

Industrial Q3 2023

YoY Chg 12-Mo. Forecast

4.6%

Vacancy Rate

**407K**

Net Absorption, SF YTD

**\$12.28**

Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS
Q3 2023

YoY Chg 12-Mo. Forecast

698.8K

Southern New Hampshire Employment

**1.8%**

Southern New Hampshire Unemployment Rate

**3.7%**

U.S. Unemployment Rate



Source: BLS, Moody's Analytics

2023Q3 data are based on the latest available data

ECONOMY CONTINUING TO PERFORM

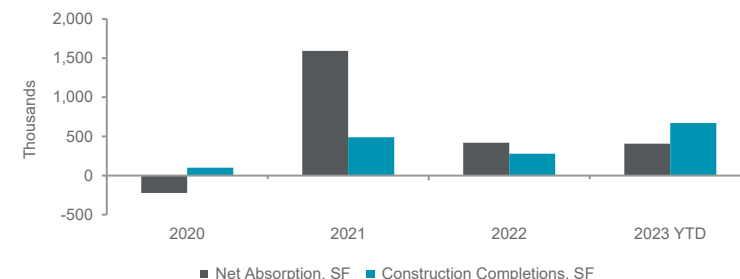
At 1.8%, Southern New Hampshire's unemployment rate decreased 20-basis points (bps) during the third quarter and remains one of the lowest in the country. Top performing industrial-using sectors recorded quarterly gains with the construction sector up a notable 4.3% year-over-year (YOY). In addition, the manufacturing and trade, transportation, and utilities sectors registered YOY increases of 1.8% and 0.5%, respectively. It is projected that the unemployment rate in Southern New Hampshire will remain flat through the final months of 2023.

OVERALL MARKET DISPLAYING STRONG FUNDAMENTALS

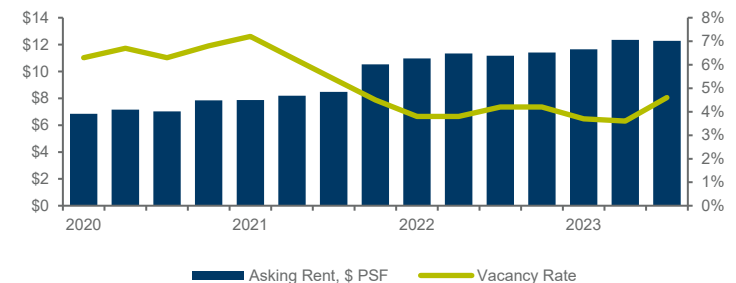
Southern New Hampshire's industrial market carried strong momentum during the third quarter. The overall vacancy rate remained below 5.0% for the eighth consecutive quarter at 4.6%, a 10-bps increase from the previous quarter due to new building deliveries in the Nashua and Salem submarkets fully vacant upon completion. The quarterly positive net absorption of 91,448 square feet (sf) brings the yearly total to over 405,000 sf, already 97.0% of all of 2022's total. Nashua and Portsmouth were the only submarkets to record quarterly net absorption gains of more than 10,000 sf each at 32,754 sf and 60,581 sf respectively. Year-to-date leasing activity has now surpassed 674,000 sf, although this marks a 64.4% decrease over the same period in 2022. As demand slowed, overall average asking rents slightly decreased quarter-over-quarter to \$12.28 per square foot (psf). Despite the quarterly decline, rents have swelled 9.3% YOY.

Investment activity remained muted during the third quarter as interest rates remained high nationwide. One notable sale was 54 Wentworth Drive in Manchester, a 27,000-sf warehouse, for \$4.5M (\$165.02/psf). Development across Southern New Hampshire remains robust although at a smaller scale than in previous quarters, including Rhino Capital's planned 100,000 sf build-to-suit development in Londonderry. Due to the high demand for highly-amenitized product, more than 870,000 sf is currently still underway after more than 670,000 sf of speculative space delivered during the third quarter. Overall, Southern New Hampshire continues to record strong fundamentals throughout 2023, and is anticipated to have a strong finish to close out 2023.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Industrial Q3 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%	0	20,209	0	0	\$15.36	N/A	N/A
Concord	2,618,516	190,693	7.3%	0	-44,226	0	0	N/A	\$7.45	\$8.71
Keene	1,807,144	0	0.0%	0	21,000	0	0	N/A	N/A	N/A
Manchester	13,460,585	371,700	2.8%	5,455	253,461	500,840	0	\$13.75	\$9.00	\$14.00
Nashua	16,759,459	1,061,322	6.3%	32,754	-296,691	371,915	504,000	\$9.13	\$15.19	\$14.52
Portsmouth	10,802,345	669,253	6.2%	60,581	453,283	0	12,060	\$13.96	\$15.05	\$12.64
Salem	5,192,898	183,600	3.5%	-7,342	0	0	155,000	\$9.62	N/A	\$11.00
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	54,034,983	2,481,068	4.6%	91,448	407,036	872,755	671,060	\$11.78	\$11.92	\$11.90

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

KEY LEASE TRANSACTIONS 2023

PROPERTY	SUBMARKET	TENANT	SF	TYPE	PROPERTY TYPE
200 Domain Dr, Stratham	Portsmouth	Timberland	150,000	New	Flex
121 Technology Dr, Durham	Portsmouth	Brazonics, Inc.	93,246	New	Mfg/Warehouse
121 Technology Dr, Durham	Portsmouth	Dachser USA Air & Sea Logistics	71,655	New	Mfg/Warehouse

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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

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