

Industrial Q2 2023

YoY Chg 12-Mo. Forecast

3.7%

Vacancy Rate



310K

Net Absorption, SF YTD



\$12.33

Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS
Q2 2023

YoY Chg 12-Mo. Forecast

700.4K

Southern New Hampshire Employment



2.0%

Southern New Hampshire Unemployment Rate



3.6%

U.S. Unemployment Rate

Source: BLS, Moody's Analytics
2023Q2 data are based on the latest available data

ECONOMY CONTINUING TO PERFORM

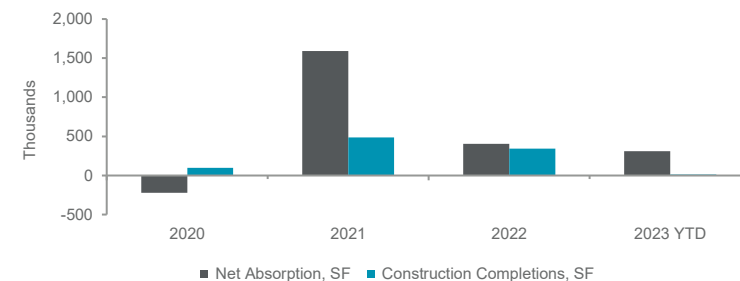
Southern New Hampshire's unemployment rate decreased 40-basis points (bps) during the second quarter and remains one of the lowest in the country. Most major industrial-using sectors recorded quarterly gains with the construction sector up a notable 3.3% year-over-year (YOY). In addition, the manufacturing and trade, transportation, and utilities sectors recorded YOY increases of 1.3% and 1.2%, respectively. It is projected that the unemployment rate in Southern New Hampshire will slightly increase throughout the final half of 2023.

OVERALL MARKET DISPLAYING STRONG FUNDAMENTALS

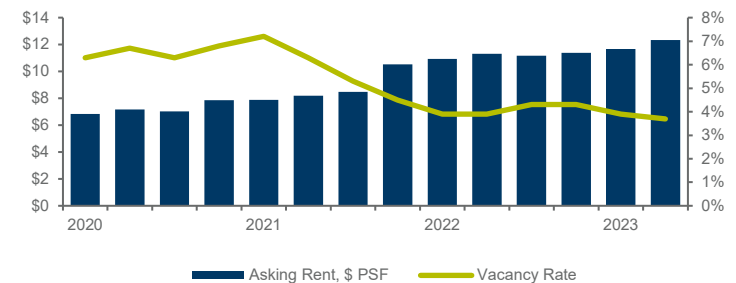
Southern New Hampshire's industrial market continued to perform well during the second quarter. In just two quarters, year-to-date (YTD) positive net absorption of 310,005 square feet (sf) has already accounted for 76.4% of 2022's total. Both the Portsmouth and Manchester submarkets each recorded YTD positive net absorption of more than 230,000 sf. Second quarter leasing activity totaled 250,054 sf, which propelled YTD demand to more than 680,000 sf, though this marks a 39.0% decrease over the same period in 2022. However, overall average asking rents remained landlord favorable at \$12.33 per square foot (psf), a record-high 8.9% increase YOY and a full increase of more than \$1.00 psf.

Investment sales activity remained muted during the second quarter, though transactions that did occur netted substantial sums. One such noteworthy deal and the quarter's largest transaction was the sale of 350 Gay Street in Manchester, a vacant 88,250 sf warehouse property, for \$11.0M (\$124.65/psf). In contrast, development remains at all time high as New Balance announced plans to grow their New England footprint with a brand new 120,000 sf manufacturing facility in Londonderry. The building is expected to be completed by end of 2024. As demand has exceeded inventory, there are more than 1.5 million square feet (msf) currently underway across Southern New Hampshire as many industrial users seek highly-amentized product in the region. Overall, Southern New Hampshire's industrial market remains well positioned for continued growth as a top performing New England market for the remainder of 2023.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q2 2023

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)
Bedford	951,711	4,500	0.5%	20,209	20,209	0	0	\$15.36	N/A	N/A
Concord	2,684,116	266,293	9.9%	-44,226	-44,226	0	0	N/A	\$7.45	\$9.00
Keene	1,807,144	0	0.0%	0	21,000	0	0	N/A	N/A	N/A
Manchester	13,460,585	377,155	2.8%	6,029	248,006	500,840	0	\$13.75	\$9.00	N/A
Nashua	16,255,459	591,962	3.6%	-168,030	-335,020	875,915	0	\$9.12	\$15.25	N/A
Portsmouth	10,802,345	732,988	6.8%	187,962	392,702	0	12,060	\$13.57	\$15.09	\$12.64
Salem	5,037,898	21,258	0.4%	3,803	7,342	155,000	0	\$9.40	\$13.50	N/A
The Lakes Region	931,685	0	0.0%	0	0	0	0	N/A	N/A	N/A
Upper Valley	1,510,640	0	0.0%	0	0	0	0	N/A	N/A	N/A
SNH TOTALS	53,441,583	1,994,156	3.7%	59,973	310,005	1,595,755	12,060	\$11.95	\$11.96	\$11.81

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	Brazonics, Inc.	93,246	New	Mfg/Warehouse
121 Technology Dr	Portsmouth	Dachser USA Air & Sea Logistics	71,655	New	Mfg/Warehouse

Riley McMullan

Senior Research Manager, Boston

Tel: +1 617 219 6430

Riley.McMullan@cushwake.com**William Mitchell**

Research Analyst

Tel: +1 617 901 5912

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
16 Swamscott St, Portsmouth	O'Neil Warehouse Co. 16 Swamscott St LLC	116,000	\$5.2M \$44.40
350 Gay St, Manchester	K4e Co. 350 Gay St Owner LLC	88,250	\$11.0M \$124.65
12 Tallwood Ave, Concord	Fieldhouse Sports 12 Tallwood LLC	70,416	\$6.1M \$86.63

Matthew Giordano

Research Analyst, Boston

Tel: +1 617 204 5945

Matthew.Giordano@cushwake.com**A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION**

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