



2024 NEW HAMPSHIRE MARKET OUTLOOK

A Message from Our Team

Welcome to our 2024 New Hampshire Market Outlook report. At our core, we are dedicated to delivering precise, transparent, and dependable information that empowers our clients and real estate professionals to make well-informed decisions.

Within the following pages, we delve into the current dynamics of the office and industrial sectors, providing insights into demand patterns, property availability, and the pivotal trends and factors that are poised to shape the market in the upcoming year.

In the past year, we have observed a notable increase in office vacancy rates, indicative of evolving workplace dynamics. Nevertheless, the demand for industrial space has remained consistent, with a minor slowdown and steady vacancy rates. There is strong demand for investment-grade inventory emphasizing the need for agility and timely decision-making.

We recognize the multifaceted influences that can sway the market. The ever-evolving political climate, global events characterized by volatility, and the prospect of lower interest rates can impact the market's trajectory.

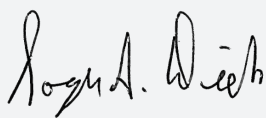
We extend our heartfelt gratitude to our clients for entrusting us with their real estate endeavors. As a company, we value the partnerships we have cultivated and eagerly anticipate the collaborations that lie ahead in the coming year.

In conclusion, our commitment remains steadfast—to equip you with the knowledge and insights necessary to navigate the New Hampshire commercial real estate market successfully. We are excited about the future, and we look forward to working with you as we navigate the path ahead.

Sincerely,



Kent White
Principal Broker, Partner



Roger Dieker
Managing Broker, Partner

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2023 Seacoast Transactions

KATHERINE GEMMECKE | SENIOR ASSOCIATE

Much like everyone in the commercial real estate industry, the Seacoast New Hampshire team faced various challenges in 2023, primarily stemming from limited inventory and fluctuating interest rates. Nevertheless, our team showcased both creativity and persistence resulting in a strong finish to the year, marked by the successful closure of several noteworthy deals.

Here's a look at a few of the standout deals we secured during the year:

1 Hampton Road, Exeter, NH:

Sendero Capital and Angelo Gordon purchased an 80,384± SF medical office building at 1 Hampton Road in Exeter, New Hampshire from Banks Rock, LLC for \$13,500,000. Kent White and Caitlin Burke, had been handling the leasing of the property for years and played a critical role in preparing the property for a sale. Presently, medical tenants occupy 90% of the building. The buyers intend to fill the entire property with medical tenants, achieving 100% occupancy. Additionally, they plan to invest in upgrading the building's exterior and mechanical systems, elevating it to Class A standards. The transaction was arranged on behalf of the seller by Kent White and Caitlin Burke.

Fresh River Road, Lots 5 & 6, Epping, NH:

Fresh River Road, Lots 5 and 6 in Epping, New Hampshire, have been sold to IBEW Local Union 104 OSHE Trust Fund and IBEW Local Union 104 OSHE Building Corporation. These two lots together comprise a total of 22.4± acres and sold for a total of \$5,000,000.

Christian Stallkamp and Katherine Gemmecke arranged these transactions on behalf of the seller, Route 125 & Route 101 Investments.



1 Hampton Road, Exeter, NH



West End Yards, Route One By-Pass, Portsmouth, NH

829-833 Central Avenue, Dover, NH:

GVL Development, LLC purchased 829-833 Central Avenue in Dover, New Hampshire from Hannaford Bros Co. for \$3,700,000. The group purchased the property for potential redevelopment. The transaction was arranged by Kent White, Drew Sigfridson, SIOR, and Caitlin Burke.

165 Deer Street, Lot 3, Portsmouth, NH:

Baywood Hotels, a leading hotel management and development company, purchased 165 Deer Street, Lot 3 from Foundry Place Hotel, LLC for \$4,250,000. The property location is ideally situated in the heart of downtown Portsmouth off Maplewood Avenue adjacent to the Foundry Place Garage. Baywood plans to construct a new five-story Hyatt Place hotel on the property, boasting 117± modern rooms, a 51-space parking garage, and a ground-level café. Hotel guests will have a plethora of amenities nearby within walking distance. The proposed hotel is just one of several upcoming developments in downtown Portsmouth, reflecting the city's growing and vibrant tourism community. The transaction was arranged on behalf of the seller by Christian Stallkamp.

44 Industrial Park Drive, Dover, NH:

A confidential warehouse user leased 32,000± SF of warehouse space at 44 Industrial Park Drive in Dover, New Hampshire from 44 Industrial Drive Owner, LLC. The tenant is utilizing the space for warehouse distribution of its product for the Seacoast region. The transaction was arranged on behalf of the tenant by Katherine Gemmecke and Christian Stallkamp and Robin Dodson of Cushman & Wakefield.

