

Industrial Q3 2022

2.6%

Vacancy Rate

YoY
Chg12-Mo.
Forecast

797K

Net Absorption, SF YTD



\$11.03

Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS
Q3 2022

680K

Southern New
Hampshire EmploymentYoY
Chg12-Mo.
Forecast

2.0%

Southern New
Hampshire
Unemployment Rate

3.5%

U.S.
Unemployment Rate

Source: BLS, Moody's Analytics

2022Q3 data are based on the latest available data

ECONOMY AMONG THE NATION'S BEST

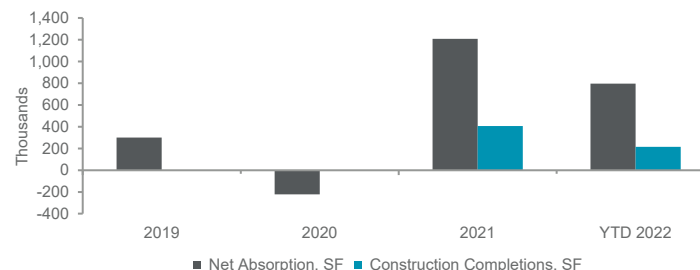
Southern New Hampshire's economy continues to post strong fundamentals, boasting the second lowest unemployment rate in the nation behind only Minneapolis. At 2.0%, the unemployment rate has improved 140 basis points (bps) year-over-year (YOY), well below pre-pandemic levels, and 150 bps below the U.S. rate. Total employment is up 1.6% YOY and is further forecasted to increase over the next twelve months. Manufacturing jobs posted similar growth, up 2.5% YOY, while the trade, transportation, and utilities sector dipped slightly, falling 0.4% YOY.

ROBUST DEMAND DRIVES RECORD-BREAKING MARKET INDICATORS

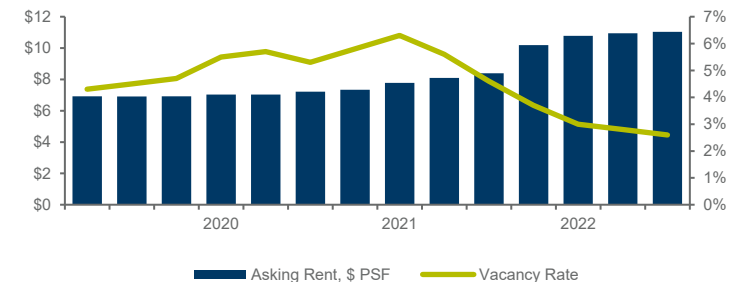
After posting strong market fundamentals during the first half of 2022, Southern New Hampshire's industrial market continued to break records during the third quarter of 2022. Vacancy fell 200 bps YOY to a record-low 2.6% - a whopping 370 bps lower than the market's three-year peak posted in Q1 2021. Five of Southern New Hampshire's eight submarkets recorded sub-2.0% vacancy rates. Bedford was the market's tightest with a mere 0.1% of inventory vacant. Southern New Hampshire posted a sixth consecutive quarter of net absorption gains with Q3's 125,100 square feet (sf) of positive net absorption boosting year-to-date gains to nearly 797,000 sf. Tight market conditions have made supply scarce as unabated demand has forced industrial users to compete for a dwindling supply of available inventory. This imbalance has put upward pressure on rents contributing to a landlord-favorable market where overall asking rents continued to soar. Southern New Hampshire's overall average asking rent hit a record-high for the fourth consecutive quarter, jumping to \$11.03 per square foot (psf) and surpassing the \$11.00-mark for the first time in market history. The investment sales market remained extremely active as more than \$287 million was transacted during the third quarter. In the market's most notable transaction in recent history, R.J. Kelly Co. completed an \$82.8 million acquisition of 14 industrial assets across Southern New Hampshire.

Robust demand continued to fuel construction activity across Southern New Hampshire as developers attempt to keep pace with unprecedented demand. Nearly 1.2 million-square-foot is currently underway across five projects, all but one of which are being constructed on a speculative basis. Additional large-scale projects are in the pipeline, most notably GFI Partners' proposed development in Hudson, which would bring more than 500,000 sf of high-quality speculative warehouse inventory to market upon completion. Occupiers' preference for highly-amentized properties with higher clear heights bodes well for future preleasing activity in under-construction assets.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q3 2022

MARKET STATISTICS

SUBMARKET	INVENTOY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (HT)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (W/D)
Nashua	15,003,024	325,977	2.2%	600	453,814	0	215,010	\$9.91	\$4.09	N/A
Manchester	13,358,729	142,411	1.1%	0	110,342	980,000	0	\$15.00	N/A	\$10.00
Bedford	1,152,784	1,350	0.1%	1,350	11,200	0	0	\$14.58	N/A	N/A
Portsmouth	10,617,596	601,245	5.7%	104,200	136,827	20,000	0	\$11.79	\$15.11	\$10.77
Concord	2,595,994	211,335	8.1%	-20,000	10,000	0	0	\$8.50	\$6.50	\$7.25
Keene	1,747,352	16,500	0.9%	0	42,000	0	0	N/A	\$5.23	N/A
Salem	5,020,187	7,300	0.2%	58,950	52,750	155,000	0	\$10.45	N/A	N/A
Upper Valley	1,485,640	20,000	1.4%	-20,000	-20,000	0	0	N/A	\$8.50	N/A
SNH TOTALS	51,912,991	1,326,118	2.6%	125,100	796,933	1,155,000	215,010	\$11.72	\$9.60	\$8.76

*Rental rates reflect weighted net asking \$psf/year

HT = High-Tech MF = Manufacturing W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS 2022

PROPERTY	CITY	TENANT	SF	TYPE
141-143 Burke Street	Nashua	KJ Cann	190,319	New Lease
6 Rockingham Road	Londonderry	Unified Natural Foods	124,100	New Lease
333 Harvey Road	Manchester	The Granite Group	102,514	New Lease
18 Legends Drive	Hooksett	Marmon Aerospace	80,000	New Lease
486 Amherst Street	Nashua	Academy for Science & Design Charter School	66,830	Renewal

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KEY SALE TRANSACTIONS 2022

PROPERTY	SELLER BUYER	SF	PRICE \$ PSF
14 Building Portfolio, Marketwide	Tamposi-Nash R.J. Kelly Co	699,241	\$82.8M \$118
100 Domain Drive, Portsmouth	Seabrook Real Estate Torrington Properties	263,486	\$46.9M \$178
1 Puzzle Lane, Newton	The Seyon Group TPG Global	113,480	\$21.3M \$163
144-146 Main Street, Plaistow	Methuen Construction Albany Road Real Estate Partners	177,170	\$20.8M \$118

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