

## Industrial Q1 2023

YoY Chg 12-Mo. Forecast

**3.3%**

Vacancy Rate

**298K**

Net Absorption, SF YTD

**\$11.95**

Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS  
Q1 2023

YoY Chg 12-Mo. Forecast

**700K**

Southern New Hampshire Employment

**2.8%**

Southern New Hampshire Unemployment Rate

**3.5%**

U.S. Unemployment Rate

Source: BLS, Moody's Analytics  
2023Q1 data are based on the latest available data

## ECONOMY AMONG THE NATION'S BEST

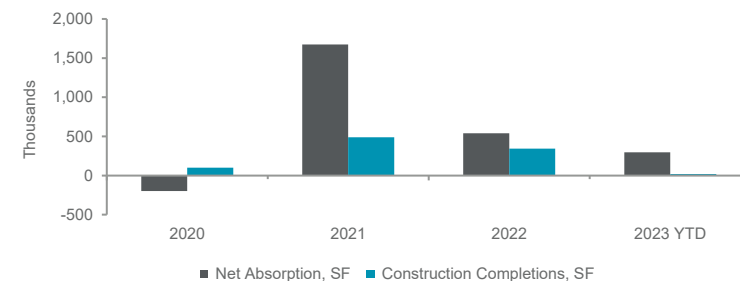
At 2.8%, Southern New Hampshire's unemployment rate remained among the nation's lowest, despite a 60-basis point (bps) increase year-over-year (YOY). Amid macroeconomic headwinds, employment within industrial sectors recorded YOY growth, most notably in manufacturing (2.6%) and trade, transportation & utilities. In addition, construction grew a modest 0.7%. Total employment is up 0.9% YOY and is projected to trend higher throughout the next twelve months.

## STRONG MARKET FUNDAMENTALS CONTINUE TO FUEL GROWTH

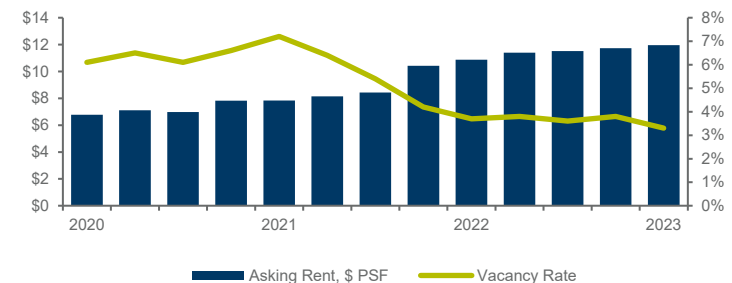
Southern New Hampshire's industrial market fundamentals remained hot during the first quarter. Strong fundamentals persisted as absorption and leasing activity were robust. At 3.3%, Q1 marked the fifth consecutive quarter where the vacancy rate was below 4.0%. Net absorption gains of 297,000 square feet (sf) indicated healthy market demand, though representing a modest 10.5% decrease from the same period in 2022. Two submarkets – Manchester and Portsmouth – recorded positive net absorption of more than 200,000 sf. First quarter leasing activity totaled 357,000 sf, the ninth consecutive quarter of new demand surpassing 250,000 sf. Overall average asking rents continued to be landlord-favorable at \$11.95 per square foot (psf), a new record-high and an increase of more than \$1.00 psf YOY.

Investment sales activity was muted compared to previous quarters. The quarter's largest transaction was the sale of 150 Dow Street in Manchester, a 150,000-sf office/flex property, for \$23.0M (\$57.24/psf). More than 1.3 million square feet (msf) of inventory is currently under construction across Southern New Hampshire, including two single-building developments larger than 500,000 sf each. Demand for new highly-amenitized product remains at an all-time high and many industrial users are opting for build-to-suit options or even constructing their own buildings to ensure spaces meet their needs. One notable example is Target's recent 375-acre acquisition of the Green Meadow Golf Club with plans for a massive 1.4 msf distribution facility currently in the works in Hudson. Overall, Southern New Hampshire is well positioned to maintain its position as a strong New England market throughout the remainder of 2023.

## SPACE DEMAND / DELIVERIES



## OVERALL VACANCY &amp; ASKING RENT





## Industrial Q1 2023

## MARKET STATISTICS

SUBMARKET	INVENTORY (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)
Bedford	951,711	1,350	0.1%	0	0	0	0	\$15.36	N/A	N/A
Concord	2,684,010	222,067	8.3%	0	0	0	0	N/A	\$6.50	\$12.00
Keene	1,807,144	0	0.0%	21,000	21,000	0	0	N/A	N/A	N/A
Manchester	13,421,667	54,934	0.4%	241,977	241,977	500,840	0	\$10.06	N/A	N/A
Nashua	14,979,032	510,993	3.4%	-253,344	-253,344	875,915	0	\$7.51	\$15.17	\$9.75
Portsmouth	10,810,285	749,913	6.9%	284,631	284,631	0	20,000	\$13.80	\$15.15	\$12.79
Salem	5,192,898	179,061	3.5%	3,589	3,589	0	0	\$9.43	\$13.50	\$11.00
The Lakes Region	931,685	0	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
<b>SNH TOTALS</b>	<b>52,289,072</b>	<b>1,718,318</b>	<b>3.3%</b>	<b>297,803</b>	<b>297,803</b>	<b>1,376,755</b>	<b>20,000</b>	<b>\$9.91</b>	<b>\$13.38</b>	<b>\$12.04</b>

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

## KEY LEASE TRANSACTIONS 2023

PROPERTY	SUBMARKET	TENANT	SF	TYPE	PROPERTY TYPE
200 Domain Dr	Portsmouth	Timberland	150,000	New	Flex
121 Technology Dr	Portsmouth	Dachser USA Air & Sea Logistics	71,655	New	Mfg/Warehouse
542 Amherst St	Nashua	ABA Centers	15,479	New	Flex

**Riley McMullan**

Senior Research Manager, Boston

Tel: +1 617 219 6430

[Riley.McMullan@cushwake.com](mailto:Riley.McMullan@cushwake.com)**William Mitchell**

Research Analyst

Tel: +1 617 901 5912

[Will.Mitchell@cushwake.com](mailto:Will.Mitchell@cushwake.com)

## KEY SALE TRANSACTIONS 2023

PROPERTY, SUBMARKET	SELLER   BUYER	SF	PRICE   \$ PSF
150 Dow St, Manchester	150 Realty LLC   150 Dow Associates LLC	401,802	\$23.0M   \$57.24
12 Tallwood Ave, Concord	Fieldhouse Sports   12 Tallwood LLC	70,416	\$6.1M   \$86.63
16 Swamscott St, Portsmouth	O'Neil Warehouse Co.   16 Swamscott St LLC	116,000	\$5.2M   \$44.40
18 Bradco St, Keene	Live Free Gs Precision   Fip Master Funding VIII	59,792	\$5.0M   \$82.44

**Matthew Giordano**

Research Analyst, Boston

Tel: +1 617 204 5945

[Matthew.Giordano@cushwake.com](mailto:Matthew.Giordano@cushwake.com)

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