West End Yards, 400 US Route 1 Bypass, Portsmouth, NH:

Pet Medic Urgent Care leased 4,000± SF of retail space at the new West End Yards development in Portsmouth, New Hampshire from the landlord, Cate Street Development, LLC. This transaction was arranged on behalf of the landlord by Kent White and Caitlin Burke. West End Yards includes 252 apartments, and retail tenants with over 100 employees. The property is situated just off the Route 1 Bypass, near the Portsmouth Traffic Circle. The team completed their leasing efforts at West End Yards in 2023 with notable businesses Laney and Lu, Buffalo Wild Wings, F45 Fitness, and Banya.



I-93/Route 3 Corridor New Construction

MIKE TAMPOSI | PARTNER

In 2023, a number of noteworthy projects have either reached completion or are currently in progress. Traditionally, new construction activity in Southern New Hampshire has primarily catered to end-users. However, this past year has witnessed a shift, with several projects being undertaken on-spec, without a committed end-user/tenant. We have also seen a few projects started with a tenant securing a portion of the property, leaving additional space available for lease.

These newly developed projects vary significantly in size, ranging from 35,000± SF, to an impressive 1,400,000± SF. Given the historically low vacancy rates for industrial spaces in New Hampshire, it is anticipated that similar construction projects will continue in the future. This trend reflects the changing dynamic in the region's commercial real estate landscape, with a growing emphasis on new developments to meet the evolving demands of the market.

Notable Projects:

HUDSON LOGISTICS CENTER HUDSON, NH

1.4M± SF Distribution Center for Target

50 ROBERT MILLIGAN PARKWAY MERRIMACK, NH

324,000± SF Warehouse Distribution on-spec

4 HARRIS POND DRIVE MERRIMACK, NH

101,000± SF Warehouse on-spec

60 PETTINGILL ROAD LONDONDERRY, NH

189,500± SF Manufacturing/Warehouse for New Balance

7 CROW'S NEST CIRCLE MERRIMACK, NH

300,000± SF Warehouse, with 80,000± SF pre-leased

83-85 DOW ROAD BOW, NH

65,000± SF Warehouse, pre-leased to three tenants

6 INDUSTRIAL DRIVE SALEM, NH

155,000± SF Warehouse on-spec

161 LOWELL ROAD HUDSON, NH

505,000± SF Warehouse with Life is Good occupying the majority of the building

Seacoast Office Market

CHRISTIAN STALLKAMP |
SENIOR BROKER, PARTNER

2023 represented a fundamental shift in the commercial real estate landscape, including office space on the New Hampshire Seacoast. The blistering pace at which companies had been working, with a combination of remote work over the past few years, slowed down following the pandemic boom of 2021. Companies have been in the process of adapting to a new normal, which has been evolving throughout the year. As we enter 2024, we should gain a clearer understanding of what this new normal entails.

Presently we see that office buildings still have existing leases in place, and there are plenty of available parking spaces. These signs indicate that companies may be in the process of adjusting. In the Seacoast, the office market is experiencing a division between small offices ranging from approximately 2,500 to 5,000± SF and larger office spaces around 25,000± SF and greater. The demand for smaller office spaces appear to be higher than that for larger ones.

Furthermore, rents for larger office spaces have started to show some softening, while rents for small offices have remained relatively stable, particularly in Class A buildings equipped with amenities and move-in-ready conditions.

The Seacoast office vacancy rate increased to 19.8% in 2023 compared to 10.9% in 2021 and 14.8% in 2022. Average asking rent has also decreased to \$14.93 NNN from \$15.87 NNN in 2022.

Companies operating in New Hampshire and across the United States are reevaluating their revenue expectations and placing a greater emphasis on efficiency and cost-cutting measures. This shift in priorities will significantly influence their decision-

making process in the future, particularly concerning the extent of office space they require. These decisions may involve an array of options, ranging from full-remote work arrangements to mandatory in-office attendance.

In the Seacoast we have seen big pockets of office space become available in 2023 like Liberty Mutual's 600,000± SF campus in Dover and Bottomline Technologies' 100,000± SF building at the Pease Tradeport. Based on the overall size of the market these two buildings represent a substantial portion of the office market on the Seacoast. If we remove those buildings the vacancy rate would be ±13.22%, not too far off from the 10-year average of 10.9%. When viewed from this perspective, the Seacoast office market does not appear as dire as portrayed in the media.

