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## **There is a lot of positive commercial real estate activity occurring across all N.H. markets**

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We have spent the last few years working hard and waiting for the "good 'ol days" to return to the economy. Perhaps we have been spending so much time with our collective noses to the grindstone that we may have missed the fact that there is a lot of positive activity occurring across New Hampshire. To test this, I asked several of my commercial real estate colleagues for their opinion. The response was, well, positive.

Michael Bergeron, senior business development manager, N.H. Division of Economic Development said, "The southern New Hampshire commercial real estate market is heating up with a strong demand from companies in neighboring New England states." To back up his claim, Mike reminded me of some recent deals such as, US Foods relocation from Peabody, Mass. to a 506,000 s/f facility in Seabrook, N.H., and that Stonewall Kitchen is building a new facility in Dover that, over time, will grow to 275,000 s/f. Michael mentioned several other notable deals that bolstered his statement as well. A review by submarkets demonstrates that Michael's positive analysis was not limited to one area of the state.

Chris Goodnow, principal of Goodnow RE Services, pointed out that in the greater Salem market, "N.H. business owners are seeking to purchase facilities to relocate from leased premises' and out of state locations." Chris also noted that one side effect of this recent activity is that the existing supply for smaller (less than 40,000 s/f) industrial/warehouse facilities is drying up. Hugo Overdeput, VP and principal at Colliers International | New Hampshire added, "The greater Salem area between Exit 1 and Exit 3 is in development mode. Several major projects were recently approved or are under construction. No doubt that the widening of I-93 had a positive impact." Salem benefits greatly from its proximity to the MA/Rte.128 corridor and its accessibility from Boston.

The Seacoast market continues to grow. Kent White, of CBRE, noted that there has been enough activity in the Seacoast industrial market that, "Companies looking to lease or purchase industrial buildings are having to expand their search into other markets." David Choate, executive VP and principal at Colliers International | New Hampshire agreed, stating, "The Seacoast area is experiencing a growth in manufacturing from firms like Lonza Biologics at Pease and Lindt Chocolate in Stratham, as well as large (40,000-100,000 s/f) requirements for warehousing and distribution from firms like Rand-Whitney and Cole-Haan." Businesses get it; their employees like the Seacoast lifestyle.

The greater Nashua market took a bit of a hit during the Great Recession. Its manufacturing base declined, creating fairly high vacancy rates. That is changing. As reported in the May 1, 2015 NEREJ (<http://nerenj.com/82470>), Nashua Technology Park at Gateway Hills is 85% leased, with Dell and Amphenol TCS renewing leases (270,000 s/f combined) and their commitment to the market. There are several large tenants canvassing the market presently, adding to the feeling that Nashua

is moving in a positive direction.

The greater Manchester market is also seeing growth. Chris Riley, of Riley Enterprises, is enthusiastic about this market. "We have seen growth in office, retail, and industrial sectors, leading to our forecast that our Manchester area portfolio will reach nearly 98% occupancy by the end of 2015."

Bill Norton, president of Norton Asset Management and one of the "Deans" of our industry is well known for his "gray sky" view of the economy. Even Bill had positive things to add, stating, "We have seen sales activity bump up considerably in the second quarter." All that and a Whole Foods anchored retail development in Bedford, make it clear that there is positive momentum in this market.

The Capital Region was less impacted by the last market downturn. Jim DeStefano, principal and VP of sales and marketing, Colliers International | New Hampshire, is bullish on Concord. "The Concord marketplace has seen a noticeable uptick of new office construction in the Central Business District in the past decade. With the now commenced Main St. improvement project, demand for space in Concord's CBD should remain strong well into the future."

The North Country is active as well. Andy Smith, of Peabody & Smith Realty, Inc., said, "Activity in the Central and Northern N.H. markets has seen a dramatic increase in office and industrial sectors." Tourism remains a very important economic driver for this N.H. submarket. The commitment by Maine businessman, Les Otten, to undertake a \$143 million revitalization of the Balsams resort is now supported by state-backed bond financing. This level of confidence in the North Country truly sends a positive message.

The Upper Valley submarket is seeing positive signs in 2015 as well. Bruce Waters, of Lang McLaughry Commercial Real Estate, pointed out their two major institutions, "Dartmouth College and Dartmouth Hitchcock Medical Center provide enormous stimulus to this small market." Couple this activity with the continued growth of the high-tech sector already in the market and the Upper Valley seems to be doing fine.

In Keene, Brady Sullivan Properties has invested approximately \$5 million in the purchase and renovation of two properties, Center at Colony Mill and Colony Mill Marketplace, with a combined 220,000 s/f. BSPs confidence in this market has paid off, as they have written leases for approximately 40,000 s/f and lowered the vacancy rates in both buildings significantly.

With all this positive activity, you would think the commercial real estate industry, and N.H. as a whole, would be in a constant state of revelry, but it is not. The reasons, we are nearing full employment, higher corporate tax burden and electricity costs than our immediate neighbor to the south, are easy to point out. What is harder, but sorely needed, is to address these three challenges, so that in the near future our industry and the NH economy will be something to cheer even louder about.

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