

MARKETBEAT

SOUTHERN NEW HAMPSHIRE

INDUSTRIAL Q1 2025



MARKET FUNDAMENTALS

	YOY Chg	Outlook
7.3% Vacancy Rate	▲	▼
129.1K YTD Net Absorption, SF	▲	▲
\$12.01 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▲	▬

ECONOMIC INDICATORS

	YOY Chg	Outlook
710.0 K Southern New Hampshire Employment	▲	▲
3.0% Southern New Hampshire Unemployment Rate	▲	▲
4.1% U.S. Unemployment Rate	▲	▲

Source: BLS

ECONOMY

Southern New Hampshire's (SNH) unemployment rate ticked up, climbing 70 basis points (bps) year-over-year (YOY), but remained well below the U.S. average of 4.1%. The manufacturing sector recorded a loss of 1,900 jobs; meanwhile the construction and trade, transportation, and utilities sectors posted a combined increase of 500 jobs.

SUPPLY

The overall vacancy rate remained relatively stable, dropping from the five-year high posted in Q4 2024 by just 10 bps. However, it remains 160 bps higher than one year ago at 7.3%. Bedford posted the market's largest quarterly increase, more than doubling from 6.2% in Q4 2024, to 13.3% during Q1 2025. Nashua and Salem were the only two submarkets to record a quarter-over-quarter (QOQ) decline in vacancy, dropping by 80 bps and 10 bps, respectively.

DEMAND

SNH recorded its highest quarterly leasing total since Q4 2022, with nearly 627,000 sf of new deals signed during the first quarter. In a strong signal for the market, first quarter leasing activity alone already reached two-thirds of 2024's entire annual total. Analogic Corporation and GXO Logistics accounted for nearly half of total demand for the quarter, comprising 316,000 sf of new activity combined. Six transactions 50,000-sf or larger were inked during Q1, compared with just four signed during the prior quarter. Renewal activity also showed signs of improvement, with more than 146,000 sf of tenants opting to remain in their spaces, a 36.8% increase QOQ and 152.7% increase YOY.

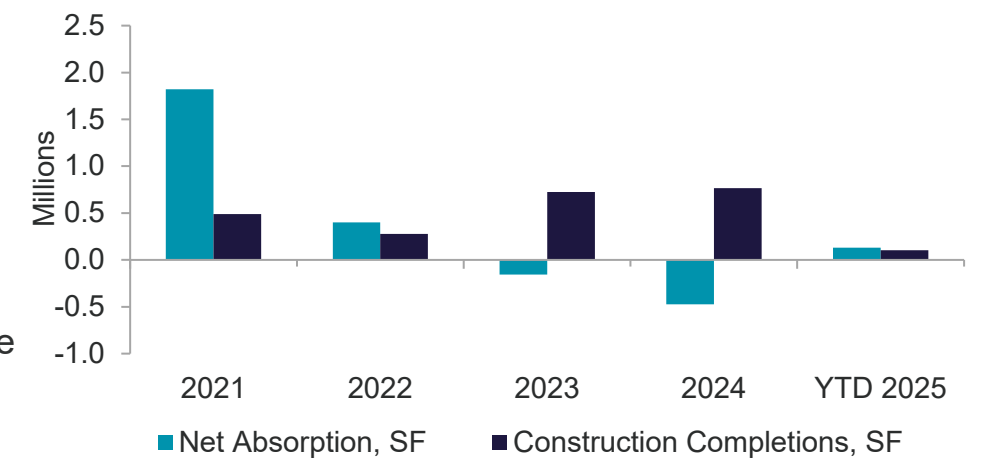
PRICING

Direct average asking rents climbed during the first quarter, increasing by \$0.53 per square foot (psf) QOQ, reaching a new five-year high of \$12.08 psf. The manufacturing subsector posted the most substantial QOQ rent growth, spiking by \$1.58 psf QOQ to \$11.13 psf.

