targeted office developments in the range of 4,900 to 9,750 square feet. However, with the glut of vacant office space available in the region, there is little appetite in the private sector to build new office space. **Any office potential on the site would**



**be expected to be part of mixed-use development and consist of professional service office space serving local residents. However, the market is insufficient for office space to be a primary or major use within the Business Park under current and projected market conditions.**

**Industrial/Flex:** The surrounding land uses in C-2 and C-3 include some light industrial uses, such as self-storage, auto repair, and car wash. However, most of the surrounding land does not include industrial uses. Currently, nearly all of Kittery's industrially zoned real estate is located on Seavey Island, adjacent to the Naval Shipyard. However, proximity to the highway does lend itself to some industrial uses. The industrial market in Kittery is characterized by slow environment despite with no new developments in over a decade and little market absorption. In contrast, the 3-County Region surrounding Kittery shows a more dynamic industrial market, with positive net absorption including 305,942 square feet in the last quarter of 2023 alone - indicating a strong demand for industrial space. This region has seen substantial growth, with over 2.3 million square feet of industrial space added since 2018 and an additional 230,000 square feet currently under construction. Due to the lack of competitive positioning in the region for industrial activity, total demand for industrial space in Kittery over the next five years is estimated to be only 27,250 sf. Assuming the Business Park zone absorbed all of this demand (which is unlikely), this relatively minor amount of industrial development would leave the majority of the area vacant. **Therefore, industrial development would likely leave the zone as a whole relatively vacant and underutilized relative to other use types.**

**Tourism & Hospitality:** Currently, the C-3 zone, located to the Business Park zone's southeast, contains a cluster of lodging and hospitality real estate. The zone's close proximity to this existing cluster, as well as its proximity to the highway, suggests that the zone could be an option for new lodging development. However, the property does not have great visibility and is located further from key destinations, including the outlet area and restaurants, than other potential locations.

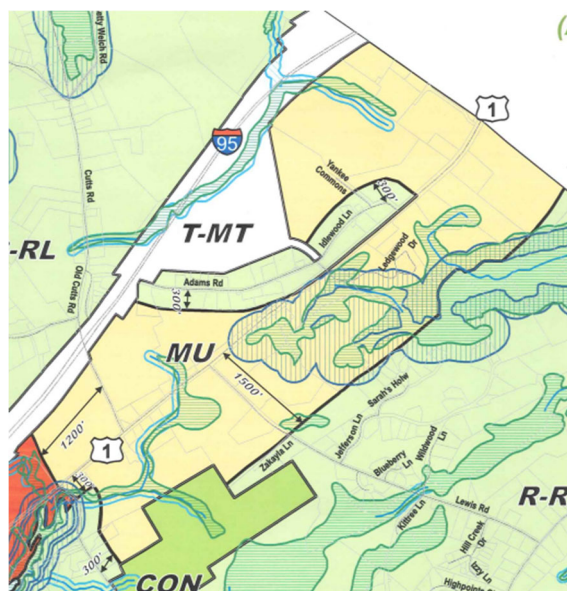
The analysis of hotel demand found that Kittery's demand indicates that the Town can support a total of approximately 300 and 600 new rooms over the next five years. However, if the proposed and/or planned rooms in the Town of Kittery are completed, then it is expected those new establishments will fully absorb the existing market potential, at least in the near term. Under the most optimistic case, there may be some "slack" for additional market growth but overall limited additional potential. **Although the business park's location indicate it could potentially be suitable for lodging, the market analysis suggests that the site would not have strong demand from a hotel developer in the near term.**





## Mixed-Use Zone

### Overview



- This zone is located at the northern portion of Route 1, starting at Haley Road and extending North to the border with the Town of York. It is comprised of about 46 parcels covering approximately 440 acres of land. The zone has challenging performance standards that are required, which may inhibit development. Recent developments include mixed residential and commercial space, townhomes, other commercial/service uses, and a proposed hotel.

### Development Use Type Assessment

**Residential:** The Mixed-Use zone is primarily surrounded by Residential – Rural zoned land, indicating that residential development would be compatible with existing land use. Currently, the zone is largely used for housing, with some other uses. The zone is highly accessible to I-95, which may make it an attractive location for potential residents. As situated along a major corridor, this zone would be an appropriate location for greater density development such as multifamily and mixed-use housing. The current zoning ordinance would allow single-family dwellings as well as multifamily housing on upper floors of mixed-use buildings.

As previously stated in the analysis, Kittery is poised for residential demand from 2023 to 2028 of 1,562 new units. Given the location and zoning, the mixed-use zone poses strong opportunity for residential development. The zone is also highly accessible to I-95, which may make it an attractive location for potential residents. Given these conditions, the zone is estimated to be able to capture a significant portion of townwide housing development potential.

**Retail:** Kittery's retail center, zoned C-1, is located directly to the southern border of the Mixed-Use zone, indicating existing retail businesses in the nearby area. Additionally, the zone currently includes several restaurants and cafés. The zone is in close proximity to the highway, and also includes Kittery's visitor information center, suggesting that it could capture some potential from both current residents and visitors who are new to the area.

As revealed, the retail market potential in Kittery over the next five years is limited, with a total additional square footage demand of just below 56,000 sf. That being stated, the mixed-use zone does present some interesting potential if retail development were to occur. Given the neighboring uses as well as the strong residential concentration, a retail development in the mixed-use zone would be well positioned to capture a strong share of the consumer base. As a result, it is estimated that a retail development potentially is fairly limited but could represent a minor portion of future development activity in the zone.



**Office:** While the current zoning ordinance allows for business and professional offices in the Mixed-Use zone, development potential is limited due to the overall market potential for the Town. While the zone is likely more suitable for small-scale offices or medical offices, the estimated five year demand for office space in Kittery is only between 4,900 and 9,750 sf. Therefore, the mixed-use zone is not expected to have significant office development potential over the next five years. However, office space built as part of mixed-use has greater feasibility and may see demand, particularly from existing office users looking for higher quality space.

**Industrial/Flex:** Current light industrial space in the Mixed-Use zone includes boat storage and auto repair services, though there are few other examples of existing light industrial. Close proximity to the highway may suggest better suitability for uses such as warehousing or light manufacturing. Total demand for industrial space in Kittery over the next five years is estimated to be 27,250 sf. However, industrial users would find more competitive locations elsewhere and local demand in the zone or otherwise in Kittery is relatively minimal.

**Tourism & Hospitality:** Development of tourism and hospitality in the Mixed-Use zone is constrained by several factors. First, current zoning ordinance does not allow for lodging and hospitality use cases, though some entertainment use cases, such as theaters, are permitted. The analysis of hotel demand found that Kittery's can support a total of approximately 300 and 600 new lodging units over the next five years. However, if the proposed and/or planned rooms in the Town of Kittery are completed, then it is expected those new establishments will fully absorb the existing market potential, at least in the near term. Additionally, the mixed-use zone does not appear to be a strong location for lodging development. As a result, the mixed-use zone is not anticipated to capture any of the existing lodging demand, if it were allowed under zoning.



