

December 2023

Market Insight



NH CIBOR



What is NH CIBOR?

Seacoast Marketing Meetings

- Third Friday of the month from 8:30 to 9:45 am
- Held in-person at 750 Lafayette Road, Portsmouth (*Keller Williams office*)
- NHCIBOR website: www.nhcibor.com



Seacoast Insight

Colliers Research



Accelerating success.

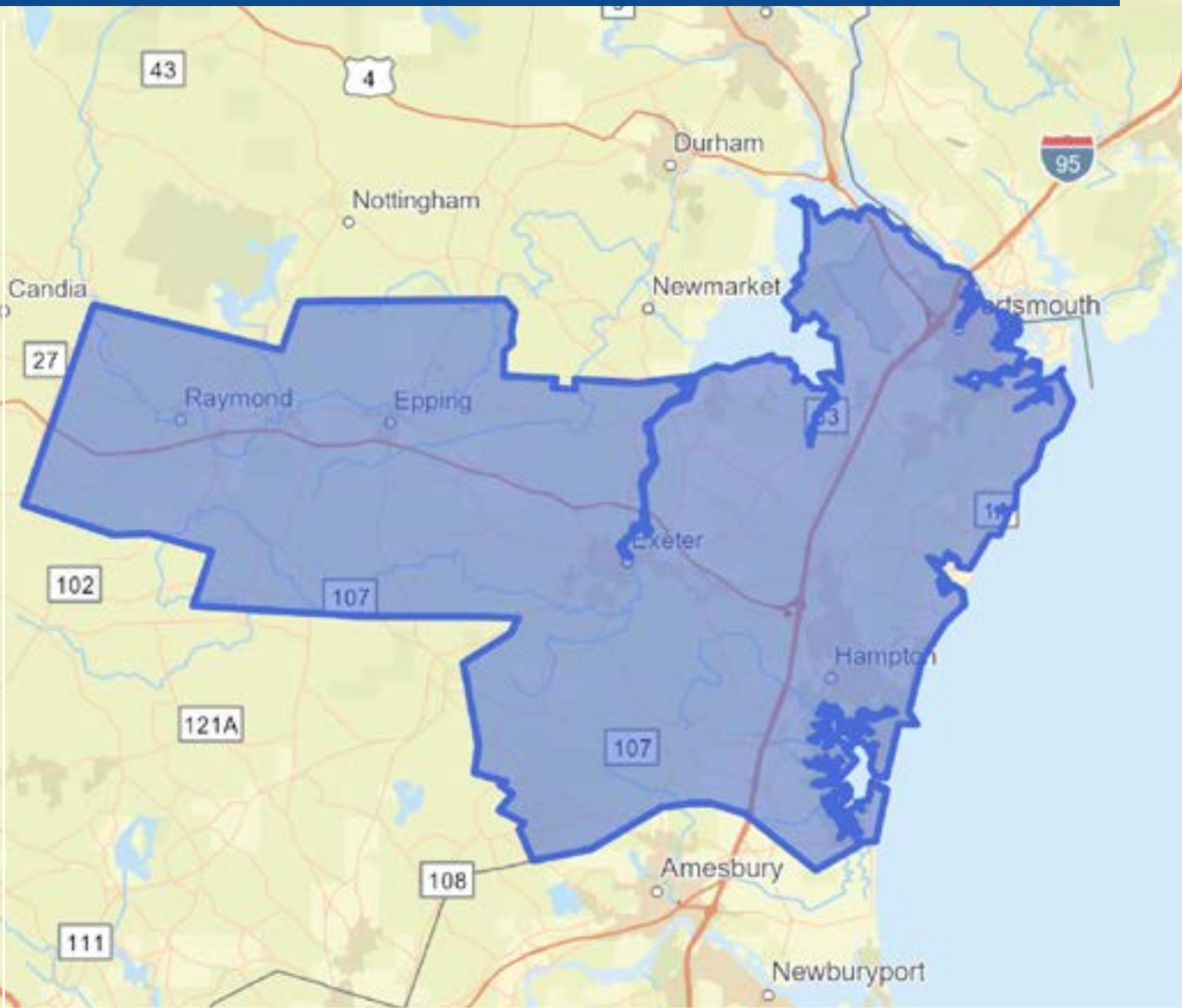


Item	Value	Unit	Percentage	Item	Value	Unit	Percentage
1	1,000.00	USD	100%	1	1,000.00	USD	100%
2	500.00	USD	50%	2	500.00	USD	50%
3	250.00	USD	25%	3	250.00	USD	25%
4	125.00	USD	12.5%	4	125.00	USD	12.5%

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2	500.00	USD	50%	2	500.00	USD	50%
3	250.00	USD	25%	3	250.00	USD	25%
4	125.00	USD	12.5%	4	125.00	USD	12.5%



Portsmouth Submarket



- Brentwood
- East Kingston
- Epping
- Exeter
- Fremont
- Greenland
- Hampton
- Hampton Falls
- Kensington
- Newfields
- Newington
- North Hampton
- Portsmouth
- Raymond
- Rye
- Seabrook
- Stratham

Dover Submarket



- Barrington
- Dover
- Durham
- Farmington
- Lee
- Madbury
- Milton
- Newmarket
- Nottingham
- Rochester
- Rollinsford
- Somersworth

Seacoast Insight

Office Market



Accelerating success.

