

### MARKET FUNDAMENTALS

	YOY Chg	Outlook
<b>12.6%</b> Vacancy Rate	▲	▼
<b>-781.4K</b> YTD Net Absorption, SF	▼	▲
<b>\$22.24</b> Asking Rent, PSF <i>(Overall, All Property Classes)</i>	▼	▼

### ECONOMIC INDICATORS

	YOY Chg	Outlook
<b>418.2K</b> Southern NH Employment*	▲	▼
<b>3.2%</b> Southern NH Unemployment Rate*	▲	▲
<b>4.6%</b> U.S. National Unemployment Rate <i>Source: BLS *Q3 2025</i>	▲	▲

### SUPPLY

After posting a slight improvement during the third quarter, Southern New Hampshire's overall vacancy rate remained elevated, rising 50-basis points (bps) to a record-high 12.6%, 450 bps higher than the preceding five-year average. Despite the increase, two submarkets—Salem and Bedford—remained stable or posted decreases year-over-year (YOY). While Salem maintained the market's second-highest vacancy rate at 16.7%, it outpaced all other submarkets in annual declines. Class A vacancy remained elevated, reaching 16.8% by year-end, with all but one submarket posting vacancy increases of more than 60 bps YOY. Vacancy in lower tiered, Class B product remained stable throughout 2025, fluctuating by, at most, 20 bps and remaining far below the overall average at 4.8%.

### DEMAND

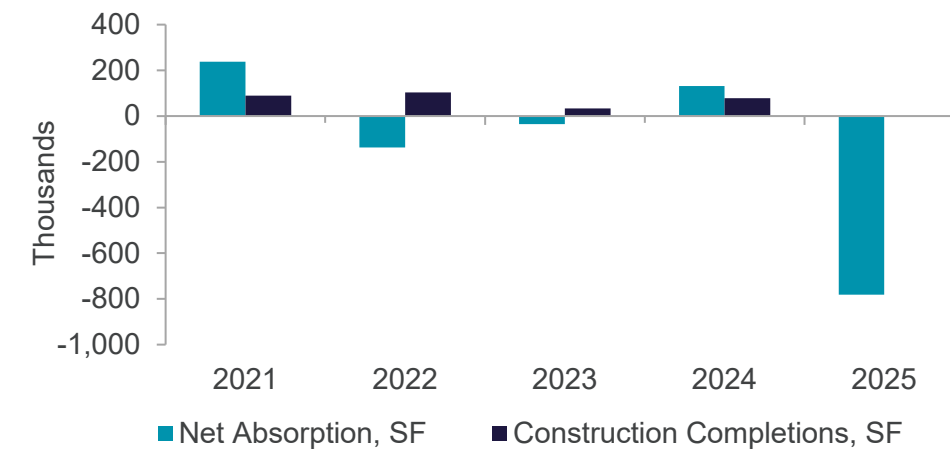
The fourth quarter marked the slowest quarterly demand of 2025 with only 44,000 square feet (sf) of leases signed and none of the market's six submarkets surpassing the 15,000-sf mark of activity. Annual new demand totaled 312,000 sf, trailing 2024's total by 26.0%. Leasing activity in Portsmouth remained robust throughout 2025 at more than 107,000 sf, alone accounting for a quarter of the overall market total, and marking the third consecutive year of the submarket recording more than 100,000 sf of new demand. The flight to quality continued with nearly all fourth quarter activity and the year's five largest leases concentrated in Class A assets.

With no renewals inked during the second half of the year, activity remained slow as only 27,500 sf were signed throughout 2025. Activity was concentrated in three submarkets—Bedford, Manchester and Nashua—with three renewals in Manchester accounting for more than half of all activity.

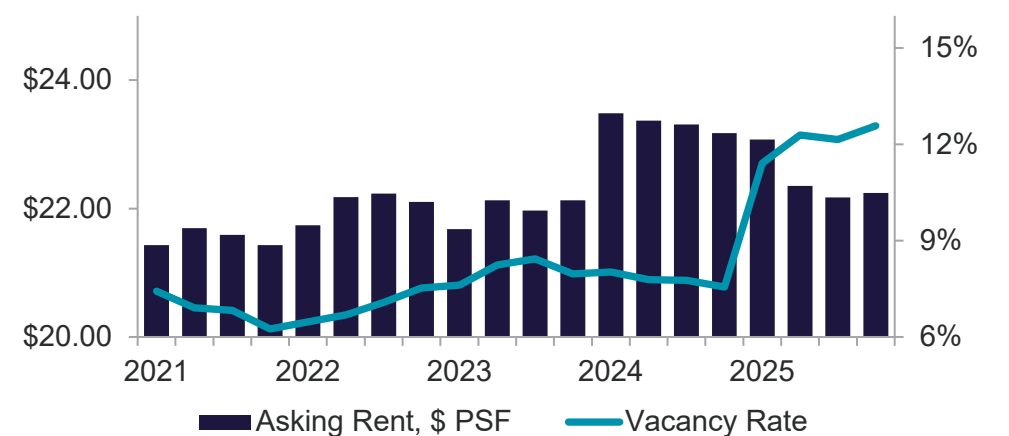
### PRICING

Direct average asking rents softened to \$22.32 per square foot (psf), declining by \$0.80 psf from year-end 2024. Despite the overall market rent dropping throughout 2025, three submarkets posted rent growth YOY. Salem recorded the market's largest increase, up \$1.30 psf to \$27.07 psf, the highest asking rent of any submarket and a \$4.75-psf premium compared to the market average.

### 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	1,428,791	106,314	23,573	9.1%	3,829	808	59,471	0	\$21.87	\$21.87
Concord	1,384,992	42,355	8,563	3.7%	-5,159	-13,590	24,217	0	\$19.91	\$19.91
Manchester	5,685,680	309,779	32,417	6.0%	-3,788	-22,360	44,951	0	\$22.36	\$22.62
Nashua	2,096,270	328,809	0	15.7%	-15,671	-71,632	19,888	0	\$19.13	\$19.63
Portsmouth	4,291,944	970,060	22,961	23.1%	-48,682	-712,472	107,060	0	\$22.84	\$22.56
Salem	673,078	112,084	0	16.7%	2,500	37,840	56,695	0	\$27.07	\$32.30
<b>SNH TOTALS</b>	<b>15,560,755</b>	<b>1,869,401</b>	<b>87,514</b>	<b>12.6%</b>	<b>-66,971</b>	<b>-781,406</b>	<b>312,282</b>	<b>0</b>	<b>\$22.24</b>	<b>\$22.31</b>

\*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
8 Commerce Drive	Bedford	Valmet Forward	15,000	New Lease
325 Corporate Drive	Portsmouth	Market Square Architects, PLLC.	14,087	Sublease
7 Stiles Road	Salem	Ettam	13,477	New Lease
325 Corporate Drive	Portsmouth	E-Technologies Group, LLC	12,659	Sublease
34 Route 111	Salem	Agamatrix	11,732	New Lease

\*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
Liberty Way Portfolio Sale	Portsmouth	Liberty Mutual Holdings Company / Brady Sullivan Properties	585,585	\$16.3M / \$27.84
11 Northeastern Boulevard	Salem	ADP Inc. / Hooke Laboratories	104,176	\$8.0M / \$76.79
20 Trafalgar Square	Nashua	Nash Forest Development Inc./ Whiting Building, LLC	100,000	\$11.0M / \$110.00

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