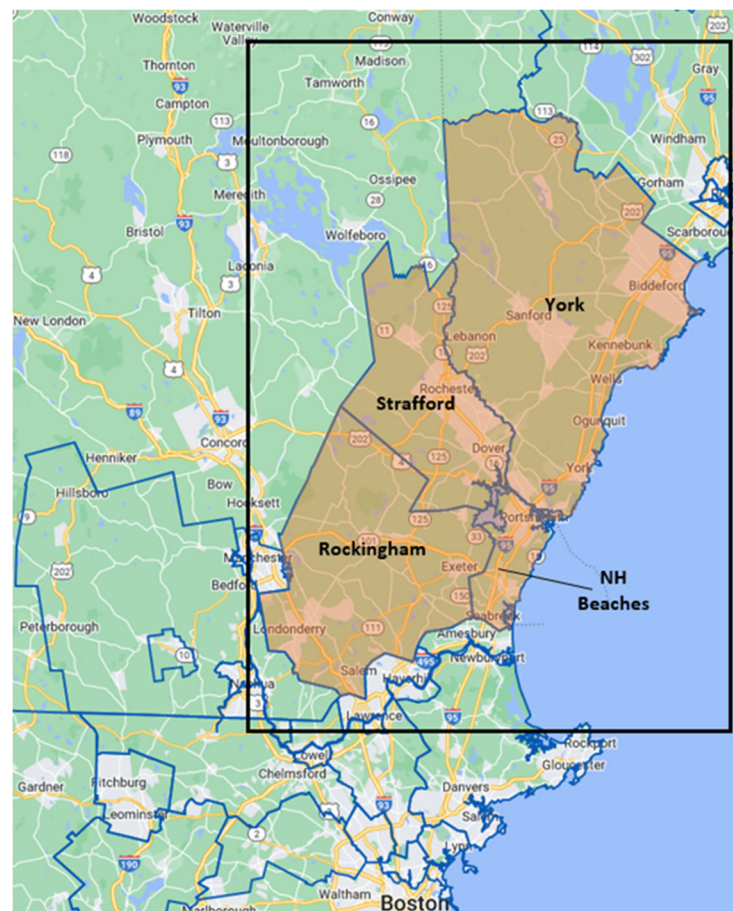
# ATTACHMENT 1: DATA TABLES/ADDITIONAL ANALYSIS



## Multifamily Market Trends: Geographic context

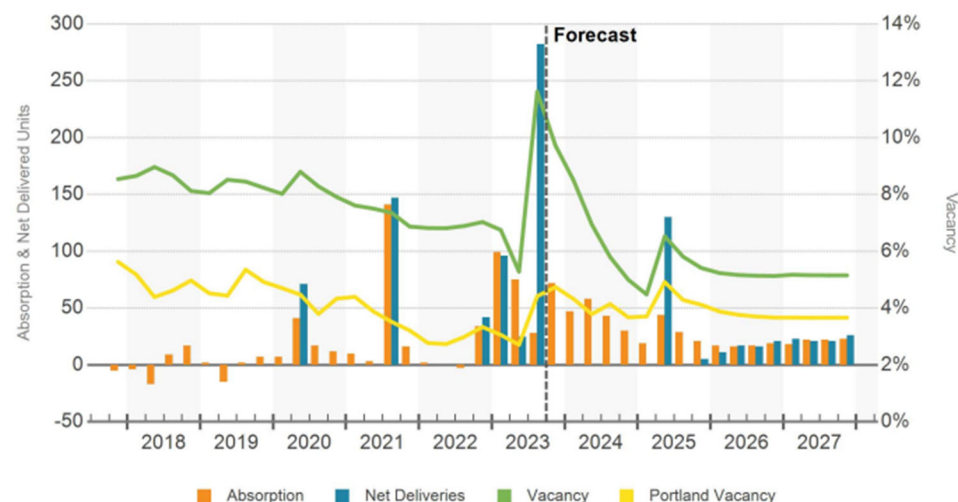
The Town of Kittery's multifamily market falls in the York County, ME market, as defined by CoStar and indicated on the map below. Additionally, the Strafford County, Rockingham, and New Hampshire Beaches submarkets fall within the larger Boston market. Trends for Kittery as well as the York County, Strafford County, Rockingham, and New Hampshire Beaches (covering the Seacoast) submarkets are included in this analysis.

*Map 3: Multifamily Market Areas*



## Multifamily Market: Regional Context (York County Submarket)

ABSORPTION, NET DELIVERIES & VACANCY



- The vacancy rate has expanded the past four quarters to 11.6%, several points above the historical average of 7.8%. The surge in vacancy comes as net deliveries surged in recent quarters
- Almost 430 units have been delivered in the past 12 months, well above the five-year average. Meanwhile, 225 units were absorbed. Development was driven by 282 units at Seacoast Residences in Kittery, along with new units in Biddeford (96 Units) and York (42 Units), and South Berwick (25 units). 130 units are currently under construction elsewhere in York County, with expected deliveries at the end of 2023 and in 2025.
- Rents have risen by 2.0% over the last year, in line with the historical average.

### Absorption, Deliveries, & Vacancy

These are three metrics that help to understand the full picture of a region’s multifamily housing market.

**Absorption** refers to the change in occupancy over a given period of time and is calculated as the number of newly occupied units minus units that have been vacated.

**Net Deliveries** refers to the number of new housing units in the market that have recently completed construction.

**Vacancy** is expressed as a percentage and refers to the amount of vacant units divided by the total number of units in the market.

### KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	555	49.2%	\$2,085	\$2,083	3	0	120
3 Star	1,308	2.5%	\$1,660	\$1,650	(2)	0	10
1 & 2 Star	1,916	6.9%	\$1,134	\$1,129	0	0	0
<b>Submarket</b>	<b>3,779</b>	<b>11.6%</b>	<b>\$1,706</b>	<b>\$1,699</b>	<b>1</b>	<b>0</b>	<b>130</b>

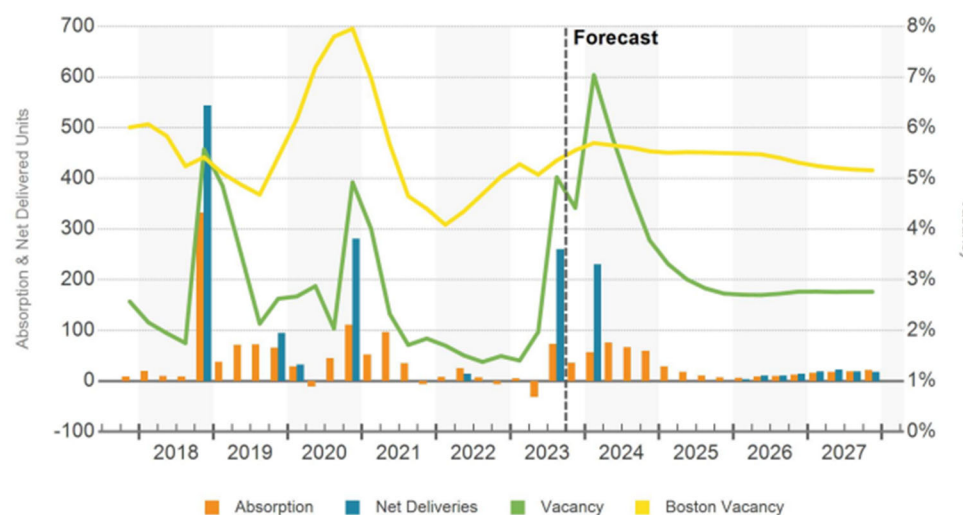
Source: CoStar, as of 4Q23



## Multifamily Market: Regional Context (Rockingham County Submarket)

- The vacancy rate has increased to 4.8% over the last 12 months, slightly above the historical average
- 260 units have been delivered in the last 12 months, while 57 units have been absorbed. All deliveries in the past 12 months were in Salem. 230 units are currently under construction, also in Salem.
- Rents have remained relatively flat, increasing by only 0.3% in the last 12 months, well below the historical average for rent growth.