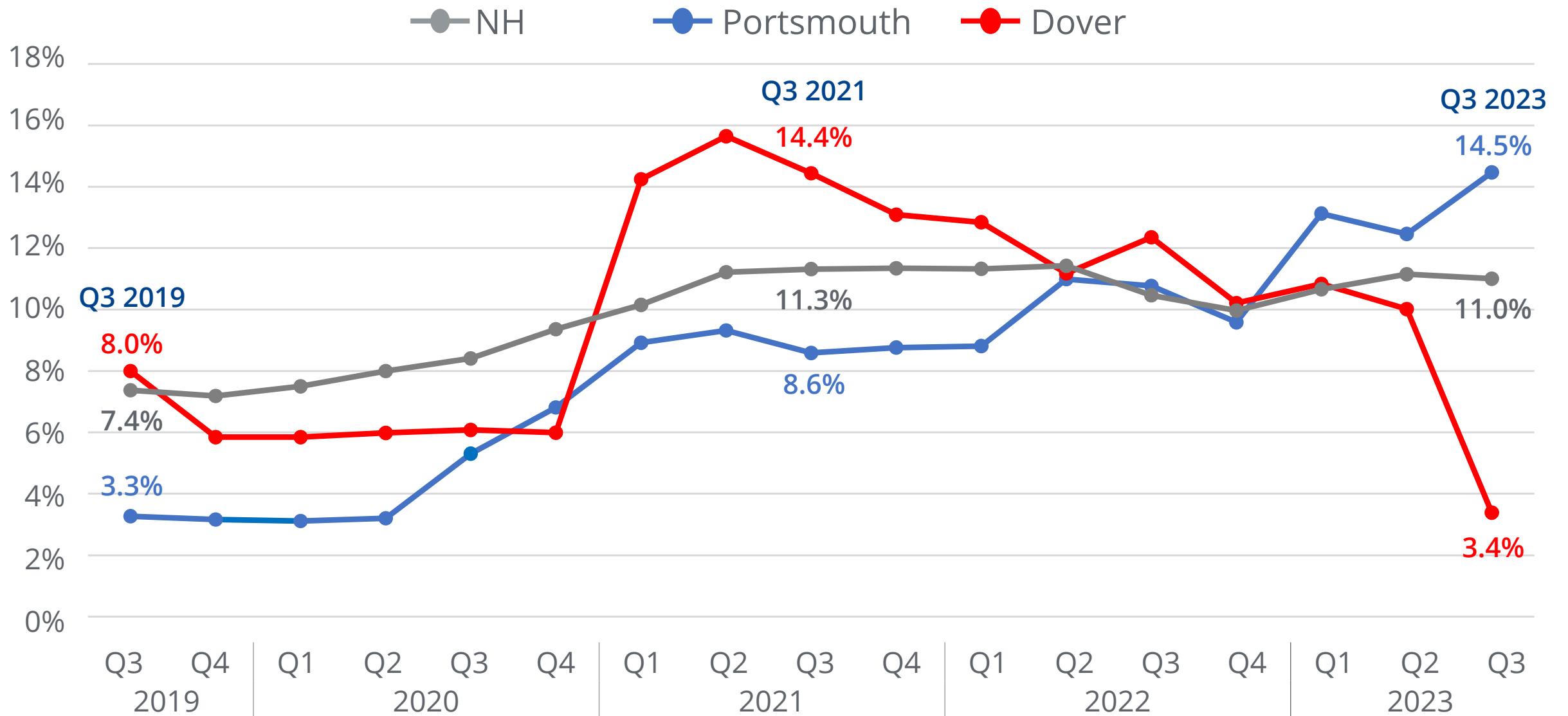


Office Criteria



- All buildings and condominiums 10,000+ SF
- Multitenant or single tenant
- Classified as Class A, B, or C
- Excludes medical space
- Rents are reported as modified gross (MG)
- All numbers are based on Q3 2023

Office Vacancy Rate



Office Market



- The NH average vacancy rate in the office market is relatively flat, hovering between 10% and 11% over the last 11 quarters.
- Some leases that were executed right before the pandemic expired this year, leading the Seacoast vacancy rate to climb. The rate may continue to rise as some of the longer-term leases are set to expire in 2024.
- The Portsmouth submarket is still a more active leasing market than the Dover submarket due to availability.