Landlords looking to re-tenant buildings with larger vacancies are likely to offer more significant concessions or opt for full-scale repositioning efforts. On the other hand, smaller office spaces have fared better, as companies adapting to their new normal have adjusted their office space requirements. A larger proportion of office users have chosen to downsize their space rather than expand.

Office Trends to Watch

- Employers are decreasing the work from home days.
- With New Hampshire experiencing larger office vacancies, companies from Massachusetts may consider relocating to fill the gap, attracted by lower wages, the absence of Massachusetts' "millionaires' tax", a higher quality of life, and no income tax.
- The conversion or redevelopment of office buildings into residential uses.
- "Move-in-Ready" space, as in 2023, will continue to be desired, driven by high renovation costs.

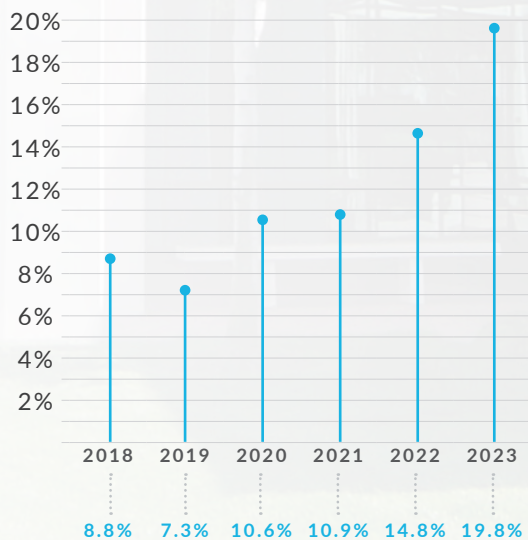
In this evolving landscape, our recommendation to clients is to allow themselves additional time for assessing their real estate requirements, conducting thorough market research, and gaining a deeper insight into the current conditions within their specific submarket. What's clear in the current landscape is that you can't apply one size fits all throughout New Hampshire.

The importance of leveraging local market expertise cannot be overstated. Building strong relationships with local banks, landlords, and commercial brokers is crucial for achieving the best possible outcomes.

2023 Seacoast NH Office Market Snapshot

SUBMARKET	TOTAL SF	VACANT SF	VACANCY %	LEASE RATE NNN
DOVER	1,769,153	668,203	37.8%	\$13.00
DURHAM	209,166	143,540	68.6%	\$11.95
EXETER	517,669	47,132	9.1%	\$15.50
GREENLAND	70,947	3,650	5.1%	\$13.50
HAMPTON	567,185	16,589	2.9%	\$13.50
NEWINGTON	103,402	7,231	7.0%	\$17.00
NEWMARKET	77,053	0	0.0%	\$12.00
NORTH HAMPTON	93,459	2,150	2.3%	\$12.00
PEASE	2,133,463	463,682	21.7%	\$17.25
PORTSMOUTH	2,373,347	189,058	8.0%	\$19.75
ROCHESTER	566,889	95,883	16.9%	\$10.00
SEABROOK	70,854	0	0.0%	\$10.50
SOMERSWORTH	250,992	1,000	0.4%	\$10.00
STRATHAM	446,396	191,950	43.0%	\$16.00
TOTALS	9,249,975	1,830,068	19.8%	\$14.93

Historical Office Vacancy Rates



Historical Office Average Asking Rent (NNN)



I-93/Route 3 Office Market

ROGER DIEKER |
MANAGING BROKER, PARTNER

The New Hampshire I-93/Route 3 Office market remained stable through 2023 with a slight increase in both vacancy (8.5%) and lease rates (\$15.36/SF NNN). With the majority of office lease terms averaging 5 years, 2023 marked the 3-year mark from Covid-19 and the enhanced use of remote work. As these Pre-Covid leases continue to expire, many office users strive to downsize their footprints with a combination of remote work options with some in-office training and a few days per week of in-office work.

Many of the office users with leases expiring in 2021 and 2022 tried to take advantage of the remote work phenomenon by reducing their square footage by 80-90% of their Pre-Covid footprint, only to come back to their landlords in 2023 looking for 10-20% more space. Stabilizing at 30-40% of their Pre-Covid space, is still a big win. Many of the office users with leases expiring in 2024 are repeating those 2021 & 2022 expiration mistakes by attempting to downsize to an extreme level. United Healthcare in Hooksett has a 2024 lease expiration and is attempting to completely eliminate their 65,500± SF premises, to go to a majority remote work model with a shared office location to provide a local training and flexible office plan. Companies that are heavy on the customer service/call center workload are finding more success with the remote work model than companies that rely on collaboration among employees. Fidelity Investments in Merrimack is revising their work model to require 50% in-office attendance in an effort to increase employee collaboration after working 100% remote in the Post-Covid era.

