

FIGURES | HARTFORD INDUSTRIAL | Q2 2025

Leasing activity slowed while rents moderated toward equilibrium



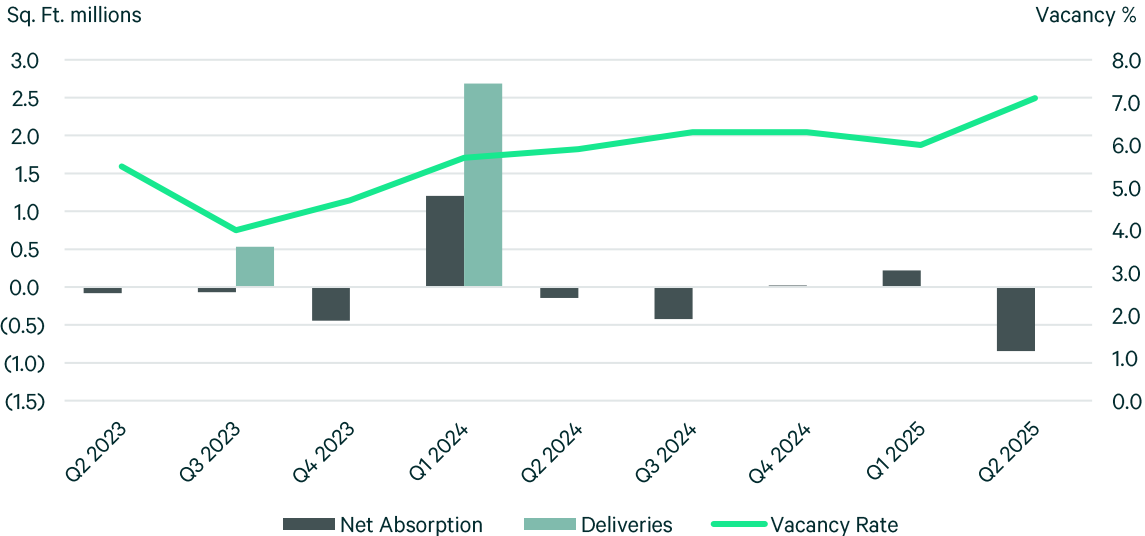
Note: Arrows indicate change from previous quarter.

The Hartford, CT industrial market posted 844,000 square feet (sq. ft.) of negative absorption in Q2, erasing the occupancy gains made in the prior two quarters. This downturn was accompanied by a decrease in asking rents, which fell by \$0.22, although they remain up year-over-year, indicating a stabilization of pricing after a period of steady growth. On the construction front, activity remained subdued, with only one active project underway, namely the Silverman Group's 250,000 sq.-ft. development in the Bradley Airport Logistics Center. However, a recent land sale suggests that build-to-suit activity may be poised to increase in the near term, potentially injecting new life into the market.

Leasing activity slowed for the second consecutive quarter, albeit at a slower rate than the previous quarter. Notably, the market lacked large leases, with only one transaction exceeding 100,000 sq. ft.,US Venture's 115,800 sq.-ft. lease at 555 Nutmeg Rd. The scarcity of larger leases, particularly those over 200,000 sq. ft., has been characteristic of the market since the Federal Reserve Bank's interest rate increase. Year-to-date, wholesalers have been the dominant players in leasing activity, highlighting the market's ongoing shift towards smaller, more specialized



FIGURE 1: Historical Absorption, Deliveries, and Vacancy

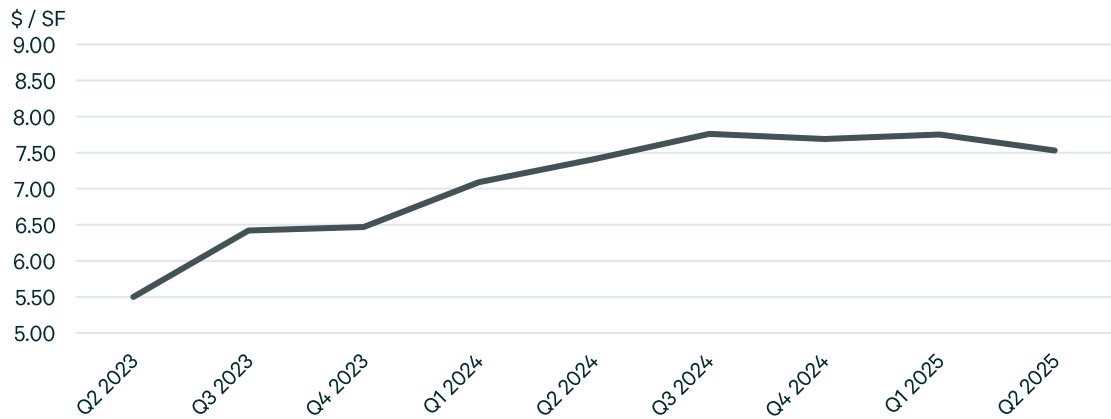


Source: CBRE Research, Q2 2025

users. This trend is likely to continue, with tenants seeking flexibility and efficiency in their space usage.