Portsmouth Submarket Historic Comparison

	Q3 22	Q2 23	Q3 23
Total Inventory <i>(in thousands of SF)</i>	4,469	4,574	4,574
New Supply <i>(in thousands of SF)</i>	-	42.0	-
Net Absorption <i>(in thousands of SF)</i>	(2.8)	25.1	(91.8)
Vacancy Rate	10.8%	12.5%	14.5%
Direct Asking Rent (MG)	\$24.16	\$25.07	\$25.99
Sublease Asking Rent (MG)	\$21.73	\$22.53	\$23.39

Office Market



- Many companies require employees to work in the office at least 3 days per week, leading to some parking lots appearing somewhat fuller. Traffic on the roads has returned to pre-pandemic levels in some communities.
- Where will all the businesses come from to fill the vacancies? Existing businesses are expanding (Northeast Credit Union/Novocure) or downsizing (Fedpoint/Liberty Mutual).
- Seacoast has a “desirability” factor that will continue to attract and retain companies ONLY IF housing availability and affordability can be addressed.
- Attracting employees continues to be a problem for some companies looking to keep pace or expand because of the high cost of housing. Although hiring may have slowed, many key professional positions remain unfilled.

Top Office Deals



200 Domain Drive, Stratham

150,000 SF



100 Education Way, Dover

99,675 SF



1 Hampton Road, Exeter

84,126 SF



100 Domain Drive, Exeter

56,800 SF



100 Arboretum Drive, Portsmouth

53,660 SF



135 Commerce Way, Portsmouth

28,030 SF



Seacoast Insight

Industrial Market



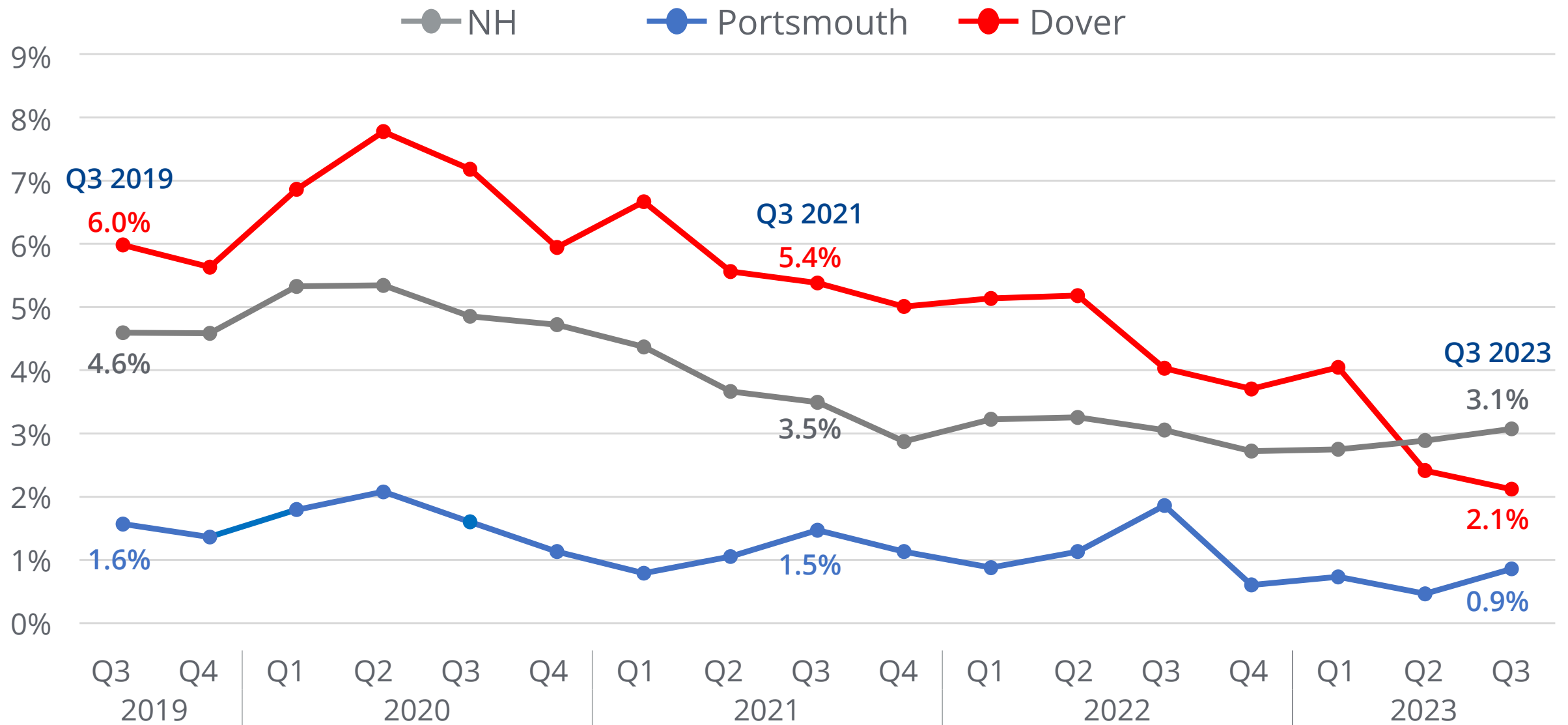
Industrial Criteria



- All buildings and condominiums 10,000+ SF
- Multitenant or single tenant
- Classified as manufacturing (mfg), flex/R&D (flex), or warehouse/distribution (W/D)
- Excludes medical space
- Rents are reported as NNN
- All numbers are based on Q3 2023



Industrial Vacancy Rate



Industrial Market



- The NH industrial market was flat over the last year, ending Q3 with a statewide vacancy rate of 3.1%.
- Next to the lack of employees, the shortage of industrial space of any size continues to be one of the biggest economic growth obstacles facing NH.
- Warehousing and distribution spaces are still in high demand but in short supply (especially for spaces under 10,000 SF).

Portsmouth Submarket Historic Comparison

	Q3 22	Q2 23	Q3 23
Total Inventory <i>(in thousands of SF)</i>	13,586	13,586	13,586
New Supply <i>(in thousands of SF)</i>	-	-	-
Net Absorption <i>(in thousands of SF)</i>	(100.1)	35.9	(53.3)
Overall Vacancy	1.9%	0.5%	0.9%
Direct Asking Rent (NNN)	\$10.72	\$8.85	\$11.82
Sublease Asking Rent (NNN)	\$12.19	-	\$10.63

Industrial Market



- Although there has been some new construction in the last several years, the cost of building (and supply chain issues) is still stalling new buildings. As a result, direct rents for existing buildings have jumped by 33.9% in the Portsmouth submarket and 67.9% in the Dover submarket since 2020.
- Any new manufacturing seems to be high-tech focused on small batch precision manufacturing, contract manufacturing for the electronic, aerospace and defense industries, and medical device manufacturing.