As the office buildings navigate the world of downsizing tenants, buildings that have smaller floor plates or can be easily sub-divided are in strong demand for these smaller tenants that want amenities and spaces that can attract workers to the office. Comfortable

seating in a café style with small breakout rooms for privacy are now replacing the standard 10'x12' office or 6'x6' cubes. Providing food and work-out spaces are also drawing many employees back to the office on a more regular basis. Companies with 2024 and 2025 lease renewals are evaluating the savings that can be generated from downsizing their footprint, but do not want to completely abandon the identity and stability that an office location can provide. The configuration of the new office space is primarily designed to draw employees back to the office for more employee interaction.

The stability in the vacancy rate during this period of downsizing tenants is enhanced by the increasing trend to convert urban office space to residential apartments. This is due to the desperate need for affordable housing. Brady Sullivan patiently waits to obtain approvals for residential conversions of their underutilized office properties. The 100,000± SF former Cigna Healthcare building in Hooksett continues to work through the appeals process to enable the construction of residential apartment units which are in high demand in the Manchester-Concord corridor. More office space at 1000 Elm Street in Manchester is under construction for residential conversion as well as the 95,000± SF office building at 1230 Elm Street. Office to residential conversion helps to lower the overall office vacancy and keep the supply and demand forces for office at a healthy balance, as well as address the housing crisis.

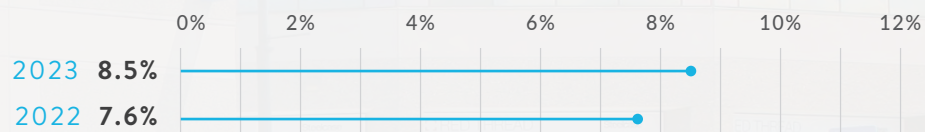
New Hampshire Office Market Forecast

The I-93/Route 3 Office market will remain stable with regard to vacancy and lease rates as the office users continue to downsize and reconfigure their space. In turn, many office property owners will choose to go through the zoning and approval process to convert their properties to multifamily residences.

2023 I-93/Route 3 Office Market Snapshot

SUBMARKET	TOTAL SF	VACANT SF	VACANCY %	LEASE RATE NNN
AMHERST	267,263	47,056	17.6%	\$11.04
AUBURN	60,600	2,250	3.7%	\$12.00
BEDFORD	1,918,645	117,720	6.1%	\$19.35
BOW	96,135	2,500	2.6%	\$15.50
CONCORD	2,511,429	178,825	7.1%	\$15.96
DERRY	333,617	38,987	11.7%	\$10.45
HOOKSETT	349,374	172,423	49.4%	\$14.17
HUDSON	41,091	0	0.0%	\$0.00
LONDONDERRY	676,001	68,194	10.1%	\$13.48
MANCHESTER	7,856,166	596,716	7.6%	\$14.98
MERRIMACK	2,002,264	55,747	2.8%	\$13.55
NASHUA	4,059,446	474,843	11.7%	\$16.38
SALEM	2,217,878	167,335	7.5%	\$15.07
WINDHAM	337,573	16,579	4.9%	\$14.94
TOTALS	22,727,482	1,939,175	8.5%	\$15.36

Historical Office Vacancy Rates



Historical Office Average Asking Rent (NNN)



Seacoast Industrial Market

KENT WHITE | PRINCIPAL BROKER, PARTNER

Over the past 3-5 years, the industrial and warehouse sector has been the dominant force in the commercial real estate landscape, not only in the New Hampshire Seacoast region but also on a national scale. While other commercial segments like the office market have experienced setbacks, the industrial market has exhibited sustained vigor, characterized by high demand, limited inventory, and rising lease rates. This trend carried into 2023, although we began to witness a modest decline in demand during the third quarter, potentially signaling a stabilization or softening of the industrial market in 2024.

Average Industrial Vacancy Rates:

The industrial vacancy rate in the Seacoast area in 2023 saw a slight uptick, climbing from 2.1% in 2022 to 2.9%. It's important to note that even with this slight increase, vacancy rates remain historically low, offering limited choices to tenants seeking space. This holds true across all size categories, from small 2,000 to 4,000± SF condominium units to larger 50,000+ SF industrial and warehouse properties. While vacancy has remained relatively steady, the overwhelming demand that characterized the Seacoast, particularly since the onset of the Covid-19 pandemic in the spring of 2020, has somewhat subsided. In previous years, high-quality industrial spaces hitting the market would attract immediate interest from multiple tenants, with most vacancies being leased within 1-3 months. However, over the past six months, some available spaces that would have quickly found occupants now linger on the market.