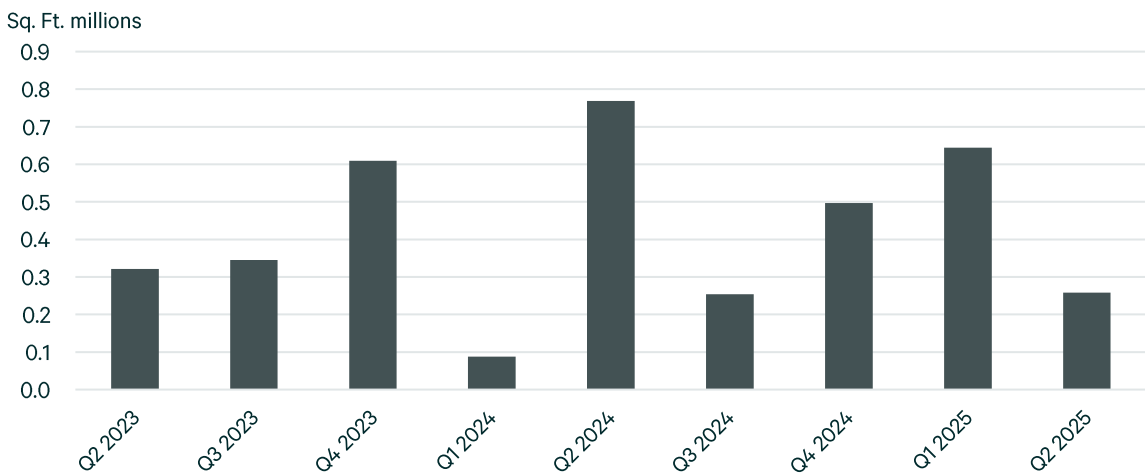
The supply side of the market remained out of balance, with a surplus of larger blocks of space and a shortage of smaller units. The Silverman Group's development at Bradley Airport Logistics Center remained the sole project under construction, but Amazon's recent acquisition of approximately 200 acres of land in Enfield, CT could potentially lead to new development in the future. Although Amazon has stated that plans for the parcel are still in the early stages, according to the Hartford Business Journal, the site has been approved for up to 819,000 sq. ft. of development. With over 4.1 million sq. ft. of blocks larger than 100,000 sq. ft. available, the market is likely to remain competitive, with landlords and developers seeking to adapt to the evolving needs of tenants.

FIGURE 2: Avg. Direct Asking Rate (NNN/YR)



Source: CBRE Research, Q2 2025

FIGURE 3: Leasing Activity Trend



Source: CBRE Research, Q2 2025

FIGURE 4: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
U.S. Venture	115,793	New Lease	555 Nutmeg Rd North	Hartford East
Maersk	42,240	Renewal	40 International Dr	Hartford North
JC Residential and Light Commercial	20,000	New Lease	15 International Dr	Hartford North
Speed Xpress	12,840	New Lease	111 Prestige Park Rd	Hartford East
Metal In	4,800	New Lease	170 SCOTT SWAMP Rd	Hartford West

Source: CBRE Research, Q2 2025

Market Statistics by Submarket

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter O-Net Absorption	YTD O-Net Absorption	Deliveries	Under Construction
Hartford East	20,934,368	8.2	12.0	6.2	5.8	5.71	(201,417)	(266,464)	0	0
Hartford North	33,278,082	8.6	9.3	8.2	1.1	8.31	(746,108)	(443,650)	0	250,240
Hartford South	11,797,361	5.5	8.5	8.5	0.0	7.5	3,950	(37,126)	0	0
Hartford West	10,297,545	4.1	5.3	5.3	0.0	7.99	66,760	63,544	0	0
Periphery Downtown	4,448,145	1.7	5.1	5.1	0.0	10.87	32,500	56,480	0	0
Total	80,755,501	7.1	9.1	7.2	2.0	7.53	(844,315)	(627,216)	0	250,240