Top Industrial Deals



131 Portsmouth Ave, Exeter

176,740 SF



Sale Price: \$4.875M / \$28 PSF

100 New Hampshire Ave, Portsmouth

99,675 SF



16 Swamscott St, Newfields

84,126 SF



Sale Price: \$5.15M / \$54 PSF

121 Technology Dr, Durham

93,250 SF



111 New Hampshire Ave, Portsmouth

74,300 SF



Sale Price: \$6.15M / \$82 PSF

44 Industrial Park Dr, Dover

72,000 SF



Sale Price: \$8.0M / \$111 PSF

Industrial Projects

Industrial Dr, Raymond

541,684 SF



0 Gator Rock Rd, Somersworth

114,000 SF



375 Banfield Rd, Portsmouth

75,000 SF



0 Willand Dr, Somersworth

49,300 SF



150 Venture Dr, Dover

48,000 SF



187 Route 108, Somersworth

40,000 SF



Seacoast Insight

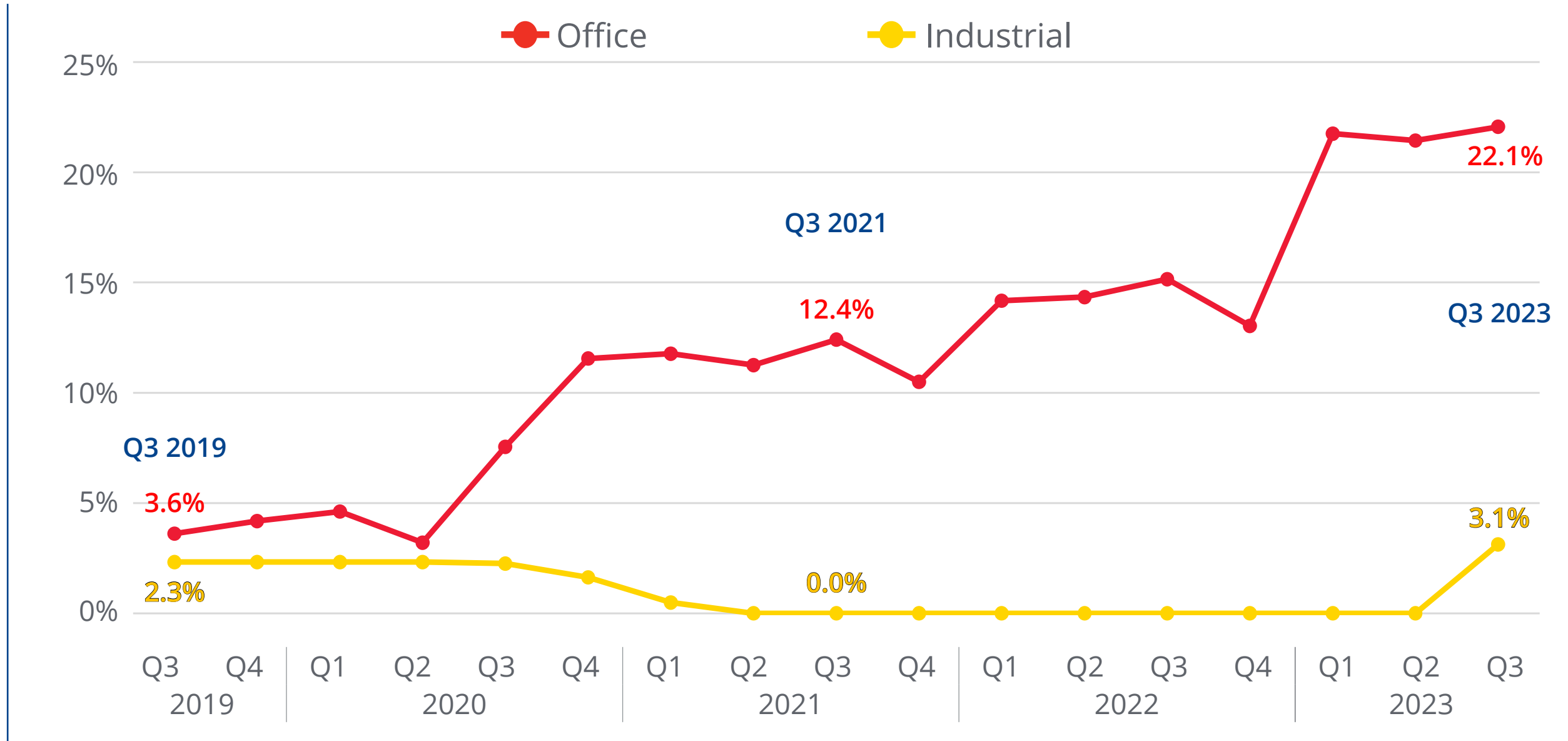
Pease Snapshot



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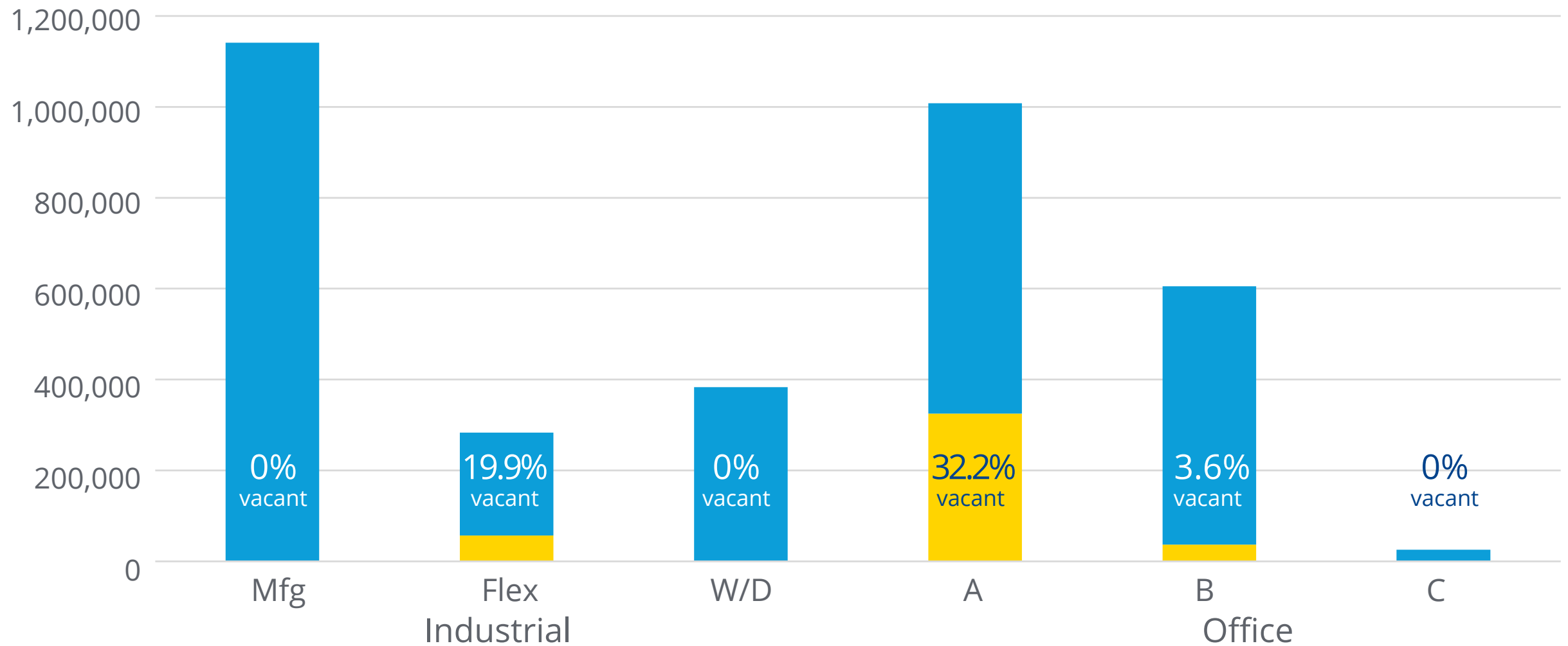
Pease Vacancy