ABSORPTION, NET DELIVERIES & VACANCY



### KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	1,343	14.8%	\$2,482	\$2,473	16	0	230
3 Star	2,745	2.3%	\$1,666	\$1,659	0	0	0
1 & 2 Star	1,885	1.1%	\$1,588	\$1,583	0	0	0
<b>Submarket</b>	<b>5,973</b>	<b>4.8%</b>	<b>\$1,852</b>	<b>\$1,845</b>	<b>16</b>	<b>0</b>	<b>230</b>

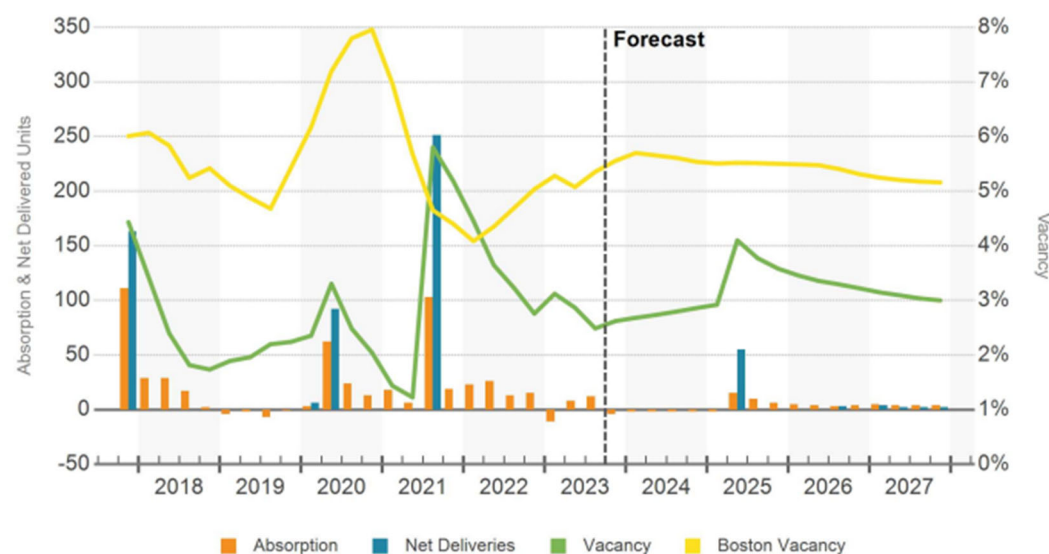
Source: CoStar, as of 4Q23



## Multifamily Market: Regional Context (NH Beaches Submarket)

- The vacancy rate was 2.5% in the most recent quarter, down 0.5 percentage points over the last 12 months.
- The market has been slower than the other neighboring multifamily markets, with 0 units delivered in the last 12 months and net absorption of 16 units over the last 12 months. Currently, 55 units are under construction in Portsmouth.
- Rents have increased by 4.6% in the last 12 months, well above the historical average of 2.8% annually.

ABSORPTION, NET DELIVERIES & VACANCY



### KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	852	6.0%	\$2,723	\$2,629	(2)	0	0
3 Star	1,122	1.4%	\$2,069	\$2,062	0	0	55
1 & 2 Star	1,195	1.2%	\$1,511	\$1,508	1	0	0
<b>Submarket</b>	<b>3,169</b>	<b>2.5%</b>	<b>\$2,085</b>	<b>\$2,053</b>	<b>(1)</b>	<b>0</b>	<b>55</b>

Source: CoStar, as of 4Q23

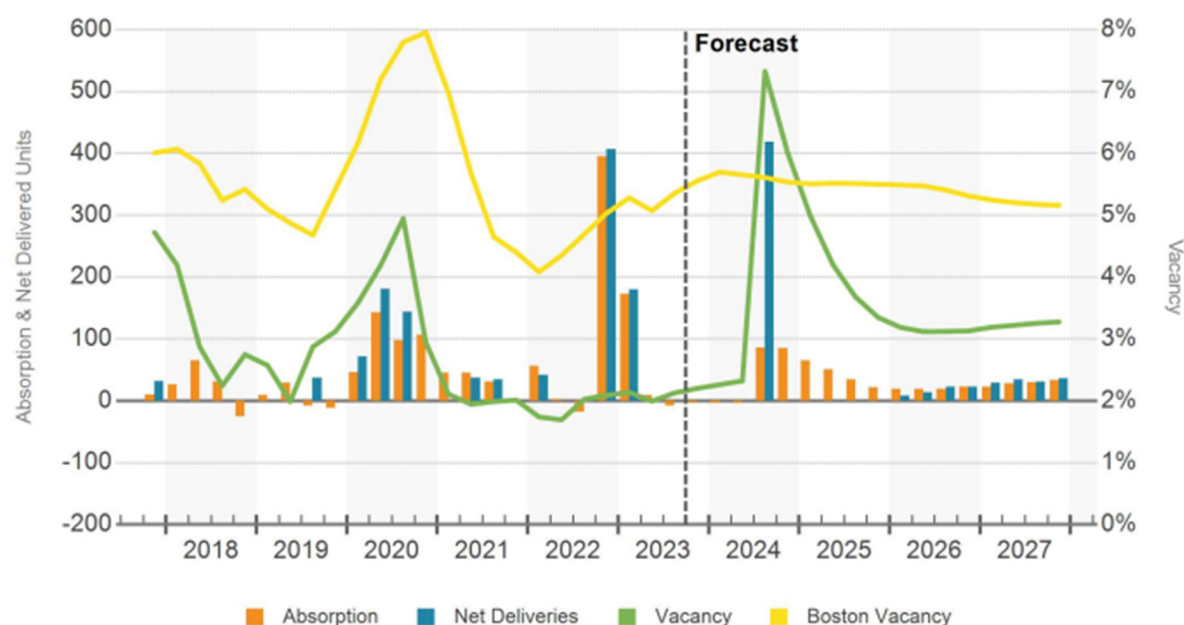




## Multifamily Market: Regional Context (Strafford County Submarket)

- The vacancy rate was 2.1% in the most recent quarter, essentially the same level as a year ago
- In the last 12 months, 414 units have been delivered to the market, while 401 units have been absorbed. New units are concentrated in Rochester and in Dover, with additional units under construction in Dover.
- Rents have increased by 2.6% in the last 12 months, in line with the historical average.

**ABSORPTION, NET DELIVERIES & VACANCY**



**KEY INDICATORS**

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	1,167	1.6%	\$2,413	\$2,406	0	0	0
3 Star	2,797	2.6%	\$1,716	\$1,710	0	0	418
1 & 2 Star	2,071	1.8%	\$1,289	\$1,286	0	0	0
<b>Submarket</b>	<b>6,035</b>	<b>2.1%</b>	<b>\$1,731</b>	<b>\$1,726</b>	<b>0</b>	<b>0</b>	<b>418</b>





## Housing Affordability

- Given Kittery's median household income of \$88,454 in 2023, the median household in 2023 can afford monthly housing costs at a maximum of \$2,211. For home ownership, this means the median household in Kittery could afford a maximum of a \$299,800 home.
- Using the median household income earnings and the sales price data from MaineListings (in the previous section above), a home affordability gap is calculated on the next page. The calculation looks at median home sales prices, assumed down payments, loan amounts and interest, estimated property taxes, insurance, and utilities costs to determine the total monthly payment for a median price home. The calculation is then compared to what is affordable based on household income or earnings and ultimately determines the affordability gap between the median prices home and the median household in Kittery.

### Kittery Income Brackets and Housing Affordability

Household income Bracket	Number of Households	Percent of Households	Max. Affordable Rent	Max. Affordable Home Value
Less than \$24,999	652	14%	Less than \$625	\$85,000 or Less
\$25,000 - \$49,999	723	16%	\$625 - \$1,250	\$85,000 - \$169,500
\$50,000 - \$74,999	601	13%	\$1,251 - \$1,875	\$169,500 - \$254,200
\$75,000 - \$99,999	585	13%	\$1,876 - \$2,500	\$254,200 - \$338,950
\$100,000 - \$149,999	1,029	22%	\$2,501 - \$3,750	\$338,950 - \$508,425
\$150,000 - \$199,999	500	11%	\$3,751 - \$5,000	\$508,425 - \$677,900
\$200,000 or more	568	12%	\$5,000 or more	\$677,900 or more
<b>Median Household (\$88,454)</b>			<b>\$2,211</b>	<b>\$299,800</b>

**Note:** Assumes 10% Down Payment and 7.3% 30 Yr Fixed Mortgage. Affordability is defined as costing less than 30% of income, including property taxes, insurance, and utilities.

