



# NORDLUND NEWSLETTER

## *Commercial Real Estate Report*

### ABOUT NORDLUND

Nordlund Associates, Inc. is a full service commercial real estate brokerage firm serving tenants, landlords and investors by facilitating the acquisition and/or divestiture of properties through traditional and innovative strategies.

### KEY STATS

#### **Lawrence/Andover (MA) Industrial Flex**

Inventory – 34.3 million SF  
Availability – 7.7 %  
Vacancy – 5.7%

#### **Rockingham County (NH) Industrial/Flex**

Inventory – 29.6 million SF  
Availability – 5.7%  
Vacancy – 5.5%

## INDUSTRIAL FLEX MARKETS IN MA AND NH: DYNAMIC ENVIRONMENT CREATES OPPORTUNITY

We're experiencing rapid changes in the industrial and manufacturing real estate markets in Northern Massachusetts and Southern New Hampshire. Clients, whether owner/users, investors, or a mixture of both, will have opportunities to transact favorably as these changes evolve.

Demand for industrial/flex properties in the Lawrence/Andover and Rockingham industrial submarkets has slowed from its peak in early 2023 but remains strong. Users are driving demand, while investor sales volume has declined following higher interest rates and market uncertainty. In Q1 2025, we've seen a stabilization of rents and values over the past two quarters (Q3 '24 to Q1 '25). Both owner-users and investors are navigating a shifting market, and with change comes opportunity.

Average asking rents in these markets were \$10.22 per square foot triple net in Q1 2021 and have risen to \$13.80 in Q1 2025, an increase of more than 35 percent. This rapid rent growth, combined with pre-COVID leases rolling over, has caused many businesses to seek more control of their long-term costs. As a result, there is a strong preference to purchase rather than remain subject to tightening market conditions and increasing lease rates.

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### *NORDLUND FEATURED LISTINGS*



**Ferncroft Corporate Center  
Middleton**  
For Lease



**29 Garfield Road  
Exeter**  
For Lease or Sale



**Klein Drive Portfolio  
Salem/Derry**  
For Sale



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### CLIENT CORNER

“Anthony and the Nordlund team successfully procured multiple offers and ultimately finalized a deal with the most qualified buyer and the best price and terms”

**John Breen**  
Founder

## INDUSTRIAL FLEX MARKETS IN MA AND NH: DYNAMIC ENVIRONMENT CREATES OPPORTUNITY

Low interest rates, along with substantial rent increases, also attracted investors to the segment during this period. Capitalization rates dipped to the 4.5 to 6 percent range in mid-2022 and now average 7.6 percent in Rockingham County and 6.8 percent in the Lawrence/Andover submarket. Of 273 industrial/flex transactions from Q1 2021 to Q1 2025, 74 percent were to investors and 26 percent to owner-users.

Sale prices per square foot rose sharply during this time, starting at \$76 in Q1 2021, peaking near \$300 in some cases in Q4 2023, and currently averaging \$165 as of Q1 2025.

The market tensions caused by these rapid shifts in demand, values, and interest rates will continue to play out into Q2 2025. Owner-occupants looking to expand may find that they can sell their existing assets at a premium and identify opportunities on the buy side as rates stabilize and price per square foot levels off or dips slightly. Renters with pre-COVID leases will see their rates reset to market levels, making ownership more appealing than ever. Credit-quality owner-occupants may benefit from projected interest rate reductions, making sale-leasebacks increasingly attractive to investors.

Investors can take advantage of rising rents, the opportunity to reposition long-term leases, and a potential decrease in borrowing costs to improve cap rates. As supply and demand normalize post-COVID and interest rates fluctuate, there will be ample opportunities for both investors and owner-users.

**RICK BARTLEY**







NORDLUND  
ASSOCIATES

Q1 2025

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## *Our Team at a Glance*

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## RECENT TRANSACTIONS



**SOLD**

7 Healy Court,  
Danvers, MA



**SOLD**

1 & 10 Beach Street,  
Rockport, MA



**SOLD**

18 Popes Lane,  
Danvers, MA



**LEASED**

11 Franklin Street,  
Salem, MA



**LEASED**

17 Industrial Drive,  
Exeter, NH



**LEASED**

5 Forbes Road,  
Newmarket, NH

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