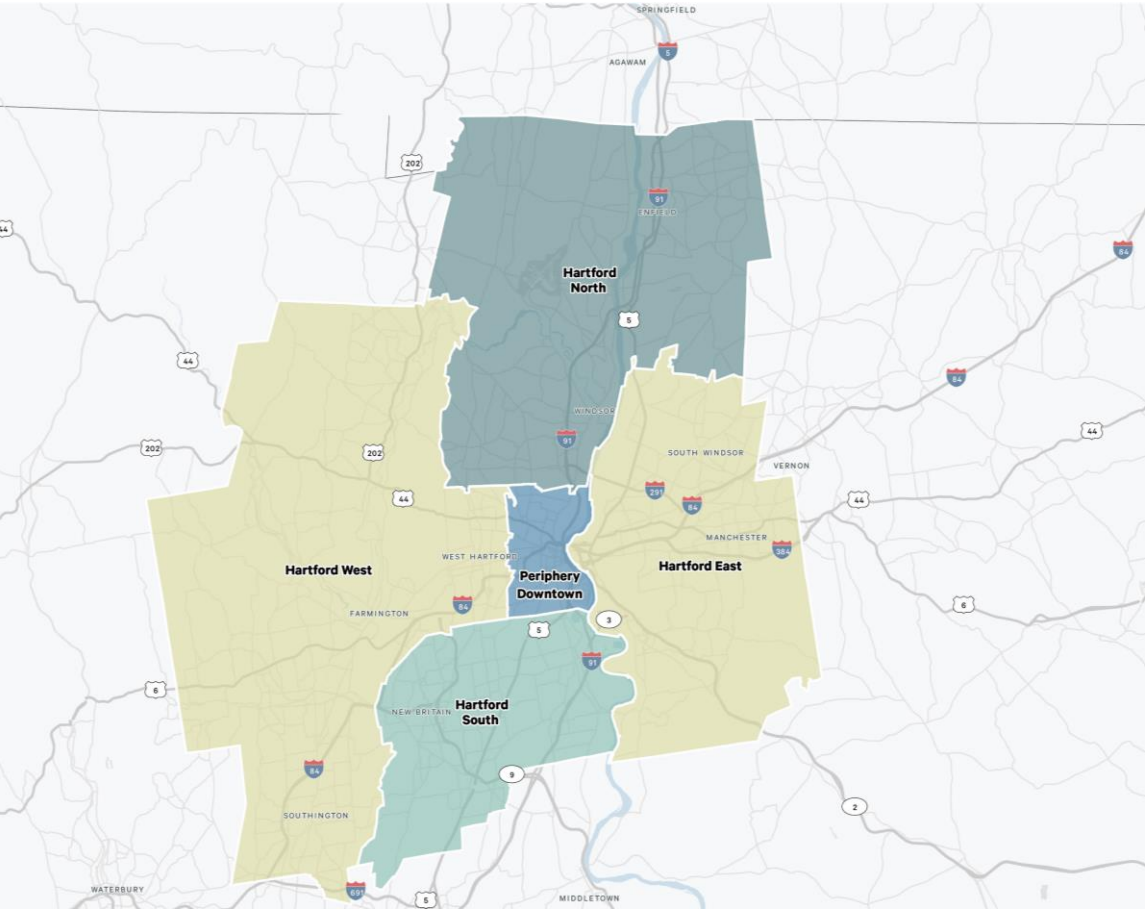
Market Statistics by Size

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter O-Net Absorption	YTD O-Net Absorption	Deliveries	Under Construction
Under 100,000 sq. ft.	38,438,564	3.4	6.3	6.1	0.2	8.56	(115,666)	32,693	0	0
100,000-199,999 sq. ft.	13,261,138	4.1	4.6	4.3	0.4	8.83	(61,775)	80,505	0	0
200,000-299,999 sq. ft.	4,824,816	16.2	16.2	13.3	2.9	6.94	(200,000)	(200,000)	0	250,240
300,000-499,999 sq. ft.	7,683,063	7.9	7.9	7.9	0.0	-	15,595	(9,405)	0	0
500,000-749,999 sq. ft.	5,841,945	20.2	27.9	27.9	0.0	5.09	(544,385)	(544,385)	0	0
750,000 sq. ft.	10,705,975	12.3	12.3	0.0	12.3	-	61,916	13,376	0	0
Total	80,755,501	7.1	9.1	7.2	2.0	7.53	(844,315)	(627,216)	0	250,240

Market Statistics by Product Type

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter O-Net Absorption	YTD O-Net Absorption	Deliveries	Under Construction
Distribution / Logistics	70,479,887	7.6	8.9	6.7	2.2	7.89	(814,150)	(878,944)	0	250,240
Manufacturing	2,551,831	1.6	19.4	19.4	0.0	4.84	(11,264)	251,096	0	0
R&D / Flex	5,954,468	5.3	7.9	7.9	0.0	9.45	(18,901)	632	0	0
Other Industrial	1,769,315	1.0	7.3	7.3	0.0	8.00	0	0	0	0
Total	80,755,501	7.1	9.1	7.2	2.0	7.53	(844,315)	(627,216)	0	250,240

Market Area Overview



Definition

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. O-Net Absorption: The change in Occupied Sq. Ft. from one period to the next. A-Net Absorption: The change in Available Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days. Class A industrial are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

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