



THE BOULOS
COMPANY



2025

NEW HAMPSHIRE
MARKET OUTLOOK

A Message from Our Team

Welcome to our 2025 New Hampshire Market Outlook report. At The Boulos Company, we are proud to continue our tradition of delivering accurate, transparent, and reliable insights that empower clients and real estate professionals to make informed decisions with confidence.

This year's report offers a deep dive into the current dynamics of the office and industrial sectors. From demand trends to property availability, we explore the critical factors shaping the market and what they mean for the year ahead.

As we move into 2025 with the election behind us, it's a good time to reflect on what may lie ahead. Increased government spending, continued stabilization of inflation, potential lower interest rates and tax cuts could give businesses a much-needed boost, while potential tariffs might prompt companies to stock up on goods, potentially driving demand for warehouse space.

These evolving factors present both opportunities and challenges, making it more important than ever to plan strategically. While deregulation and tax reforms may create short-term gains, the potential for long-term risks calls for careful consideration.

On a celebratory note, 2025 marks a momentous milestone for The Boulos Company—50 years of serving our clients and communities in Maine and 25 years in New Hampshire. This anniversary is a testament to the trust and collaboration of those we've worked with over the years. Learn more about this exciting achievement on page 12.

As we celebrate this milestone, we also look to the future with optimism and determination. To our clients and partners, we thank you for entrusting us with your real estate needs. Your success continues to be our top priority, and we're eager to build on our shared accomplishments in the year ahead.

Sincerely,



Kent White
Principal Broker, Partner



Roger Dieker
Managing Broker, Partner

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newhampshiremarketoutlook.com



2024 Seacoast Transactions

AUSTIN STEBBINS | ASSOCIATE

100 Borthwick Avenue, Portsmouth, NH

Looking back at some of the notable commercial real estate transactions across New Hampshire's Seacoast in 2024, our team brokered some significant transactions across all property types. Despite high interest rates and talk of economic uncertainty, demand remained strong for quality investment and owner user properties. Below is a recap of some of the key transactions facilitated by our team:

40 Pleasant Street, Portsmouth, NH

Chinburg Development, LLC acquired 40 Pleasant Street from Allison Street Holdings, LLC for \$5,450,000. In the months leading up to the sale, The Boulos Company secured office tenants for the second and third floors, achieving full occupancy. The 24,237± square-foot building is a historic landmark downtown and was intentionally renovated to blend modern upgrades with its architectural charm. Kent White and Caitlin Burke represented the seller in this sale.

Multifamily Portfolio, Newmarket, NH

Christian Stalkamp and Katherine Gemmecke facilitated the sale of a 43-unit multifamily portfolio for \$8,500,000 on behalf of the seller, Condor Capital, LLC. The portfolio included the historic Willey House, a former hotel converted into apartments, alongside

properties on Main Street, Chapel Street, and Exeter Road. Fully leased and strategically located, these properties underscore the strength of Newmarket's rental market and continued demand for quality multifamily investments.

100 Borthwick Avenue, Portsmouth, NH

The office building at 100 Borthwick Avenue sold for \$8,900,000. Formerly owned by Lighthouse Credit Union, the 47,745± square-foot property will be repositioned as a medical office facility targeting 100% medical tenancy. Located near Portsmouth Regional Hospital, this property is poised to become a hub for healthcare services. Kent White and Caitlin Burke represented the buyer who plans to operate their own medical practice out of a portion of the building and lease the remaining space to like kind medical tenants.



40 Pleasant Street, Portsmouth, NH



67 State Street, Portsmouth, NH

6/7 Forbes Road, Newmarket, NH

Christian Stallkamp and Katherine Gemmecke played a pivotal role in securing MBraun as a tenant at Forbes Road in Newmarket. MBraun will be moving into a brand-new, state-of-the-art 24,000± square-foot facility upon its completion in early 2025. Despite the challenges owner-users face in justifying the cost of new construction, this deal highlights that there is still demand for new builds and progress in the market. Christian and Katherine represented the landlord in this transaction.

Downtown Portsmouth Retail Transactions

The Boulos Company's Portsmouth Office made a significant mark on downtown Portsmouth's retail landscape in 2024. Highlighted below are a few of the most notable transactions and new businesses to watch for in early 2025:

Reedmor Books leased 1,741± square-feet of retail space at 67 State Street. This general-interest bookstore for adults offers a unique blend of books, beer, wine, and café-style light appetizers, creating a welcoming and vibrant atmosphere. Katherine Gemmecke and Christian Stallkamp represented the landlord.

Mamma Luca leased 6,582± square-feet of restaurant space at 111 State Street. This is Chef Mario LaPosta's second restaurant. In his other location in Newtonville, MA, he is known for his expertise in oven-fired pizza and elevated Italian cuisine. Mamma Luca's will bring its flavors to the Portsmouth culinary scene in February in their newly renovated 100-seat venue. Caitlin Burke and Kent White represented Mamma Luca in securing the lease agreement with developer Mark McNabb.

The Wheel House of NH leased 3,154± square-feet of space at 865 Islington Street in Portsmouth's West End. The team is dedicated to creating an inviting space where everyone can explore and learn the art of working with clay. Katherine Gemmecke and Christian Stallkamp represented the landlord in the transaction.

Overland Sheepskin Co. leased 1,771± square-feet of retail space at 1 Market Square, taking over the location previously occupied by Starbucks, which closed its doors after 25 years in downtown Portsmouth. Known for its signature sheepskin, leather, and bomber jackets, Overland brings a distinctive shopping experience to the area. Caitlin Burke and Kent White represented Overland Sheepskin Co. in the lease transaction.



