

# MARKETBEAT

## SOUTHERN NEW HAMPSHIRE

### INDUSTRIAL Q2 2025



#### MARKET FUNDAMENTALS

	YOY Chg	Outlook
<b>6.9%</b> Vacancy Rate	▲	▼
<b>176K</b> YTD Net Absorption, SF	▲	▲
<b>\$11.25</b> Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▼	▼

#### ECONOMIC INDICATORS

	YOY Chg	Outlook
<b>417K</b> Southern New Hampshire Employment	▲	▲
<b>3.3%</b> Southern New Hampshire Unemployment Rate	▲	▲
<b>4.2%</b> U.S. Unemployment Rate <i>Source: BLS</i>	▲	▲

#### ECONOMY

Southern New Hampshire's (SNH) unemployment rate ticked up to 3.3%, climbing 70 basis points (bps) year-over-year (YOY), but remained 90 bps below the U.S. average of 4.2%. The construction sector recorded a modest gain of 100 jobs; meanwhile, the manufacturing and trade, transportation, and utilities sectors posted a combined decrease of 1,400 jobs.

#### SUPPLY

Southern New Hampshire's industrial market recorded a moderate improvement in vacancy, dropping 20 bps quarter-over-quarter (QOQ) to 6.9%. Vacancy in six of the market's nine submarkets remained static or posted a decrease, with the three submarkets recording an increase – Bedford, Manchester, and Nashua – each climbing by a slight 30 bps or less. Portsmouth recorded the most significant decline in vacancy, falling 90 bps QOQ to 7.7%. Two large tenants took occupancy of their spaces in the Portsmouth submarket during Q2, taking nearly 112,000 square feet (sf) of vacant space off the market. Central Shared Services LLC claimed their 57,000-sf space at 100 New Hampshire Avenue and Phoenix Tailings occupied the 55,000-sf footprint at 100 Domain Drive.

#### DEMAND AND PRICING

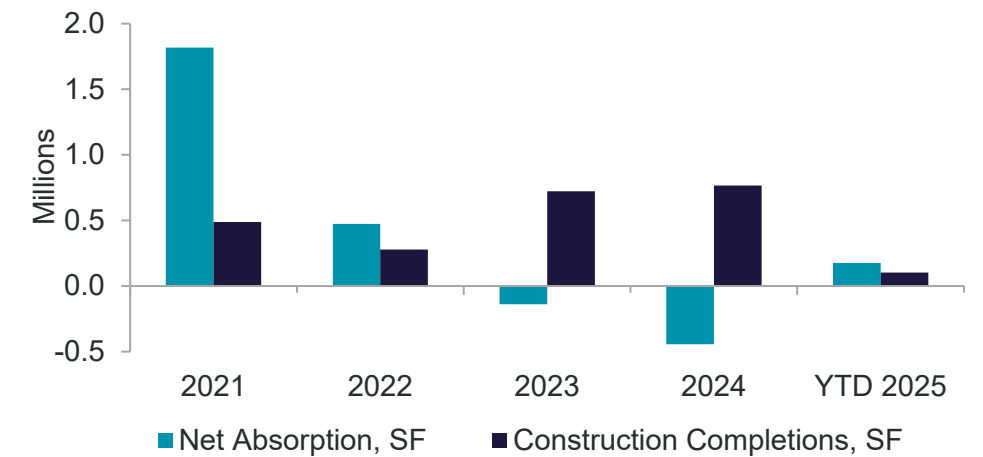
Leasing activity in Southern New Hampshire ended Q2 at 525,000 sf, reflecting a drastic uptick in activity, increasing by 171.7% YOY. This boosted year-to-date (YTD) leasing totals to more than 1.2 million square feet (msf), already surpassing 2024's year-end total of 942,000 sf. The Nashua submarket led the region during the second quarter, comprising 62.4% of all demand with more than 327,000 sf of new deals signed. Nashua was also home to the two largest deals of the quarter as Sullivan Tire and CAN-ONE leased 175,000 sf of space at 7 Crow's Nest Circle and 107,500 sf at 50 Robert Milligan Parkway, respectively.

