

COMMERCIAL REAL ESTATE REPORT Q4 2023

Manchester-Nashua, NH Metro Area

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Manchester-Nashua, NH Metro Area

Demographics and Economy

Demographics

0.6%	31.6%	-2.0%	Net Migration in New Hampshire
population growth (2022)	share of renters (2022)	renter household formation (2022)	Hampshire
U.S.: 0.4%	U.S.: 34.8%	U.S.: 2.4%	5,157
			13,952 (2022)

Economy

6.0%	3,900	3.4%	2.0%
GDP growth (2022)	12-month job creation (December 2023)	1-year job growth (December 2023)	1-year wage growth (December 2023)
U.S.: 9.1%		U.S.: 1.7%	U.S.: 3.8%
\$65,500	2.3%	18.5%	International Migration in New Hampshire
Average wage per year (December 2023)	unemployment rate (November 2023)	share of workers teleworking (2022)	859
U.S.: \$61,120	U.S.: 3.7%	U.S.: 17.9%	3,834 (2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **stronger than nationwide** as this area has a faster absorption of office space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2023 Q4	85,285	54,925	1.2%	\$19	6.2%
2022 Q4	69,546	118,989	6.4%	\$19	6.7%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2023 Q4	19,895,146	-38,000	-38,000	\$6.21M	10.5%
2022 Q4	19,933,146	0	9,800	\$4.28M	10.0%

2. Multifamily

Demand for multifamily space is **stronger than nationwide** as this area has a faster absorption of multifamily space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2023 Q4	202	805	3.5%	\$1,966	\$1,956	3.7%
2022 Q4	-8	180	6.6%	\$1,899	\$1,892	3.1%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
2023 Q4	23,466	398	973	6.3%		
2022 Q4	22,493	13	468	5.8%		

3. Retail

Demand for retail space is **weaker than nationwide** as this area has a slower absorption of retail space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	-67,374	-102,611	3.0%	\$19	3.0%
2022 Q4	41,837	44,337	3.6%	\$19	2.5%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
2023 Q4	27,914,945	8.0%	\$5.40M	\$96	
2022 Q4	27,890,539	7.9%	\$19.37M	\$184	

4. Industrial

Demand for industrial space is **weaker than nationwide** as this area has a slower absorption of industrial space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	-109,421	-987,069	5.6%	\$11	5.3%
2022 Q4	-18,701	848,398	8.6%	\$10	2.9%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2023 Q4	43,305,249	48,000	66,980	8.5%	\$20.61M
2022 Q4	43,238,269	0	215,010	7.9%	\$42.46M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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