MARKETBEAT

Hartford

Office Q2 2024

	YoY Chg	12-Mo. Forecast
25.0% Vacancy Rate	▲	▲
31K Net Absorption, SF	▼	▼
$21.15 Asking Rent, PSF	▲	▲

(Overall, All Property Classes)

ECONOMIC INDICATORS
Q2 2024

	YoY Chg	12-Mo. Forecast
644.3 K Hartford Employment	▲	▲
4.3% Hartford Unemployment Rate	▲	▼
4.1% U.S. Unemployment Rate	▲	▲

Source: BLS, Moody's Analytics
2024Q2 data are based on the latest available data

ECONOMY

Hartford's economy continues to perform well as employment rose by more than 4,000 workers, continuing its upward trend year-over-year (YOY). Despite a slight upward tick in the Hartford unemployment rate, it remains below the national average of 4.1% by 20 basis points (bps) and is expected to continue to decline in the next 12 months.

SUPPLY

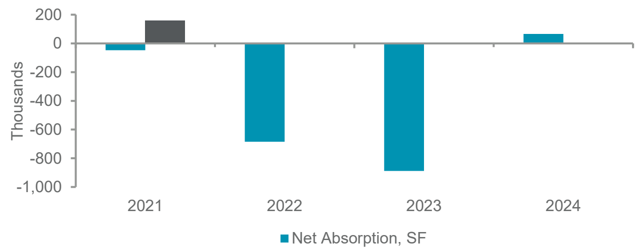
The overall vacancy rate in Hartford County's office market continued to decrease for the second consecutive quarter, dropping modestly by 30 bps to 25.0% from its five-year high of 25.3% in Q4 2023. Eastern Hartford County recorded the greatest drop of the quarter, with its vacancy rate declining by 130 bps to 14.7%, the lowest vacancy rate recorded in over five years. Meanwhile, the Hartford Periphery recorded its highest vacancy rate since Q1 2021, at 7.1%. Overall absorption remained positive for the first two quarters of the year, totaling 65,591 square feet (sf). Eastern Hartford County and Northern Hartford County have both contributed significant occupancy gains since the start of 2024, evening out the 30,000 sf of negative absorption in both the Hartford CBD and the Periphery submarkets.

DEMAND AND PRICING

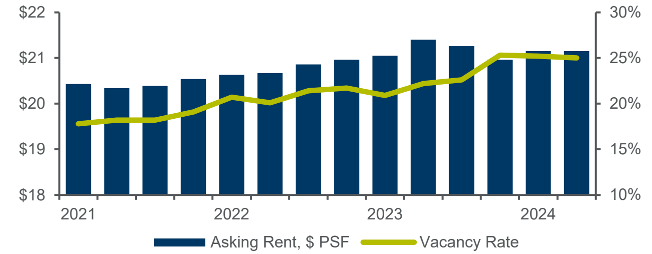
New demand in Hartford County continues to slow, dropping by 36.1% YOY. Despite this, renewal activity remains relatively stable, demonstrating that tenants are opting to stay in place. Eastern Hartford County accounts for 57.4% of all renewal activity this year, with more than 67,000 sf of renewals. The largest two renewals of the quarter both occurred in Eastern Hartford County, where American Nuclear Insurers renewed its 10,657-square-foot space at 95 Glastonbury Boulevard and GEI Consultants opted to stay in its 10,146-sf space at 455 Winding Brook Drive. Southern Hartford had the highest demand, contributing more than 43,000 sf of new leasing in Q2 2024.

Overall asking rental rates in Hartford County have stabilized at $21.15 per square foot (psf) since Q1 2024, but have decreased modestly by 1.2% YOY, continuing to follow the trend of the past five years where rental rates have fluctuated by only $1.00 psf. West Hartford Center posted the most expensive rental rates breaking the $40.00 psf mark, followed by Somerset Square in Glastonbury. Despite a slight downward tick in rent since Q1 2024, the Harford CBD remains one of the most expensive submarkets with an average asking rent of $22.44 psf.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



Hartford

Office Q2 2024

CUSHMAN & WAKEFIELD

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL ABSORPTION (SF)**	YTD LEASING ACTIVITY (SF)**	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Hartford CBD	7,369,255	227,955	2,352,405	35.0%	-19,840	-30,578	33,579	0	$22.44	$23.83
Periphery	1,888,300	0	134,067	7.1%	-11,923	-31,416	10,146	0	$18.43	$23.33
Eastern Hartford	3,018,484	0	443,360	14.7%	40,346	90,921	69,238	0	$21.14	$21.99
Western Hartford	6,390,492	204,161	938,432	17.9%	-15,276	20,394	37,687	0	$19.69	$21.24
Southern Hartford	2,561,305	114,615	354,043	18.3%	24,419	-7,670	71,498	0	$21.03	$23.69
Northern Hartford	3,823,724	143,241	1,361,396	39.4%	13,752	23,940	15,302	0	$20.34	$20.16
TOTAL MARKET	**25,051,560**	**689,972**	**5,583,703**	**25.0%**	**31,478**	**65,591**	**237,450**	**0**	**$21.15**	**$22.54**

	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL ABSORPTION (SF)**	YTD LEASING ACTIVITY (SF)**	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*
Class A	14,350,152	582,883	3,247,365	26.7%	24,956	10,187	173,880	0	$22.78
Class B	9,216,699	106,189	2,244,553	25.5%	704	47,991	55,190	0	$19.24
Class C	1,484,709	900	91,785	6.2%	5,818	7,413	8,380	0	$20.27

**Rental rate data reported on a full-service gross basis and is based on published asking lease rates of available space*

KEY LEASE TRANSACTIONS Q2 2024

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
755 Main Street	Hartford CBD	Fuss & O'Neil	25,966	New Lease
400 Executive Boulevard	Western Hartford	GT Independence	16,366	Sublease
855 Winding Brook Drive	Eastern Hartford	Barton & Loguidice	16,000	New Lease
95 Glastonbury Boulevard	Eastern Hartford	American Nuclear Insurers	10,657	Renewal
455 Winding Brook Drive	Eastern Hartford	GEI Consultants	10,146	Renewal

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