Average Asking Lease Rates:

For the first time since 2013, we observed a drop in the average industrial asking lease rates, declining from \$11.64/SF NNN (Triple Net) in 2022 to \$10.95/SF NNN in 2023. While this may seem counterintuitive given the low vacancy rates, it's worth noting that a single large building can sway the average up or down, however, that is not the case in 2023. Although this year's data shows a slight decrease, the average asking rent remains considerably higher than the average of \$6.25/SF NNN in 2019. This surge in rents during the start of Covid-19 was primarily driven by intense demand and tenants' willingness to pay premium prices to secure space, compounded by a 30%-40% increase in new construction costs, making rents exceeding \$14.00/SF NNN for new construction unattainable for most businesses. Notably, during the fourth quarter of 2023, a few properties that had been on the market for six months or longer began to reduce their asking lease rates. This has not been seen in years, as most landlords had been able to continuously raise rent to the historic rents of today.

Looking Ahead to 2024:

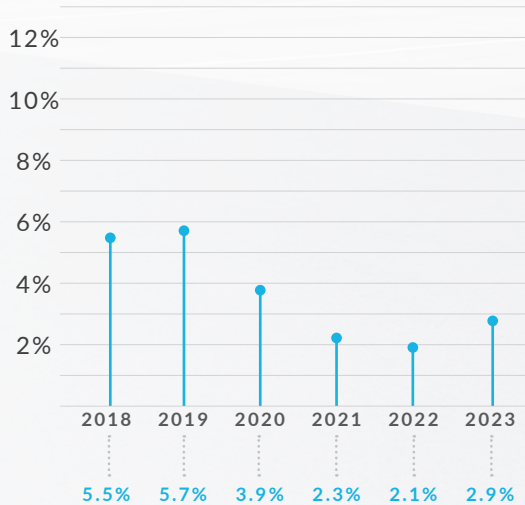
What do these trends imply for the industrial market in 2024? To answer this question, we must consider the broader context. The rapid escalation of rents since the onset of Covid-19 was unsustainable, and at some point, rents were bound to stabilize, if not soften. As mentioned earlier, asking rents increased by nearly 90% from 2019 to 2022. To put this into perspective, industrial rents increased by only 18.6% from 2003 to 2019 (\$5.27/SF NNN to \$6.25/SF NNN). Moreover, the unprecedented demand driven by the pandemic-induced inflation, has softened while The Federal Reserve has taken steps to combat inflation by raising interest rates at the fastest pace since the 1980s.

With these considerations in mind, we anticipate a stabilization of the industrial market in 2024. Rents are likely to remain relatively steady, and vacancy rates will stay low. However, available spaces may take longer to lease. Tenants should have a few more options, and most new construction projects will likely be built-to-suit, as developers exercise caution in speculative building.

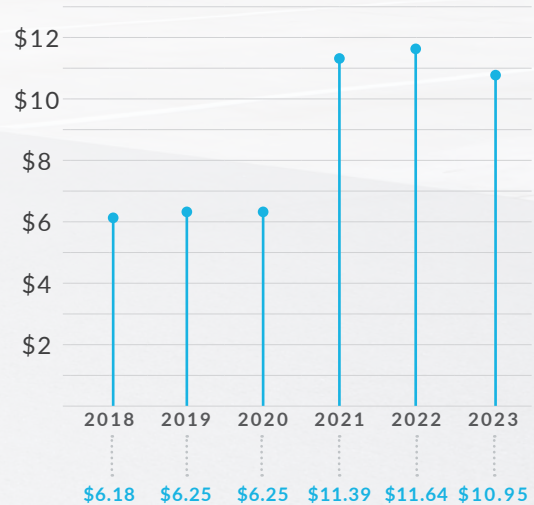
2023 Seacoast NH Industrial Market Snapshot

SUBMARKET	TOTAL SF	VACANT SF	VACANCY %	LEASE RATE NNN
DOVER	2,518,147	232,852	9.2%	\$10.75
DURHAM	286,381	22,790	8.0%	\$11.95
EXETER	1,185,620	44,782	3.8%	\$12.50
GREENLAND	774,145	2,400	0.3%	\$10.00
HAMPTON	822,773	9,800	1.2%	\$10.00
NEWINGTON	1,287,929	0	0.0%	\$10.50
NEWMARKET	163,884	18,227	11.1%	\$9.75
NORTH HAMPTON	186,282	13,682	7.3%	\$9.00
PEASE	1,665,804	110,509	6.6%	\$12.25
PORTSMOUTH	2,174,313	37,856	1.7%	\$9.00
ROCHESTER	2,484,135	0	0.0%	\$8.00
SEABROOK	1,826,550	10,196	0.6%	\$12.00
SOMERSWORTH	1,839,432	34,200	1.9%	\$9.00
STRATHAM	1,090,695	0	0.0%	\$10.50
TOTALS	18,306,090	537,294	2.9%	\$10.95