Q3 Vacancy Snapshot



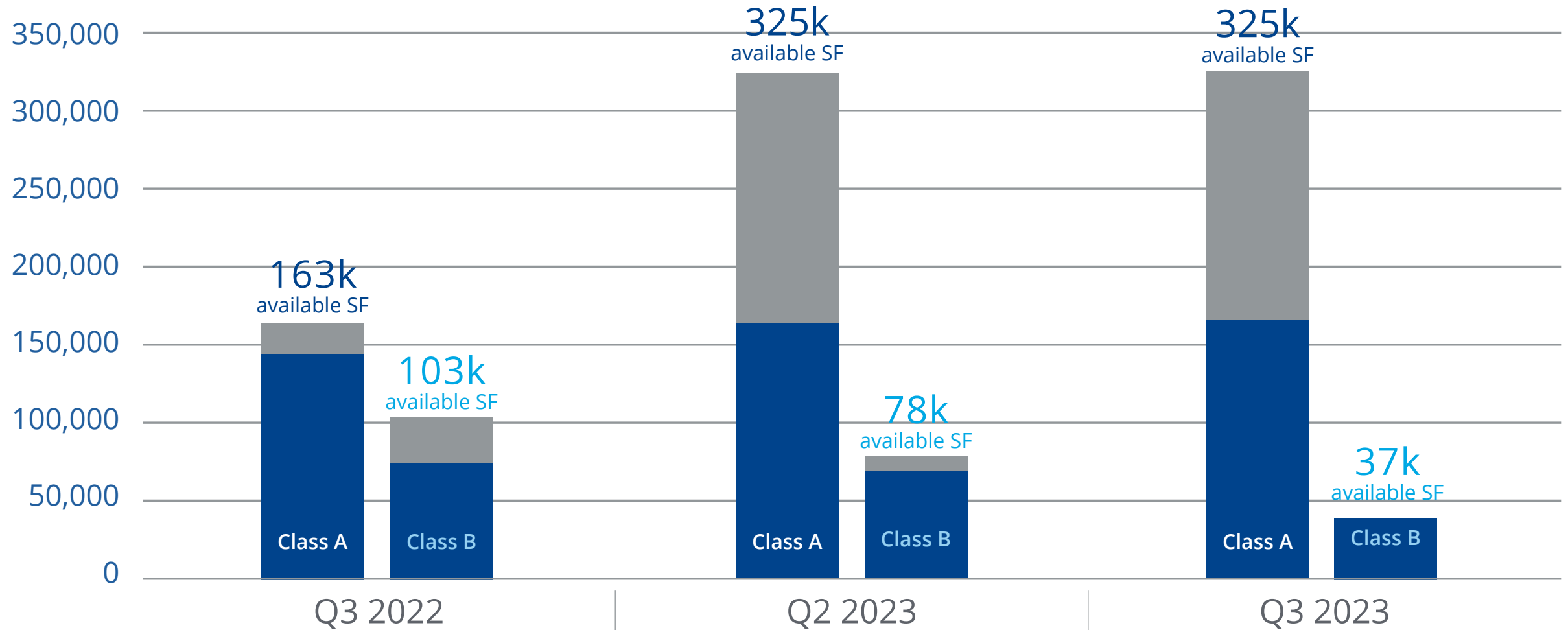
■ Occupied SF ■ Vacant SF



Office Availabilities



■ Direct Available ■ Sublease Available



Seacoast Insight

Retail Market



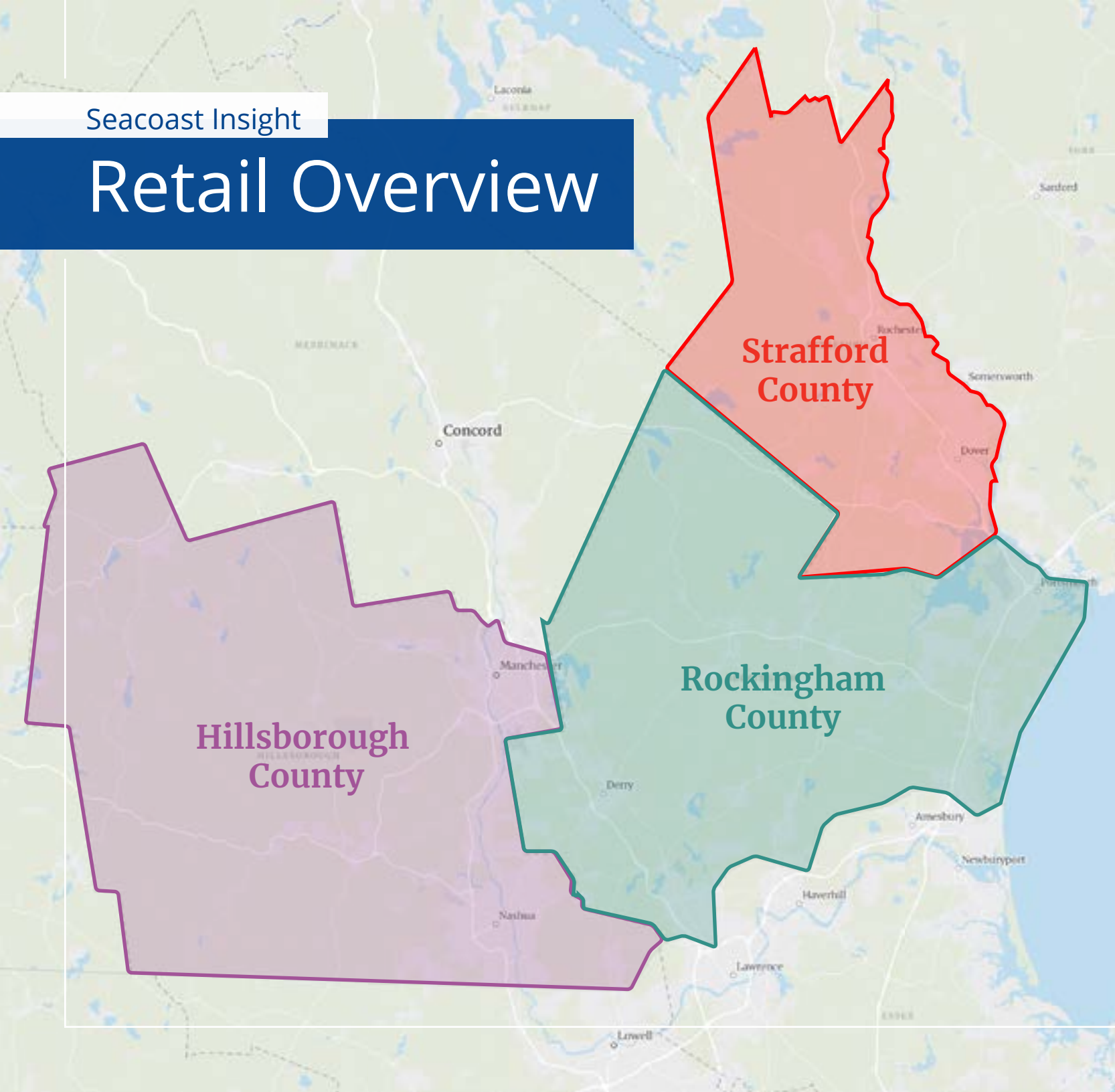
Accelerating success.



Retail Criteria

- All data is from CoStar
- Data divided by counties, focusing on Rockingham and Strafford
- Rents are reported as gross
- All numbers are based on Q3 2022

