

NEW HAMPSHIRE

NEW HAMPSHIRE OFFICE MARKET SNAPSHOT

Submarket	Total Sq. Ft.	Vacant (Sq. Ft.)	Vacancy (%)	Avg. Asking Rent (NNN)
Amherst	267,263	2,400	0.9	9.75
Auburn	60,600	8,256	13.6	8.60
Bedford	1,898,427	205,362	10.8	13.50
Bow	79,155	25,000	31.6	9.00
Concord	2,442,191	295,771	12.1	13.50
Derry	228,162	54,146	23.7	12.00
Hooksett	321,472	20,868	6.5	9.00
Hudson	41,091	-	0.0	8.50
Londonderry	631,217	25,271	4.0	12.50
Manchester	7,778,168	879,237	11.3	12.75
Merrimack	2,144,014	113,514	5.3	12.25
Nashua	3,937,913	434,101	11.0	12.50
Salem	2,122,148	206,008	9.7	12.50
Windham	232,579	34,493	14.8	12.00
Total I-93/Route 3	22,184,400	2,304,427	10.4	11.31
Dover	1,674,535	137,043	8.2	10.00
Durham	184,688	0	0.0	8.50
Exeter	506,692	32,988	6.5	12.50
Greenland	70,947	3,200	4.5	11.50
Hampton	444,926	35,457	8.0	12.00
Newington	128,196	33,176	25.9	16.00
Newmarket	40,064	800	2.0	8.00
North Hampton	93,459	17,795	19.0	10.50
Pease	1,990,012	93,916	4.7%	16.50
Portsmouth	2,142,625	93,107	4.3	18.00
Rochester	582,419	166,545	28.6	7.50
Seabrook	76,149	0	0.0	9.00
Somersworth	213,370	14,400	6.7	8.50
Stratham	393,818	80,000	20.3	11.00
Total Seacoast	8,541,900	708,427	8.3	11.92
Overall NH Office	30,726,300	3,012,854	9.8	11.62