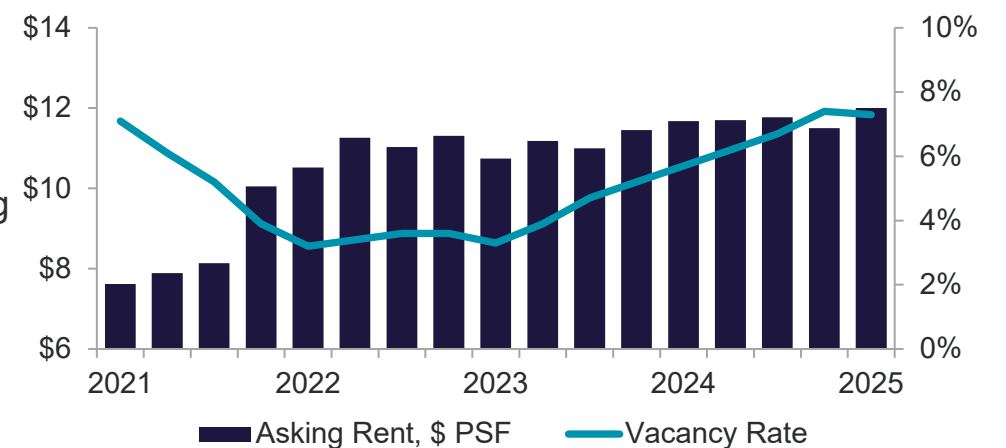
SALES

The sales market remained active with three notable transactions occurring during Q1, the largest of which was 80 Northwestern Boulevard in Nashua. The 350,000-sf asset sold for a record-setting \$67.0M (\$190 psf).

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	OVERALL WEIGHTED AVG NET RENT (WD)
Bedford	951,711	126,900	13.3%	-68,000	-68,000	1,350	0	0	\$8.00	\$8.00
Concord	2,716,016	285,606	10.5%	0	0	0	36,000	0	\$6.76	\$8.68
Keene	1,807,144	0	0	0	0	0	0	0	N/A	N/A
Manchester	13,920,145	818,553	5.9%	79,918	79,918	125,843	0	102,418	\$13.80	N/A
Nashua	17,531,316	1,434,955	8.2%	146,023	146,023	133,685	101,205	0	\$11.62	\$13.46
Portsmouth	10,986,765	938,837	8.6%	-17,720	-17,720	129,786	0	0	\$13.62	\$13.61
Salem	5,153,218	422,600	8.2%	-11,109	-11,109	233,664	0	0	\$13.28	\$13.53
The Lakes Region	931,685	0	0	0	0	2,240	0	0	N/A	N/A
Upper Valley	1,510,640	0	0	0	0	0	0	0	N/A	N/A
SOUTHERN NEW HAMPSHIRE TOTALS	55,508,640	4,027,451	7.3%	129,112	129,112	626,568	137,205	102,418	\$12.01	\$12.21

*Rental rates reflect weighted net asking \$psf/year

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
9 Northeastern Boulevard	Salem	Analogic Corporation	200,000	New Lease
333 Harvey Road	Manchester	GXO Logistics	116,343	New Lease
1 Bon Terrain Drive	Nashua	EasyGo Warehouse Systems	63,797	Sublease
14 Garabedian Drive	Salem	New England Finish Systems	59,947	Sale Leaseback
100 New Hampshire Avenue	Portsmouth	Central Shared Services LLC	56,940	New Lease
100 Domain Drive	Portsmouth	Phoenix Tailings	51,059	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
80 Northwest Boulevard	Nashua	Stag Industrial Holdings / NF North America Op LLC	353,039	\$67.0M / \$189.78
14 Garabedian Drive	Salem	New England Finish Systems / Calare Properties	108,000	\$16.0M / \$148.15
180 Crosby Road	Portsmouth	180 Crosby Road LLC / Coda Products Inc.	26,818	\$2.0M / \$74.58

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