

# MARKETBEAT SOUTHERN NEW HAMPSHIRE

## OFFICE Q3 2024



### MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
<b>8.6%</b> Vacancy Rate	▲	▲
<b>74K</b> YTD Net Absorption, SF	▼	▼
<b>\$24.87</b> Asking Rent, PSF <i>(Overall, All Property Classes)</i>	▲	—

### ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
<b>708.7K</b> Market Name Employment	▲	▲
<b>2.6%</b> Market Name Unemployment Rate	▲	▲
<b>4.1%</b> Country Unemployment Rate <i>Source: BLS</i>	▲	▼

### ECONOMY

The Southern New Hampshire (SNH) unemployment rate reached 2.6% in the third quarter of 2024, remaining 150 basis points (bps) below the national average of 4.1%, despite posting a 30-basis-point (-bp) increase year-over-year (YOY). SNH office-using employment increased by 3,300 jobs YOY in the third quarter, due to a 3,700 job increase in professional services and a decline of only 300 and 100 jobs in information services and financial activities, respectively.

### DEMAND

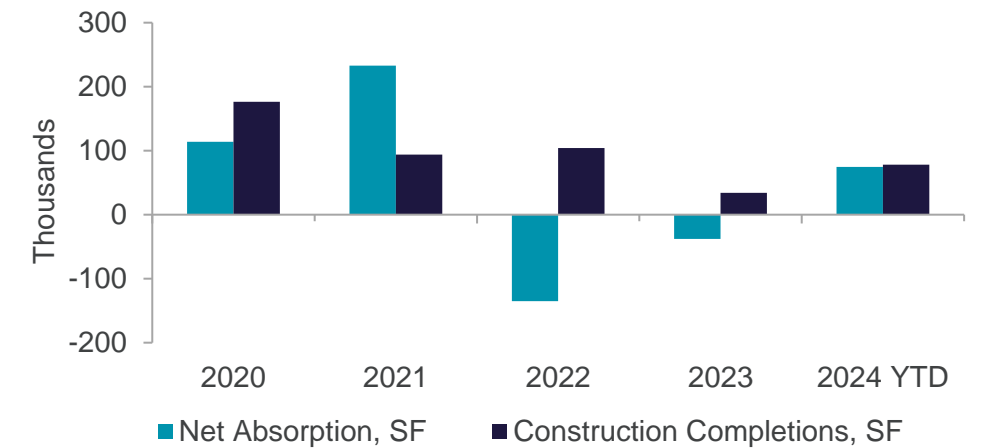
New leasing activity decreased during the quarter, with only 13,528 square feet (sf) leased, marking the lowest quarterly total in the past five years. This brought the year-to-date (YTD) total to 234,212 sf, 26.2% lower from one year ago. Portsmouth and Salem were the only submarkets to reach over 45,000 sf of new leasing YTD. Renewal activity fueled the total leasing for SNH, recording 19,073 sf of renewals for the quarter. This marked the second-highest quarterly total for renewals since Q1 2022. The largest transaction of the quarter was a renewal at 183 international Drive where High Liner Foods maintained its 15,407-square-foot (-sf) footprint.

Two properties totaling 585,000 sf in Dover—100 & 150 Liberty Way—remain for sale, following the consolidation of Liberty Mutual’s office space to Portsmouth.

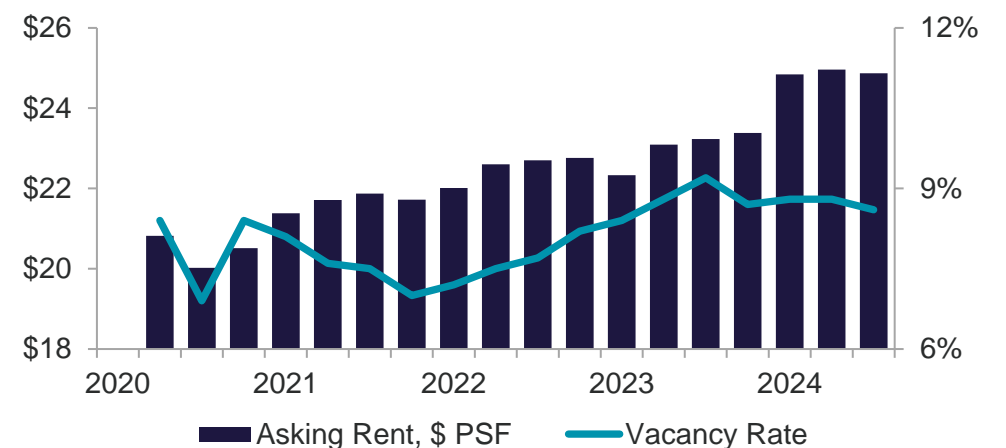
### SUPPLY AND PRICING

Overall vacancy in the SNH office market decreased minimally by 20 bps to 8.6% during the third quarter, after remaining stagnant at 8.8% the previous two quarters. Salem was the only submarket to record an increase in vacancy, climbing 60 bps during the quarter to 18.2%, despite remaining down 400 bps YOY. All other submarkets remained stable or posted minimal decreases in vacancy rates. Overall asking rents increased 7.1% YOY but have stabilized, fluctuating by only \$0.11 per square foot (psf) and ending the quarter at \$24.87 psf.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



**MARKET STATISTICS**

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Nashua	2,029,817	0	232,109	11.4%	4,418	-13,887	38,884	0	\$18.86	\$19.41
Manchester	5,634,798	11,433	333,460	6.1%	20,850	48,284	28,911	0	\$23.30	\$24.09
Bedford	1,430,891	29,134	83,121	7.9%	2,670	19,256	41,737	0	\$20.78	\$20.78
Portsmouth	4,258,326	159,267	316,192	11.2%	763	-43,209	48,520	0	\$28.99	\$29.00
Concord	1,308,815	0	36,550	2.8%	0	3,690	4,510	0	\$20.93	\$21.99
Salem	664,535	0	121,005	18.2%	-3,750	60,342	71,650	0	\$28.88	\$29.77
<b>SNH TOTALS</b>	<b>15,327,182</b>	<b>199,834</b>	<b>1,123,157</b>	<b>8.6%</b>	<b>24,951</b>	<b>74,476</b>	<b>234,212</b>	<b>0</b>	<b>\$24.87</b>	<b>\$25.59</b>

\*Rental rates reflect full service asking

**KEY LEASE TRANSACTIONS Q3 2024**

PROPERTY	SUBMARKET	TENANT	SF	TYPE
183 International Drive	Portsmouth	High Liner Foods Inc.	15,407	Renewal*
186 Granite Street	Manchester	Undisclosed	4,313	New Lease
2 Executive Park Drive	Bedford	NBT Bank	3,666	Renewal*
145 Maplewood Avenue	Portsmouth	Centripetal Networks Inc.	2,593	New Lease

\*Renewals not included in leasing statistics

**KEY SALES TRANSACTIONS Q3 2024**

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
57 Regional Drive	Concord	Gerald P Mccarthy Trust/Jaime Contreras	49,680	\$4.2M / \$85
547 Amherst Street	Nashua	Autumn Leaf 218 LLC/1A Auto	35,684	\$3.48M / \$97
1138 Elm Street	Manchester	1138 Elm Street Inc./North Elm Rentals	20,000	\$1.2M / \$60

**KEY CONSTRUCTION COMPLETIONS YTD 2024**

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
16 Via Toscana	Salem	AutoStore	78,020	Tuscan Brands

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