**Source:** Camoin Associates, Esri



## Housing Affordability Gap

- Given Kittery's median home sale price of \$403,000, the estimated total monthly payment would be \$2,895. The monthly payment would translate to a household income threshold of \$115,783 to afford a median priced home in Kittery. The median household income in Kittery is \$88,454 resulting in an income gap of \$27,329 between the median household income and the household income threshold.
- Once again, Given Kittery's median home sale price of \$403,000, the estimated total monthly payment would be \$2,895. The monthly payment would translate to a household income threshold of \$115,783 to afford a median priced home in Kittery. The median household income in Kittery is \$49,656 resulting in an income gap of \$66,127 between the median household income and the household income threshold.

### Home Affordability Gap: Housing Prices vs. Income Levels

	Kittery
Median Sale Price	\$403,000
Down Payment of 10%	\$40,300
Loan Amount	\$362,700
Principal & Interest Pmt (30 Year Fixed Rate at 7.3%)	\$2,491
Est. Property Tax, Insurance, Utilities	\$403
Total Monthly Payment	\$2,895
Household Income Threshold (annual)	\$115,783
Median Household Income	\$88,454
<b>Income Gap</b>	<b>\$27,329</b>
Affordable Home Price Based on Earnings	\$299,820
<b>Home Price Affordability Gap (Single Earner Household)</b>	<b>\$103,180</b>

Source: Camoin Associates

### Home Affordability Gap: Housing Prices vs. Median Earnings

	Kittery
Median Sale Price	\$403,000
Down Payment of 10%	\$40,300
Loan Amount	\$362,700
Principal & Interest Pmt (30 Year Fixed Rate at 7.3%)	\$2,491
Est. Property Tax	\$403
Total Monthly Payment	\$2,895
Household Income Threshold (annual)	\$115,783
Median Earnings	\$49,656
<b>Income Gap</b>	<b>\$66,127</b>
Affordable Home Price Based on Earnings	\$168,311
<b>Home Price Affordability Gap (Single Earner Household)</b>	<b>\$234,689</b>

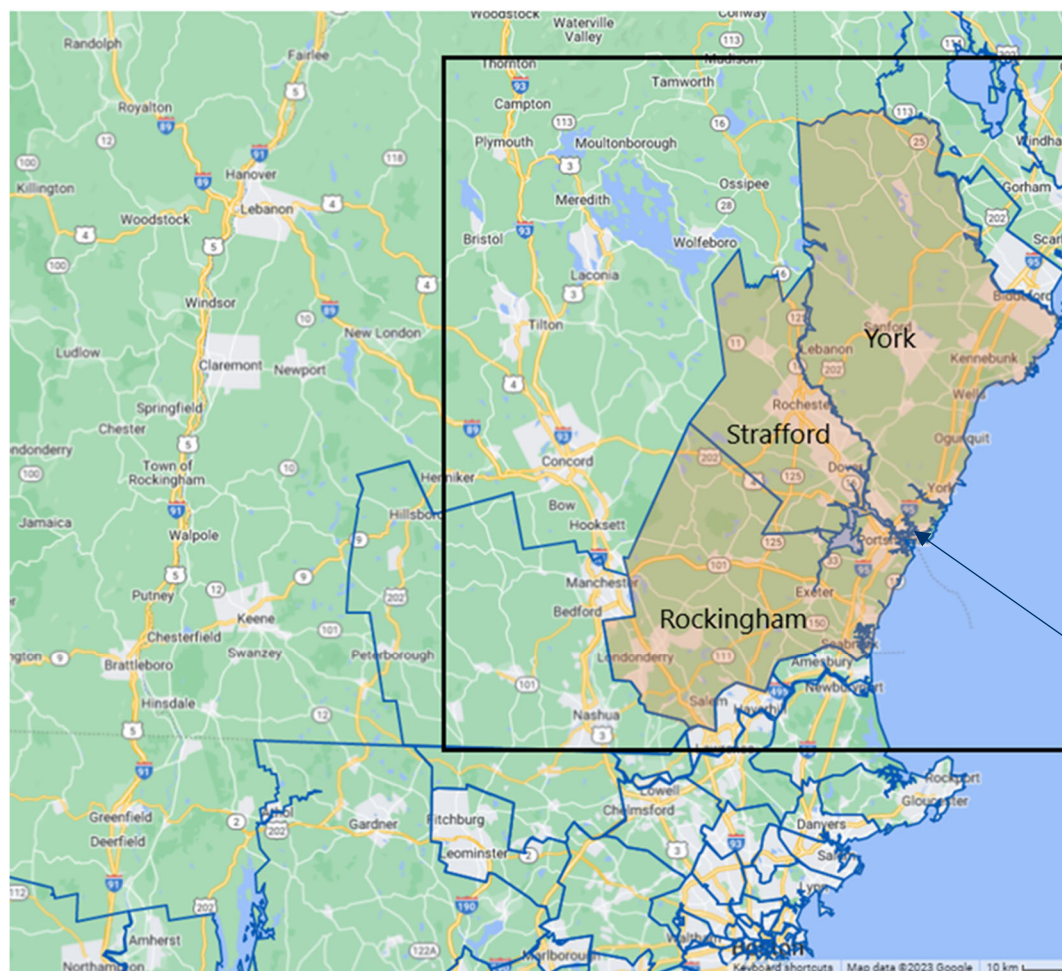
Source: Camoin Associates



## Retail Market: Geographical Context

The Town of Kittery's retail market falls in the York County, ME submarket, as defined by CoStar and indicated on the map below. Additionally, the Strafford County and Rockingham County submarkets fall within the larger Boston market. Trends for Kittery as well as the York County, Strafford County, and Rockingham County submarkets are included in this analysis.

*Map 4: Retail Market Areas*

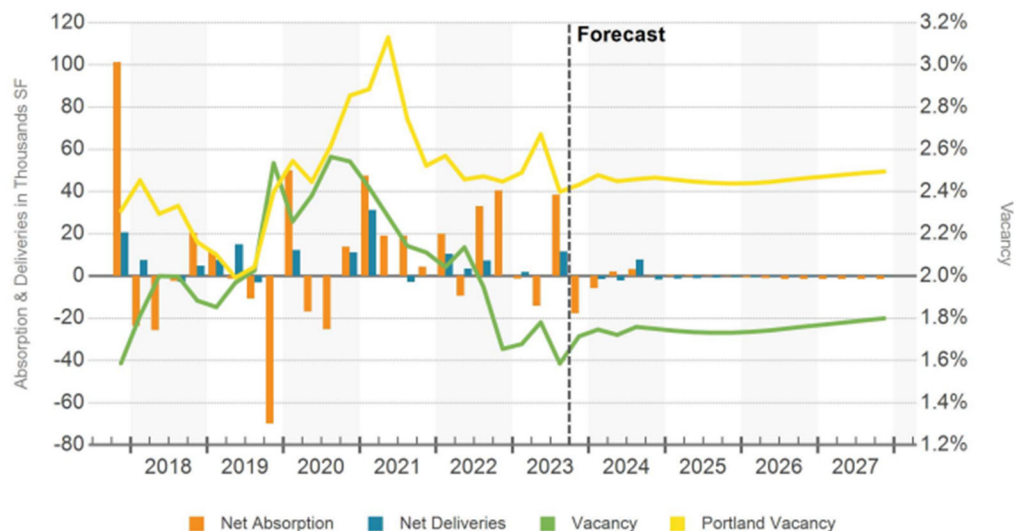


Kittery is part of the York County, ME submarket.



## Retail Market: Regional Context (York County, ME Submarket)

NET ABSORPTION, NET DELIVERIES & VACANCY



Within the York County submarket:

- Retail vacancies are slightly below the five-year average but essentially unchanged from a year ago at 1.7%
- Of properties tracked by CoStar, 10,000 SF of general retail space is under construction. Development has been relatively steady over the past few years, with deliveries in Sanford, Wells, Biddeford, and York.
- Rents have risen by 3.1% over the last year.
- In the current quarter, Malls have the lowest vacancy rate at 0%. Strip Centers and General Retail also have low vacancy rates, under 2%.

