

FIGURES | HARTFORD INDUSTRIAL | Q1 2025

# Demand outpaced supply for the second consecutive quarter.



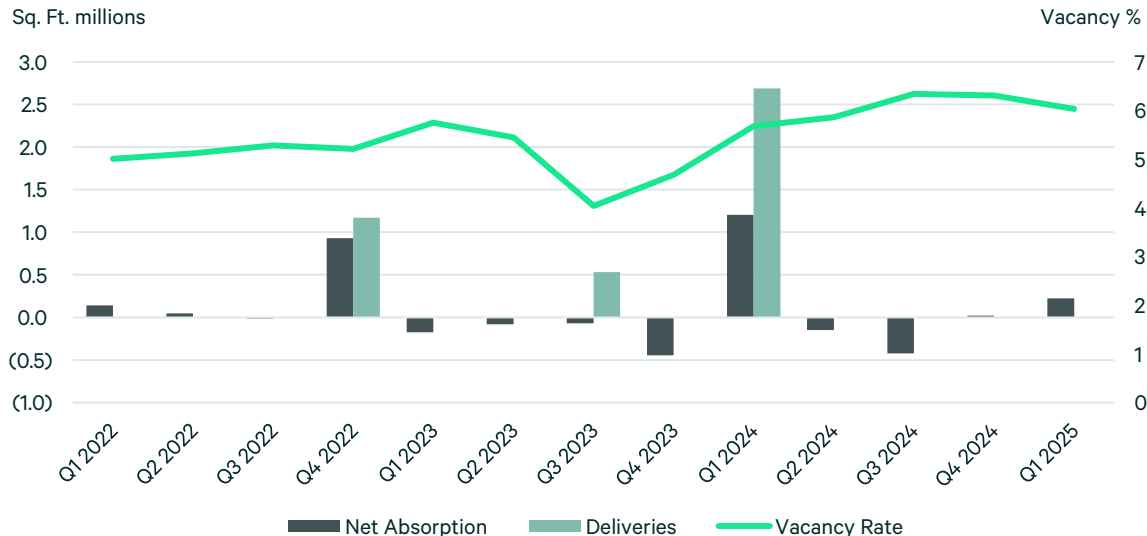
Note: Arrows indicate change from previous quarter.

- Vacancy fell for the second straight quarter, pointing toward a market transitioning into recovery after vacancy climbed since mid-2023.
- Leasing velocity also posted its second quarter of growth with levels higher than recent averages although the bulk of activity was renewals.
- The construction pipeline remained relatively muted with just one project underway in the Hartford North submarket.

In Q1 2025, Hartford Industrial posted a vacancy rate of 6.1%, a slight decrease from 6.3% in Q4 2024. The quarterly net absorption was 204,339 sq. ft., a significant improvement compared to 22,624 sq. ft. in the previous quarter. The average direct lease rate increased marginally to \$7.98 per sq. ft. from \$7.94 per sq. ft. in Q4 2024. The under-construction net rentable area remained consistent at 250,240 sq. ft., with no new construction delivered during both quarters. This positive absorption and stable construction activity indicate a strengthening market with increasing demand for industrial space.



FIGURE 1: Historical Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2025

## Net Absorption

In Q1 2025, Hartford Industrial experienced a positive net absorption of 204,339 sq. ft., up significantly since the previous quarter's tally of 22,624 sq. ft. Among the submarkets, Hartford North claimed the bulk of occupancy growth, recording 302,458 sq. ft. of positive absorption, nearly 200,000 sq. ft. of which was a result of Aalberts Surface Technologies' move into the Bradley Airport Logistics Center. Hartford East, however, saw a decline, with occupancy shrinking by 60,847 sq. ft. Hartford South also saw demand soften with a net absorption of negative 58,036 sq. ft. Periphery Downtown showed positive momentum with absorption up slightly since last quarter while Hartford West also recorded a slight improvement quarter-over-quarter.