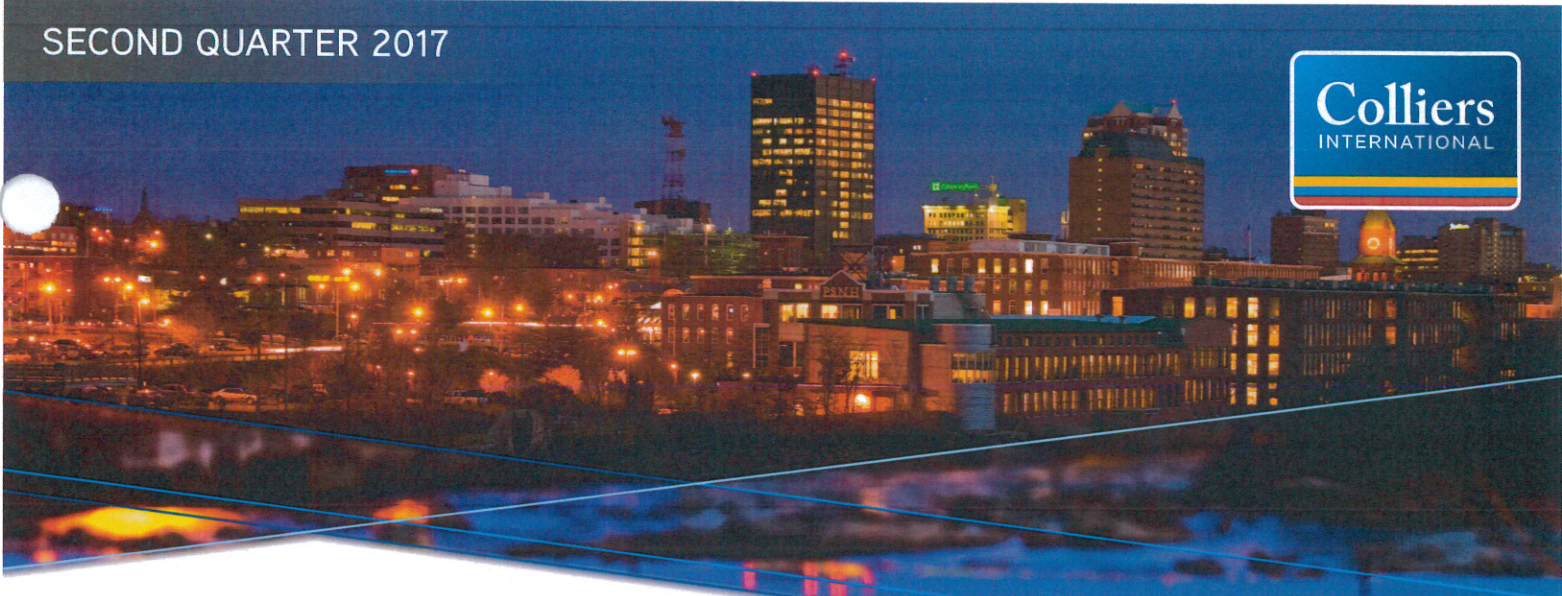


NEW HAMPSHIRE

NEW HAMPSHIRE INDUSTRIAL MARKET SNAPSHOT

Submarket	Total Sq. Ft.	Vacant (Sq. Ft.)	Vacancy (%)	Avg. Asking Rent (NNN)
Amherst	1,183,846	5,547	0.5	5.80
Auburn	247,019	11,200	4.5	5.50
Bedford	962,037	161,836	16.8	6.25
Bow	455,383	14,800	3.3	6.60
Concord	2,750,613	340,606	12.4	6.25
Derry	1,233,117	65,972	5.4	6.00
Hooksett	1,506,687	23,114	1.5	6.00
Hudson	3,828,304	324,452	8.5	6.00
Londonderry	5,579,543	224,342	4.0	6.50
Manchester	8,889,967	408,869	4.6	6.25
Merrimack	3,836,086	184,360	4.8	5.20
Nashua	9,720,865	1,051,407	10.8	5.90
Salem	2,791,986	228,801	8.2	6.50
Windham	348,200	0	0.0	6.50
Total I-93/Route 3	43,333,653	3,045,306	7.0%	6.09
Dover	2,404,252	257,697	10.7	5.25
Durham	310,000	0	0.0	4.75
Exeter	1,060,087	46,482	4.4	5.50
Greenland	820,865	0	0.0	6.00
Hampton	906,170	19,962	2.2	5.50
Newington	1,249,135	96,624	7.7	5.50
Newmarket	140,204	0	0.0	5.25
North Hampton	173,452	0	0.0	5.25
Pease	1,548,849	0	0.0	6.50
Portsmouth	2,080,442	56,643	2.7	6.25
Rochester	2,151,611	124,050	5.8	4.75
Seabrook	1,597,010	69,400	4.3	6.00
Somersworth	1,865,697	137,900	7.4	4.50
Stratham	893,510	33,450	3.7	6.00
Total Seacoast	17,201,284	842,208	4.9	5.26
Overall NH Industrial	60,534,937	3,887,514	6.4	5.68





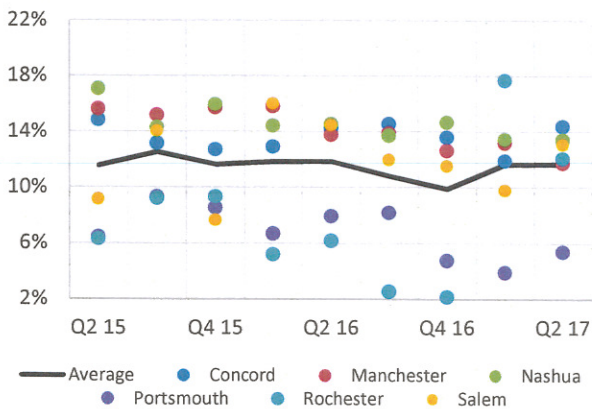
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New Hampshire Office Trends

SECOND QUARTER 2017

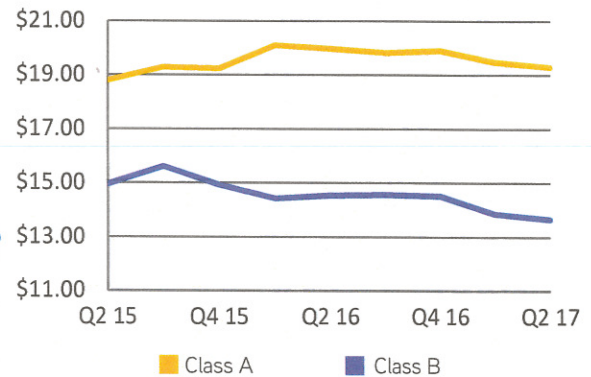
Submarket	Total Building SF	Vacancy		Occupancy		Total Available		Direct Available		Sublease Available		Avg. Asking Rate (FG)
		SF	%	SF	%	SF	%	SF	%	SF	%	
Concord	1,667,784	240,186	14.40	1,427,598	85.60	245,498	14.72	240,186	14.40	5,312	0.32	\$11.40
Manchester	6,276,895	737,594	11.75	5,539,301	88.25	786,501	12.53	737,684	11.75	76,924	1.23	\$12.47
Nashua	3,555,209	478,246	13.45	3,076,963	86.55	517,316	14.55	478,246	13.45	39,070	1.10	\$13.07
Portsmouth	3,951,097	212,562	5.38	3,738,535	94.62	209,062	5.29	200,748	5.08	8,314	0.21	\$23.54
Rochester	637,269	76,994	12.08	560,275	87.92	42,880	6.73	42,880	6.73	0	0.00	\$10.31
Salem	1,263,774	165,564	13.10	1,098,210	86.90	517,316	40.93	478,246	37.84	0	0.00	\$15.89
TOTAL	17,352,028	1,911,146	11.01	15,440,882	88.99	2,318,573	13.36	2,177,990	12.55	129,620	0.75	\$14.45

Vacancy Rates



Vacancy rate remains relatively flat while rental rates continue downward trend.

Asking Rental Rates (\$/SF/Yr Full Gross)



At Colliers, we employ a full time research manager who works closely with our real estate professionals to collect, verify and enter market data into a web resident, proprietary database. This state-of-the-art data warehouse allows us to track property-specific data, including property details, images, available space, tenant information and leasing and sales comparables. This information serves as the basis for our quarterly review of the office and industrial markets in southern New Hampshire and the Seacoast. Market data is analyzed, summarized and then published in our Trends reports. Our Trends reporting includes only buildings 10,000 SF and above. The buildings can be multitenant, single tenant or owner occupied and are classified as Class A, B, or C.

For more information, contact Laura Nesmith directly at +1 603 206 9617 or laura.nesmith@colliers.com.