Overall asking net rents dipped throughout the second quarter, down a modest \$0.57 per square foot (psf) to \$11.25 psf, its lowest point since Q3 2023. Rates for manufacturing space recorded the largest decline, down \$1.39 psf QOQ to \$9.31 psf. High technology was the only subsector to recorded quarterly rent growth, up \$0.40 psf to \$11.25 psf.

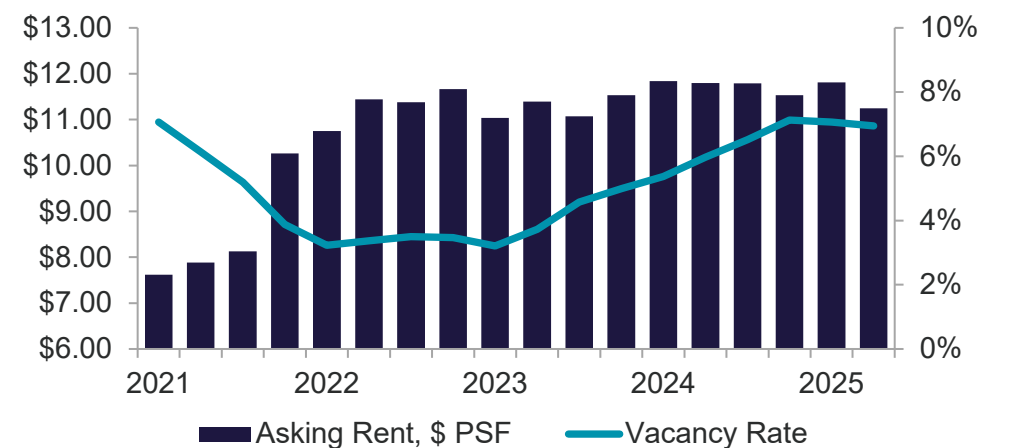
#### SALES

One notable transaction occurred during the second quarter. WH Bagshaw Co purchased the 56,595-sf two building portfolio at 11 Executive Park Drive from Semikron, with a purchase price of \$102.15 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	70,400	7.4%	-2,400	-70,400	1,350	0	0	\$7.94	\$8.00
Concord	2,716,016	266,833	9.8%	0	0	9,941	36,000	0	\$6.66	\$8.65
Keene	1,807,144	0	0	0	0	0	0	0	N/A	N/A
Manchester	13,940,945	802,849	5.8%	-38,202	28,046	226,195	0	102,418	\$10.12	\$9.85
Nashua	17,531,316	1,431,302	8.2%	-21,776	126,174	470,050	0	0	\$11.33	\$13.04
Portsmouth	10,986,765	845,000	7.7%	104,524	80,526	215,480	0	0	\$13.23	\$13.80
Salem	5,160,218	441,421	8.6%	23,179	12,070	292,648	0	0	\$12.10	\$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
<b>SOUTHERN NEW HAMPSHIRE TOTALS</b>	<b>55,536,420</b>	<b>3,857,805</b>	<b>6.9%</b>	<b>65,325</b>	<b>176,416</b>	<b>1,217,904</b>	<b>36,000</b>	<b>102,418</b>	<b>\$11.25</b>	<b>\$11.85</b>

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

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
7 Crow's Nest Circle	Nashua	Sullivan Tire	175,000	New Lease
50 Robert Milligan Parkway	Nashua	CAN-ONE	107,525	New Lease
12 Innovation Way	Manchester	Intelligent Manufacturing Solutions	86,954	New Lease
9 Northwestern Drive	Salem	Gates TPU, Inc.	60,584	Renewal* / Expansion
7 Raymond Avenue	Salem	Beacon Roofing	42,000	Sublease

\*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
11 Executive Drive Portfolio	Nashua	Semikron Inc. / WH Bagshaw Co Inc	56,595	\$6.8M / \$102.15

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