Historical Industrial Vacancy Rates



Historical Industrial Average Asking Rent (NNN)



I-93/Route 3 Industrial Market

CHRISTOPHER HEALEY | PARTNER

The 2023 New Hampshire industrial real estate market experienced another strong year with sustained demand, increased lease rates, low supply, and limited speculative construction. Collectively, these conditions ultimately resulted in a market with an overall vacancy rate of 4.8%.

Though a significant increase from recent years (sub-2% vacancy in 2022, for example), buyers & tenants seeking industrial space of all varieties found options to be quite limited, a trend we expect will continue into 2024, as much of the space attributed to the higher vacancy rate is found in large blocks.

Supply and Demand

For businesses looking at new sites/relocation, New Hampshire has a number of attractive qualities. In addition to its routine high scores for quality of life, proximity to major metropolitan areas, travel/accessibility, higher education, recreation, and healthcare, it also offers no state income or sales taxes.

Given New Hampshire's proximity to Boston, many businesses closer to the city continue to experience a sustained run-up in occupancy costs. While we've seen lease rates increase rapidly in New Hampshire (from a long-time average in the \$6.50-\$8.00/SF NNN ballpark, to the current average of \$11.42/SF NNN), our rates are often considerably more attractive than those south of the NH/MA state line. Using Massachusetts as an example, if a MA-based company relocates to NH, and that company is already employing NH residents, those folks would enjoy a "pay raise" by way of no longer having a state income tax. Additionally, reverse commuting, hybrid work schedules, and improved residential affordability relative to metro-Boston may further benefit the subject company and its employees.

Industrial users currently located in NH have been dealing with tight market conditions for some time now, and are more frequently having to compete with

inbound groups. This has helped keep vacancy at bay, which excluding the past two years, has historically been closer to 6%, or more.

Pricing Dynamics

In the leasing market, lower supply typically translates to higher lease rates. This has been the case in New Hampshire, given tighter vacancy. While there are currently a few speculative industrial buildings under construction in the market, these are mainly geared towards attracting larger tenants (think 75-100K± SF and up). Other new construction has been delivered in 2023, though much of it was for end users (owners and/or tenants). In summary, while some new product was delivered to the market, the majority of it is occupied (and much of it is not suited for small to mid-sized companies), thus keeping vacancy slim, and lease rates high.

Regarding sales, industrial assets remain coveted, and pricing has held strong. In many instances, however, users have been able to outbid investors when competing to purchase property, and this shift can largely be attributed to the rapid climb of interest rates. While a user will generally be willing to pay more than an investor, the past few years offered historically low interest rates, which in turn afforded investors far more buying power. The rise in interest rates has also been a factor in decreased sale transaction volume relative to the past few years. All of this being said, identifying industrial real estate to acquire in New Hampshire remains challenging with many current owners reluctant to sell in the current climate.

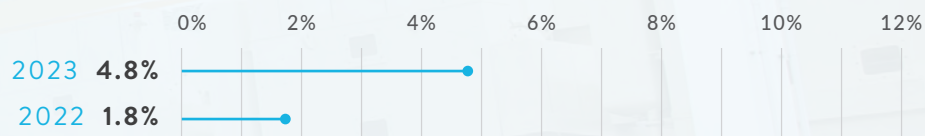
Looking Forward

As we jump into 2024, we anticipate the industrial market to sustain its strong fundamentals. Quality industrial space in small-to-medium sized blocks (30K± SF and under) will remain challenging to identify, and it will be interesting to track leasing activity with some of the larger speculative developments currently under construction.

