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## Investor's acquisitions signal confidence in SoPo's Main Street corridor



COURTESY / THE DUNHAM GROUP

The 127 Main St. lot, with a 10,000-square-foot office building and on-site parking, adds to the buyer's South Portland portfolio of adaptive reuse projects.

By Laurie Schreiber

**A** Greater Portland real estate investment and management firm added to its portfolio in the Cash Corner neighborhood of South Portland with the acquisition of 127 Main St. and 19 Gately St.

PK Realty Management LLC bought the properties from Alpha One for \$1.15 million.

Katie Breggia and Tom Moulton from the Dunham Group represented the buyer and Joe Malone and Luke Malone from Malone Commercial Brokers represented the seller.

The 127 Main St. lot has a 10,000-square-foot office building, dating to 1985, on half an acre. There's on-site parking, direct access from U.S. Route 1 and proximity to I-295.

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The adjacent 19 Gately St. lot is currently serving as a parking lot for 127 Main St .

(1)

## **Adaptive reuse**

PK Realty Management is a family-owned asset management company whose portfolio mainly includes industrial buildings in South Portland and Portland. It has one building in Scarborough.

“We’ve made it a specialty to work on distressed or underutilized properties and doing adaptive reuse projects,” said Jennifer Packard, the company’s president.

Established in 2016, the company is co-owned by Packard, her father Richard, her brother David and the Krinsky family, long-time friends of the Packard family.

The company previously acquired neighboring properties at 141 Main St., 15 Gately St. and 26 Gately St.

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The neighborhood is in a state-certified Opportunity Zone, offering developers and investors tax credits for increasing development in underserved areas.

There are no particular plans yet for the two latest acquisitions.

“But we foresee a pretty bright future for this corridor in particular in South Portland,” Packard said. “So we thought it would be a good investment.”

## **Housing potential**

At 127 Main St., attractive features include ADA accessibility at two levels, an elevator and a public bus stop in front of the building. The building is vacant. The Dunham Group was hired to handle leasing to commercial tenants.

The 19 Gately St. property and an adjoining lot, both owned by PK, are potential development sites.

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“We know that South Portland is interested in housing, so we’re exploring that,” Packard said.

The acquisitions were financed through equity along with a loan from Art Girard, a Portland entrepreneur, real estate developer, commercial real estate broker and philanthropist.

## **PK Realty activities**

PK Realty has been busy with other projects.

In 2018, the company bought the former New England Shipbuilding site, a 30-acre property on South Portland’s eastern waterfront. Now called Yard South, the goal is to create a multi-use development that includes housing, community services, open spaces, a waterfront park and shoreline restoration, and to accommodate multi-modal transit and blue economy enterprises. Applications for the project haven’t yet been submitted to the city.

But planning is underway based on a concept called One Planet Living, a development framework developed by Bioregional, a sustainability consultancy based in London. One Planet Living aims for flexible, performance-based development of sustainable and healthy built environments, using community-informed and data-driven decisions to guide the process. (1)

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Packard said that, to date, there been about \$30 billion in real estate developments worldwide using the One Planet Living approach.

“The grand vision is to create a 15-minute neighborhood that’s climate resilient,” said Packard, referring to a community where features are centrally located and can be reached within a 15-minute walk or bikeride. “The wonderful thing about this site is that we’re starting from the ground up and we can build that into the DNA of the project.”

The One Planet Living approach was used in PK Realty’s redevelopment of 31 Diamond St. in Portland’s East Bayside neighborhood. PK Realty bought the 22,700-square-foot industrial property in 2020 for \$2.5 million and invested nearly \$3 million into redevelopment using the One Planet Living approach.



COURTESY / PK REALTY MANAGEMENT LLC

The buyer uses a sustainability framework called One Planet Living for redelopments, including this one at 31 Diamond St. in Portland’s East Bayside neighborhood.

“It’s not cheap to do things ecologically,” said Packard. “It’s hard to make the numbers work. But we’re patient and this is a family business. We don’t have investors pounding on our door saying their returns aren’t coming

The project was financed with acquisition and construction loans from Androscooggin Bank. Archetype Architects were the architects. Working with Efficiency Maine, PK Realty will track energy use, guide tenants on reducing their carbon footprint, and share data on the building’s performance with the city.

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Now complete, tenants include Orange Bike Brewing Co., Toad & Co., Bite into Maine and Freedom's Edge Cider. The project was selected as the winner of the 2024 CoStar Impact Award for redevelopment of the year for Portland and South Portland. CoStar, headquartered in Washington, DC, is a platform for commercial real estate information, analytics and news.

The One Planet Living approach has informed redevelopment across the portfolio, said Packard.

That's included four properties in the Portland neighborhood of Libbytown – 1004 Congress St., 1006 Congress St., 1020 Congress St. and 17 Westfield St., within a block or two of each other

Additional deals have included 50 Monument Square in Portland and 1 Lincoln St. and 53 Wallace Ave. in South Portland.

"It's only minimally harder to do stuff the right way," said Packard. "There's no inconsistency between working on climate action and having a business that works, is feasible and financially sustainable. You just have to be thoughtful about how you do things. That's been our goal."

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