### KEY INDICATORS

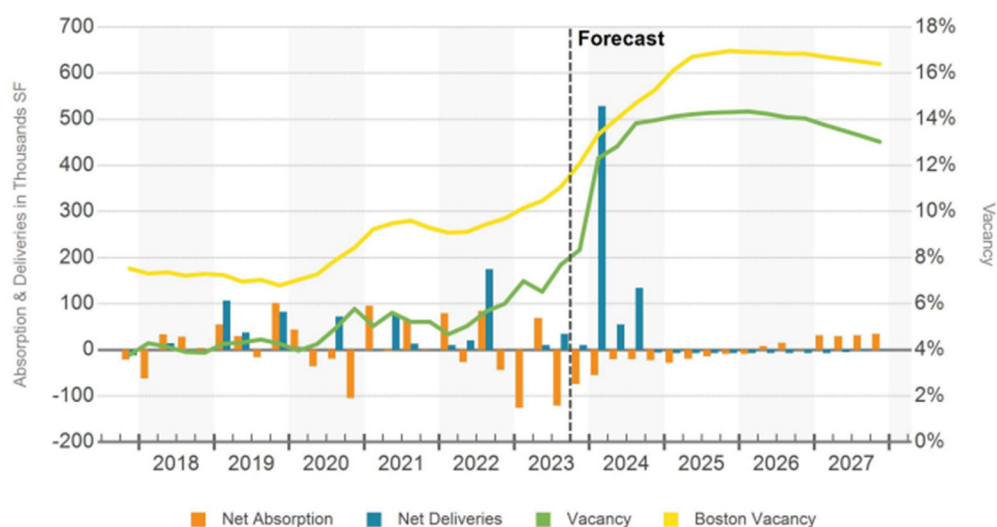
Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	625,560	0%	\$17.94	4.6%	0	0	0
Power Center	0	-	-	-	0	0	0
Neighborhood Center	1,596,464	4.2%	\$13.61	6.5%	(8,893)	0	0
Strip Center	425,973	1.8%	\$15.40	1.8%	0	0	0
General Retail	10,902,654	1.3%	\$15.17	1.9%	(5,699)	0	10,000
Other	301,488	7.5%	\$18.47	7.5%	0	0	0
<b>Submarket</b>	<b>13,852,139</b>	<b>1.7%</b>	<b>\$15.19</b>	<b>2.7%</b>	<b>(14,592)</b>	<b>0</b>	<b>10,000</b>

Source: CoStar, as of 4Q23



## Retail Market: Regional Context (Rockingham County, NH Submarket)

NET ABSORPTION, NET DELIVERIES & VACANCY



Within the Rockingham County submarket:

- Retail vacancies are below the five-year average and have fallen 0.2% from a year ago to 2.2%
- Of properties tracked by CoStar, 226,920 SF of general retail space is under construction. Development has been relatively steady over the past few years.
- Rents have risen by 3.1% over the last year.
- The current retail vacancy rate is low at 2.2%. Vacancy rates have remained relatively flat between 2.0% and 3.0% over the last five years, but mall vacancy has increased significantly over the last two years.
- Strip Center and General retail have the lowest vacancy rate while malls and power centers have the highest.

### KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	1,304,342	10.2%	\$37.44	23.2%	26,844	0	737,300
3 Star	5,879,550	12.5%	\$27.25	15.1%	5,714	0	9,600
1 & 2 Star	5,825,378	1.7%	\$22.37	3.4%	4,919	0	0
<b>Submarket</b>	<b>13,009,270</b>	<b>7.4%</b>	<b>\$26.70</b>	<b>11.3%</b>	<b>37,477</b>	<b>0</b>	<b>746,900</b>

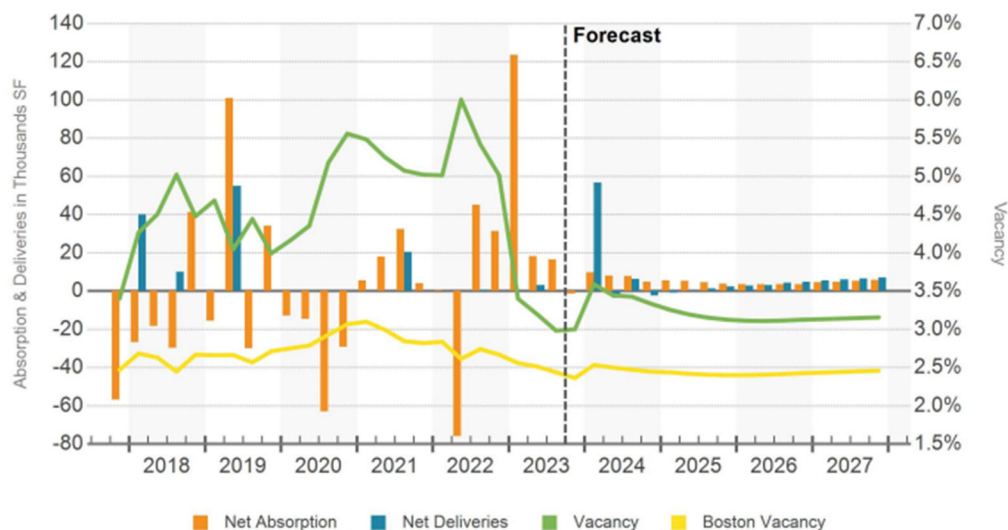
Source: CoStar, as of 4Q23





## Retail Market: Regional Context (Strafford County, NH Submarket)

NET ABSORPTION, NET DELIVERIES & VACANCY



Within the York County submarket:

- Retail vacancies are roughly in line with the five-year average (3.7%) and but have decreased 2.3% from a year ago to 3.0%
- Of properties tracked by CoStar, 70,000 SF of general retail space is under construction. Development has been relatively steady over the past few years. There is an additional 45,000SF proposed to start in 2024.
- Rents have risen by 3.8% over the last year.
- The current retail vacancy rate is at 3.0%. Vacancy rates have fluctuated between 3.5% and 6.0% over the last five years, mostly due to Power Center and Neighborhood Center retail space.
- General retail spaces has the lowest vacancy rate while neighborhood centers and power centers have the highest.