OFFICE TRENDS BY SUBMARKET Q2 2017

CONCORD | BOW, CONCORD, HOOKSETT & PEMBROKE

Building Type	Total Building SF	Vacancy		Occupancy		Total Available		Direct Available		Sublease Available		Avg. Asking Rate (FG)
		SF	%	SF	%	SF	%	SF	%	SF	%	
A	1,082,734	149,168	13.78	933,566	86.22	154,480	14.27	149,168	13.78	5,312	0.49	\$15.71
B	424,873	58,494	13.77	366,379	86.23	58,494	13.77	58,494	13.77	0	0.00	\$10.20
C	160,177	32,524	20.31	127,653	79.69	32,524	20.31	32,524	20.31	0	0.00	\$8.29
TOTAL	1,667,784	240,186	14.40	1,427,598	85.60	245,498	14.72	240,186	14.40	5,312	0.32	\$11.40

MANCHESTER | AUBURN, BEDFORD, GOFFSTOWN, LONDONDERRY, MANCHESTER & MERRIMACK

Building Type	Total Building SF	Vacancy		Occupancy		Total Available		Direct Available		Sublease Available		Avg. Asking Rate (FG)
		SF	%	SF	%	SF	%	SF	%	SF	%	
A	3,193,645	343,647	10.76	2,849,998	89.24	396,105	12.40	343,737	10.76	76,924	2.41	\$17.83
B	2,943,162	351,738	11.95	2,591,424	88.05	351,738	11.95	351,738	11.95	0	0.00	\$14.64
C	140,088	42,209	30.13	97,879	69.87	38,658	27.60	42,209	30.13	0	0.00	\$4.93
TOTAL	6,276,895	737,594	11.75	5,539,301	88.25	786,501	12.53	737,684	11.75	76,924	1.23	\$12.47

NASHUA | AMHERST, HOLLIS, HUDSON, LITCHFIELD, MERRIMACK, MILFORD & NASHUA

Building Type	Total Building SF	Vacancy		Occupancy		Total Available		Direct Available		Sublease Available		Avg. Asking Rate (FG)
		SF	%	SF	%	SF	%	SF	%	SF	%	
A	2,205,382	360,742	16.36	1,844,640	83.64	374,805	17.00	360,742	16.36	14,063	0.64	\$16.18
B	1,163,841	90,363	7.76	1,073,478	92.24	115,370	9.91	90,363	7.76	25,007	2.15	\$10.91
C	185,986	27,141	14.59	158,845	85.41	27,141	14.59	27,141	14.59	0	0.00	\$12.13
TOTAL	3,555,209	478,246	13.45	3,076,963	86.55	517,316	14.55	478,246	13.45	39,070	1.10	\$13.07

PORTSMOUTH | BRENTWOOD, EXETER, GREENLAND, HAMPTON, NEWFIELDS, NEWINGTON, NORTH HAMPTON, PORTSMOUTH, RAYMOND, SEABROOK & STRATHAM

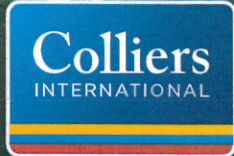
Building Type	Total Building SF	Vacancy		Occupancy		Total Available		Direct Available		Sublease Available		Avg. Asking Rate (FG)
		SF	%	SF	%	SF	%	SF	%	SF	%	
A	2,046,913	100,238	4.90	1,946,675	95.10	100,238	4.90	91,924	4.49	8,314	0.41	\$31.00
B	1,667,477	98,424	5.90	1,569,053	94.10	94,924	5.69	94,924	5.69	0	0.00	\$23.00
C	236,707	13,900	5.87	222,807	94.13	13,900	5.87	13,900	5.87	0	0.00	\$16.62
TOTAL	3,951,097	212,562	5.38	3,738,535	94.62	209,062	5.29	200,748	5.08	8,314	0.21	\$23.54

ROCHESTER | DOVER, DURHAM, EPPING, FARMINGTON, NEWMARKET, ROCHESTER, ROLLINSFORD & SOMERSWORTH

Building Type	Total Building SF	Vacancy		Occupancy		Total Available		Direct Available		Sublease Available		Avg. Asking Rate (FG)
		SF	%	SF	%	SF	%	SF	%	SF	%	
A	94,975	26,114	27.50	68,861	72.50	26,114	27.50	26,114	27.50	0	0.00	\$14.46
B	226,047	34,114	15.09	191,933	84.91	0	0.00	0	0.00	0	0.00	\$9.00
C	316,247	16,766	5.30	299,481	94.70	16,766	5.30	16,766	5.30	0	0.00	\$7.48
TOTAL	637,269	76,994	12.08	560,275	87.92	42,880	6.73	42,880	6.73	0	0.00	\$10.31

SALEM | ATKINSON, DERRY, HAMPSTEAD, HUDSON, KINGSTON, PELHAM, PLAISTOW, SALEM & WINDHAM

Building Type	Total Building SF	Vacancy		Occupancy		Total Available		Direct Available		Sublease Available		Avg. Asking Rate (FG)
		SF	%	SF	%	SF	%	SF	%	SF	%	
A	633,966	80,534	12.70	553,432	87.30	374,805	59.12	360,742	56.90	0	0.00	\$20.50
B	533,820	82,030	15.37	451,790	84.63	115,370	21.61	90,363	16.93	0	0.00	\$14.15
C	95,988	3,000	3.13	92,988	96.87	27,141	28.28	27,141	28.28	0	0.00	\$13.01
TOTAL	1,263,774	165,564	13.10	1,098,210	86.90	517,316	40.93	478,246	37.84	0	0.00	\$15.89



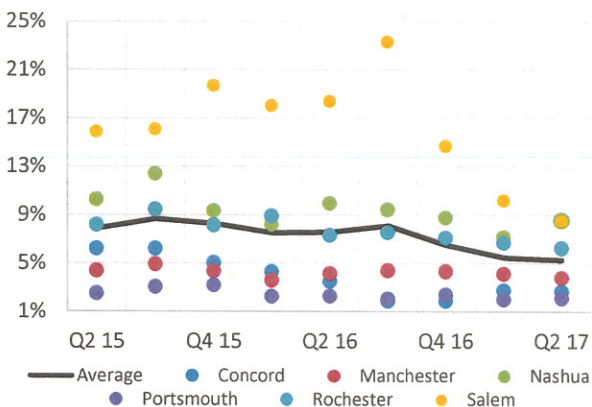
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New Hampshire Industrial Trends