I-93/Route 3 Corridor New Construction

MIKE TAMPOSI | PARTNER

In 2024, the I-93/Route 3 corridor in New Hampshire experienced a few developments in its commercial real estate sector, particularly in industrial.

Leading into 2024, the region saw a surge in speculative industrial construction, indicating strong confidence in market demand. Though a few of these projects have slowed and are currently sitting as “shovel ready” projects, there has still been a number of projects that have progressed forward.

Notable Projects:

7 CROWS NEST, MERRIMACK

Phase 1 of the project totaling roughly 100,000 square-feet being nearly completed with two leases already signed.

83 DOW ROAD, BOW

A 40,000± square-foot high-bay warehouse distribution facility.

85 DOW ROAD, BOW

A 24,000± square-foot high-bay warehouse distribution facility.

36 INDUSTRIAL DRIVE, LONDONDERRY

A 50,000± square-foot sales and service center for Tesla.

60 PETTENGILL ROAD, LONDONDERRY

A 189,500± square-foot manufacturing and warehouse facility constructed for New Balance.

These projects reflect a continuing trend of traditional end-user-focused construction while some of the speculative builds planned for 2024 have slowed allowing time for existing vacancies to fill.

Under Construction:

Looking forward to 2025 and 2026, there are a few projects that are under construction for both end users as well as on-spec with leasing efforts underway. These projects include:

87 DOW ROAD, BOW

A 26,000± square-foot warehouse facility.

89 DOW ROAD, BOW

A 40,000± square-foot stand-alone distribution facility.

269 LOWELL ROAD, HUDSON

A 1.4± million square-foot distribution facility for Target Corp., with a planned completion in 2026.

63 LONDONDERRY TURNPIKE, HOOKSETT

A 93,400± square-foot warehouse distribution facility being constructed on-spec and can be subdivided for multi-tenancy.

26 JACKS BRIDGE ROAD, LONDONDERRY

A 100,000± square-foot facility, with 50% of the building pre-leased, and the remainder of the space still available.

Overall, 2024 marked a dynamic period for southern New Hampshire's commercial real estate market, characterized by substantial industrial developments positioning the region for continued growth and adaptation to evolving market demands.

Seacoast Office Market

KENT WHITE | PRINCIPAL BROKER, PARTNER
CAITLIN BURKE | SENIOR ASSOCIATE

At the close of 2024, New Hampshire's Seacoast office market saw a modest increase in vacancy, rising to 20.1% from 19.8% in 2023. This rate remains slightly lower than Greater Boston's office vacancy. The average asking rent for office space edged upward, climbing from \$14.93/SF NNN in 2023 to \$15.55/SF NNN in 2024. This reflects a continued trend of larger, high-quality Class A office spaces entering the market.

While the vacancy rate has increased for the fifth consecutive year from a pre-pandemic low of 7.3% in 2019, the relatively small uptick suggests the market is stabilizing. This outcome is healthier than many anticipated at the onset of the pandemic. Demand for smaller office spaces (under 5,000 square-feet) remained strong throughout 2024, while larger vacancies continued to face limited demand. In response, landlords of large properties have increasingly explored subdividing spaces or repurposing them for alternative uses such as residential or industrial conversions.

Larger vacancies persisted in 2024 and are expected to continue into 2025 as national corporations continue to reevaluate their long-term space needs. Notable examples include Liberty Mutual's 500,000+ square-foot office campus in Dover, Bottomline Technologies' 100,000+ square-foot building at Pease, and Timberland's 94,000+ square-foot property at 200 Domain Drive in Exeter.

Smaller Space Demand and Relocation Trends

Demand for smaller office spaces remained robust in 2024, with limited availability, particularly in downtown areas. These spaces appeal to both

small businesses with less than ten employees and larger companies with hybrid work schedules. The Seacoast also continued to attract small businesses relocating from out of state, driven by entrepreneurs and families seeking a better quality of life post-pandemic.

Pease Tradeport as a Market Indicator

Pease Tradeport, the Seacoast's largest business park with over two million square-feet of office space, serves as a market bellwether. For the first time since 2019, its vacancy rate dropped, falling from 21.7% in 2023 to 19.7% in 2024—a potential sign of broader market improvements in 2025.

A unique indicator of office activity is parking lot occupancy, which has been monitored by our office for the past five years. Pre-pandemic, parking lots were 80-100% full, dropping to 10-30% at the height of remote work. In 2024, parking occupancy rebounded to 40-60%, signaling a gradual return of employees to the office, though often not on a full-time basis.

Challenges in Office Building Financing

Securing financing for office buildings has become increasingly challenging, a trend likely to persist into 2025. Local lenders have shown little interest in financing office properties unless they are owner-occupied with strong financials and long term leases. Additionally, many loans from the past decade, secured during a period of historically low interest rates, are now up for refinancing. This is creating added financial pressure on owners who are also dealing with higher vacancies and stricter lending conditions.

