MARKETBEAT
HARTFORD OFFICE
OFFICE Q4 2024

MARKET FUNDAMENTALS

	YOY Chg	Outlook
23.0% Vacancy Rate	▼	▲
93.5K YTD Net Absorption, SF	▲	▲
$21.28 Asking Rent, PSF	▲	▬

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
647.2K Market Name Employment	▲	▲
3.0% Market Name Unemployment Rate	▼	▲
4.2% Country Unemployment Rate	▲	▲

Source:BLS

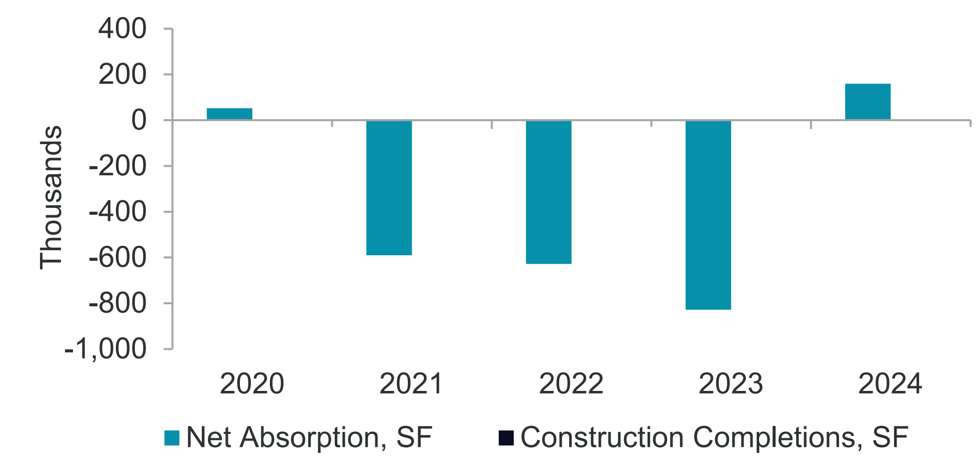
ECONOMY
Hartford's office economy continued to improve, with the unemployment rate dropping 110 basis points (bps) year-over-year (YOY) to 3.0%, remaining well below the national average of 4.2% by 120 bps.

SUPPLY
The Greater Hartford office market posted a decline in overall vacancy for the fourth consecutive quarter, dropping by 30 bps quarter-over-quarter (QOQ) to 23.0%. The Northern Harford and Hartford Central Business District (CBD) submarkets recorded the market's highest vacancy rates of the quarter, at 36.8% and 32.8%, respectively. The Southern Hartford County submarket recorded the most substantial vacancy improvement, dropping by 110 bps QOQ and 180 bps YOY. Despite declining vacancy rates for the quarter, Greater Hartford's vacancy rate increased 220 bps from year-end 2023 to year-end 2024.

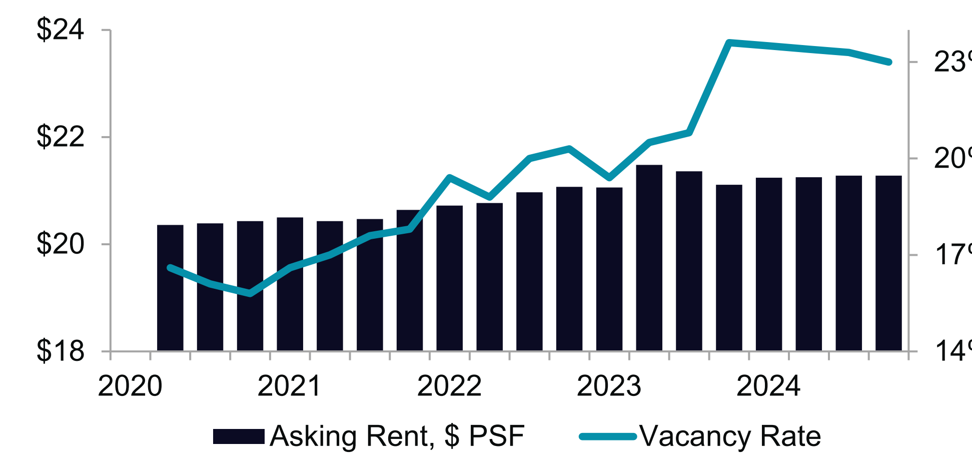
DEMAND AND PRICING
New demand slowed during the fourth quarter, with the Hartford CBD recording no new leases. Meanwhile Southern Hartford recorded the highest leasing activity of the quarter, with more than 30,000 square feet (sf) of new activity. Annual leasing across Greater Hartford declined 37.0% from 2023 to 2024 and marked the lowest leasing total since 2020. Fuss & O'Neill inked the largest new deal of the year, signing more than 25,000 sf at the Gold Building in Hartford. Renewal activity also slowed, totaling nearly 296,000 sf of tenants opting to stay in place during 2024, compared with nearly 400,000 sf in 2023. USI Insurance signed the largest renewal of the quarter, renewing its 33,000-sf-footprint at 95 Glastonbury Boulevard in Glastonbury.

Overall asking rates remained stable from the third quarter at $21.30 per square foot (psf). Hartford CBD posted the market's highest asking rate at $22.62 psf, while the Hartford non-CBD recorded the lowest asking rent at $18.63 psf. Class A rents demand a $3.25 psf premium for the second consecutive quarter over Class B rents, averaging $22.59 and $19.34 psf, respectively.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET 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	2,190,590	227,955	32.8%	14,072	-100,408	52,321	0	$22.59	$23.91
Hartford Non-CBD	1,888,300	118,487	0	6.3%	840	-35,834	13,486	0	$18.63	$23.37
Western Hartford	6,390,492	782,648	191,683	15.3%	41,428	150,104	129,173	0	$19.32	$21.14
Southern Hartford	2,561,305	317,087	82,664	15.6%	26,834	44,947	120,327	0	$21.12	$23.55
Eastern Hartford	3,018,484	433,855	0	14.4%	6,593	84,314	120,668	0	$21.55	$22.43
Northern Hartford	3,823,724	1,365,256	40,195	36.8%	3,720	16,514	38,969	0	$20.62	$20.17
HARTFORD SUBMARKET TOTALS	**25,051,560**	**5,207,923**	**542,497**	**23.0%**	**93,487**	**159,637**	**474,944**	**0**	**$21.28**	**$22.59**

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
95 Glastonbury Boulevard	Eastern Hartford	USI Insurance	32,882	Renewal*
280 Trumbull Street	Hartford CBD	City of Hartford	28,492	Renewal*
755 Main Street	Hartford CBD	Fuss & O'Neill	25,966	New Lease
280 Trumbull Street	Hartford CBD	Whittlesey	25,560	Renewal*
500 Enterprise Drive	Southern Hartford	FEMA	25,304	New Lease
20 Church Street	Hartford CBD	Cantor Colburn, LLP	24,132	Renewal*
10 State House Square	Hartford CBD	Jackson Lewis P.C	20,817	New Lease
77 Hartland Street	Eastern Hartford	PRW LTD	20,000	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS 2024

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
417-429 Franklin Avenue	Hartford Non-CBD	The Greca Plaza LLC / Sheikh Enterprises	46,000	$715K / $15.54
2080 Silas Deane Highway	Southern Hartford	Joseph Moruzzi / Natalie Real	43,465	$4.2M / $96.63
613 New Britain Avenue	Western Hartford	Glen & Linda Grigerek / Connected Approach Partners	35,000	$1.77M / $50.62
50 Founders Plaza	Eastern Hartford	GLK Realty / Figure Eight Properties	25,392	$1.5M / $59.07

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