

SUPPLY AND CONSTRUCTION

Southern New Hampshire's (SNH) overall vacancy rate remained unchanged quarter-over-quarter (QOQ), closing out 2025 at 6.4%. Despite exceeding the preceding five-year average by 130 basis points (bps), this represents a 50-bp drop year-over-year (YOY). Four submarkets posted vacancy improvements, with three – Bedford, Concord, and Nashua – recording triple-digit basis point declines.

The market's sole construction delivery of 2025 occurred in the Manchester submarket, where New Balance's 102,418-square-foot (sf) build-to-suit development completed during the first quarter. This marked a substantial decline over the prior two years' activity when nearly 1.5 million square feet (msf) across eight new developments were collectively delivered. A single facility remains under construction: a 36,000-sf warehouse at 87 Dow Road in Bow, more than two-thirds of which is already preleased to a single tenant. The contraction in the market's construction pipeline should support further strengthening of market fundamentals throughout 2026.

DEMAND AND PRICING

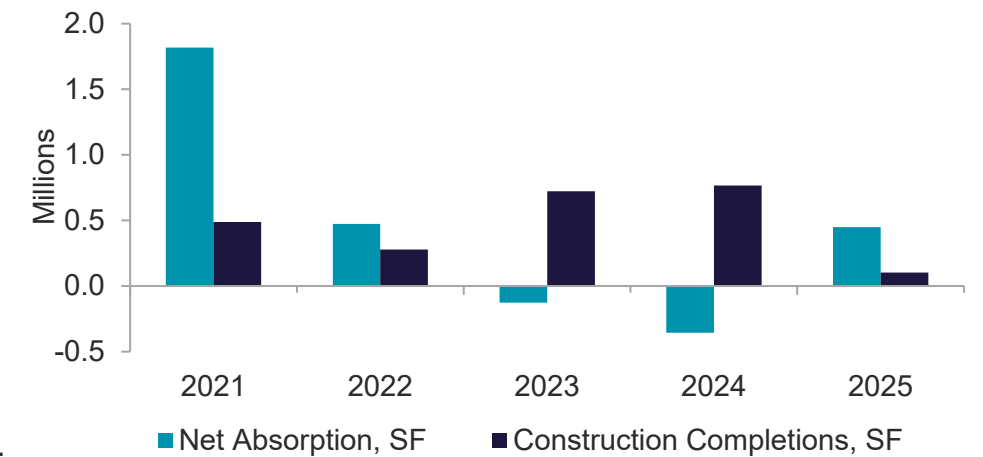
SNH's industrial market posted its strongest yearly demand since 2022, as more than 1.3 msf of new leases were recorded during 2025, with a particularly strong first half of the year accounting for 82.6% of activity. Annual demand surpassed 2024's total by more than 200,000 sf, though large deal volume remained on pace, as nine users inked deals 50,000-sf or larger during 2025, the same count as in 2024. While Nashua led the market in transaction volume for the second consecutive year, capturing 38.1% of total market leasing activity, Salem posted a significant YOY jump. Fueled by Analogic Corporation's 200,000-sf deal at 9 Northeastern Boulevard, which was the market's largest lease of the year, the submarket more than doubled its prior year demand total.

The market recorded a slight softening of asking rents during the fourth quarter as the overall average asking rent dipped below the \$11.00-per-square-foot (psf)-mark for the first time since Q3 2023, ending the year at \$10.92 psf. Warehouse/distribution rents fell in tandem with the overall market, declining 3.2% QOQ to \$10.97 psf.