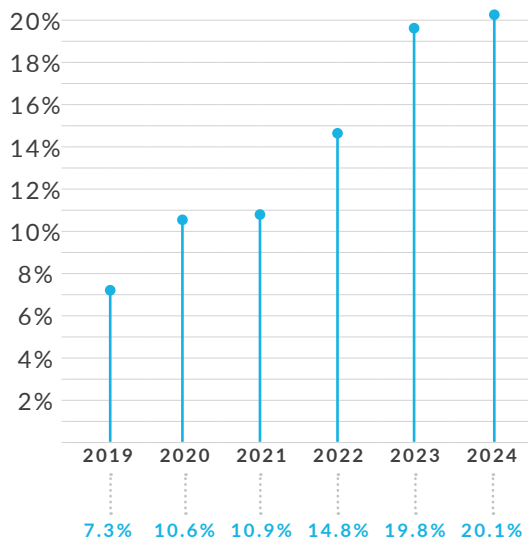
Office Trends to Watch in 2025

- Demand for smaller office spaces (under 5,000 square-feet) will remain strong especially downtown.
- Landlords may offer more concessions, such as free rent or tenant improvement allowances, rather than lowering rental rates.
- High construction costs will drive demand for "move-in ready" spaces.
- Tenants will prioritize locations near downtown areas with amenities for employees.
- Companies will continue efforts to bring employees back to the office, though not necessarily five days a week.
- Large office vacancies will remain a challenge with limited demand.

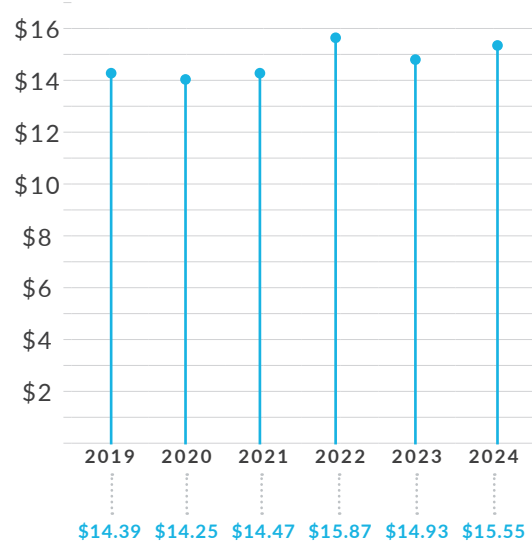
2024 Seacoast NH Office Market Snapshot

SUBMARKET	TOTAL SF	VACANT SF	VACANCY %	LEASE RATE NNN
DOVER	1,802,230	666,980	37.0%	\$13.00
DURHAM	137,276	106,078	77.3%	\$14.95
EXETER	519,995	180,311	34.7%	\$16.00
GREENLAND	70,947	6,259	8.8%	\$13.50
HAMPTON	567,185	7,608	1.3%	\$13.00
NEWINGTON	103,402	4,152	4.0%	\$17.00
NEWMARKET	77,053	0	0.0%	\$12.00
NORTH HAMPTON	99,275	0	0.0%	\$12.00
PEASE	2,130,395	419,163	19.7%	\$17.50
PORTSMOUTH	2,398,548	228,919	9.5%	\$20.50
ROCHESTER	566,889	54,578	9.6%	\$10.00
SEABROOK	70,854	0	0.0%	\$10.50
SOMERSWORTH	242,952	2,200	0.9%	\$10.00
STRATHAM	446,396	179,956	40.3%	\$16.00
TOTALS	9,233,397	1,856,204	20.1%	\$15.55

Historical Office Vacancy Rates



Historical Office Average Asking Rent (NNN)



I-93/Route 3 Office Market

NICK DENISCO | ASSOCIATE

The office market in 2024 evolved with growing demand for premium spaces in some regions, while others are grappling with rising vacancies. For example, studies indicate that the office market in the Northeast, particularly in Boston, has shown signs of stabilization and renewed interest in high-quality office spaces throughout 2024. In contrast, the New Hampshire office market along the I-93/Route 3 corridor remained relatively stable during the same period, with a slight increase in vacancy rates (rising from 8.5% to 8.8%) and a modest decline in lease rates (decreasing from \$15.36/SF NNN to \$14.48/SF NNN). Most office lease terms in this region average around five years. These trends reflect the impact of hybrid work models. While we initially embraced remote work to adapt to the pandemic, many companies still feel that in-office work fosters a stronger company culture, promotes networking, and improves productivity.

Not all office users support the growing trend of mandatory in-office work, with several large companies continuing to reduce their office footprints. In response, landlords are repositioning office spaces with flexible layouts and modern amenities to attract downsizing businesses. For example, the owners of 14 Central Park in Hooksett, NH, are addressing vacancies by creating four smaller suites on a single floor, complimented by sought-after common area amenities. Features such as electric charging stations, shared gyms, pickleball courts, and cafés are increasingly in demand to encourage employees to return to the office. GZA Environmental Engineering, a firm that values in-person collaboration to harness its team's diverse expertise, exemplifies this trend. The company capitalized on the vacancy left by United Healthcare, leasing 17,000± square-feet of the available 60,000± square-feet.

Shifting Trends in the I-93/Route 3 Office Market

The Salem submarket vacancy rate has nearly doubled year over year, rising from 7.5% to 14.9%. However, there has been success with the live-work-play development at Tuscan Village, where all 82,000± square-feet of office space have been fully leased to multiple tenants. Given Salem's proximity to the Massachusetts border, the office market in the area is expected to stabilize and decrease over time as companies continue to take advantage of New Hampshire's tax-free environment.

The Manchester submarket has experienced a slight reduction in its office vacancy rate from 2023, largely due to the ongoing conversion of large portions of traditional office space into residential units. Additionally, 400,000± square-feet of office space in the Millyard has been repurposed and established as the "ReGen Valley Tech Hub." This initiative, funded by the U.S. Department of Commerce's Economic Development Administration, aims to drive innovation in regenerative medicine and biofabrication.