### KEY INDICATORS

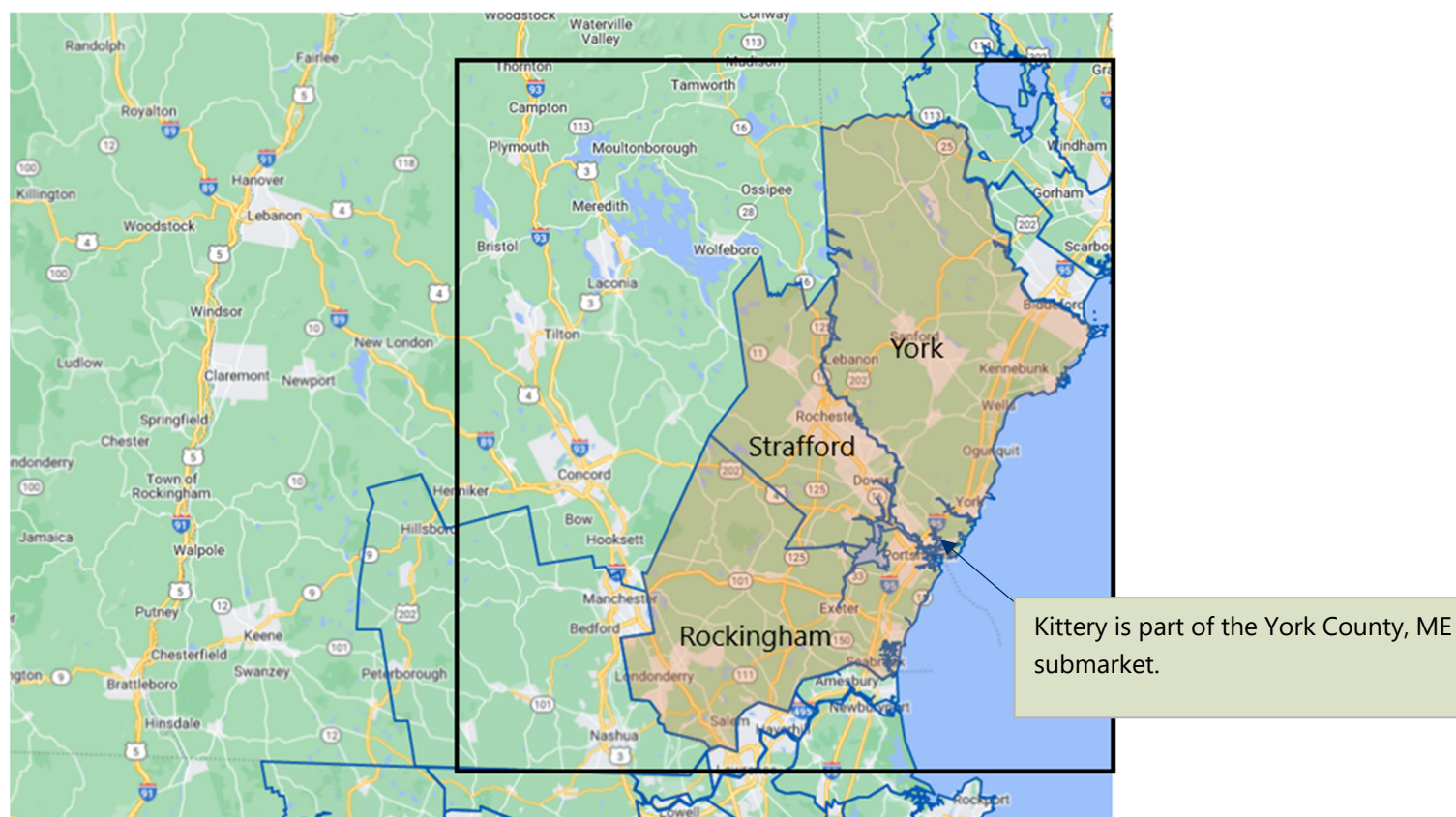
Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	0	-	-	-	0	0	0
Power Center	595,615	1.5%	\$14.67	1.5%	0	0	0
Neighborhood Center	1,393,422	13.1%	\$15.09	6.2%	0	0	0
Strip Center	233,179	0%	\$15.17	0%	0	0	0
General Retail	5,437,153	0.7%	\$14.89	1.7%	0	0	70,000
Other	0	-	-	-	0	0	0
<b>Submarket</b>	<b>7,659,369</b>	<b>3.0%</b>	<b>\$14.92</b>	<b>2.5%</b>	<b>0</b>	<b>0</b>	<b>70,000</b>

Source: CoStar, as of 4Q23



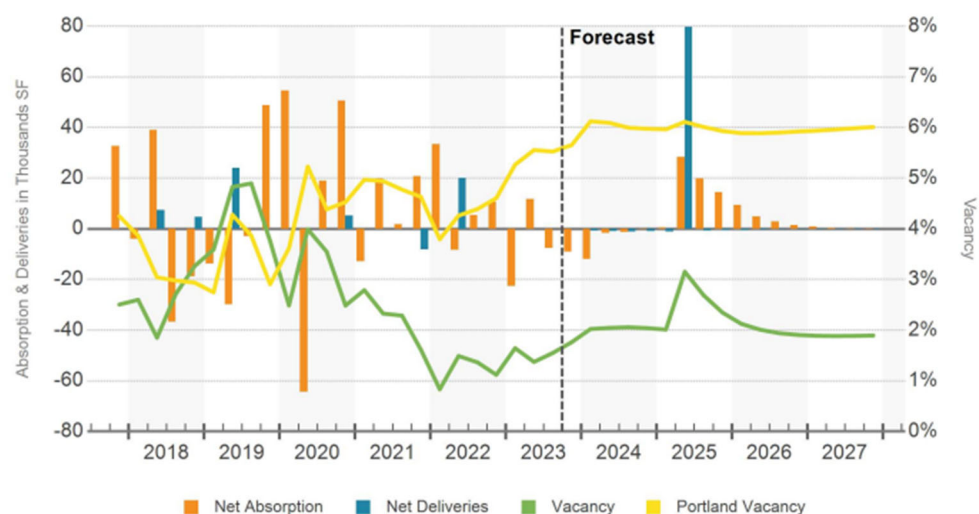
## Office Market: Geographical Context

Kittery's office market falls in the York County, ME submarket. Additionally, the Strafford County, NH and Rockingham County, NH submarkets, both part of the larger Boston market, are included in this analysis.



## Office Market: Regional Context (York County, ME Submarket)

NET ABSORPTION, NET DELIVERIES &amp; VACANCY



The York County submarket is a mid-sized submarket that contains around 4.3 million square feet. In the submarket:

- The vacancy rate has risen slightly in the last year to 1.6%, up 0.3% over the last 12 months. Vacancy in the larger Portland market is higher and has seen a faster rate of growth over the last 12 months, up 1.2%.
- Net absorption over the last year is negative, though the historical average is 28,800 annually
- Rents for office space have risen by 0.7% over the last year. With rents around \$18.50/SF, this is a relatively affordable submarket relative to Portland as a whole, which has rents at \$21.00/SF.
- Currently, 85,000 SF of office space is under construction.
- The York Submarket is dominated by 1&2 star office space, which accounts for over 3.4 million SF.

### KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	116,700	0%	\$26.30	41.3%	0	0	80,550
3 Star	771,579	4.0%	\$16.42	4.0%	2,000	0	0
1 & 2 Star	3,412,643	1.1%	\$18.48	1.1%	(2,026)	0	0
<b>Submarket</b>	<b>4,300,922</b>	<b>1.6%</b>	<b>\$18.47</b>	<b>3.4%</b>	<b>(26)</b>	<b>0</b>	<b>80,550</b>

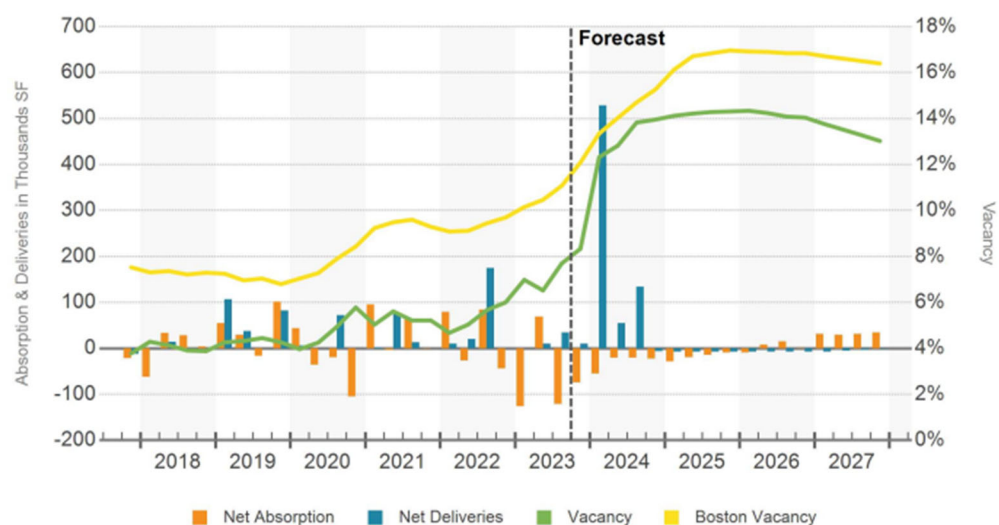
Source: CoStar, as of 4Q23





## Office Market: Regional Context (Rockingham County)

NET ABSORPTION, NET DELIVERIES & VACANCY



The Rockingham County submarket is a very large submarket that contains around 13.0 million SF for office space. In the submarket:

- The vacancy rate has risen moderately over the last year to 7.4%, an increase of 1.6% over the last 12 months which is in line with the broader Boston market.
- Net absorption is negative in the last year, at almost -170,000 SF. In the current quarter, net absorption has ticked up to 37,477 SF, driven by 4 & 5 Star space.
- Rents for office space have risen by 1.3% over the last year. Rents are around \$27/SF, significantly more expensive than in the York submarket but affordable compared to the larger Boston area.
- Currently, almost 750,000SF are under construction.
- The Rockingham Submarket is dominated by 3 star office space, which accounts for over 5.9 million SF.

