MARKETBEAT
NEW HAVEN
OFFICE Q2 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
17.7% Vacancy Rate	▲	▲
-46.0K YTD Net Absorption, SF	▼	▼
$23.31 Asking Rent, PSF	▼	—

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
295.1K New Haven Employment	▲	▲
3.8% New Haven Unemployment Rate	▲	▲
4.2% U.S. Unemployment Rate	▲	▲

Source:BLS

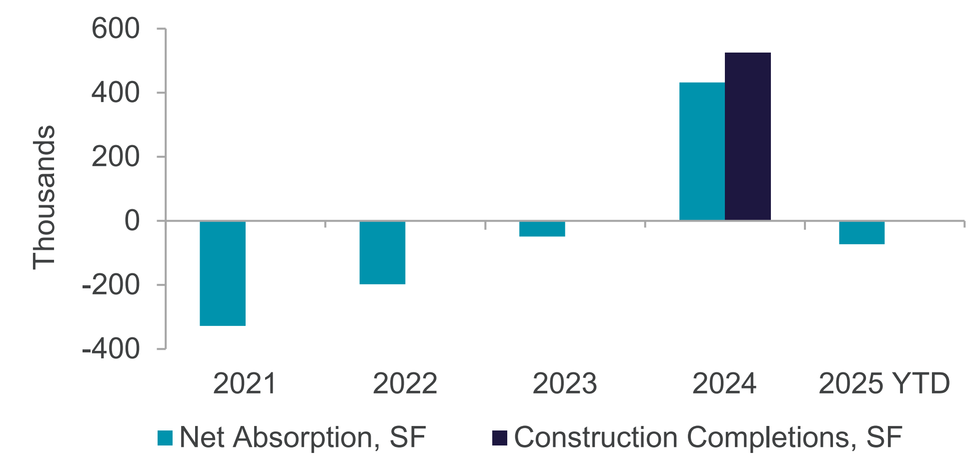
ECONOMY
New Haven's unemployment rate rose 70 basis points (bps) year-over-year (YOY) to 3.8%. Despite the uptick, it remains well below the national average. Office-using economic sectors recorded 200 job losses YOY, with information activities remaining unchanged and financial activities and business and professional services posting slight declines.

SUPPLY
New Haven overall office vacancy continued to rise, ticking up to 17.7% by the end of Q2, marking a new high for the market and a 160-bp increase YOY. The New Haven Central Business District (CBD) was the only submarket to record a decline in vacancy YOY, posting the market's lowest overall vacancy rate of 8.4%. Class B vacancy remained significantly lower than Class A, recording a modest 40-bp increase YOY to 8.9%, while Class A has remained stable at 26.3% since the beginning of 2025. However, this marks a 250-bp jump YOY.

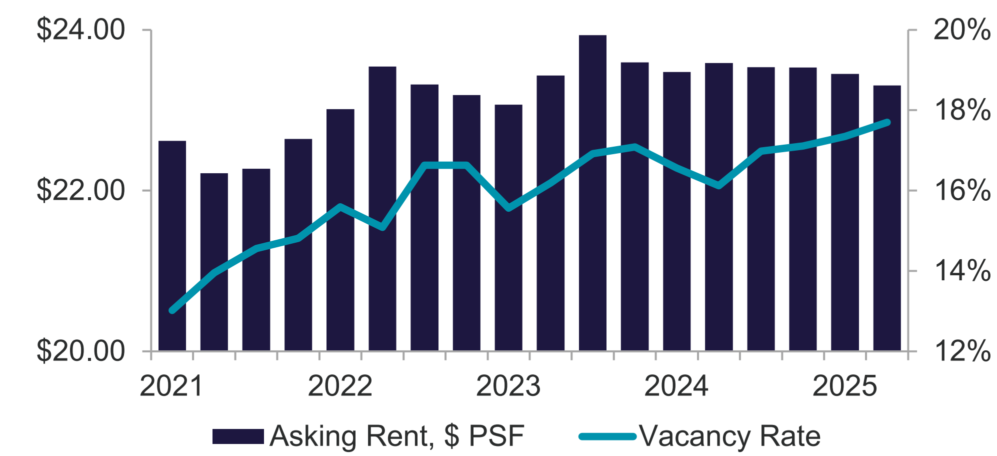
DEMAND AND PRICING
New demand was muted during the first half of 2025, with more than 62,000 square feet (sf) of leasing recorded – a 62.8% decline compared to the mid-point of 2024. This decline can be partially attributed to the decrease in average lease size, which fell 40.1% from mid-point 2024 to 2025. Northern New Haven County has remained highly sought after, accounting for nearly 30.0% of all leasing so far this year, up from 16.5% over the same period in 2024. Class A space outperformed Class B, with 60.7% of tenants inking deals in Class A buildings. Renewal activity remained sluggish with only three renewals signed during the entire first half of 2025, all of which were deals inked in the New Haven Periphery.

Overall average asking rents recorded a slight decline since the end of 2024, down less than 1.0% to $23.31 per square foot (psf). The New Haven CBD remains the market's priciest submarket, posting a $0.10 psf increase in rent YOY and commanding a $4.50-psf premium over the market average.

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	313,170	11,810	8.4%	-3,476	-3,476	12,959	0	$27.81	$27.53
New Haven Periphery	2,477,213	479,905	2,555	19.5%	-3,910	-3,599	21,987	0	$25.24	$24.20
Western New Haven	1,856,878	621,915	0	33.5%	-27,587	-27,587	0	0	$20.22	$20.66
Eastern New Haven	578,870	71,517	0	12.4%	-4,602	-20,602	8,787	0	$24.06	$18.15
Northern New Haven	2,688,851	518,422	6,190	19.5%	-6,421	-18,018	18,746	0	$22..25	$22.70
NEW HAVEN TOTALS	**11,475,135**	**2,004,929**	**20,555**	**17.7%**	**-45,996**	**-73,282**	**62,479**	**0**	**$23.31**	**$22.78**

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

KEY LEASE TRANSACTIONS 2025 YTD

PROPERTY	SUBMARKET	TENANT	SF	TYPE
545 Long Wharf Drive	New Haven Periphery	Morgan Stanley	15,768	Renewal*
555 Long Wharf Drive	New Haven Periphery	Barclay Damon, LLP	12,000	New Lease
545 Long Wharf Drive	New Haven Periphery	Kennedy Johnson Schwab & Roberge P.C.	8,500	New Lease
1445 Boston Post Road	Eastern New Haven	ProHealth Physicians	7,500	New Lease
2319 Whitney Avenue	Northern New Haven	M&J Engineering	6,200	New Lease

** Renewals not included in leasing statistics*

KEY SALES TRANSACTIONS 2025 YTD

PROPERTY	SUBMARKET	BUYER / SELLER	SF	PRICE / $ PSF
1781 Highland Avenue	Northern New Haven	VDNKR Inc./ Woodgreen Cheshire Llc	51,560	$3.4M / $65.00

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