SECOND QUARTER 2017

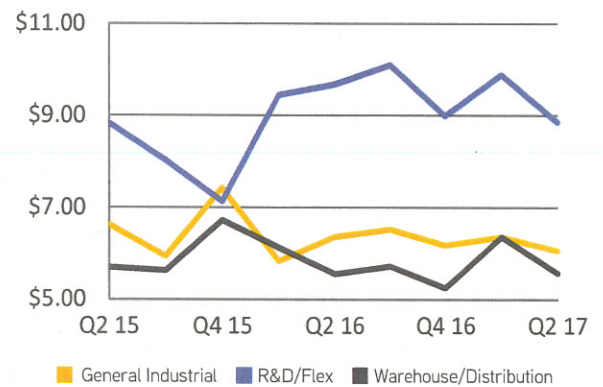
Submarket	Total Building SF	Vacancy		Occupancy		Total Available		Direct Available		Sublease Available		Avg. Asking Rate (NNN)
		SF	%	SF	%	SF	%	SF	%	SF	%	
Concord	4,065,988	106,782	2.63	3,959,206	97.37	106,782	2.63	106,782	2.63	0	0.00	\$6.96
Manchester	13,869,708	524,118	3.78	13,345,590	96.22	524,118	3.78	517,106	3.73	7,012	0.05	\$6.67
Nashua	18,487,314	1,576,833	8.53	16,910,481	91.47	1,543,981	8.35	1,523,481	8.24	20,500	0.11	\$5.84
Portsmouth	12,582,159	263,520	2.09	12,318,639	97.91	238,804	1.90	235,494	1.87	3,310	0.03	\$7.99
Rochester	7,867,156	491,050	6.24	7,376,106	93.76	491,050	6.24	358,322	4.55	132,728	1.69	\$6.00
Salem	5,036,381	428,347	8.51	4,608,034	91.49	428,347	8.51	428,347	8.51	0	0.00	\$7.50
TOTAL	61,908,706	3,390,650	5.48	58,518,056	94.52	3,333,082	5.38	3,169,532	5.12	163,550	0.26	\$6.83

Vacancy Rates



Rental rates decrease as vacancy stays about the same.

Asking Rental Rates (\$/SF/Yr NNN)



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INDUSTRIAL TRENDS BY SUBMARKET Q2 2017

CONCORD | BOW, CONCORD, HOOKSETT & PEMBROKE

Building Type	Total Building SF	Vacancy		Occupancy		Total Available		Direct Available		Sublease Available		Avg. Asking Rate (NNN)
		SF	%	SF	%	SF	%	SF	%	SF	%	
Gen Ind	2,565,510	27,100	1.06	2,538,410	98.94	27,100	1.06	27,100	1.06	0	0.00	\$6.03
R&D	396,510	59,782	15.08	336,728	84.92	59,782	15.08	59,782	15.08	0	0.00	\$9.26
W/D	1,103,968	19,900	1.80	1,084,068	98.20	19,900	1.80	19,900	1.80	0	0.00	\$5.58
TOTAL	4,065,988	106,782	2.63	3,959,206	97.37	106,782	2.63	106,782	2.63	0	0.00	\$6.96

MANCHESTER | AUBURN, BEDFORD, GOFFSTOWN, LONDONDERRY, MANCHESTER & MERRIMACK

Building Type	Total Building SF	Vacancy		Occupancy		Total Available		Direct Available		Sublease Available		Avg. Asking Rate (NNN)
		SF	%	SF	%	SF	%	SF	%	SF	%	
Gen Ind	6,217,134	357,471	5.75	5,859,663	94.25	357,471	5.75	357,471	5.75	0	0.00	\$6.80
R&D	1,433,899	20,566	1.43	1,413,333	98.57	20,566	1.43	17,054	1.19	3,512	0.24	\$7.18
W/D	6,218,675	146,081	2.35	6,072,594	97.65	146,081	2.35	142,581	2.29	3,500	0.06	\$6.03
TOTAL	13,869,708	524,118	3.78	13,345,590	96.22	524,118	3.78	517,106	3.73	7,012	0.05	\$6.67

NASHUA | AMHERST, HOLLIS, HUDSON, LITCHFIELD, MERRIMACK, MILFORD & NASHUA

Building Type	Total Building SF	Vacancy		Occupancy		Total Available		Direct Available		Sublease Available		Avg. Asking Rate (NNN)
		SF	%	SF	%	SF	%	SF	%	SF	%	
Gen Ind	11,235,205	1,010,555	8.99	10,224,650	91.01	977,703	8.70	957,203	8.52	20,500	0.18	\$4.91
R&D	3,238,869	434,243	13.41	2,804,626	86.59	434,243	13.41	434,243	13.41	0	0.00	\$8.42
W/D	4,013,240	132,035	3.29	3,881,205	96.71	132,035	3.29	132,035	3.29	0	0.00	\$4.20
TOTAL	18,487,314	1,576,833	8.53	16,910,481	91.47	1,543,981	8.35	1,523,481	8.24	20,500	0.11	\$5.84

PORTSMOUTH | BRENTWOOD, EXETER, GREENLAND, HAMPTON, NEWFIELDS, NEWINGTON, NORTH HAMPTON, PORTSMOUTH, RAYMOND, SEABROOK & STRATHAM

Building Type	Total Building SF	Vacancy		Occupancy		Total Available		Direct Available		Sublease Available		Avg. Asking Rate (NNN)
		SF	%	SF	%	SF	%	SF	%	SF	%	
Gen Ind	6,565,712	45,372	0.69	6,520,340	99.31	20,656	0.31	20,656	0.31	0	0.00	\$6.06
R&D	1,661,501	40,998	2.47	1,620,503	97.53	40,998	2.47	37,688	2.27	3,310	0.20	\$10.58
W/D	4,354,946	177,150	4.07	4,177,796	95.93	177,150	4.07	177,150	4.07	0	0.00	\$7.33
TOTAL	12,582,159	263,520	2.09	12,318,639	97.91	238,804	1.90	235,494	1.87	3,310	0.03	\$7.99