### KEY INDICATORS

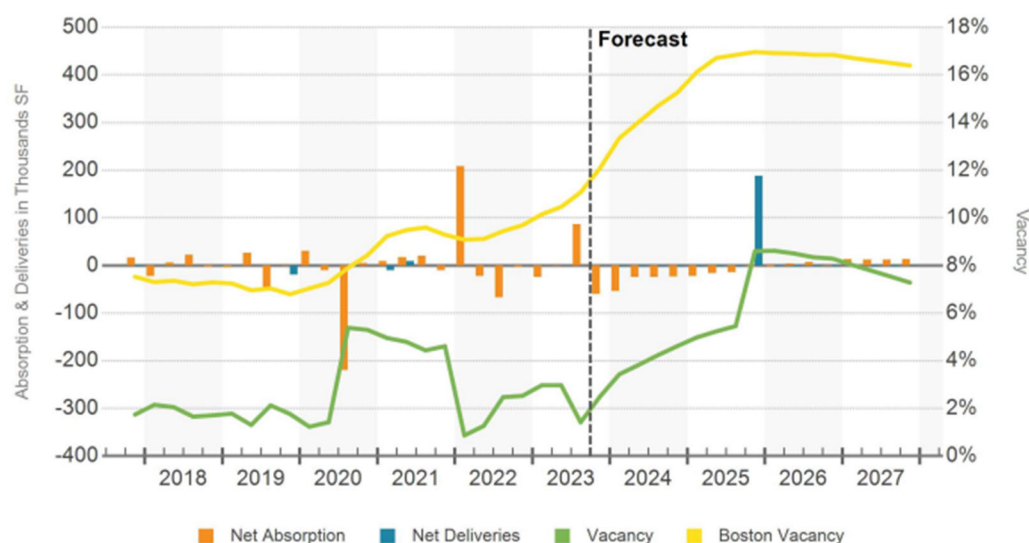
Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	1,304,342	10.2%	\$37.44	23.2%	26,844	0	737,300
3 Star	5,879,550	12.5%	\$27.25	15.1%	5,714	0	9,600
1 & 2 Star	5,825,378	1.7%	\$22.37	3.4%	4,919	0	0
<b>Submarket</b>	<b>13,009,270</b>	<b>7.4%</b>	<b>\$26.70</b>	<b>11.3%</b>	<b>37,477</b>	<b>0</b>	<b>746,900</b>

Source: CoStar, as of 4Q23



## Office Market: Regional Context (Strafford County)

NET ABSORPTION, NET DELIVERIES & VACANCY



The Strafford County submarket is a large submarket that contains around 5.5 million SF for office space. In the submarket:

- The vacancy rate has fallen moderately over the last year to 1.5%, a decrease of 1.0% over the last 12 months which is significantly lower than the broader Boston market.
- Net absorption is negative in the last year, at -4,660 SF. In the current quarter, net absorption has fallen for all spaces but 4- & 5-Star space which has had 0 absorption in the current quarter.
- Rents for office space have risen by 1.1% over the last year. Rents are around \$23/SF, more expensive than in the York submarket but affordable compared to the larger Boston area.
- Currently, almost 190,000SF are under construction.
- The Strafford Submarket is dominated by 3 star office space, which accounts for over 2.6 million SF.

### KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	847,256	1.7%	\$30.70	3.6%	0	0	190,000
3 Star	2,573,226	1.6%	\$23.18	2.4%	(3,260)	0	0
1 & 2 Star	2,134,960	1.3%	\$20.19	1.3%	(1,400)	0	0
<b>Submarket</b>	<b>5,555,442</b>	<b>1.5%</b>	<b>\$23.43</b>	<b>2.2%</b>	<b>(4,660)</b>	<b>0</b>	<b>190,000</b>

Source: CoStar, as of 4Q23



# ATTACHMENT 2: TAPESTRY SEGMENTS

## Savvy Suburbanites

- Average household size: 2.85
- Median Age: 45.1
- Median Household Income: \$108,700

These residents are well educated, well read, and well capitalized. Families include empty nesters and parents who have adult children at home. These households are typically located in older neighborhoods outside the urban core. They enjoy good food and wine, plus the amenities of the city's cultural events.

## The Great Outdoors

- Average household size: 2.44
- Median Age: 47.4
- Median Household Income: \$56,400

These neighborhoods are found in pastoral settings throughout the US. Consumers are educated empty nesters living an active but modest lifestyle, whose focus is land. They are more likely to invest in real estate than stocks. Most of these residents still work, though they near retirement, with income slightly above the US level.

## In Style

- Average household size: 2.35
- Median Age: 42.0
- Median Household Income: \$73,000

These households embrace an urbane lifestyle that includes support of the arts, travel, and extensive reading. They are connected and use the full advantages of mobile devices. Professional couples or single households without children, they focus on their homes and interests. The population is slightly older and planning for retirement.



## Bright Young Professionals

- Average household size: 2.41
- Median Age: 33.0
- Median Household Income: \$54,000

These communities are home to young, educated, working professionals, with many under the age of 35. The market is dominated by slightly more diverse couples, with more renters than owners, and many in large multifamily buildings. Labor force participation is high, generally with white-collar work and a mix of food service and part-time jobs.

## Golden Years

- Average household size: 2.06
- Median Age: 52.3
- Median Household Income: \$71,700

Independent, active seniors nearing the end of their careers or in retirement. Primarily singles living alone or empty nesters. These consumers pursue a variety of leisure interests - travel, sports, dining out, museums, and concerts.

## Green Acres

- Average household size: 2.71
- Median Age: 43.9
- Median Household Income: \$76,800

This lifestyle features country living and self-reliance. These DIYers maintain and remodel their homes with all the necessary power tools to accomplish the task. Gardening and growing vegetables is a priority. Outdoor living features a variety of sports, like hunting & fishing, motorcycling, hiking and camping, and golf.

## Parks and Rec


- Average household size: 2.51
- Median Age: 40.9
- Median Household Income: \$60,000





These suburbanites have purchased homes that are within their means. Their homes are older, commonly townhomes and duplexes. Many families are two-income married couples approaching retirement age who are comfortable in their jobs and homes but do not plan on retiring or moving soon. The appeal of these neighborhoods is now attracting a new generation of young couples.





## ATTACHMENT 3: DATA SOURCES

 **Lightcast** (formerly Emsi Burning Glass) is a global leader in labor market analytics, offering a data platform that gives a comprehensive, nuanced, and up-to-date picture of labor markets at all scales from national to local. Key components of the platform include traditional labor market information, job postings analytics, talent profile data, compensation data, and skills analytics. Lightcast integrates government data with information from online job postings, talent profiles, and resumes to produce timely intelligence on the state of the labor market. Job and compensation data is available by industry, occupation, educational program, and skill type. [Click to learn more.](#)

 **Esri ArcGIS Business Analyst** combines proprietary statistical models covering demographic, business, and spending data with map-based analytics to offer insights on market opportunities for industries, businesses, and sites. Business Analyst integrates datasets covering a wide range of topics including demographics, consumer spending, market potential, customer segmentation, business locations, traffic counts, and crime indexes, which can be overlaid spatially to produce customizable maps and uncover market intelligence. Data can be pulled for standard and custom geographies, allowing for valuable comparison between places. [Click to learn more.](#)

 **CoStar** is a comprehensive source of commercial real estate intelligence, offering an inventory of over 6.4 million commercial properties spanning 135 billion square feet of space in 390 markets across the US. CoStar covers office, retail, industrial, hospitality, and multifamily markets. Property- and market-level data on absorption, occupancy, lease rates, tenants, listings, and transactions are researched and verified through calls to property managers, review of public records, visits to construction sites, and desktop research to uncover nearly real-time market changes. [Click to learn more.](#)

