MARKETBEAT
NEW HAVEN
OFFICE Q4 2024

MARKET FUNDAMENTALS

	YOY Chg	Outlook
16.5% Vacancy Rate	▼	▲
474K YTD Net Absorption, SF	▲	▼
$23.45 Asking Rent, PSF	▼	—

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
392.5K New Haven Employment	▲	▲
3.2% New Haven Unemployment Rate	▼	▲
4.2% Country Unemployment Rate	▲	▲

Source:BLS

ECONOMY

New Haven's unemployment rate totaled 3.2% in the fourth quarter of 2024, remaining 100 basis points (bps) below the national average of 4.2%, after posting a 110-basis-point decrease in unemployment year-over-year (YOY). New Haven office-using employment increased by 600 jobs YOY due to an 800-job increase in professional services and a 100-job decrease in financial and information activities.

SUPPLY

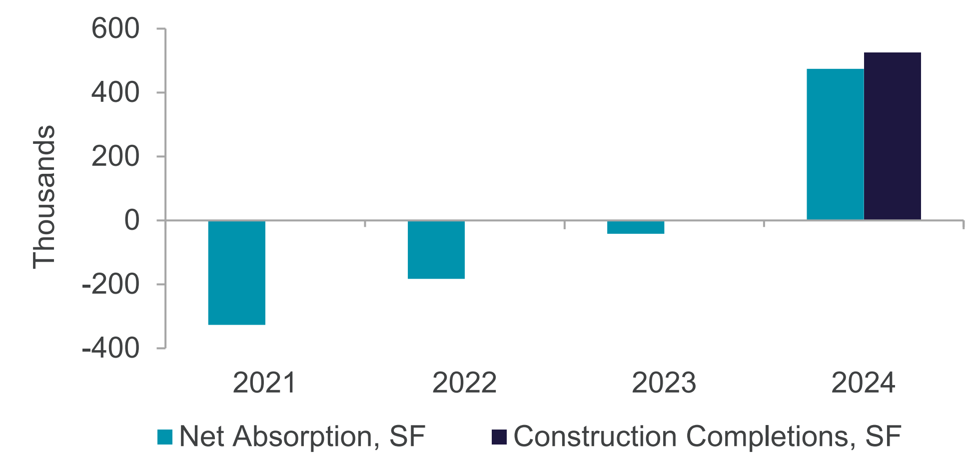
Overall vacancy ended the year at 16.5%, climbing 30 bps from the start of 2024. The New Haven Central Business District (CBD) recorded a notable drop in vacancy YOY, down 310 bps to 7.9%, marking the lowest vacancy rate since Q3 2020. Class B buildings remained heavily occupied with a vacancy rate of just 7.5%, while Class A vacancy remained substantially higher at 25.5%, surpassing the 20.0% mark every quarter since Q3 2021.

DEMAND AND PRICING

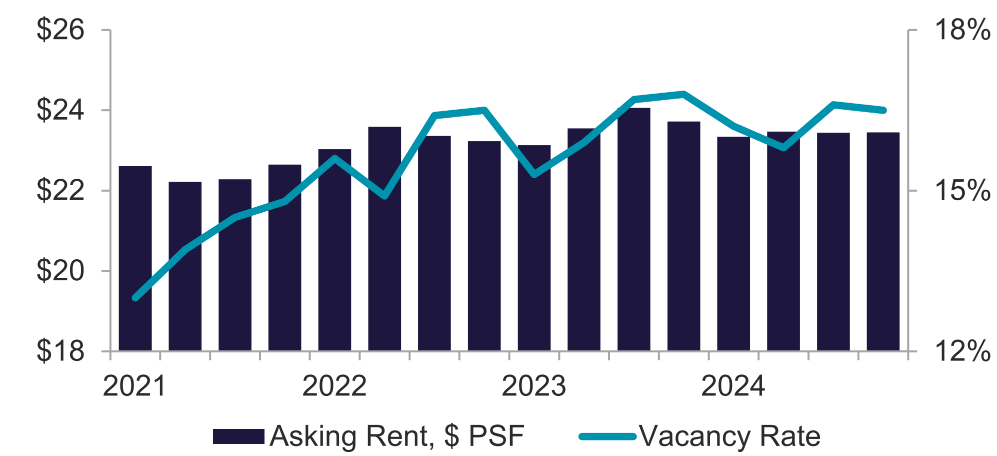
Annual leasing in New Haven declined 12.8% YOY, down to nearly 265,000 square feet (sf) of new leasing activity for the year. Meanwhile, renewals spiked totaling 130,000 sf in 2024, more than tripling 2023 renewal totals and surpassing all annual renewal totals since 2020. The second quarter was the heaviest quarter for renewals, with nearly 70.0% of all renewals for the year signed during the quarter. Class B space remained attractive in the New Haven area, accounting for 82.8% of all renewals for the year. However, the split between new leasing in Class A and Class B buildings remained nearly equal during 2024.

Overall asking rates decreased slightly, dropping by 1.1% to $23.45 per square foot (psf). Despite posting a drop in rent YOY, New Haven CBD remains the most expensive submarket commanding a $4.72 psf premium over the overall market average rent.

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)*
New Haven CBD	3,873,323	294,356	11,810	7.9%	7,297	586,344	91,241	0	$28.17	$27.40
New Haven Periphery	2,477,213	478,861	890	19.4%	-1,487	-1,607	32,904	0	$25.30	$24.20
Western New Haven	1,792,452	586,886	0	32.7%	7,442	-140,089	7,442	0	$20.46	$20.69
Eastern New Haven	578,870	13,769	0	2.4%	1,437	7,193	9,805	0	$19.30	$19.30
Northern New Haven	2,688,851	490,928	6,190	18.5%	-6,116	22,495	123,342	0	$22.40	$22.80
NEW HAVEN TOTALS	**11,410,709**	**1,864,800**	**18,890**	**16.5%**	**8,573**	**474,336**	**264,734**	**0**	**$23.45**	**$22.88**

**Rental rates reflect full service asking*

KEY LEASE TRANSACTIONS 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
195 Church Street	New Haven CBD	Yale New Haven Health Services	30,343	Renewal*
265 Church Street	New Haven CBD	Yale University	27,942	New Lease
55 Church Street	New Haven CBD	XingImaging	24,066	New Lease
300 George Street	New Haven Periphery	Celldex Therapeutics	17,741	Renewal*
900 Northrop Road	Northern New Haven	O & G Industries	11,243	New Lease

**Renewals not included in leasing statistics*

KEY SALES TRANSACTIONS 2024

PROPERTY	SUBMARKET	BUYER / SELLER	SF	PRICE / $ PSF
555 Long Wharf Drive	New Haven CBD	Centerplan Cos / Fusco Management	418,595	$11M / $26
545 Long Wharf Drive	New Haven CBD	Water Street Properties / 545 Real Estate Holdings	256,520	Undisclosed
440 Wheelers Farms Road	Western New Haven	Joffe Paulding 19, LLC / Miller – 440 Wheelers Farm Road LLC	168,251	$4.5M / $26
38 Wellington Road	Western New Haven	DASUCO / Keval LLC	40,187	$5.1M / $126
10 McKee Place	Northern New Haven	Nosal Development / Carina LLC	17,424	$1.7M / $96

KEY CONSTRUCTION COMPLETIONS 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
101 College Street	New Haven CBD	Alexion/Yale	525,000	Winstanley Enterprises

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