MARKETBEAT

New Haven

Office Q2 2024

	YoY Chg	12-Mo. Forecast
16.3% Vacancy Rate	▲	▲
505 K Net Absorption YTD, SF	▲	▼
$23.77 Asking Rent, PSF	▲	▲

(Overall, All Property Classes)

NEW HAVEN ECONOMY

New Haven's unemployment rate ticked up 100 basis points (bps) year-over year (YOY) to 4.5%, 40 bps higher than the U.S. National average of 4.1%. New Haven's office-using employment increased by 1,000 jobs in the second quarter, due to a 1,200 job increase in professional and business services and a 100 job decrease in information and financial activities.

SUPPLY

Overall vacancy in the New Haven office market decreased to 16.3%, a 60-basis-point (-bp) drop since the start of the year. The New Haven Central Business District (CBD) vacancy rate continued to decline, down 130 bps since the start of the year to 9.8%, and down 320 bps from one year ago. This is the lowest vacancy rate the CBD has recorded since 2020. Class A CBD vacancy followed closely with a 250-bp drop quarter-over-quarter (QOQ) and a 280-bp decrease YOY. New Haven posted net positive absorption of 505,091 sf this quarter, nearly all of which was a result of the delivery of 101 College Street in the CBD, marking the second consecutive quarter that New Haven recorded occupancy gains. 101 College is a 525,000-square-foot (-sf) bioscience development with notable leasing activity from tenants including Arvinas, BioCT, and Yale University. The location of the new development establishes connections between Yale University's campuses and well-known startup life science companies, attracting top talent. The completion of the development signifies progress in New Haven's downtown revitalization project.

DEMAND AND PRICING

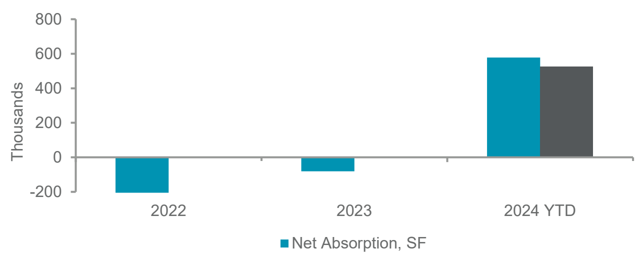
Leasing activity slowed during Q2 2024, totaling only 58,000 sf of new leases, a 26.9% decline QOQ. The New Haven CBD remained the main submarket for demand, accounting for 48.0% of new leasing. Three renewals during Q2 2024 totaled 58,642 sf, and all were in the New Haven Downtown periphery. The overall asking rent reached a recent high of $23.77 per square foot (psf) this quarter. Meriden spearheaded the increase, being the only submarket to post a greater than $1.50 psf increase in rent QOQ and YOY totaling $22.91 psf. In Class A space, the Meriden submarket rents climbed to $24.06 psf, a 14.7% increase YOY. The New Haven CBD overall rent increased modestly by $0.40 psf QOQ to $27.92.

ECONOMIC INDICATORS Q2 2024

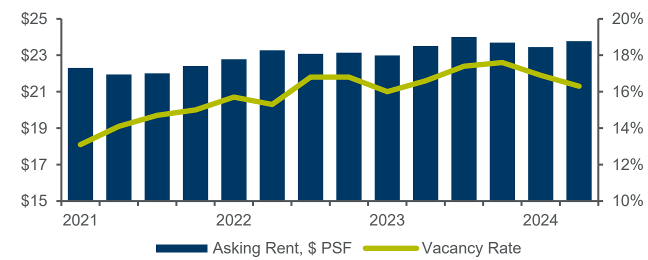
	YoY Chg	12-Mo. Forecast
392.8 K New Haven Employment	▲	▲
4.5% New Haven Unemployment Rate	▲	▼
4.1% U.S. Unemployment Rate	▲	▲

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

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



New Haven

Office Q2 2024

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)*
New Haven CBD	3,873,323	11,810	367,350	9.8%	518,400	555,668	66,838	0	$27.92	$27.44
Periphery	2,477,213	22,379	437,943	18.6%	4,500	8,941	23,539	0	$24.89	$24.16
Eastern New Haven	578,870	2,268	21,505	4.1%	870	1,900	1,900	0	$19.11	$19.11
Western New Haven	1,792,452	0	437,237	24.4%	0	-2,500	0	0	$20.78	$21.09
Northern New Haven	2,688,851	9,400	551,210	20.9%	-18,679	13,743	39,176	0	$22.69	$23.75
TOTAL MARKET	**11,410,709**	**45,857**	**1,815,245**	**16.3%**	**505,091**	**577,752**	**131,453**	**0**	**$23.77**	**$23.45**

	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	5,692,586	45,857	1,285,112	23.4%	495,935	520,347	62,767	0	$23.45
Class B	5,718,123	0	530,133	9.3%	9,156	57,405	68,686	0	$23.58

**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
1 Long Wharf Drive	New Haven Periphery	APT Foundation	37,401	Renewal
265 Church Street	New Haven CBD	Yale University	27,942	New
300 George Street	New Haven Periphery	Celldex Therapeutics	17,741	Renewal

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