2023 I/93 Route 3 Industrial Market Snapshot

SUBMARKET	TOTAL SF	VACANT SF	VACANCY %	LEASE RATE NNN
AMHERST	1,275,312	219,720	17.2%	\$8.63
AUBURN	305,668	0	0.0%	\$0.00
BEDFORD	1,045,664	45,009	4.3%	\$10.00
BOW	615,965	26,025	4.2%	\$13.13
CONCORD	3,011,850	214,698	7.1%	\$7.94
DERRY	1,312,414	30,800	2.3%	\$12.50
HOOKSETT	1,689,323	48,370	2.9%	\$10.09
HUDSON	4,048,173	274,915	6.8%	\$12.40
LONDONDERRY	7,083,477	224,000	3.2%	\$10.50
MANCHESTER	9,169,250	265,054	2.9%	\$10.70
MERRIMACK	4,228,756	323,750	7.7%	\$14.50
NASHUA	10,017,050	199,816	2.0%	\$10.08
SALEM	3,459,323	417,692	12.1%	\$13.39
WINDHAM	338,550	0	0.0%	\$0.00
TOTALS	47,600,775	2,289,849	4.8%	\$11.42

Historical Industrial Vacancy Rates



Historical Industrial Average Asking Rent (NNN)





Downtown Portsmouth Development

What is really taking shape in 2024?

CAITLIN BURKE | SENIOR ASSOCIATE

The past few years we have tracked Portsmouth's Downtown development, as it is always top of mind for many of the investors and tenants we talk with throughout the year. When driving through the Downtown corridor, it appears there is construction along every other block. Upon further research, the bulk of the change is occurring in Portsmouth's North Mill Pond area. The following list is a summary of mixed-use developments that are currently approved

by the City of Portsmouth but are in varying stages of development. The one thing they all have in common is the North Mill Pond Neighborhood.

Housing and hospitality are the two driving forces behind these mixed-use developments, except for some small commercial/retail space on the first floors.

1. City of Portsmouth: <https://www.cityofportsmouth.com/planportsmouth/development-project-pages>
2. Seacoast Online: <https://www.seacoastonline.com/story/news/local/2024/01/08/portsmouth-nh-2024-development-north-end-route-1-corridor/71743107007/>
3. <https://www.seacoastonline.com/story/news/local/2022/08/13/portsmouth-nh-project-sheraton-lot-condos-apartments-offices/10268885002/>



Approved and Not Started:

These projects have been fully approved by the City, and in some cases also made it through an appeal process, but active construction has not begun as of January 1, 2024.

2 53 GREEN STREET

A mixed-use project consisting of 48 market-rate residential units on the top four floors and some small commercial space on the first floor. The project will also include 22,095± SF of community space along North Mill Pond. The community space will connect to a new park behind the existing AC Hotel.

3 1 & 31 RAYNES AVENUE AND 203 MAPLEWOOD AVENUE

Adjacent to the Green Street project, the Raynes Avenue Project will consist of a five-story, 124 room hotel and a four-story mixed-use building consisting of 32 market rate apartments and commercial space on the ground floor.

4 RUSSELL STREET

Approved by the HDC in 2022, the Russel Street project is a mixed-use development planned for the parking lot on the corner of Deer and Russel Streets. It will consist of three mixed-use buildings – one building will be entirely commercial with office space on the upper floors and retail on the first floor. The other two will be commercial/retail on the first floors and condos/market rate apartments above.

5 105 BARTLETT STREET

This development is named the Residence at Islington Creek and will include 152 apartments in three buildings along North Mill Pond. There will also be a half-acre public park incorporated and some of the land along North Mill Pond is donated by the developers back to the City to connect to the North Mill Pond Trail and Greenway.

Approved and Under Construction:

As of January 1, 2024, these are active construction sites and dirt is already being moved around.

DEER STREET ASSOCIATES, LOTS 2-6

- 1A Foundry Place Community Space (Lot 2) – Public Community space
- 1B 165 Deer Street (Lot 3) – Hyatt Place Hotel
- 1C 163 Deer Street (Lot 4) – Mixed-Use Building (current home to Eastern Bank) – This is the only lot in the Deer Street Portfolio that is not an active construction site as of January 1, 2024.
- 1D 70 Maplewood Avenue (aka 157-161 Deer Street - Lot 5) – four-story mixed-use building with retail, office, hotel, and commercial space.
- 1E 89 & 99 Foundry Place (Lot 6) – four-story multi-family building with some commercial space on the first floor.

In addition to the list above, I would be remiss not to touch on the McIntyre Building – The McIntyre building sold in 2023 to a local developer who does not have immediate plans for the development. My prediction is that we do not see a new proposal for redevelopment on this site for a few more years.

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Methodology

To the best of our knowledge, we have included all Class A and Class B office and industrial properties greater than 10,000± SF that we consider investment-grade quality in the shown geographical areas. We do not include retail, hotels, car dealers, churches, municipal buildings, or schools in our survey. The total average asking NNN lease rate is the weighted average of the submarket average asking NNN lease rate. We have estimated the average asking lease rate based on our market knowledge when a submarket has no vacancy. For the Seacoast market, the represented vacant SF includes available space, which includes sublease space. For the I-93/Route 3 Corridor, the represented vacant SF does not include sublease space. This survey was completed on December 15, 2023.