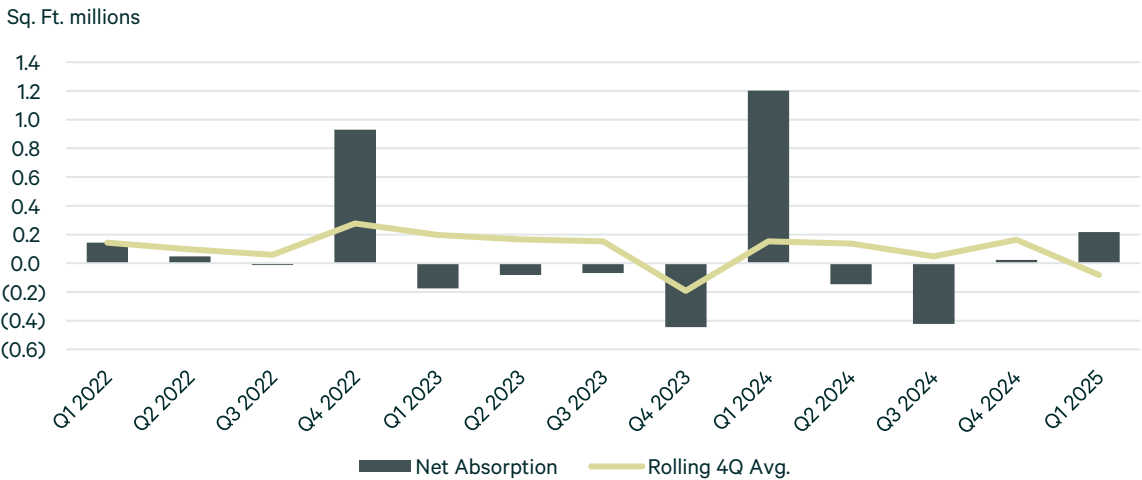
## Construction Activity

The active construction pipeline was unchanged, quarter-over-quarter, with 250,240 sq. ft. under construction. No new construction was delivered in Q1 2025, mirroring the previous quarter. The sole project underway was 30 Hamilton Rd in Windsor Locks. With no new construction starts in Q1 2025, the construction pipeline is slated to empty in the near term.

## Asking Rent

In Q1 2025, the average asking lease rate in Hartford Industrial was \$7.98 per sq. ft., a slight increase from \$7.94 per sq. ft. in Q4 2024. The Periphery Downtown submarket commanded the highest average lease rate at \$13.95 per sq. ft., up from \$12.92 per sq. ft. in the previous quarter and marking the most significant quarter-over-quarter increase. Conversely, the Hartford East submarket had the lowest average lease rate at \$5.95 per sq. ft., a minor decrease from \$6.01 per sq. ft. in Q4 2024. Rising vacancy had stalled rent growth during the past few quarters, but the modest increase since Q4 2024 points to a stable market.