 **Redfin** is a national real estate brokerage and analytics firm that offers access to its extensive for-sale residential property listings database. Data is aggregated from the hundreds of local multiple listings services (MLS) used by real estate agents in the markets where it operates. The data covers broker-listed homes from the MLS, homes in foreclosure, select for-sale by owner (FSBO) homes, and records of past sales. Redfin's downloadable data on market trends is released monthly and is available at the national, metro, state, county, city, ZIP code, and neighborhood level. [Click here to learn more.](#)

 **Multiple Listings Services (MLS)** are individual private databases of for-sale residential property listings designed to consolidate property information and connect homebuyers and sellers. More than 500 MLSs exist in the US, covering different geographic regions and markets. Individual property listings are often publicly accessible, while aggregated data on sales prices and trends can typically only be accessed through direct cooperation with an MLS. Many MLSs also provide listing information to third-party aggregators such as Realtor.com or Zillow. [Click here to learn more.](#)





The **American Community Survey (ACS)** is an ongoing statistical survey by the US Census Bureau that gathers demographic and socioeconomic information on age, sex, race, family and relationships, income and benefits, health insurance, education, veteran status, disabilities, commute patterns, and other topics. Mandatory to fill out, the survey is sent to a small sample of the population on a rotating basis. The questions on the ACS are different than those asked on the decennial census and provide ongoing demographic updates of the nation down to the block group level. [Click to learn more.](#)



Conducted every ten years in years ending in zero, the **US Decennial Census of Population and Housing** is a complete count of each resident of the nation based on where they live on April 1<sup>st</sup> of the Census year. The Constitution mandates the enumeration to determine how to apportion the House of Representatives among the states. The latest release of the 2020 Census contains data for a limited number of variables, including: total population by race/ethnicity, population under 18, occupied and vacant housing units, and group quarters population. [Click to learn more.](#)



The **Local Area Unemployment Statistics (LAUS)** program estimates total employment and unemployment for approximately 7,500 geographic areas on a monthly basis, from the national level down to the city and town level. LAUS data is offered through the US Bureau of Labor Statistics (BLS) by combining data from the Current Population Survey (CPS), Current Employment Statistics (CES) survey, and state unemployment (UI) systems. [Click to learn more.](#)

### OnTheMap | US Census Bureau



**OnTheMap** is a tool developed through the US Census Longitudinal Employer-Household Dynamics (LEHD) program that helps to visualize Local Employment Dynamics (LED) data about where workers are employed and where they live. It offers visual mapping capabilities for data on age, earnings, industry distributions, race, ethnicity, educational attainment, and sex. [Click to learn more.](#)

### Building Permits Survey | US Census Bureau

The US Census Bureau's **Building Permits Survey** collects data on permits for new privately-owned residential construction issued by 21,000 jurisdictions, at the state, county, metro, and permit-issuing jurisdiction levels. Monthly data are available for nearly 9,000 jurisdictions, with the remaining jurisdictions reporting annual data only. The building permits database can be accessed via the State of the Cities Data Systems (SOCDS) from HUD. [Click to learn more.](#)



# ABOUT CAMOIN ASSOCIATES

As the nation’s only full-service economic development and lead generation consulting firm, Camoin Associates empowers communities through human connection backed by robust analytics.

Since 1999, Camoin Associates has helped local and state governments, economic development organizations, nonprofit organizations, and private businesses across the country generate economic results marked by resiliency and prosperity.

To learn more about our experience and projects in all of our service lines, please visit our website at [www.camoinassociates.com](http://www.camoinassociates.com). You can also find us on [LinkedIn](#), [Facebook](#), and [YouTube](#).








## The Project Team

Dan Stevens  
*Director of Real Estate Development Services, Project Principal*

Angela Hallowell  
*Analyst*

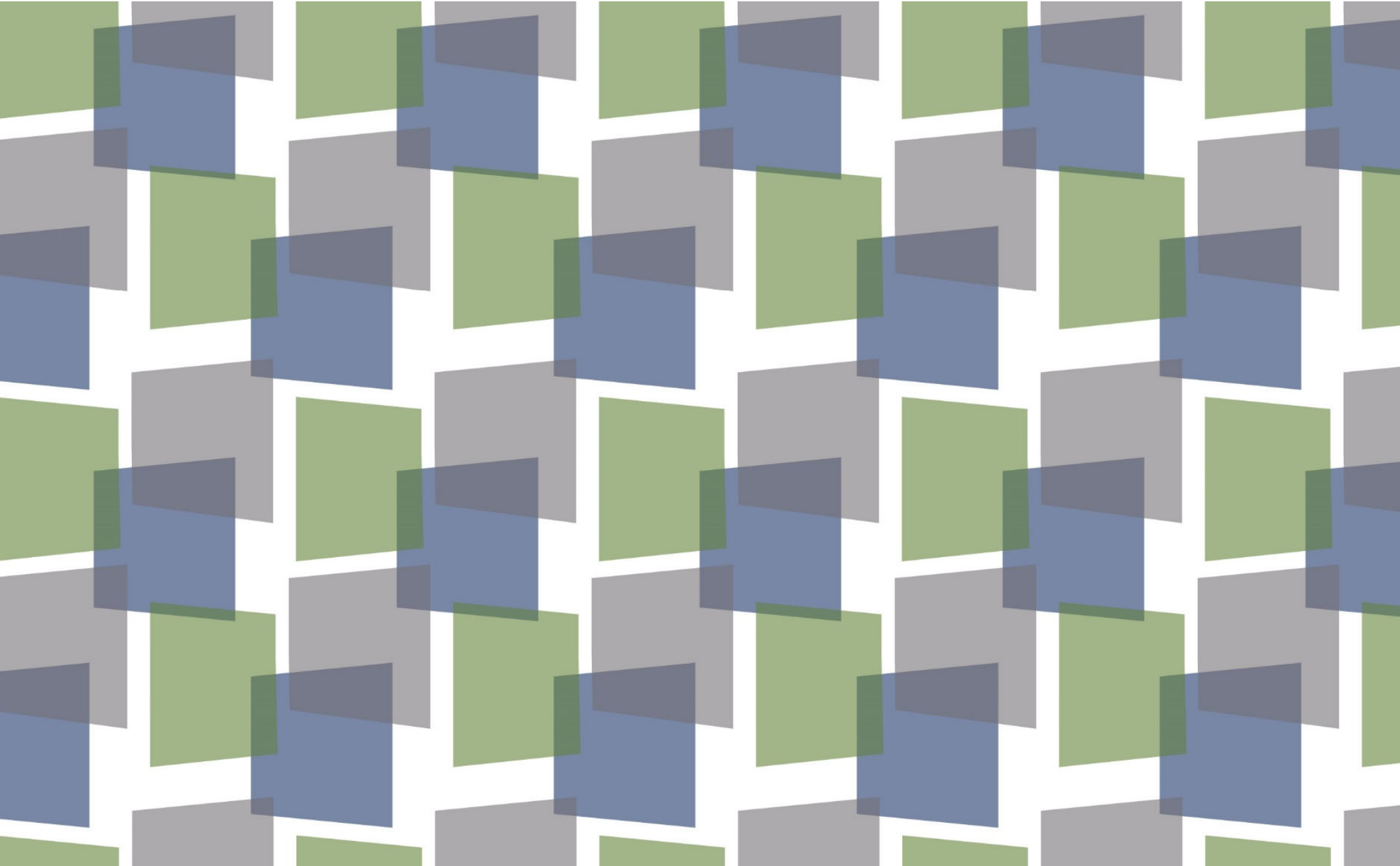
Connor Allen  
*Analyst*

### Service Lines

 Strategic and Organizational Planning	 Real Estate Development Services
 Lead Generation and Relationships	 Business Attraction and Retention
 Entrepreneurship and Innovation	 Industry and Workforce Analytics
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