

COMMERCIAL REAL ESTATE REPORT Q3 2022

Manchester-Nashua, NH Metro Area

Demographics and Economy

Demographics

| 0.3% | 33.7% | -11.4% | 52.4% |
|--|---|--|---|
| population growth (2020-2021) U.S.: 0.7% | share of renters (2021) U.S.: 34.5% | renter household formation (2021) U.S.: 2.6% | share of inbound moves (Jan-Sept 2022) |

Economy

| 1.9% | 3,700 | 3.4% | 0.8% |
|---|---|---|--|
| GDP growth (2021) U.S.: 5.9% | 12-month job creation (September 2022) | 1-year job growth (September 2022) U.S.: 3.9% | 1-year wage growth (September 2022) U.S.: 4.8% |
| \$62,066 | 2.3% | 22.7% | 36.2% |
| Average wage per year (September 2022) U.S.: \$49,100 | unemployment rate (September 2022) U.S.: 3.5% | share of workers teleworking (2021) U.S.: 17.9% | inbound businesses moves (Jan-Sept 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 Months | Market Rent Growth 12 Months | Market Rent/SF | Vacancy Rate |
|---------|-------------------|-----------------------------|------------------------------|--------------------|-----------------|
| Q3 2022 | 130,058 | 79,217 | 1.5% | \$18 | 7.0% |
| Q3 2021 | -91,101 | -228,668 | 2.2% | \$18 | 7.3% |
| | Inventory SF | Net Delivered SF | Net Delivered SF 12 Months | Total Sales Volume | Market Cap Rate |
| Q3 2022 | 19,911,177 | 0 | 24,800 | \$19,320,536 | 9.0% |
| Q3 2021 | 19,886,377 | 0 | -15,000 | \$12,700,000 | 9.0% |

2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. Despite weaker conditions, 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 |
|---------|------------------|----------------------------|-------------------------------------|-------------------------|----------------------------|--------------|
| Q3 2022 | 19 | 59 | 7.2% | \$1,842 | \$1,829 | 2.4% |
| Q3 2021 | 6 | 708 | 13.8% | \$1,718 | \$1,715 | 1.5% |
| | Inventory Units | Net Delivered Units | Net Delivered Units 12 Mo | Market Cap Rate | | |
| Q3 2022 | 21,821 | 93 | 270 | 5.4% | | |
| Q3 2021 | 21,551 | 0 | 294 | 5.5% | | |

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 |
|---------|-------------------|-----------------------------|------------------------------|---------------------------|--------------|
| Q3 2022 | -25,526 | -46,462 | 2.4% | \$18 | 2.8% |
| Q3 2021 | 221,721 | 354,358 | 1.8% | \$18 | 2.6% |
| | Inventory SF | Market Cap Rate | Total Sales Volume | Transaction Sale Price/SF | |
| Q3 2022 | 28,148,992 | 7.9% | \$44,552,864 | \$132 | |
| Q3 2021 | 28,139,319 | 7.9% | \$7,273,515 | \$105 | |

4. Industrial

Demand for industrial space is **stronger than nationwide** as this area has a faster absorption of industrial space. Despite strong conditions, rent prices 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 |
|---------|-------------------|-----------------------------|------------------------------|-----------------|--------------------|
| Q3 2022 | 284,292 | 1,529,869 | 9.4% | \$10 | 2.9% |
| Q3 2021 | -59,799 | -115,335 | 7.3% | \$9 | 5.6% |
| | Inventory SF | Net Delivered SF | Net Delivered SF 12 Months | Market Cap Rate | Total Sales Volume |
| Q3 2022 | 43,106,295 | 95,000 | 382,464 | 7.3% | \$166,029,664 |
| Q3 2021 | 42,723,831 | -67,606 | -157,432 | 7.2% | \$65,410,000 |

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

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