As property owners continue to navigate the realities of downsizing tenants, many are pursuing approval for mixed-use buildings that combine residential, shared office spaces, hotels, medical facilities, and traditional long-term office use. An example of this adaptive approach is the 100,000± square-foot multi-tenant building at 15 Constitution Drive in Bedford. The ownership group has successfully transformed the space, accommodating a variety of medical, mental health counseling, and shared office tenants. These types of businesses have thrived in what was once a building fully dedicated to traditional office use.

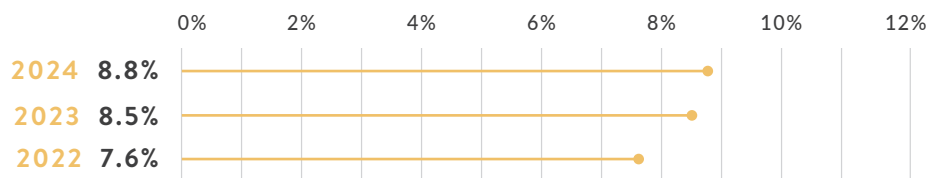
I-93/Route 3 Office Market Forecast

The I-93/Route 3 office market is expected to remain stable in terms of vacancies and lease rates as office users continue to downsize and reconfigure their spaces. As a result, many property owners will pursue the zoning and approval process to convert their properties to uses that are in higher demand.

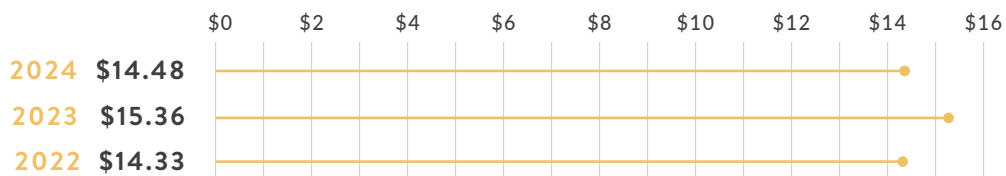
2024 I-93/Route 3 Office Market Snapshot

SUBMARKET	TOTAL SF	VACANT SF	VACANCY %	LEASE RATE NNN
AMHERST	267,263	29,006	10.9%	\$8.03
AUBURN	60,600	2,250	3.7%	\$12.00
BEDFORD	2,082,563	109,923	5.3%	\$19.15
BOW	96,135	2,750	2.9%	\$15.50
CONCORD	2,588,809	320,378	12.4%	\$15.89
DERRY	333,617	29,786	8.9%	\$7.90
HOOKSETT	493,571	185,593	37.6%	\$13.75
HUDSON	41,091	0	0.0%	\$14.00
LONDONDERRY	676,001	34,639	5.1%	\$8.50
MANCHESTER	7,856,166	472,132	6.0%	\$15.10
MERRIMACK	2,002,264	73,808	3.7%	\$14.19
NASHUA	4,059,446	463,408	11.4%	\$14.38
SALEM	1,910,374	284,506	14.9%	\$12.83
WINDHAM	337,573	1,069	0.3%	\$19.00
TOTALS	22,805,473	2,009,248	8.8%	\$14.48

Historical Office Vacancy Rates



Historical Office Average Asking Rent (NNN)

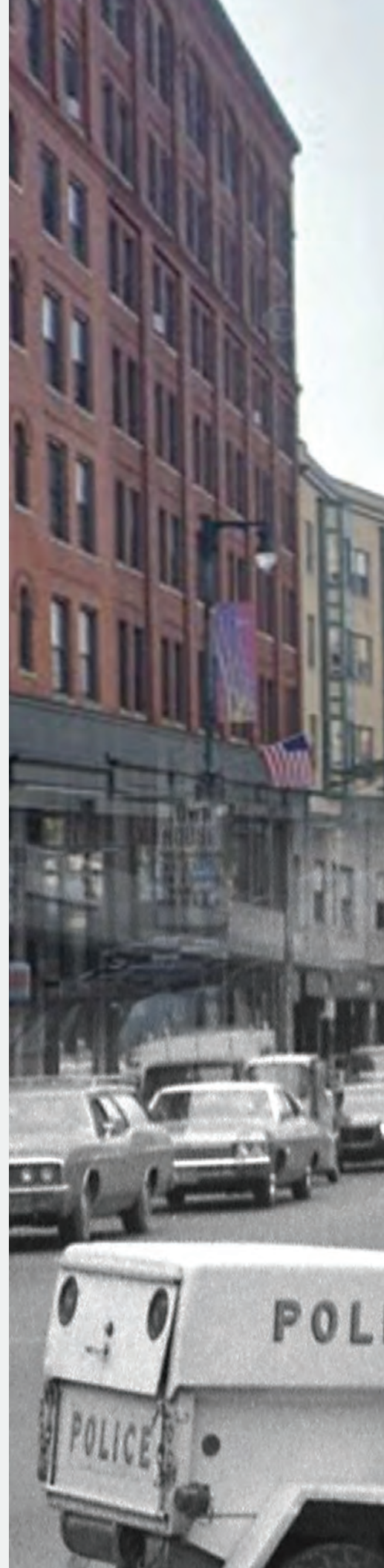




THE BOULOS COMPANY

For fifty years, The Boulos Company has been the cornerstone of commercial real estate in Maine, growing from its Portland roots into Northern New England's largest and most respected commercial real estate firm. Founded by Joseph Boulos in 1975, the company has been defined by its innovation, integrity, and unwavering commitment to clients and partners.