FIGURE 2: Net Absorption Trend



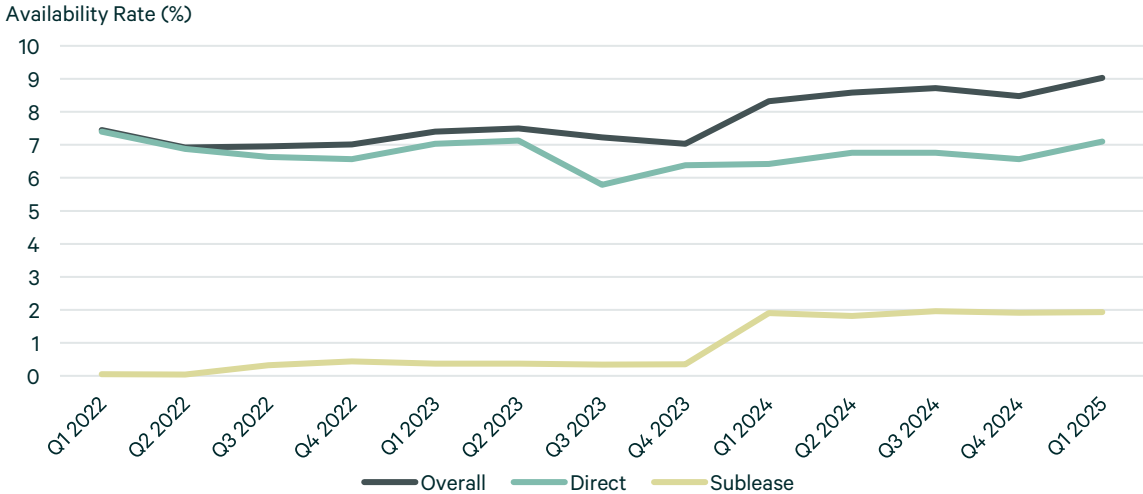
Source: CBRE Research, Q1 2025

FIGURE 3: Construction Activity



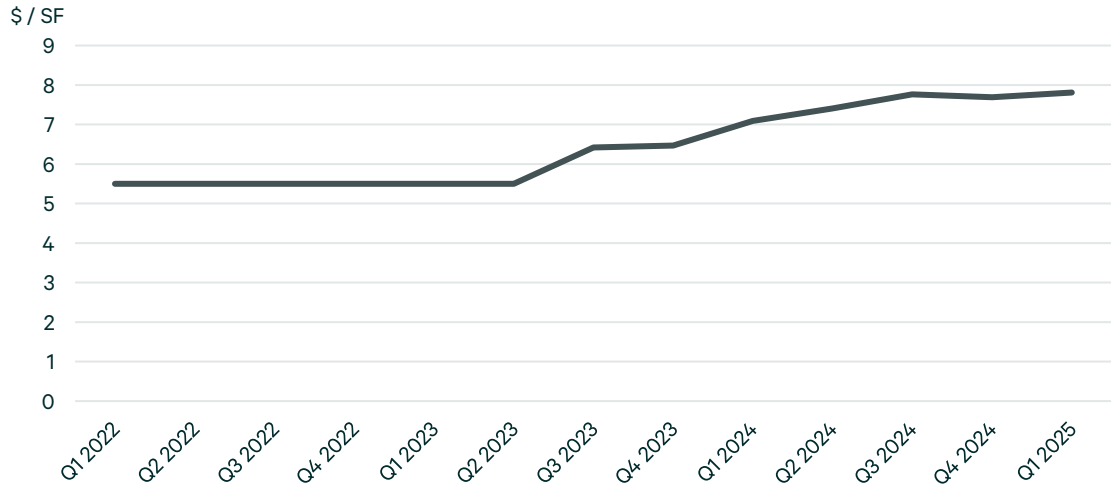
Source: CBRE Research, Q1 2025

FIGURE 4: Availability Rates



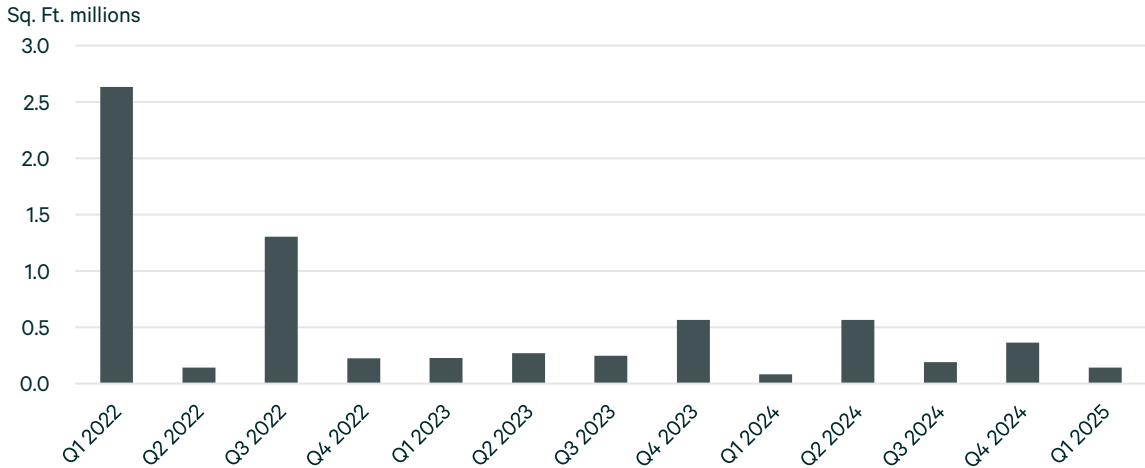
Source: CBRE Research, Q1 2025

FIGURE 5: Avg. Direct Asking Rate (NNN/YR)



Source: CBRE Research, Q1 2025

FIGURE 6: Leasing Activity



Source: CBRE Research, Q1 2025

FIGURE 7: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
The Tire Rack	304,200	Renewal	100 International Dr	Hartford North
Habco	80,056	New Lease	92 Deerfield Rd	Hartford North
Fabrica	57,190	Renewal	25 International Dr	Hartford North
TireHub	47,205	Renewal	35 International Dr	Hartford North
GardaWorld Cash Services	18,432	New Lease	210 W NEWBERRY Rd	Hartford North
Bottle Redemption	5,100	New Lease	156 Pane Rd	Hartford South
Anderson Electric Controls	4,200	New Lease	111 Roberts St	Hartford East

Source: CBRE Research, Q1 2025

Market Statistics by Submarket

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Hartford East	20,934,368	7.2	10.9	5.1	5.8	5.97	(65,047)	(65,047)	0	0
Hartford North	33,278,082	6.3	7.7	6.5	1.2	8.29	302,458	302,458	0	250,240
Hartford South	11,797,361	5.6	8.7	8.7	0.0	7.62	(41,076)	(41,076)	0	0
Hartford West	10,297,545	4.8	5.5	5.5	0.0	7.17	(3,216)	(3,216)	0	0
Periphery Downtown	4,448,145	2.4	6.1	6.1	0.0	13.95	23,980	23,980	0	0
Total	80,755,501	6.0	8.3	6.3	2.0	7.75	217,099	217,099	0	250,240

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Definition

AVERAGE ASKING LEASE RATE: Rate determined by multiplying the asking gross lease rate for each building by its available space, summing the products, then dividing by the sum of the available space with net leases for all buildings in the summary. NET ABSORPTION: The change in occupied sq. ft. from one period to the next, as measured by available sq. ft. NET RENTABLE AREA: The gross building square footage minus the elevator core, flues, pipe shafts, vertical ducts, balconies and stairwell areas. OCCUPIED AREA (SQ. FT.): Building area not considered vacant. UNDER CONSTRUCTION: Buildings that have begun construction as evidenced by foundation work. AVAILABLE AREA (SQ. FT.): Available building area that is either physically vacant or occupied. AVAILABILITY RATE: Available sq. ft. divided by the net rentable area. VACANT AREA (SQ. FT.): Existing building area that is physically vacant or immediately available. VACANCY RATE: Vacant building feet divided by the net rentable area.

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