

Industrial Q4 2022

2.6%

Vacancy Rate

YoY
Chg12-Mo.
Forecast**924K**

Net Absorption, SF YTD

**\$11.17**

Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS
Q4 2022**688K**Southern New
Hampshire EmploymentYoY
Chg12-Mo.
Forecast**2.5%**Southern New
Hampshire
Unemployment Rate**3.7%**U.S.
Unemployment RateSource: BLS, Moody's Analytics
2022Q4 data are based on the latest available data

ECONOMY AMONG THE NATION'S BEST

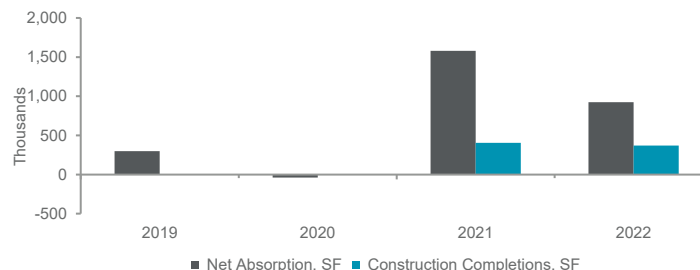
At 2.5%, Southern New Hampshire's unemployment rate remained among the nation's lowest, despite a 50-basis point (bps) increase quarter-over-quarter (QOQ). However, this marks an improvement of 50-bps year-over-year (YOY). Amidst a slowing economy, employment within industrial sectors recorded YOY growth, most notably construction (6.4%) and manufacturing (2.5%). Meanwhile, trade, transportation & utilities grew a modest 0.2%. Total employment is up 2.7% YOY and is projected for further growth throughout the next twelve months.

STRONG MARKET FUNDAMENTALS CONTINUE TO FUEL GROWTH

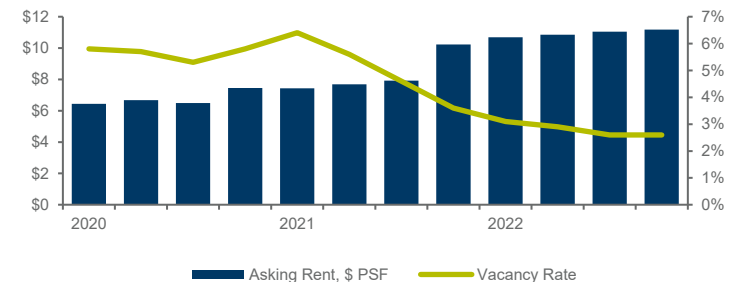
Southern New Hampshire's industrial market continued to boast strong market fundamentals in the final half of 2022. After posting a 3.1% vacancy rate in Q1, the market's overall vacancy remained below 3.0% for the remainder of the year, with five of eight submarkets recording sub-2.0% vacancy in the fourth quarter. The Upper Valley, Bedford, and Salem remained the market's tightest, boasting vacancy rates below 0.5%. In addition, Southern New Hampshire registered its seventh consecutive quarter of net absorption gains – a new record – with Q4's 157,000 square feet (sf) of positive net absorption propelling year-to-date (YTD) gains to nearly 925,000 sf. Leasing activity remained robust as nearly 2.3 million-square-foot (msf) of transactions were inked across the market during 2022, 46.7% of which were concentrated in the Nashua submarket, including the two largest leases of the year. In total, six transactions 100,000 sf or larger were signed in 2022. As the market continued to tighten as the year progressed, average asking rents remained at landlord-favorable highs. The market's overall average asking rent climbed to \$11.17 per square foot (psf) during the fourth quarter, a 4.5% increase since the start of 2022. After a red hot third quarter, investment sales activity returned to historically consistent levels, totaling \$42.5 million during the fourth quarter. This boosted Southern New Hampshire's YTD total to more than \$300 million in transaction volume, headlined by R.J. Kelly Company's third-quarter portfolio acquisition of 14 industrial assets for \$82.8 million.

More than 600,000 sf is currently under construction across the market, all of which is scheduled to deliver in the 2023. The largest project currently under development is 161 Lowell Road in Hudson, a 504,000-sf speculative facility that has been 75.0% leased by a single tenant. Large-scale projects remain in the proposed pipeline with expected groundbreakings in 2023. New and highly-amenitized industrial and flex product with high clear heights remain a major preference for occupiers and will continue to drive new demand. Overall, the Southern New Hampshire market remained a top performing secondary market in 2022.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



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	14,979,032	422,408	2.8%	-26,709	356,952	504,000	215,010	\$8.42	\$12.83	\$8.50
Manchester	13,442,141	142,411	1.1%	0	110,342	80,000	0	\$15.00	N/A	\$10.00
Bedford	951,711	1,350	0.1%	0	11,200	0	0	\$15.36	N/A	N/A
Portsmouth	10,785,138	580,657	5.4%	28,801	186,215	20,000	0	\$12.50	\$15.15	\$11.61
Concord	2,595,994	146,467	5.6%	0	10,000	0	0	N/A	\$6.50	N/A
Keene	1,747,352	16,500	0.9%	0	42,000	0	0	N/A	\$5.23	N/A
Salem	5,175,187	18,600	0.4%	155,000	207,750	0	155,000	\$10.45	N/A	N/A
The Lakes Region	931,685	0	0	0	0	0	0	N/A	N/A	N/A
Upper Valley	1,485,640	0	0.0%	0	0	0	0	N/A	N/A	N/A
SNH TOTALS	52,093,880	1,328,393	2.6%	157,092	924,459	604,000	370,010	\$9.21	\$10.98	\$11.08

KEY LEASE TRANSACTIONS 2022

PROPERTY	SUBMARKET	TENANT	SF	TYPE
161 Lowell Road, Hudson	Nashua	Life is Good	380,000	New Lease
141-143 Burke Street, Nashua	Nashua	KJ Cann	190,310	New Lease
6 Rockingham Road, Londonderry	Manchester	Unified Natural Foods	124,100	New Lease
333 Harvey Road, Manchester	Manchester	The Granite Group	102,514	New Lease
486 Amherst Street, Nashua	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
4 Building Industrial Flex Portfolio	Albany Road Real Estate Partners Lincoln Property Co.	600,000	\$69M \$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

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