

MARKETBEAT

SOUTHERN NEW HAMPSHIRE



CUSHMAN &
WAKEFIELD

Office Q4 2023

8.7%

Vacancy Rate

YoY
Chg



12-Mo.
Forecast



31.8 K

Net Absorption, SF YTD



\$23.76

Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS Q4 2023

703.2K

Southern New
Hampshire Employment

YoY
Chg



12-Mo.
Forecast



2.2%

Southern New
Hampshire
Unemployment Rate



3.7%

U.S.
Unemployment Rate



Source: BLS, Moody's Analytics
2023Q4 data are based on the latest available data

ECONOMY: UNEMPLOYMENT RATE AMONG NATION'S BEST

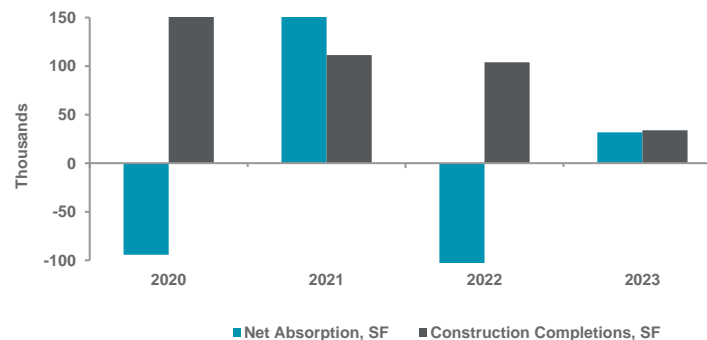
Southern New Hampshire's unemployment remained one of the lowest in the nation throughout 2023, ending the year at 2.6%, a 70-basis-point decrease year-over-year (YOY). In accordance with recent trends, professional and business services continued to lead all major economic sectors in yearly job gains – increasing by 4.1% – though other office-using sectors posted decreases. Conversely, the information sector recorded the most significant YOY decrease of all sectors, falling 4.2% throughout 2023.

SUPPLY & DEMAND: MARKET INDICATORS STABILIZING

Southern New Hampshire's office market recorded healthy fundamentals in 2023. Fourth quarter leasing activity totaled 42,722 square feet (sf), bringing 2023's year-end total to nearly 305,000 sf. Four of the market's six submarkets posted more than 50,000 sf of new demand on the year, with Nashua leading the market at 76,000 sf leased. Nine users across the market inked deals for spaces 10,000 sf or larger, on pace with 2022 when the same number of deals in that size range were executed. However, the largest transaction of the year, Riverstone's renewal for 66,297 sf at 250 Commercial Street in Manchester, was more than double the size of 2022's largest office deal. The market's overall vacancy rate remained relatively stable throughout 2023 and ended the year at 8.7% - the same point as where it started. After posting net absorption losses during the first half of the year, Southern New Hampshire posted positive overall net absorption during the third and fourth quarters, concluding the year with 32,000 sf of net occupancy gains. Positive demand indicators have put upward pressure on rents as the market's average asking rate jumped to \$23.76 per-square-foot (psf) during Q4, while average Class A rents climbed to \$24.81 psf.

The market's sole construction delivery in 2023 was 21 Keewaydin Drive, a 34,000-sf development in Salem, while the 160,000-sf office building at the Tuscan Village mixed use development in Salem remains the market's only project under construction. With supply and demand in balance, Southern New Hampshire is well-positioned to remain a healthy second-tier market in 2024.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT





MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Bedford	1,430,891	121,759	5,690	8.9%	22,860	32,123	50,828	0	\$20.77	\$20.77
Concord	1,308,814	40,506	10,413	3.9%	-1,744	12,008	12,203	0	\$17.42	\$16.44
Manchester	5,634,798	267,918	8,383	4.9%	7,281	3,967	52,423	0	\$19.96	\$23.19
Nashua	2,029,817	243,270	0	12.0%	8,013	11,235	76,234	0	\$18.40	\$18.71
Portsmouth	3,624,093	336,668	141,902	13.2%	10,048	-62,260	68,220	0	\$28.94	\$28.97
Salem	586,515	100,656	0	17.2%	27,091	34,771	44,912	160,000	\$28.31	\$28.61
SNH TOTALS	14,614,928	1,110,777	166,388	8.7%	73,549	31,844	304,820	160,000	\$23.76	\$24.81

*Rental rate data reported on a full-service gross basis and is based on published asking lease rates of vacant space

KEY TRANSACTIONS 2023

PROPERTY	CITY	TENANT/BUYER	RSF	TYPE
150 Dow Street	Manchester	150 Dow Assoc. LLC	401,802	Sale
410 Amherst Street	Nashua	Whiting Building LLC	68,009	Sale
250 Commercial Street	Manchester	Riverstone	66,297	Renewal
100 Arboretum Drive	Portsmouth	FedPoint	53,860	Renewal
6 Bedford Farms Drive	Bedford	Lactalis US Yogurt, Inc.	22,860	New
542 Amherst Street	Nashua	ABA Centers	15,479	New
6 Trafalgar Square	Nashua	SKYTerra	14,033	New

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