

MARKET FUNDAMENTALS

	YOY Chg	Outlook
14.3% Vacancy Rate	▲	▲
-580.0K YTD Net Absorption, SF	▼	▼
\$23.61 Asking Rent, PSF <i>(Overall, All Property Classes)</i>	▲	▬

ECONOMIC INDICATORS

	YOY Chg	Outlook
710.0K Southern NH Employment	▲	▲
3.0% Southern NH Unemployment Rate	▲	▲
4.1% U.S. National Unemployment Rate <i>Source: BLS</i>	▲	▲

ECONOMY

The unemployment rate in Southern New Hampshire (SNH) grew to 3.0%, a 70-basis-point (-bp) increase year-over-year (YOY). Despite this uptick, unemployment remained substantially lower than the national average. The professional and business services and financial activities sectors recorded gains of 2,400 and 200 jobs, respectively. Meanwhile, the information sector posted a loss of 500 jobs.

DEMAND

First quarter leasing activity totaled 87,000 square feet (sf), marking a 43.2% drop quarter-over-quarter (QOQ). Bedford and Salem posted nearly two-thirds of all activity for the quarter, totaling 53,000 sf of new activity. Valmet Forward inked the largest deal of the quarter, obtaining 15,000 sf of space at 8 Commerce Drive in Bedford.

SNH posted a slight uptick in renewal activity, with only one tenant opting to renew its 2,500-sf space, an increase from the absence of renewals signed in the previous quarter.

SUPPLY AND PRICING

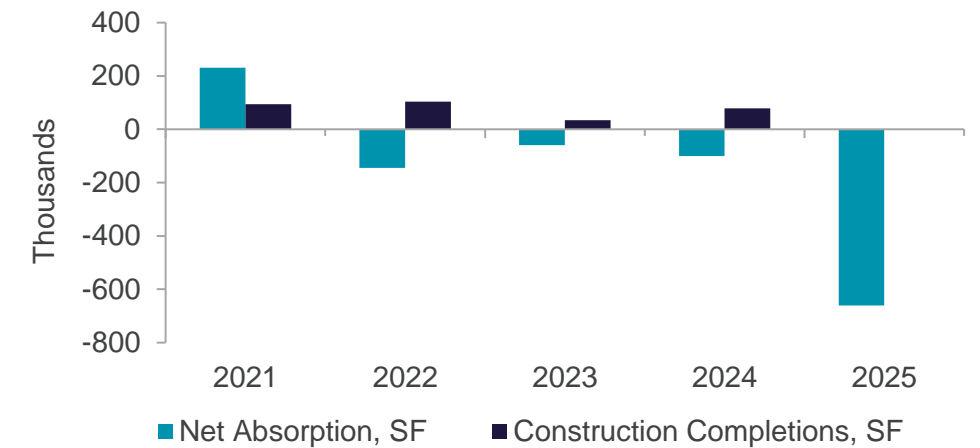
Overall vacancy climbed drastically, increasing 530 bps year-over-year (YOY) as Liberty Mutual's former Dover campus at 100 & 150 Liberty Way hit the market. Portsmouth posted the highest vacancy rate of the quarter at 24.7%, with Salem closely behind at 24.2%.

Despite the uptick in vacancy, overall asking rents increased to \$23.61 per square foot (psf), increasing by \$0.15 psf QOQ, but still down \$0.48 psf from one year ago.

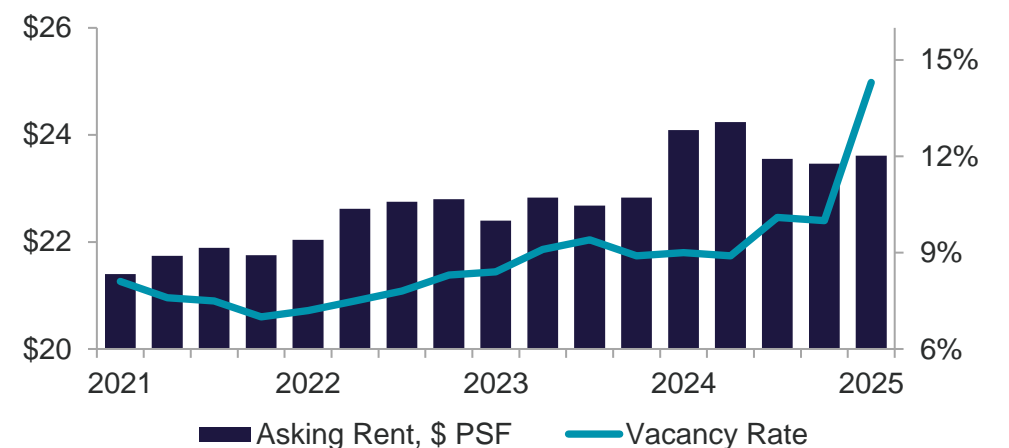
SALES

Two sale transactions took place during the first quarter of the year. Horseshoe Commercial, LLC sold the 32,000-sf building at 80 Commercial Street in Concord to New Hampshire Retirement System for \$5.0M (\$153.51psf). The second sale took place at 53 Green Street in Portsmouth, a 21,000-sf asset sold to Cathartes Investments by Stone Creek Realty for \$6.0M (\$287.78 psf).

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 (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)*
Bedford	1,430,891	110,636	49,573	11.2%	-20,686	-20,686	27,191	0	\$20.88	\$20.88
Concord	1,308,815	69,122	0	5.3%	-32,572	-32,572	0	0	\$24.61	\$26.14
Manchester	5,634,798	303,291	188,063	8.7%	7,550	7,550	12,788	0	\$21.82	\$24.21
Nashua	2,029,817	259,698	0	12.8%	15,246	15,246	10,849	0	\$18.87	\$19.36
Portsmouth	4,258,326	915,125	137,515	24.7%	-539,254	-539,254	10,812	0	\$28.81	\$28.82
Salem	664,535	161,002	0	24.2%	-6,283	-6,283	25,658	0	\$26.25	\$30.43
SNH TOTALS	15,327,182	1,818,874	375,151	14.3%	-579,999	-579,999	87,298	0	\$23.61	\$25.06

*Rental rates reflect full service asking **Figure not reflective of U.S. MarketBeat

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
8 Commerce Drive	Bedford	Valmet Forward	15,000	New Lease
7 Stiles Road	Salem	Ettam	13,477	New Lease
165 South River Road	Bedford	Undisclosed	10,492	New Lease
25 Pelham Road	Salem	Undisclosed	6,473	New Lease
900 Elm Street	Manchester	SMMA Architects	4,315	New Lease

KEY SALES TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
80 Commercial Street	Concord	Horseshoe Commercial LLC / New Hampshire Retirement System	32,572	\$5.0M / \$153.51
53 Green Street	Portsmouth	Stone Creek Realty LLC / Cathartes Investments	20,849	\$6.0M / \$287.78

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