MARKETBEAT
HARTFORD OFFICE
OFFICE Q2 2025

MARKET FUNDAMENTALS

	YOY Chg	Outlook
23.4% Vacancy Rate	▲	▲
-264.9 K YTD Net Absorption, SF	▼	▲
$21.29 Asking Rent, PSF	▲	▬

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
606.5K Hartford Employment	▼	▲
3.7% Hartford Unemployment Rate	▲	▲
4.2% U.S. Unemployment Rate	▲	▲

Source:BLS

ECONOMY
Hartford's office economy slowed, with the unemployment rate ticking up 60 basis points (bps) year-over-year (YOY) to 3.7%. Despite the uptick, the market's unemployment rate remains well below the national average of 4.2% by 50 bps.

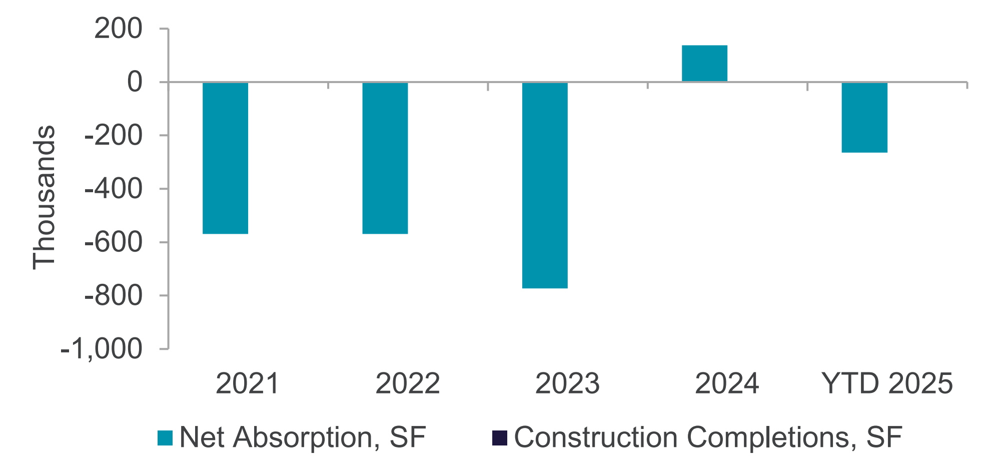
SUPPLY
The Greater Hartford office market recorded an increase in vacancy for the second consecutive quarter, posting a 70-bp rise YOY to 23.4%, its highest point in the past five years. Northern Hartford County recorded the highest vacancy rate of the quarter at 37.0%, followed closely by Hartford CBD at 34.6%, both climbing by 180 bps quarter-over-quarter.

DEMAND AND PRICING
Despite the increase in vacancy, the market posted its highest leasing total since Q4 2023, with 31 leases signed during the quarter totaling more than 155,000 square feet (sf) of new demand. Southern Hartford County and Western Hartford County accounted for the majority of activity, combining for nearly 148,000 sf of new deals. The healthy quarterly demand of Q2 yielded a strong performance through the first half of 2025 with year-to-date (YTD) leasing totaling nearly 267,000 sf, nearly on par with 2024 activity.

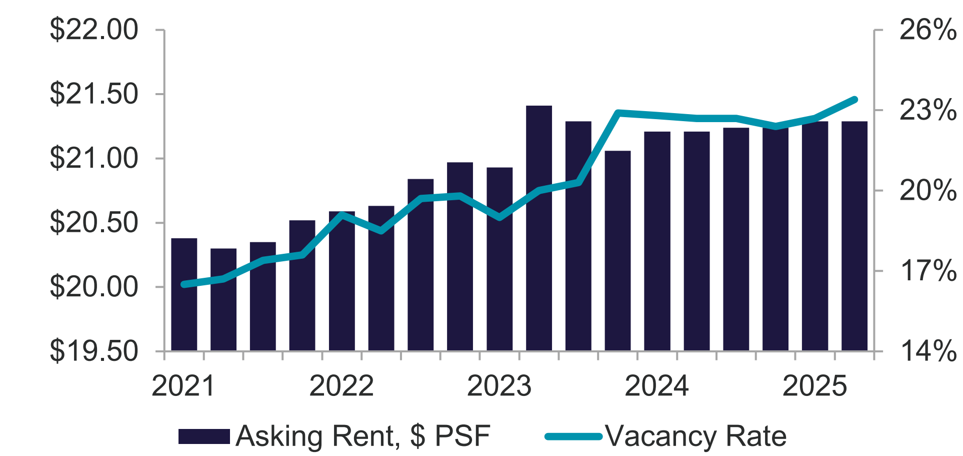
More than 67,000 sf of tenants opted to renew during the first half of 2025, down 46.7% from mid-year 2024. Two large renewals took place during Q2; HNTB renewed its 21,064-sf footprint at 55 Capital Boulevard in Rocky Hill and expanded into an additional 11,300 sf. Arizona College of Nursing renewed its 29,762 sf and expanded into an additional 10,002 sf, growing its footprint at 99 East River Drive in East Hartford to nearly 40,000 sf, marking the largest renewal of the year thus far.

The overall asking rent remained stable from the previous quarter at $21.29 per square foot (psf), increasing a modest $0.08 psf over the past year. The Hartford CBD and Southern Hartford were the only two submarkets to record a quarterly increase in average rents, by $0.07 and $0.19 psf, to $22.71 psf and $22.63 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	2,433,100	113,430	34.6%	-127,471	-178,929	43,599	0	$22.71	$23.93
Hartford Non-CBD	1,888,300	107,560	0	5.7%	158	-4,169	10,684	0	$19.16	$23.38
Western Hartford	6,390,492	757,882	193,736	14.9%	18,641	13,534	69,689	0	$18.15	$20.59
Southern Hartford	2,561,305	328,835	61,887	15.3%	6,401	-37,165	78,309	0	$22.63	$23.72
Eastern Hartford	3,018,484	440,188	4,093	14.7%	2,975	1,077	48,453	0	$21.26	$21.99
Northern Hartford	3,863,254	1,386,340	42,182	37.0%	-67,057	-59,208	15,895	0	$20.61	$20.04
HARTFORD TOTALS	**25,091,090**	**5,453,905**	**415,328**	**23.4%**	**-166,353**	**-264,860**	**266,629**	**0**	**$21.29**	**$22.54**

**Rental rates reflect full service asking **Figure not reflective of U.S. MarketBeat*

KEY LEASE TRANSACTIONS YTD 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
99 East River Drive	Eastern Hartford	Arizona College of Nursing	39,762	Renewal* / Expansion
55 Capital Boulevard	Southern Hartford	HNTB Corporation	21,064	Renewal* / Expansion
225 Asylum Street	Hartford CBD	Litchfield Cavo LLP	13,440	New Lease
2 Northwestern Drive	Northern Hartford	Hartford Healthcare Corp.	12,876	Renewal*
310-330 West Newberry Road	Northern Hartford	Cattleya	11,361	New Lease

**Renewals not included in leasing statistics*

KEY SALES TRANSACTIONS YTD 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
1344 Silas Deane Highway	Southern Hartford	CJC Enterprises / Staypoint	55,547	$4.0M / $72.01
100 Bright Meadow Boulevard		MassMutual / MB Financial	435,000	$3.4M / $9.19
150 Fisher Drive	Western Hartford	Acorn Park North 150 Assoc. / Farmington Valley Academy	30,720	$3.12M / $101.46
200 Fisher Drive	Western Hartford	The Casle Corp. / Town of Avon	22,000	$3.2M / $144.86

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