From an initial office on Portland's Upper Exchange Street to today's world-class headquarters in downtown Portland and two New Hampshire locations, The Boulos Company has continuously evolved to meet client needs. Its sister company, Boulos Asset Management, has become New England's preeminent commercial property manager, overseeing properties for hundreds of clients across the region. Built on core values of Respect, Integrity, Balance, Passion, Collaboration, and Excellence, The Boulos Company's talented team has facilitated billions in transactions and managed millions of square-feet of real estate, cementing its legacy as the region's premier commercial real estate brand.





ICE

M...
AND...
THE REAL LAWY...



50

FIFTY YEARS

1975-2025

THE BOULOS COMPANY



1983

THE BOULOS COMPANY MOVES TO TWO CITY CENTER



1975

THE BOULOS COMPANY IS FOUNDED BY JOSEPH BOULOS AT 89 EXCHANGE STREET IN PORTLAND

1987

BOULOS PROPERTY MANAGEMENT FOUNDED

THE BOULOS COMPANY

BOULOS
PROPERTY
MANAGEMENT

THE BOULOS CO

CBRE | The Boulos Company
CB RICHARD ELLIS

CBRE | Boulos Property Management
CB RICHARD ELLIS

CBRE | Portsmouth

Part of the CBRE affiliate network

2001

THE BOULOS COMPANY
PARTNERS WITH CBRE

2000

PORTSMOUTH
NEW HAMPSHIRE
OFFICE OPENED

2012

BOULOS PROPERTY
MANAGEMENT
BECOMES BOULOS
ASSET MANAGEMENT
(BPM TO BAM)

CBRE | Boulos Asset Management



1996

THE BOULOS
COMPANY AND
BOULOS PROPERTY
MANAGEMENT MOVE
TO ONE CANAL PLAZA



THE BOULOS COMPANY

2018

THE BOULOS COMPANY AND BOULOS ASSET MANAGEMENT UNVEIL NEW BRANDS AFTER LEAVING THE CBRE PARTNERSHIP



BOULOS ASSET MANAGEMENT
REAL ESTATE SERVICES

2021

PREMIER MANCHESTER, NH, CRE TEAM BECOMES PART OF THE BOULOS COMPANY

2020

THE BOULOS BEAT WAS FOUNDED



2023

THE BOULOS
COMPANY MOVES
TO ONE PORTLAND
SQUARE



2024

BOULOS ASSET
MANAGEMENT
RELOCATES TO
100 MIDDLE STREET

2025

CELEBRATING
OUR 50TH YEAR



Seacoast Industrial Market

CHRISTIAN STALLKAMP | SENIOR BROKER, PARTNER
KATHERINE GEMMECKE | SENIOR ASSOCIATE

Our 2024 Market Outlook reported early signs of market softening or stabilization in the industrial sector compared to prior years during the “COVID era.” Today, the Seacoast industrial market has seen further shifts, with demand continuing to soften. Properties that once leased or sold quickly are now spending more time on the market before reaching a closed deal. Market lease rates remain elevated at approximately \$11.01/SF NNN, with vacancy rates hovering at 3.8%. This compares to last year’s 2.9% vacancy and average rents of \$10.95/SF.

The post-COVID years have posed ongoing challenges for industrial users entering the market, as well as for those seeking to expand, contract, or renew leases due to limited available inventory. These challenges are now coupled with heightened price sensitivity from tenants and broader economic pressures.

Current Vacancy Rates

At year-end 2024, the Seacoast industrial vacancy rate stood at 3.8%, with an additional 187,000± square-feet of industrial space available on the market compared to last year. This increase is a welcome sign for smaller industrial users seeking additional space. However, larger users looking for spaces of 100,000 square-feet or more continue to face limited options, with build-to-suit projects being the only viable solution. Notably, 86% of the industrial spaces currently listed are for properties 50,000 square-feet or smaller.

The available space is evenly distributed throughout the Seacoast, with no city or town showing significant concentrations of available square-footage.

Average Asking Lease Rates:

Asking industrial lease rates have remained relatively stable, with a slight increase from \$10.95/SF NNN in 2023 to \$11.01/SF NNN in 2024. Higher rates

are typically seen in Portsmouth, Pease, Exeter, and Seabrook due to their proximity to the I-95 corridor and Massachusetts. While rents for certain properties have been reduced—a trend not seen since pre-COVID times—the limited supply suggests rents will remain “stable” into 2025 unless more inventory enters the market.

New Construction

The New Hampshire Seacoast has seen two new ground-up industrial projects. These are:

- 100 New Hampshire Avenue, Portsmouth – A new facility at Pease Tradeport offering 101,936± square-feet of high-bay industrial space for lease, with an option to expand by 50,000± square-feet.
- 181 Holland Way, Exeter – Home to C/A Design, Inc., this property recently expanded from 75,000± square-feet to 160,616± square-feet.

Industrial Market Trends

- Industrial users, particularly manufacturers, are increasingly looking beyond the I-95 corridor, pushing west along Route 101 and Route 16. This shift accommodates workforce commuting needs and offers the potential for more affordable housing. Additionally, rents may be lower further from the I-95 corridor, provided suitable space is available.
- The labor shortage, a significant issue during COVID, remains a top concern for companies.
- Access to critical electrical infrastructure, such as electrical switchgear, continues to pose challenges, with lead times still ranging from 9 months to over a year depending on complexity.
- Beyond base rent, tenants and owner-users are facing higher occupancy costs due to inflation. NNN expenses, which include real estate taxes, building insurance, and common area maintenance, have risen significantly compared to previous years and should be carefully reviewed by tenants in today’s market. Property taxes also vary greatly between towns. For example, the City of Portsmouth’s 2024 mill rate of \$11.18 per thousand contrasts with Somersworth’s \$18.70 per thousand, resulting in notable cost differences for property owners depending on location and assessment.

