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July 2024 NH CIBOR president's message: Mid-year review - by Ethan Ash

July 05, 2024 - Northern New England



Ethan Ash

We are already past the halfway point of 2024 so I thought it best to give a quick recap of the first half of the year. The number of commercial transactions and volume is very comparable to last year. This is for both sales and leases with the number of transactions being up on both but within 5%. The big difference is value. The median sale price last year for a commercial sale was \$410,000 in the state of New Hampshire. This year it is \$484,000. That is close to a 20% increase in value in a single year. There are a lot of factors which would make me believe that this is not a universal increase in value but I would say with confidence that values of most commercial in most areas of New Hampshire are still having significant increases, exceeding the rate of inflation. This falls in line with residential sales, which saw a 12.9% increase in value in one year for single family median sale price.

The New Hampshire House killed a bill incentivizing building on more housing which would allow towns to help the conversion of office buildings to much needed residential. This bill was bipartisan with unanimous approval in the senate but was voted down in the house. Items like this can be frustrating as in May 2024 the affordability index was 56. This is as low as it has ever been in New Hampshire since NHAR has been tracking this statistic. (example - a score of 120 means the median household income is 120% of what is necessary to qualify for the median-priced home under prevailing interest rates. A higher number means greater affordability). In simple terms, it takes two individuals earning the median household income to afford a house in the state. Median individual income is roughly \$43,343 and median household income is around \$90,843. I don't mean my messages to be doom and gloom but when affordability was 68 in January of this year and New Hampshire Housing states we are 60,000-90,000 housing units below what is needed, this is easily the number 1 issue that has to be addressed in the real estate industry.

I will end on a positive note, I am proud to announce that through the annual golf tournament that NHCIBOR hosts in June, we were able to raise just under \$25,000 for CIBOR Cares Scholarship fund. I want to thank all the volunteers, sponsors, and attendees who helped make this such a successful event and allows our organization to help so many New Hampshire residents. We have a summer mixer on August 8th at the Birchwood Vineyard in Derry to raise money for the charitable arm of our board. Thank you to Laura Nesmith and Doug Martin along with all of our other directors who help give so much back to the community that has allowed our members such success.

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