

# MARKETBEAT

## SOUTHERN NEW HAMPSHIRE

### INDUSTRIAL Q4 2024



#### MARKET FUNDAMENTALS

	YOY Chg	Outlook
<b>6.6%</b> Vacancy Rate	▲	▼
<b>-322.4K</b> YTD Net Absorption, SF	▼	▼
<b>\$11.77</b> Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▲	▬

#### ECONOMIC INDICATORS

	YOY Chg	Outlook
<b>715.6K</b> Southern New Hampshire Employment	▲	▲
<b>2.5%</b> Southern New Hampshire Unemployment Rate	▼	▲
<b>4.2%</b> U.S. Unemployment Rate	▲	▲

*Source: BLS*

#### ECONOMY

Southern New Hampshire's (SNH) unemployment rate ticked slightly downward, dropping by 10 basis points (bps) year-over-year (YOY). The trade, transportation, and utilities sectors created 1,400 jobs YOY, while the manufacturing industry recorded a modest loss of 300 jobs since 2023.

#### SUPPLY

The overall vacancy rate remained stable quarter-over-quarter (QOQ) at 6.6%. Concord posted the market's highest vacancy rate at 11.3%, and was the only submarket where vacancy surpassed the 10.0%-mark. Twenty-five properties contained more than 100,000 square feet (sf) of available space, seven of which exceeded 300,000 sf of availability, skewing uncommitted space largely toward large block users. The SNH industrial market faces significant headwinds entering 2025. Extremely tight vacancy in smaller buildings – just 2.6% in the 15,000-40,000-sf cohort – and many users' desire to buy versus lease buildings has led to demand outstripping supply for smaller blocks of spaces.

#### DEMAND

More than 327,000 sf of new deals were signed during the fourth quarter, increasing leasing activity by 121.0% QOQ and 5.4% YOY. While no renewals were recorded during the fourth quarter, SNH recorded 231,000 sf of tenants opting to remain in their spaces throughout 2024, a 31.7% climb over 2023, marking the highest renewal total in the past five years.

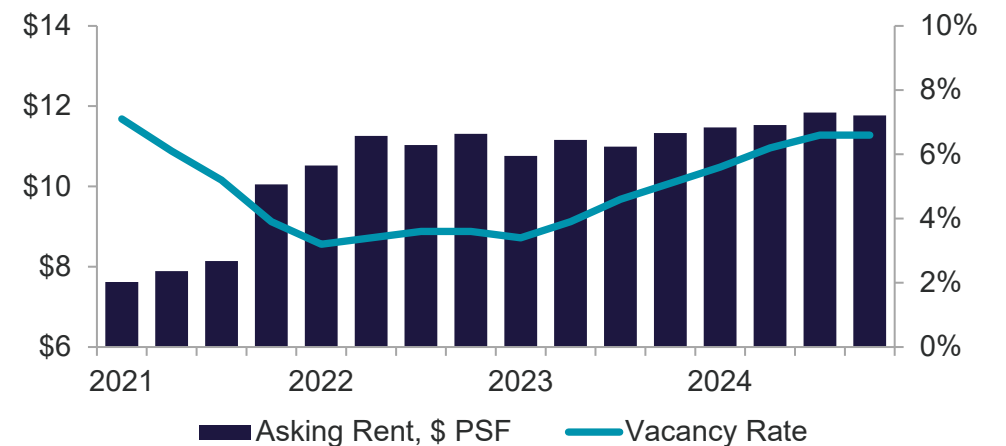
#### PRICING

In tandem with the leveling of vacancy rates, asking rents have begun to soften, dropping \$0.07 per square foot (psf) from the five-year high posted during Q3 of \$11.84 psf. Despite the slight tick downward, average rents in 2024 are more than \$4.50-psf higher than in 2020, pushing tenants who are nearing lease expiration to explore buying instead of leasing, a trend likely to continue in the coming years. High technology was the only industrial subsector to report an increase in asking rents for the quarter, climbing from \$12.37 to \$12.68 psf QOQ.

#### SPACE DEMAND / DELIVERIES



#### OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	CONSTRUCTION COMPLETIONS (SF)**	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)
Bedford	951,711	58,900	6.2%	0	-54,400	14,800	0	0	N/A	N/A
Concord	2,716,016	305,606	11.3%	9,700	-30,300	13,200	36,000	40,000	\$5.66	N/A
Keene	1,807,144	0	0	0	0	0	0	0	N/A	N/A
Manchester	13,817,727	493,665	3.6%	109,561	-155,462	182,278	102,418	102,000	\$8.95	N/A
Nashua	17,266,671	1,444,234	8.4%	-33,743	53,204	468,742	101,205	423,750	\$9.63	\$14.52
Portsmouth	10,956,109	913,939	8.3%	-5,984	-309,581	88,507	0	102,000	\$13.56	\$15.50
Salem	5,196,898	430,108	8.3%	27,347	174,183	141,545	0	0	\$9.00	\$11.50
The Lakes Region	931,685	0	0	0	0	0	0	0	N/A	N/A
Upper Valley	1,510,640	0	0	0	0	0	0	0	N/A	N/A
<b>NEW HAMPSHIRE TOTALS</b>	<b>55,154,601</b>	<b>3,646,452</b>	<b>6.6%</b>	<b>106,881</b>	<b>-322,356</b>	<b>909,072</b>	<b>239,623</b>	<b>665,750</b>	<b>\$9.61</b>	<b>\$13.34</b>
<b>SOUTHERN NEW HAMPSHIRE TOTALS</b>	<b>55,154,601</b>	<b>3,646,452</b>	<b>6.6%</b>	<b>106,881</b>	<b>-322,356</b>	<b>909,072</b>	<b>239,623</b>	<b>667,750</b>	<b>\$9.61</b>	<b>\$13.34</b>

\*Rental rates reflect weighted net asking \$psf/year    \*\*Figure not reflective of U.S. MarketBeat

KEY LEASE TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
48 Friars Drive	Nashua	Vital Records	126,000	New Lease
22 Cotton Road	Nashua	Raytheon	56,597	New Lease
130 International Drive	Portsmouth	Triggerhouse	50,687	New Lease
5 Flagstone Drive	Nashua	Rivian, LLC	25,400	New Lease
9 Hampshire Drive	Nashua	Penske Truck Leasing Co.	25,400	New Lease

\*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
430 West Road	Portsmouth	DEH Ventures LLC / Romeo D Danais	36,000	\$5.5M / \$152.78
100 Northeastern Boulevard	Nashua	Tamposi Company / Macthompson Realty Inc.	52,000	\$3.6M / \$64.42

KEY CONSTRUCTION COMPLETIONS YTD 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
50 Robert Milligan Parkway	Nashua	N/A	323,750	Trammell Crow Company
100 New Hampshire Avenue	Portsmouth	N/A	102,000	The Kane Company
55 Pettengill Road	Manchester	New Balance	102,000	New Balance
7 Crow's Nest Circle Drive	Nashua	Gregstrom Corp.	100,000	Howe Distribution

RILEY MCMULLAN

Senior Research Manager, Boston  
Tel: +1 617 219 6430  
[Riley,McMullan@cushwake.com](mailto:Riley,McMullan@cushwake.com)

NICOLE SALAMONE

Research Analyst, Boston  
Tel: +1 617 219 6474  
[Nicole.Salamone@cushwake.com](mailto:Nicole.Salamone@cushwake.com)

KATIE MAHONEY

Research Analyst, Boston  
Tel: +1 617 936 1094  
[Kathleen.Mahoney@cushwake.com](mailto:Kathleen.Mahoney@cushwake.com)

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