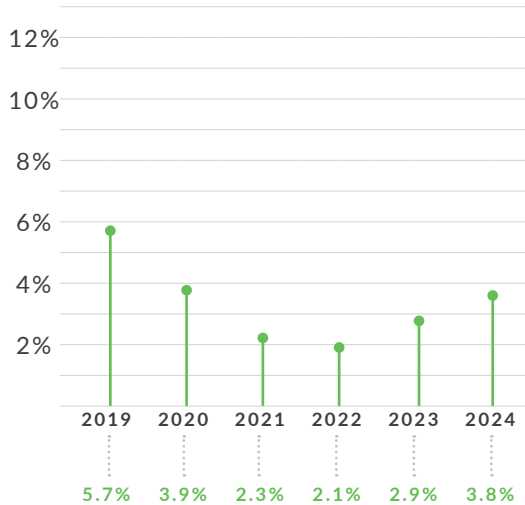
What to Expect in 2025

The trajectory for 2025 will depend on whether demand for industrial space returns to pre-COVID levels, potentially leading to softening lease rates. Alternatively, new economic policies and a decreasing interest rate environment could drive increased market activity, maintaining higher rents and sales prices. However, the lack of available industrial land and high construction costs will likely continue to limit new product availability. As a result, leasing or purchasing existing space remains a more cost-effective option for most users.

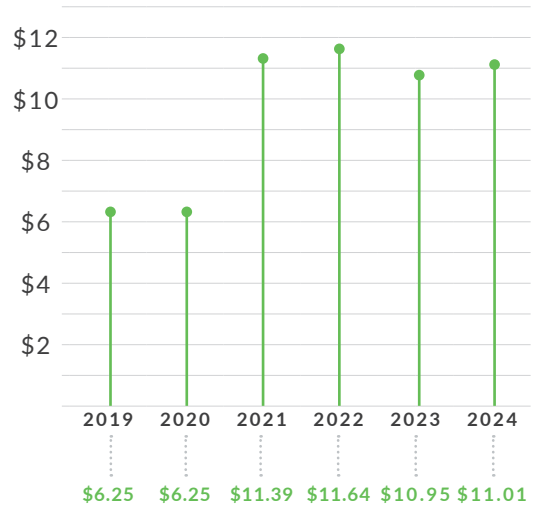
2024 Seacoast NH Industrial Market Snapshot

SUBMARKET	TOTAL SF	VACANT SF	VACANCY %	LEASE RATE NNN
DOVER	2,649,372	176,658	6.7%	\$9.75
DURHAM	345,090	0	0.0%	\$11.95
EXETER	1,276,173	129,499	10.1%	\$12.00
GREENLAND	774,145	1,200	0.2%	\$10.00
HAMPTON	833,653	14,000	1.7%	\$9.00
NEWINGTON	1,461,947	24,270	1.7%	\$10.00
NEWMARKET	163,884	0	0.0%	\$9.75
NORTH HAMPTON	186,282	24,000	12.9%	\$9.00
PEASE	1,750,654	133,006	7.6%	\$12.75
PORTSMOUTH	2,174,313	12,000	0.6%	\$12.75
ROCHESTER	2,488,093	34,966	1.4%	\$9.50
SEABROOK	1,855,677	73,239	3.9%	\$13.00
SOMERSWORTH	1,863,354	98,535	5.3%	\$9.50
STRATHAM	1,094,195	3,000	0.3%	\$10.50
TOTALS	18,916,832	724,373	3.8%	\$11.01

Historical Industrial Vacancy Rates



Historical Industrial Average Asking Rent (NNN)



I-93/Route 3 Industrial Market

CHRISTOPHER HEALEY | PARTNER

The industrial real estate market in New Hampshire has continued a meaningful evolution in recent years, maintaining its competitive edge throughout 2024. Key metrics such as vacancy rates, lease rates, and supply/demand dynamics continue to define the market landscape, revealing a complex interplay of regional influences, economic conditions, and tenant preferences.

Market Fundamentals

At year-end, our market analysis revealed the overall vacancy rate for industrial space in the I-93/Route 3 corridor to be at 4.8%, demonstrating a relative stabilization compared to previous fluctuations. While essentially “unchanged” from last year, the current vacancy rate was higher at times throughout 2024, for example, in the third quarter, the vacancy rate eclipsed 5.2%, largely influenced by newer inventory entering the market and tenants vacating large warehouse/big-block spaces.

The average asking rent currently stands at \$10.89 per square-foot on a triple-net basis (NNN), reflecting the sustained demand for quality industrial space. This figure represents a moderation compared to some submarkets, such as Manchester and Nashua, where rents are significantly higher due to their strategic location and access to major transportation corridors.

Key Drivers of Market Trends

1. Demand-Supply Imbalance:

Tight supply and high demand for smaller industrial spaces continue to be major challenges. While the I-93/Route 3 corridor has seen some new speculative developments, much of this space is geared toward larger tenants, leaving smaller and mid-sized companies facing limited options.

2. Regional Appeal:

Proximity to Boston, coupled with the absence of state income and sales taxes, make New Hampshire a cost-effective alternative for businesses. This regional appeal has driven occupancy and lease rates upward while fostering competition among both local and inbound businesses.

