MARKETBEAT

SOUTHERN NEW HAMPSHIRE

INDUSTRIAL Q3 2025

MARKET FUNDAMENTALS

	YOY Chg	Outlook
6.9% Vacancy Rate	▲	▼
241K YTD Net Absorption, SF	▲	▲
$11.00 Asking Rent, PSF	▼	▼

(Overall, Net Asking Rent)

ECONOMIC INDICATORS

	YOY Chg	Outlook
417K Southern New Hampshire Employment	▲	▼
3.2% Southern New Hampshire Unemployment Rate	▲	▲
4.3% U.S. Unemployment Rate	▲	▲

Source:BLS

ECONOMY

Southern New Hampshire's (SNH) unemployment rate reached 3.2% in the third quarter, marking a 50-basis-point (bp) increase year-over-year (YOY), but it remained below the national average by 110 bps. All industrial sectors reported YOY job losses, with manufacturing leading at 1,000 jobs lost, followed by trade, transportation, and utilities with a decline of 900 jobs.

SUPPLY AND DEMAND

Overall vacancy in SNH's industrial market remained unchanged quarter-over-quarter (QOQ) at 6.9%, fluctuating by only 10 bps since the start of the year. The Salem submarket posted the largest quarterly improvement, dropping 100 bps to 7.6%, marking the submarket's lowest vacancy rate since mid-year 2023.

Warehouse/distribution (W/D) was the only building segment to record an uptick in vacancy during the quarter, climbing 40 bps to 7.9%, its highest point since Q2 2021. The bulk of new W/D vacancies were in Portsmouth, which posted a 120-bps jump during the quarter, largely due to a large tenant vacating a large block of space in Exeter.

After the robust demand of Q2, leasing activity was muted in Q3 with only 113,000 square feet (sf) of new demand recorded, marking a 74.8% drop QOQ. However, this boosted year-to-date leasing to 1.2 million square feet, reflecting a 58.7% climb over the same point last year. Despite tepid demand in Q3, five of the nine SNH submarkets are exceeding their performances at the same point in 2024. Meanwhile, renewal activity lagged prior quarters with just one 20,000-sf tenant opting to remain in place.

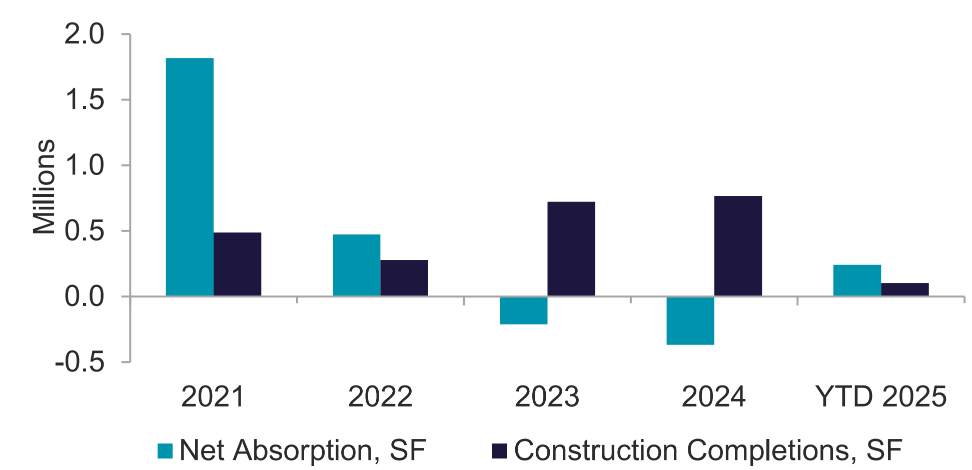
Average rental rates continued to soften, declining $0.13 per square foot (psf) to $11.00 psf, though a modest drop compared to the sharper $0.57-psf dip between the first and second quarters of 2025. The reduction was largely impacted by W/D assets, which posted a drop of nearly $0.50 psf, while all other building types remained stable or posted rent growth.

In a positive market indicator, SNH recorded its third consecutive quarter of net occupancy gains, fueled by a large move-in in the Manchester submarket where Intelligent Manufacturing Solutions occupied its 87,000-sf footprint in Londonderry.