ROCHESTER | DOVER, DURHAM, EPPING, FARMINGTON, NEWMARKET, ROCHESTER, ROLLINSFORD & SOMERSWORTH

Building Type	Total Building SF	Vacancy		Occupancy		Total Available		Direct Available		Sublease Available		Avg. Asking Rate (NNN)
		SF	%	SF	%	SF	%	SF	%	SF	%	
Gen Ind	5,680,749	284,833	5.01	5,395,916	94.99	284,833	5.01	275,233	4.85	9,600	0.17	\$5.50
R&D	934,630	83,089	8.89	851,541	91.11	83,089	8.89	83,089	8.89	0	0.00	\$7.74
W/D	1,251,777	123,128	9.84	1,128,649	90.16	123,128	9.84	0	0.00	123,128	9.84	\$4.75
TOTAL	7,867,156	491,050	6.24	7,376,106	93.76	491,050	6.24	358,322	4.55	132,728	1.69	\$6.00

SALEM | ATKINSON, DERRY, HAMPSTEAD, HUDSON, KINGSTON, PELHAM, PLAISTOW, SALEM & WINDHAM

Building Type	Total Building SF	Vacancy		Occupancy		Total Available		Direct Available		Sublease Available		Avg. Asking Rate (NNN)
		SF	%	SF	%	SF	%	SF	%	SF	%	
Gen Ind	3,165,804	230,738	7.29	2,935,066	92.71	230,738	7.29	230,738	7.29	0	0.00	\$7.00
R&D	659,138	72,983	11.07	586,155	88.93	72,983	11.07	72,983	11.07	0	0.00	\$10.00
W/D	1,211,439	124,626	10.29	1,086,813	89.71	124,626	10.29	124,626	10.29	0	0.00	\$5.50
TOTAL	5,036,381	428,347	8.51	4,608,034	91.49	428,347	8.51	428,347	8.51	0	0.00	\$7.50

INDUSTRY NEWS

National

Retail sales advanced 0.6% last month, the best showing since a gain of 0.9% last December, the Commerce Department reported. Sales got a boost in July from a 1.2% jump in auto sales, the strongest result since December. There were sales gains in other areas as well, including furniture stores, hardware stores and restaurants. For most of this year, retail sales have been lackluster, including a decline in May of 0.2% and a modest 0.3% June gain. Among retailers still reporting monthly sales, **L Brands** was down 7.0% and **Costco** was up 6.2%. **See our sales reports on Page 4...** **Staples'** new private equity owner, Sycamore Partners, plans to spin off its retail operations from its corporate sales unit. In a filing with the Securities and Exchange Commission, Staples said it expects to separate its US retail business and Canadian retail businesses into two separate entities.

Accelerating

Monro Muffler Brake Inc. has signed agreements to acquire 20 stores, including 8 from an existing **Car-X** franchisee. 12 of the stores will operate under the Monro name, and the 8 Car-X stores will operate under that brand. The acquisitions are expected to close in the second quarter of fiscal 2018... **Sephora** has opened a new concept, **Sephora Studio**, on Newbury Street in Boston, designed to provide a customized shopping experience. At 2,000 s/f it is the brand's smallest store in North America... **Harris Teeter** opened its newest and largest store in NC. The 67,000 s/f, 24-hour store features an in-store bar with local wines and 16 beers on tap. Harris Teeter was bought by **Kroger** in 2014... **Buffalo Wild Wings** opened its first small-format **B-Dubs Express** restaurant in Edina, MN. The company is testing the 2,500 s/f format, which seats up to 50 people, for future expansion... **Tire Discounters Inc.** plans to double its store network in 5 years. The company currently operates 106 US stores; that could exceed 200 by 2022. Tire Discounters plans to open 10 stores in the coming months... Fidelity National Financial Ventures LLC, parent of the 106-unit casual-dining chain **Nine-Ty Nine Restaurant & Pub**, will merge that company

[Continued on Page 3](#)

INDICATORS

PMI: 56.3%, down from last month

CCI: 121.1, up from last month

Details on Page 4, plus Treasury Matrix, Retail Comp Sales Chart, and Commerce Dept. Sales Report

COMMENTARY

Southern New Hampshire KeyPoint Report Preview

While the 2017 KeyPoint Report for Southern New Hampshire, based on our proprietary GRIID™ retail database, is in production, we will again share some of the early results:

Inventory and Vacancy Rate: The retail inventory in Southern New Hampshire included 29.8 million square feet in 2017. This represents a net decline of 59,400 square feet, or 0.2%, resulting largely from retail demolitions and conversions to non-retail space. During the same period, retailers absorbed large chunks of vacant space in the region, dramatically reducing the level of unoccupied space by more than 400,000 square feet in Southern New Hampshire and

cutting the vacancy rate from 10.5% in 2016 to the current level of 9.1%. Some of the larger retailers to fill space include Chunky's Cinema in Manchester, Hobby Lobby in Nashua, and Ocean State Job Lot in Seabrook. Also a number of retailers plan to open in vacant space later this year, including Cardi's Furniture and NH1 Motorplex Indoor Karting, both joining Ocean State to absorb most of the vacant Walmart space and the empty Shaw's location at Southgate Shopping Center.