Challenges and Opportunities

The current market dynamics present both challenges and opportunities. For landlords, the ability to command higher rents is offset by the difficulty of leasing larger spaces, which may remain vacant longer due to a mismatch with tenant demand. Tenants, meanwhile, face rising costs and fewer concessions, forcing many to reevaluate their space requirements or explore less traditional options.

Looking Forward

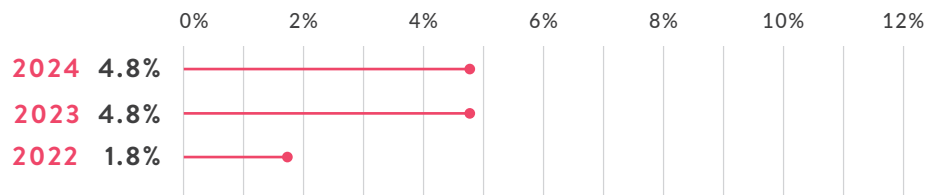
As 2025 progresses, the I-93/Route 3 corridor's industrial real estate market is likely to remain resilient. The focus on smaller, more flexible spaces will continue to drive demand and rental growth, while landlords may increasingly consider subdividing larger spaces to meet market needs. Additionally, the state's cost advantages and quality of life metrics will continue to attract businesses from neighboring regions.

In summary, the industrial real estate market remains a vibrant and competitive environment, balancing its regional advantages with the pressures of a dynamic economic landscape. Both tenants and landlords will need to adapt to these shifting conditions to capitalize on the opportunities ahead.

2024 I/93 Route 3 Industrial Market Snapshot

SUBMARKET	TOTAL SF	VACANT SF	VACANCY %	LEASE RATE NNN
AMHERST	1,275,312	222,620	17.5%	\$8.63
AUBURN	305,668	10,609	3.5%	\$10.70
BEDFORD	1,045,664	68,150	6.5%	\$11.00
BOW	615,965	16,146	2.6%	\$13.15
CONCORD	2,981,850	187,846	6.3%	\$7.90
DERRY	1,312,414	0	0.0%	\$9.00
HOOKSETT	1,689,323	25,618	1.5%	\$10.00
HUDSON	4,587,649	289,415	6.3%	\$12.60
LONDONDERRY	7,235,995	38,400	0.5%	\$9.81
MANCHESTER	9,169,745	744,160	8.1%	\$10.20
MERRIMACK	4,308,756	323,750	7.5%	\$14.50
NASHUA	10,017,050	237,255	2.4%	\$9.70
SALEM	3,331,259	129,678	3.9%	\$12.59
WINDHAM	338,550	0	0.0%	\$12.50
TOTALS	48,215,200	2,293,647	4.8%	\$10.89

Historical Industrial Vacancy Rates



Historical Industrial Average Asking Rent (NNN)



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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± square-feet 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 square-feet includes available space, which includes sublease space. For the I-93/Route 3 Corridor, the represented vacant square-feet does not include sublease space. This survey was completed on December 15, 2024.

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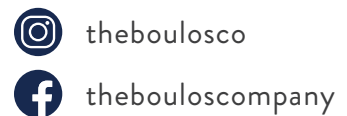


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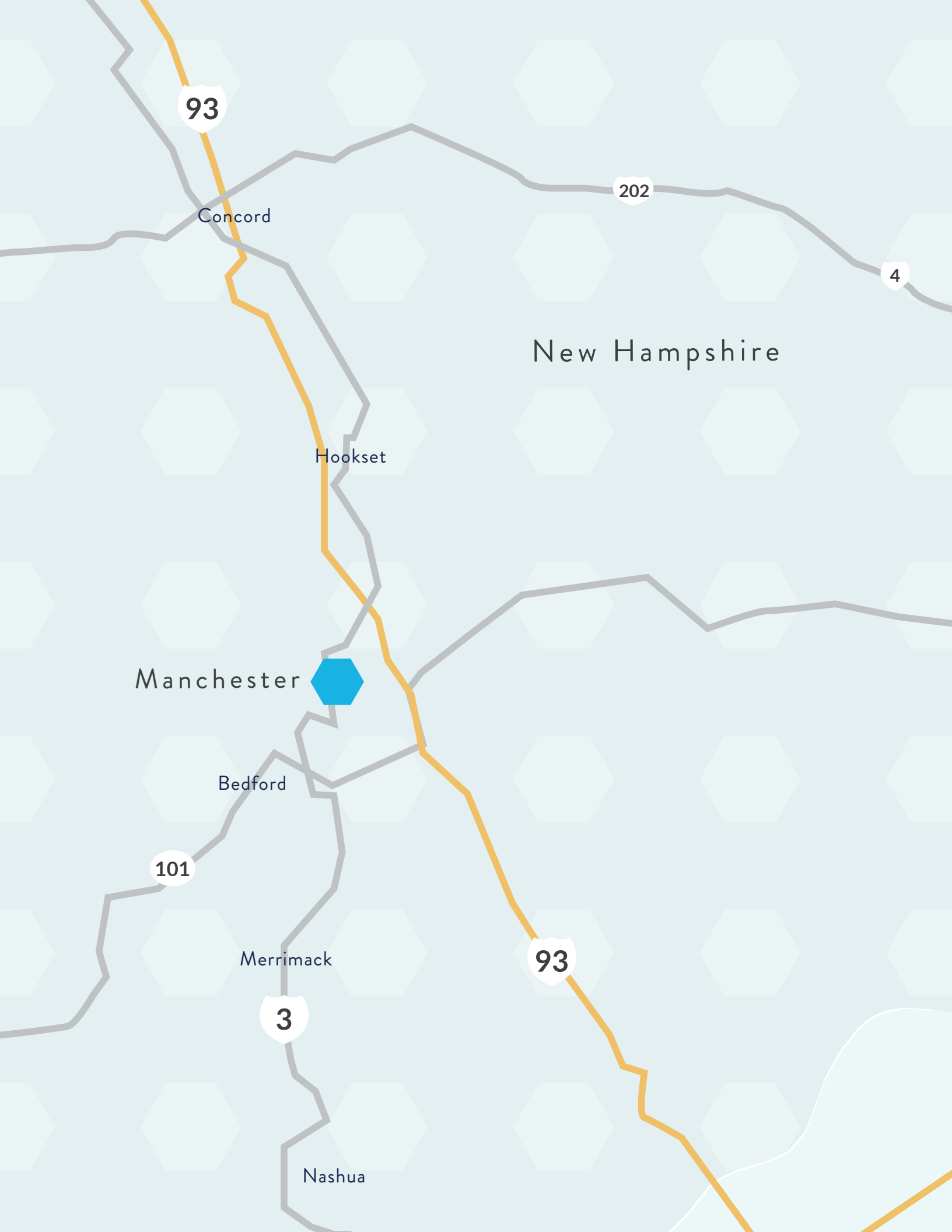
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This report has been prepared in good faith, based on The Boulos Company's current anecdotal and evidence-based views of the commercial real estate market. Although The Boulos Company believes its views reflect market condition on the date of this 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