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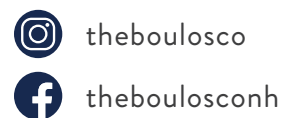


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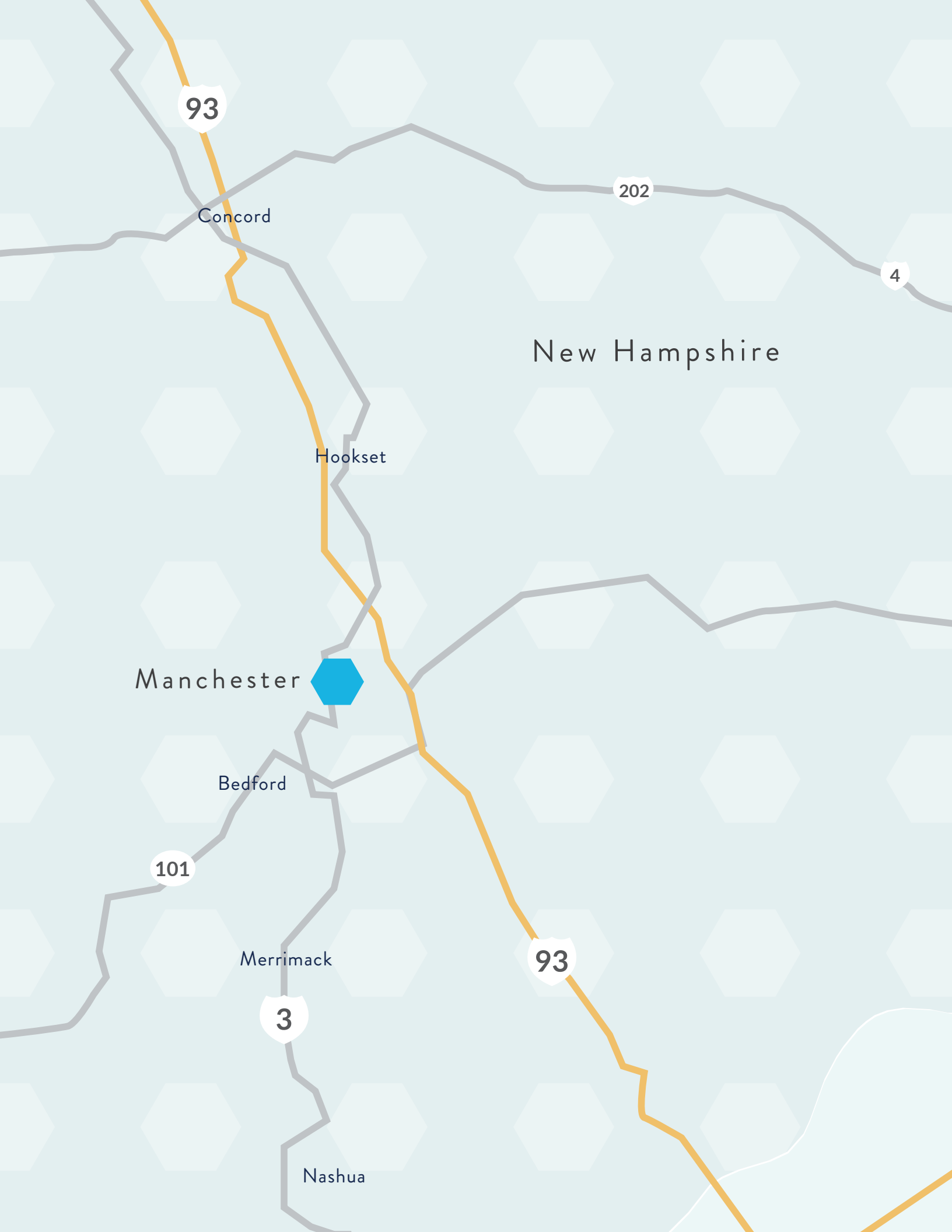
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This report has been prepared in good faith, based on The Boulos Company's current anecdotal and evidence-based views of the commercial real estate market. Although The Boulos Company believes its views reflect market condition on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond The Boulos Company's control. In addition, many of The Boulos Company's views are opinions and/or projections based on subjective analyses of current market circumstances. Other firms may have different opinions, projections, and analyses, that are different from The Boulos Company's current views. The Boulos Company has no obligation to update its views herein if its opinions, projections, analyses, or market circumstances subsequently change.

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93

Concord

202

4

New Hampshire

Hookset

Manchester

Bedford

101

Merrimack

3

Nashua

93



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