Size Classifications: It was an encouraging year across the board regarding vacancy by size. Although the Under 2,500 SF category experienced a nominal increase in the vacancy rate to 16.0%, the vacant square footage was actually able to show a nominal decline. The total inventory in the under 2,500 SF category is modestly lower however. Still, this is a segment that has been trending the wrong way for several years now and the relative stability is a positive year-end result. Three categories lowered

[Continued on Page 2](#)

The KeyPoint Report

Southern New Hampshire Retail Real Estate Trends & Analysis 2017



KeyPointPartners.com/Retail-Reports



KEYPOINT PARTNERS COMPANY NEWS

New Leasing Assignments: Sr. Associate Michael Branton: **515 Main Street**, a 2,280 s/f, .37 acre convenience property in Dennisport, MA. VP of Leasing Don Mace: **553 Mast Road**, a 166,545 s/f center in Goffstown, NH; and a 13,126 s/f space at **380 Lafayette Road** in Seabrook, NH. Don Mace is also representing **FUNCITYYUS**, a new indoor entertainment concept seeking 25,000 - 50,000 SF sites throughout New England.

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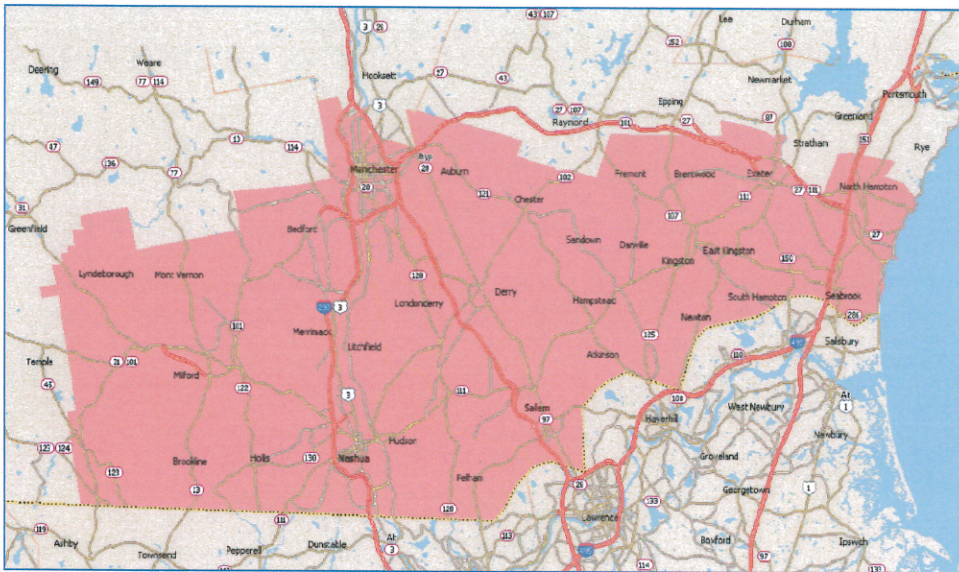
Links

Company information, exclusive property listings, and the **KeyPoint Reports** on New England retail real estate markets:

KeyPointPartners.com

KeyPoint Retail RoundUp, our news blog:
Blog.KeyPointPartners.com

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the vacancy rate by more than 2.0%, including the 5,000-9,999, 50,000-99,999, and 100,000-199,999 SF classifications. Absorption of vacant Shaw's, Walmart, and Lowe's boxes had much to do with the latter two ranges. The 2,500-4,999 SF segment of the region also showed a solid reduction in the vacancy rate of 180 basis points.

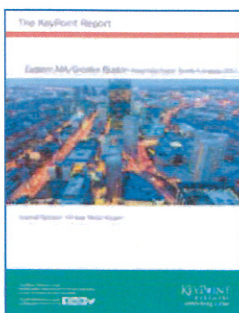
Regional Submarket Rankings: There has been no change in the top ten largest regional markets: Nashua continues to rank first with 6.3 million square feet of inventory; Manchester follows at 5.3 million square feet; and Salem is a distant third at 3.9 million square feet. Seabrook and Bedford follow with 2.0 million square feet and 1.5 million square feet, respectively.

Among towns with at least 500,000 square feet of retail space, Salem remains on top of the rankings for lowest vacancy rate at 5.7%, although up a bit from last year. Derry is this year's runner-up, moving up from fourth a year ago. Hudson slipped a notch to third place. Among towns with the highest vacancy rate, Manchester takes over at first with 13.2%, although down substantially from 16.0% last year. In fact, the five highest ranking towns had vacancy rates all lower versus last year. The Seabrook vacancy rate, which was the highest in the region a year ago at 17.8%, has been notably reduced to 9.4%, in line with the Southern New Hampshire average.

Retailer Activity: Retailers adding the most space in the region include Mattress Firm, which converted its acquired Sleepy's locations, thereby increasing by 59,700 square feet, followed by Chunky's Cinema, Hobby Lobby, and Ocean State Job Lot. The latter three all back-filled big box vacancy, largely contributing to the substantial decline in the region's vacancy rate. Conversely, Sleepy's closed the most space. Radio Shack and Namco round out the top three of retailers contracting by square footage. Mattress Firm also led the region in new stores, adding 10 units via the Sleepy's acquisition. Cricket Wireless and Sprint were the only other retailers gaining multiple stores, three and two units, respectively. The acquisition of Sleepy's reduced this retailer's store count by 10 locations. Radio Shack also vacated the region, closing its last seven stores. The overstoreing of yogurt shops was apparent with the closing of six Orange Leaf locations.

Bob Sheehan, Vice President of Research
BSheehan@KeyPointPartners.com

This KeyPoint Report examines changes in supply, vacancy and absorption, retailer activity, and market composition by store size and retail categories during the period from July 2016 to July 2017. The study area includes 39 cities and towns, representing more than 835 square miles and approximately 561,500 permanent residents (42% of the state population). KeyPoint Partners' GRIID™ database maintains detailed information on virtually all retail properties in three key regions: Eastern Massachusetts, Southern New Hampshire and Greater Hartford, Connecticut. These markets encompass approximately 45% of all retail space in New England. GRIID™ has information on approximately 263 million square feet of retail space and approximately 59,600 retail establishments. The KeyPoint Reports contain a summary and analysis of retail market trends and activity for each studied market area.