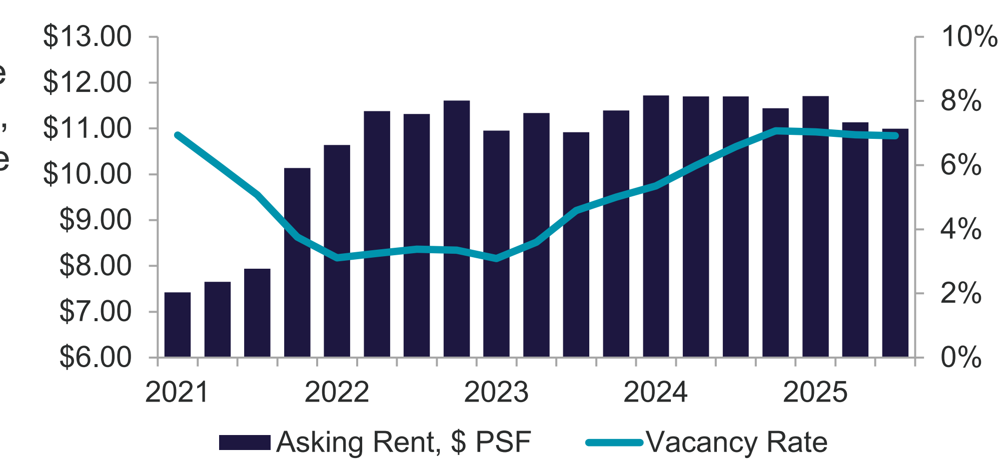
SALES

Sales activity regained momentum after a slow second quarter when only a single building sold. During the third quarter, six sales transacted, totaling 240,000 sf. The most significant trade occurred at 46 River Street in Hudson, where Tamposi Companies sold 82,000 sf to V12 Investments for $10 million. The light manufacturing facility was 100% leased at the time of sale.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Better never settles

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)	YTD CONSTRUCTION COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT	OVERALL WEIGHTED AVG NET RENT (WD)
Bedford	951,711	54,940	5.8%	0	-54,940	56,290	0	0	N/A	N/A
Concord	2,716,016	256,892	9.5%	9,941	9,941	28,909	36,000	0	$8.14	$10.04
Keene	1,807,144	0	0	0	0	0	0	0	N/A	N/A
Manchester	13,940,945	707,895	5.1%	94,954	123,000	136,887	0	102,418	$10.24	$10.10
Nashua	17,564,180	1,555,182	8.9%	-70,793	43,078	470,408	0	0	$10.79	$11.68
Portsmouth	10,986,765	873,310	8.0%	-65,769	3,749	224,212	0	0	$12.41	$11.98
Salem	5,220,802	397,896	7.6%	105,409	116,179	295,473	0	0	$12.12	$13.48
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 HAMPSIRE TOTALS	**55,629,868**	**3,846,115**	**6.9%**	**73,742**	**241,007**	**1,214,419**	**36,000**	**102,418**	**$11.00**	**$11.35**

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

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
10 Iron Horse Drive	Bedford	Gregstrom Corporation	54,940	New Lease
49 Vose Farm Road	Keene	Graphic Dimensions, Inc	20,491	Renewal
159 Frontage Road	Manchester	The Sports Mill	20,000	Expansion
121 Technology Drive	Portsmouth	The Riverwoods Group	8,732	New Lease

**Renewals not included in leasing statistics*

KEY SALES TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
46 River Road	Nashua	Tamposi Company / V12 Investments	81,525	$10.1M / $122.66
18 Bradco Street	Keene	Fundamental Income / Starwood Property Trust	59,792	$1.1 M / $18.68
11 Klein Drive	Salem	Klein Marine Systems / United Staging & Rigging, LLC	57,938	$4.6M / $79.83
50 Dartmouth Drive	Manchester	Analog Devices / Dartmouth Holdings, LLC	20,780	$3.1 / $149.18

RILEY MCMULLAN
Senior Research Manager, Boston
Tel: +1 617 219 6430
Riley,McMullan@cushwake.com

KATIE MAHONEY
Research Analyst, Boston
Tel: +1 617 936 1094
Kathleen.Mahoney@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2024, the firm reported revenue of $9.4 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.