Retail Overview



Strafford County

Inventory SF	7.7 million
Vacancy Rate	3.0%
Avg Rent	\$15.08

Rockingham County

Inventory SF	27.4 million
Vacancy Rate	2.2%
Avg Rent	\$21.28

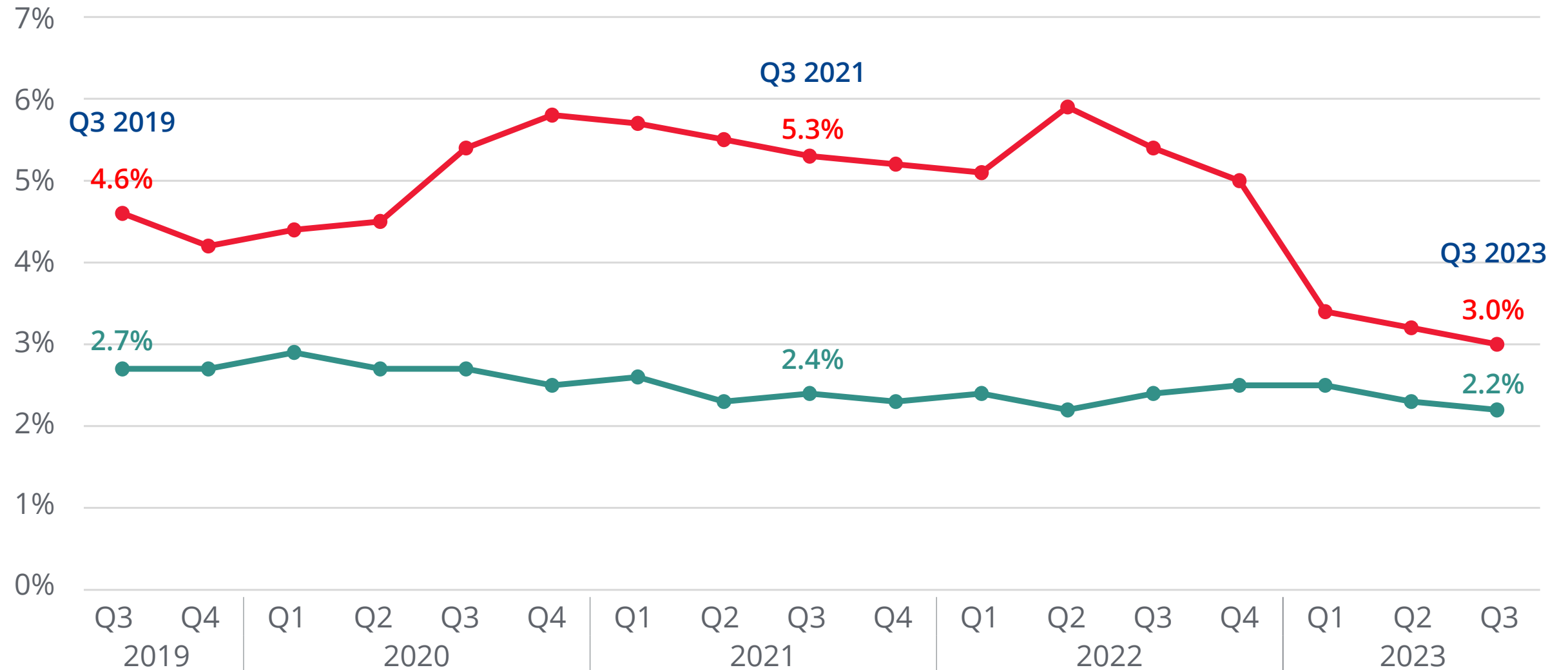
Hillsborough County

Inventory SF	27.9 million
Vacancy Rate	2.7%
Avg Rent	\$19.08

Retail Vacancy Rate



● Rockingham ● Strafford



Retail Market



Rockingham County

27.4M SF

Inventory

233k SF

Under Construction

2.2%

Vacancy Rate

90.3k SF

Yearly Absorption

\$21.28

Rents

- Retail vacancy in the Rockingham submarket is at 2.1%, decreasing by 0.3% over the past 12 months. In the same time period, 100,000 SF has been absorbed and 19,000 SF has been delivered.
- Rents are around \$21.00 PSF, which is a 2.8% increase from where they were a year ago. In the past three years, rents have increased a cumulative 11.9%.
- In 2023, 50 sales have taken place. Sales have averaged \$185 PSF, and the estimated value for the submarket as a whole is \$170 PSF.

Retail Market



Strafford County

7.7M SF
Inventory

70k SF
Under Construction

3.0%
Vacancy Rate

189.8k SF
Yearly Absorption

\$15.08
Rents

- Vacancy in the Strafford County submarket is at 3.2%, falling by 2.0% year-over-year. During this time, 160,000 SF has been absorbed and 3,100 SF has delivered.
- Rents are around \$15.00 PSF, which is a 3.8% increase from where they were a year ago. In the past three years, rents have increased a cumulative 16.4%.
- In the past 12 months, 25 sales have taken place. Sales have averaged \$175 PSF, and the estimated value for the submarket as a whole is \$165 PSF.

Contacts



Sale & Lease Information



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Q3 Office Report



Q3 Industrial Report



Eblast Sign-Up