The Report is coming!

The KeyPoint Report on Eastern MA/Greater Boston 2017 is available now.

The KeyPoint Report on Southern New Hampshire 2017 and the KeyPoint Report on Greater Hartford, CT 2017 will follow soon.

Visit KeyPointPartners.com and click on Retail Reports at the top.

Overall Capitalization Rate

	2017		2017		Basis Point Change from 2016
	<u>All Responses</u>		<u>Adjusted Responses ⁽¹⁾</u>		
	Range	Average	Range	Average	
Age Restricted Apartments	5%-8%	6.1%	5%-7.5%	6.0%	-30
Unlicensed Congregate Living	5.5%-8%	6.8%	6%-7.5%	6.8%	0
Licensed Assisted Living	6%-10%	7.6%	6.5%-8.3%	7.3%	-30
Licensed Memory Care	6%-11%	7.9%	7%-9%	7.9%	0
Licensed Skilled Nursing-Long Term Care	8.5%-13%	11.6%	9%-13%	11.7%	+30
Licensed Skilled Nursing-Subacute Care	8%-14%	12.0%	10%-13%	12.0%	+20
Continuing Care Retirement Community	5%-11%	8.8%	7.5%-11%	8.8%	0

Internal Rate of Return (Discount Rate)

	2017		2017		Basis Point Change from 2016
	<u>All Responses</u>		<u>Adjusted Responses ⁽¹⁾</u>		
	Range	Average	Range	Average	
Age Restricted Apartments	7%-16%	8.9%	7.5%-10%	8.5%	+10
Unlicensed Congregate Living	8%-17%	9.7%	8.5%-10.5%	9.2%	0
Licensed Assisted Living	8.5%-21%	10.9%	9%-12%	10.1%	-90
Licensed Memory Care	9%-17%	11.0%	9.5%-12%	10.4%	-80
Licensed Skilled Nursing-Long Term Care	11%-15%	13.5%	12%-14.5%	13.6%	-40
Licensed Skilled Nursing-Subacute Care	12%-16%	14.2%	14%-15%	14.3%	-40
Continuing Care Retirement Community	10%-17%	11.5%	10%-12.8%	11.0%	0

Equity Dividend Rate (Cash on Cash Return)

	2017		2017		Basis Point Change from 2016
	<u>All Responses</u>		<u>Adjusted Responses ⁽¹⁾</u>		
	Range	Average	Range	Average	
Age Restricted Apartments	6%-15%	9.4%	7%-12%	9.2%	-20
Unlicensed Congregate Living	6.5%-15%	10.2%	7%-15%	10.1%	+20
Licensed Assisted Living	6.5%-20%	11.5%	9%-17.5%	11.3%	-30
Licensed Memory Care	7%-20%	11.7%	8%-17.5%	11.4%	-20
Licensed Skilled Nursing-Long Term Care	10%-20%	14.6%	10%-20%	14.6%	+20
Licensed Skilled Nursing-Subacute Care	10%-20%	15.3%	10%-20%	15.3%	+30
Continuing Care Retirement Community	9%-20%	12.0%	9%-15%	11.5%	-30

(1) Minus 5% Highest and 5% Lowest Responses

Q4 2016 OVERVIEW

2016 ended with rising interest rates following the presidential election. Cap rates followed a similar trend with an increase of 18 bps for Q4. This was the first increase in single tenant net lease (STNL) since Q4 2015.

This increase is largely attributed to the fact that cap rates toward the end of 2016 began to catch up with the upward trending interest rates. As we head into 2017, we expect investor demand to remain strong.

SECTORS	Q3 2016					Q4 2016					AVG CAP RATE (BPS)	LEASE YEARS (REM)
	AVG CAP	LOW	HIGH	AVG LEASE YEARS	SAMPLE SIZE	AVG CAP	LOW	HIGH	AVG LEASE YEARS	SAMPLE SIZE		
Automotive	6.49%	4.00%	8.80%	10.7	25	6.68%	4.26%	9.00%	10.2	33	19.5	(0.5)
Bank	5.53%	3.94%	8.09%	7.9	16	5.64%	4.36%	7.93%	10.5	15	11.8	2.6
Big-Box	6.24%	4.13%	7.40%	9.7	8	7.08%	4.85%	9.14%	9.8	13	83.3	0.2
Casual Dining	5.97%	4.50%	8.70%	12.9	27	6.18%	4.10%	12.00%	13.7	36	21.2	0.8
C-Store	5.11%	3.56%	7.57%	13.6	19	6.14%	4.50%	9.17%	12.1	16	102.5	(1.4)
Dollar Store	7.03%	5.62%	10.00%	11.7	48	7.10%	5.50%	10.04%	10.9	51	7.4	(0.9)
Educational	8.00%	5.50%	10.15%	14.0	4	6.89%	6.47%	7.70%	7.8	3	-110.5	(6.2)
Medical	6.10%	5.75%	6.51%	13.0	3	6.57%	5.58%	7.94%	12.4	4	46.7	(0.6)
Pharmacy	6.20%	4.67%	7.99%	13.9	37	5.95%	4.62%	10.02%	16.0	36	-24.3	2.1
QSR	5.65%	3.73%	11.86%	13.2	88	5.85%	3.28%	11.01%	12.9	84	20.6	(0.3)
Other Retail¹	6.44%	4.02%	8.70%	11.6	34	6.62%	4.74%	8.73%	11.9	24	18.2	0.3
Average	6.25%			12.0		6.43%			11.7		17.9	(0.3)
Total Sample Size					309					315		

¹ Other retail includes retailers who don't otherwise neatly fit into one of the above categories such as grocery stores, cellular stores, mattress stores, and fitness centers.