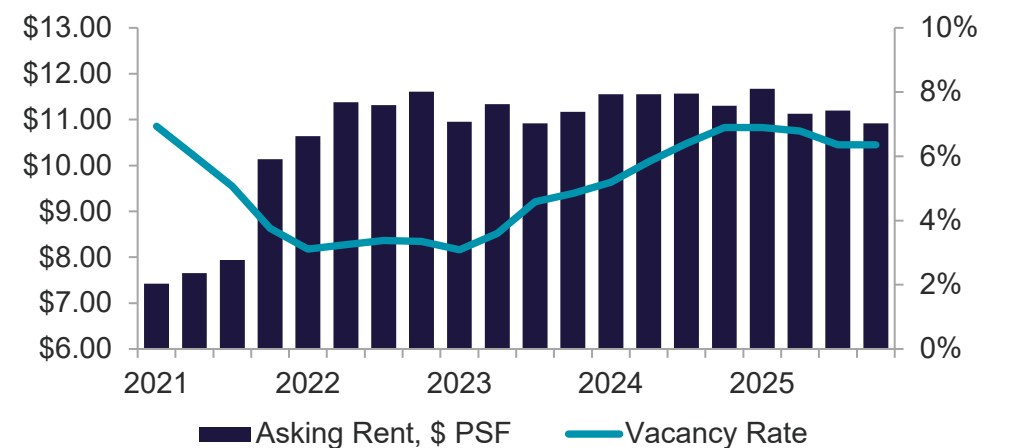
SALES

Nearly 939,000 sf of industrial product traded hands across Southern New Hampshire throughout 2025, a whopping 700,000-sf spike over the prior year. Of the 14 buildings sold, most were purchased by investors, while notable owner/user sales included Coda Products, Inc. purchasing a 27,000-sf manufacturing facility in Dover, and an acquisition by Xcel Fire Protection for a 24,000-sf building in Derry.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET FUNDAMENTALS

	YOY Chg	Outlook
6.4% Vacancy Rate	▼	▼
448K YTD Net Absorption, SF	▲	▲
\$10.92 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▼	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
418.2K Southern NH Employment*	▲	▼
3.2% Southern New Hampshire Unemployment Rate*	▲	▲
4.6% U.S. Unemployment Rate	▲	▲

Source: BLS
*Q3 2025

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	15,450	1.6%	42,190	-15,450	69,940	0	0	\$15.36	N/A
Concord	2,716,016	174,602	6.4%	-28,672	92,158	59,509	36,000	0	\$8.53	\$10.04
Keene	1,807,144	0	0	0	0	0	0	0	N/A	N/A
Manchester	13,954,750	686,927	4.9%	11,599	134,599	150,092	0	102,418	\$10.18	\$10.06
Nashua	17,550,736	1,298,421	7.4%	107,788	288,139	507,092	0	0	\$11.49	\$11.78
Portsmouth	10,990,510	874,104	8.1%	-132,859	-94,067	235,374	0	0	\$11.36	\$10.89
Salem	5,220,802	470,566	9.0%	0	43,509	308,042	0	0	\$10.14	\$12.51
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	55,633,994	3,540,070	6.4%	-44	448,888	1,332,641	36,000	102,418	\$10.92	\$10.97

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

KEY LEASE TRANSACTIONS 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
9 Northeastern Boulevard	Salem	Analogic Corporation	200,000	New Lease
7 Crow's Nest Circle	Nashua	Sullivan Tire	150,000	New Lease
12 Innovation Way	Manchester	Intelligent Manufacturing Solutions	86,954	New Lease
1 Bon Terrain Drive	Nashua	EasyGo Warehouse Services Corporation	63,797	New Lease
9 Northwestern Drive	Salem	Gates TPU, Inc.	60,584	New Lease

KEY SALES TRANSACTIONS 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
80 Northwest Boulevard	Nashua	Stag Industrial Holdings, LLC/NF North America Op LLC	353,039	\$67.0M / \$189.78
18 Bradco Street	Salem	New England Finish Systems Inc/Calare Properties	108,000	\$16.0M / \$148.15
11 Klein Drive	Portsmouth	The Kane Company, Inc./Sarnia Properties	102,000	\$24.5M / \$240.20
46 River Road	Nashua	Tamposi Company/V12 Investments	81,525	\$10.0M / \$122.66

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