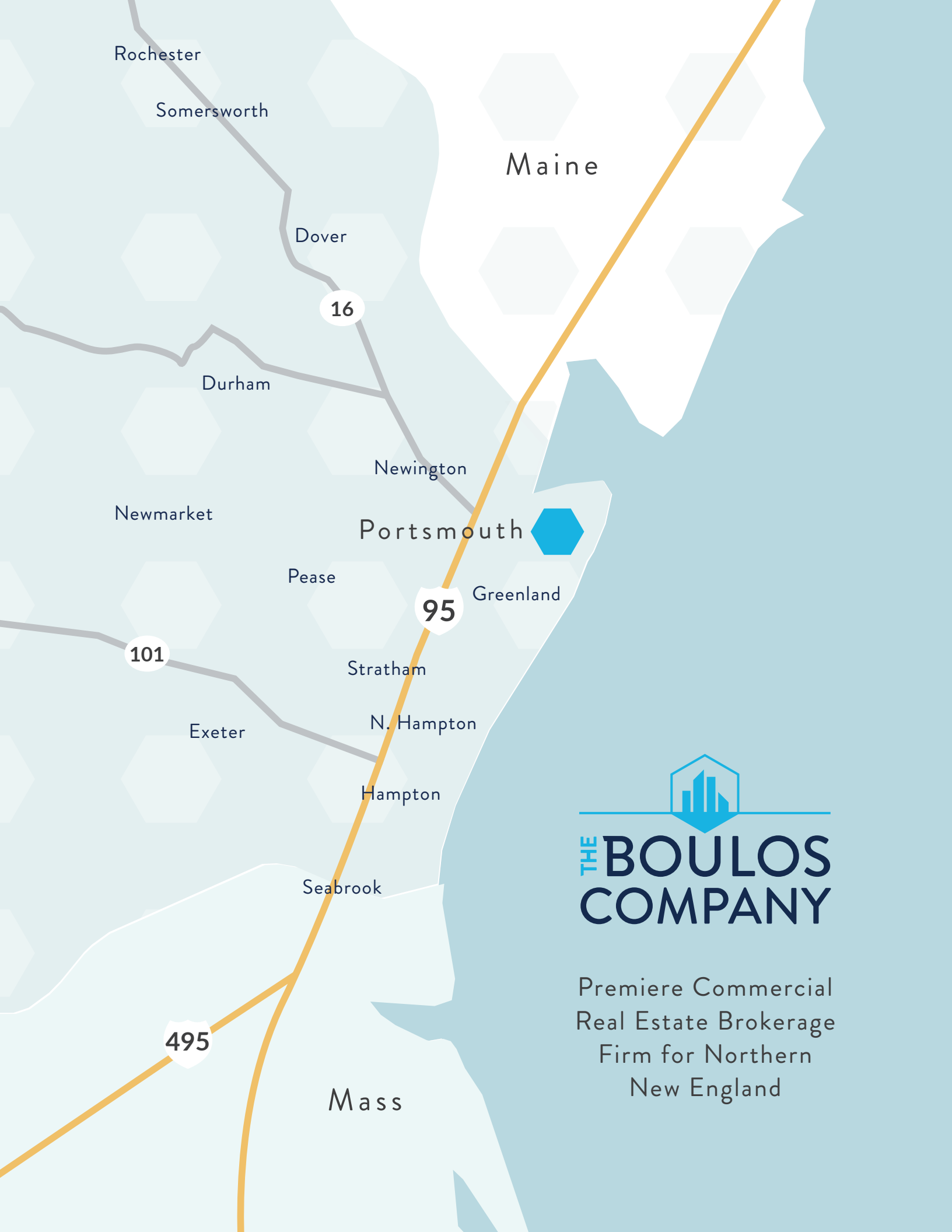
101

Merrimack

3

Nashua

93



Maine

16

95

101

495

Mass



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