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## **By Bruce Waters - Because of the "New Hampshire Advantage", local businesses are thriving and expanding**

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We all have been subject to the negative efforts of recent events on Wall Street, Europe and in the Debt Market. There is clear evidence that each of these factors have had a huge effect on real estate values and activity in the market, but there lives the opportunity for many New Hampshire companies that have not only a local and national presence, but also are players in the global market to secure new or expanding facilities for the growth of their businesses.

From our point of view, pure investor activity for real estate acquisitions in New Hampshire are challenged, unless it involves a very well positioned multi-family facility, a corporation leaseback or an occasional "quality distressed" property, which I am fully aware is an oxymoron.

So, what is driving the New Hampshire economy and the commercial real estate opportunities? Well, it goes back to the "New Hampshire Advantage", which is often described as the favorable tax environment that New Hampshire provides, but also is coupled with a well educated work force and a quality of life for all residents. Because of the advantage, businesses that are already in New Hampshire are thriving and expanding.

The industrial and manufacturing sector is pushing everything forward. According to Russ Thibeault, a respected New Hampshire economist, New Hampshire currently has an estimated 3,700 manufacturers, employing 80,000 people with wages of \$6.4 billion, making manufacturing the largest single sector of the State's economy.

An example of this robust growth is Turbocam in Barrington, New Hampshire, which has published increased sales of 68% primarily due to global demand, and according to an article in the NH Business Review, New Hampshire companies have increased their exports by 43% during the recession, making the State of New Hampshire the fastest growing exporter in the US, with increasing demand for more space.

Currently, Hypertherm, Inc. located in the Hanover/Lebanon, New Hampshire area of the Upper Valley, purchased a 10-acre industrial site along I-89 in Lebanon and is building a 150,000 s/f manufacturing facility as an adjunct to their 500,000 s/f already in use in the Upper Valley. Hypertherm is the world's leading manufacturer of metal cutting devices. In preparation for more manufacturing and industrial demand in the future, Dick Danais, of Danais Realty Group, announced the purchase of 126 acres, subdivided into 12 lots in Manchester for local, emerging and growth-oriented New Hampshire businesses.

Activity such as these examples and throughout the State is evidence that manufacturing is keeping the New Hampshire economy above water and is actually reducing the already low unemployment rate, relative to the national average.

Ralph Valentine, CCIM, of the Valentine Group and Brad Vear, CCIM, of Vear Commercial recently announced over 100,000 s/f lease in Derry to Total Air Supply, a wholesaler and fabricator of HVAC

systems.

And in Salem, Equity Industrial Partners leased over 100,000 s/f to NORA Systems, Inc., a manufacturer of NORA Rubber Flooring and 100,000 s/f to Comcast.

New Hampshire also continues to lead the region in bioscience and high-tech research with incubator facilities in the Upper Valley, Portsmouth and other locations.

My own experience in the Upper Valley indicates over 50,000 s/f of recent expansion space for companies that started up in the Dartmouth Technology Resource Center (DRTC) such as Glycofi and Adimab.

Although we continue to be challenged in growing our New Hampshire businesses, based on innovation, a highly educated workforce, proximity to strong infrastructure and using the "New Hampshire Advantage", New Hampshire businesses are growing, buying and leasing commercial real estate from Berlin to Portsmouth, which stimulates the entire New Hampshire economy.

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