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## **September 2025 NH CIBOR president's message: What is the correlation between the housing market and CRE? - by Kathy DeMello**

September 05, 2025 - Northern New England



Kathy DeMello

In the past week, I have attended two crucial meetings that introduced phenomenal statistics regarding the housing market in New Hampshire. Here is a few highlighted statistics that were shown:

- For the month ending in July, New Hampshire has experienced 66 straight months of median price increases
- Between 2020 – Q1 and 2024 – Q4, there was a 68.4% gain in home prices in the state.
- Housing sales are up 11.6% year/year

You may ask, “What is the correlation between the robust housing market and commercial real estate?” Clearly, the state’s economy is experiencing some of the best growth in the country. A continued influx of population certainly relates to businesses, both small and large, growing in New Hampshire. Here’s some updated information regarding commercial real estate:

## Market Overview

New Hampshire’s commercial real estate (CRE) sector is experiencing a dynamic phase, shaped by shifting demographics, evolving business needs, and regional economic resilience. As of mid-2025, the state boasts over 480 active commercial listings across diverse property types, with a total asset value exceeding \$586 million and more than 5.8 million s/f of inventory.

## Key Submarkets

- Southern Tier (Nashua, Manchester, and Salem):
  - High demand for industrial and flex space driven by logistics and light manufacturing.
  - Office space remains stable, with modest absorption rates and competitive lease pricing.
- Seacoast Region (Portsmouth, and Dover):
  - Retail and mixed-use developments are thriving, especially in walkable downtowns.
  - Hospitality and medical office sectors show strong investor interest due to tourism and aging demographics.
- Lakes Region & North Country:
  - Slower transaction volume but increasing interest in redevelopment and adaptive reuse.

- Land sales for recreational and residential-commercial hybrids are gaining traction.

## Challenges & Opportunities

- Zoning and Permitting: Municipal regulations vary widely, requiring strategic navigation for developers.
- Workforce Shifts: Hybrid work models are reshaping office demand, prompting conversions to residential or co-working formats.
- Sustainability: Green building certifications and energy-efficient retrofits are becoming key differentiators in leasing and sales.

As summer ends and we move toward the end of 2025, it will be interesting to track the sustainability of this impressive growth.

Don't forget to take advantage of the great programs CIBOR offers:

- Seacoast Marketing Meeting – Third Friday of the month
- Statewide Marketing Meeting – Second Wednesday of the month
- Massachusetts Marketing Exchange (Member of NECPE) – Second Friday of the month
- Numerous educational programs and Moody's training are available.

Check out the CIBOR website for times and locations.

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