Market Summary – March, 2017

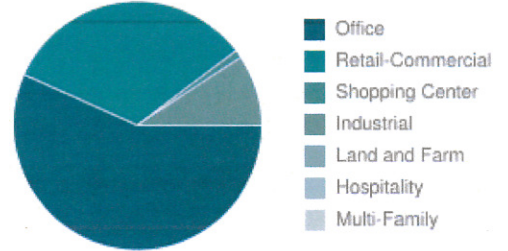
Portsmouth, NH

242,408 SF
Commercial Space For Sale

-
Land & Farm For Sale

262,691 SF
Commercial Space For Lease

\$23.7 million
Total Sale Price



Current Statistics for Portsmouth, NH

Property Type	Listings	Asking Lease Rate	Asking Sale Price	Below List	Days on Market	Total Available
Industrial	9	\$8.91 PSF	\$56.82 PSF	-	-	215,175 SF
Office	55	\$17.18 PSF	\$176 PSF	-	-	194,807 SF
Retail-Commercial	32	\$16.66 PSF	\$271.61 PSF	-	-	92,281 SF
Shopping Center	1	\$16.50 PSF	-	-	-	2,836 SF

- **Frequency:** Statistics are compiled at the beginning of each month.
- **Reliability:** The quality of the data will vary based on many factors, including whether or not your CIE verifies the data on an ongoing basis. Statistics based on larger numbers of listings (as indicated by the "Listings" column) are generally more trustworthy.
- **Accuracy:** We make all attempts to normalize these stats, but make no guarantees about their accuracy. Outliers (extremely high or low values) are excluded from calculations.
- **Counts:** Listing and Transaction counts reflect the number of records with price and size information within valid ranges. The actual counts of all records in the CIE are larger.
- **Weighted Averages:** Price averages are weighed using the square footage available.
- **Direct:** Lease statistics are direct (exclude subleases).
- **Lease Types:** Because of discrepancies in how lease types (NNN, Gross, etc) are reported, we ignore differences in type – all types are folded together into the lease rate stats.
- **Below List:** Reflects the average percent difference between the original listed price and the final transaction price.
- **Net Absorption:** We calculate absorption using a 90 day period.
- **Locations:** We only allow filters for locations with at least 100 active listings.
- **Asking vs. Reported:** "Asking" prices are based on active listings for the chosen locale, while "Reported" prices are calculated using completed transactions as reported by CIE members.

Disclaimer: All statistics on this page have been gathered from user-loaded listings and user-reported transactions. We have not verified accuracy and make no guarantees. By using the information provided on this page, the user acknowledges that the data may contain errors or other nonconformities. You and/or your client should diligently and independently verify the specifics of the information that you are using.

NECPE Statistics courtesy of:
NEW ENGLAND New England Commercial Property Exchange

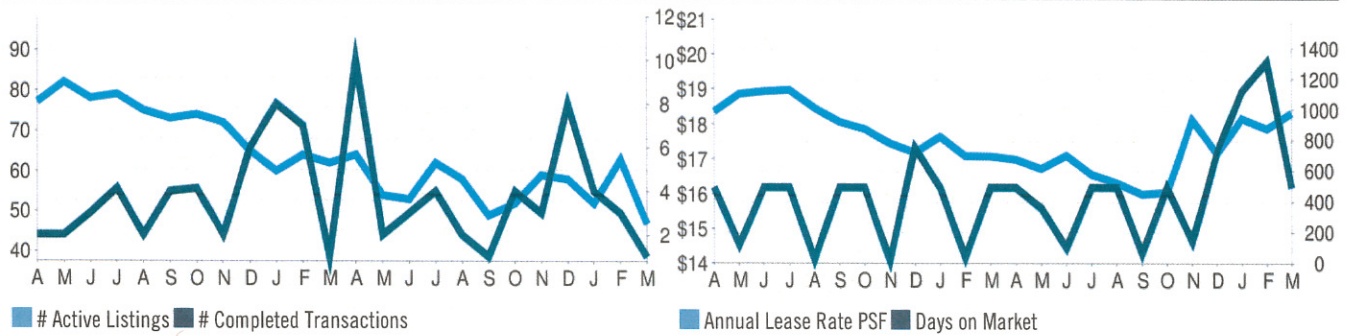
Office Summary – March, 2017

Portsmouth, NH





55 Active Listings 204,298.0 SF Available \$17.18 PSF Annual Lease Rate - Below List - Days on Market

Listings & Completed Transactions

Days on Market & Lease Rate



This Month	3 Month Average	12 Month Average	2 Year Average	Trend
47 Lease Listings	37	43	49	
8 Sale Listings	10	12	15	
149,344 SF For Lease	87,377 SF	111,299 SF	156,813 SF	
45,463 SF For Sale	31,410 SF	50,998 SF	47,370 SF	
1 Leased	2	4	4	
0 Sold	1	1	2	
\$17.18 PSF Asking Lease	\$18.11 PSF	\$17.11 PSF	\$17.55 PSF	
\$13.19 PSF Reported Lease	\$16.56 PSF	\$16.90 PSF	\$18.06 PSF	

\$176 PSF Asking Sale	\$211.78 PSF	\$198.81 PSF	\$175.46 PSF	
- Reported Sale	\$78.99 PSF	\$139.70 PSF	\$185.35 PSF	
- Below List	9.2%	13.4%	17.6%	
- Days on Market	1,474	708	647	

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NECPE
NEW ENGLAND

Statistics courtesy of:
New England Commercial Property Exchange