

FIGURES | HARTFORD OFFICE | Q2 2026

Improved leasing fuels year-to-date absorption to 700,000 sq. ft.

▼ 21.7%

Availability Rate

▲ 294,450

SF Net Absorption

▶ 0

SF Construction Delivered

▶ 0

SF Under Construction

▶ \$21.48

Overall Asking Rent

Note: Arrows indicate change from previous quarter.

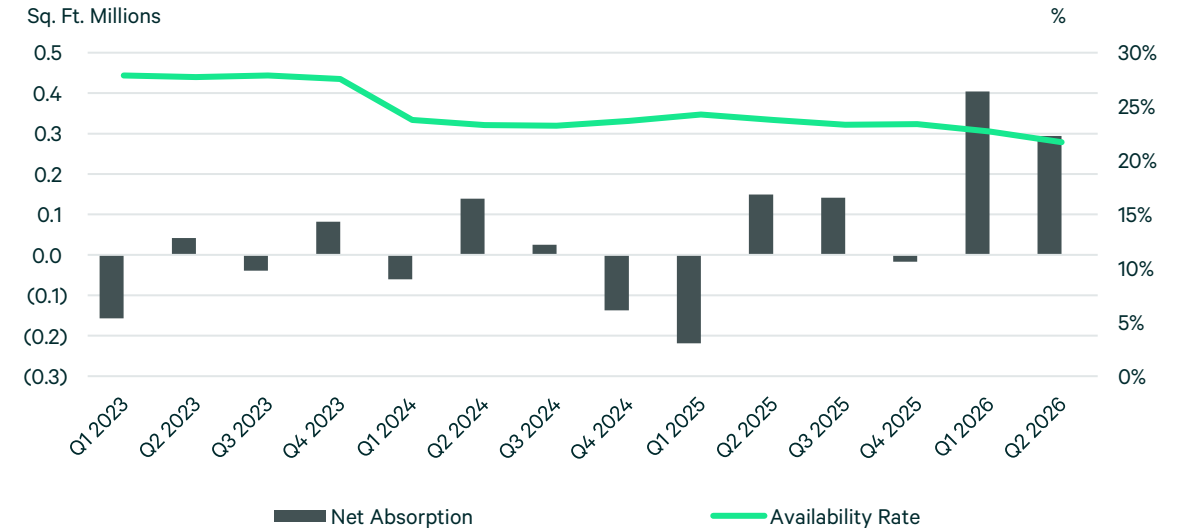
Market Overview

Office demand across Hartford County strengthened notably in the second quarter, with tenants signing roughly 273,000 square feet of new space—more than twice the first-quarter pace. While this was well above the market's typical quarterly volume, year-to-date activity still lags 2025. Renewal signings also outperformed, anchored by two sizable law- and accounting-firm deals in West Hartford and downtown Hartford. Growth was concentrated in the suburbs: Hartford West and Hartford East together drove most of the quarter's new commitments, while downtown activity ticked up on an insurance carrier's expansion, a law firm's new lease, and a nonprofit's first local footprint.

That leasing momentum, combined with a second consecutive quarter in which tenants took more space than they vacated, pushed the county's availability rate to its lowest point since before the pandemic—though Class A still carry more available space than they did then.

Average rents held essentially flat countywide, with only the western submarket edging lower as newly available, and lower-priced space entered its inventory.

Figure 1: Historical Net Absorption, Deliveries, and Availability
Sq. Ft. Millions



Source: CBRE Research, Q2 2026

Economic Overview

The U.S. economy enters mid-2026 navigating crosscurrents but growing at a healthy pace, with CBRE projecting GDP growth averaging 2.2%, broadly in line with 2025. The AI investment boom is certainly a key driver of this expansion. Concerns surrounding the sustainability of this growth are valid, but we expect AI-related business investment to continue.

The more pressing concern in recent months has been the U.S./Iran conflict and its impact on world energy prices, which recently pushed U.S. inflation to 4.2%. Should the prospective peace deal announced in June come to fruition, inflation would fall to the upper 3% range by year-end as energy prices slowly decrease. Stickier inflation has pushed Treasury yields well above 4%, complicating real estate markets. On the upside, the prospect for peace and normal trade flows in the Persian Gulf could refresh the optimism the CRE market felt at the beginning of the year.

Connecticut’s labor market increased by 4,800 jobs compared to Q1 (+0.3%) and were up 6,400 annually (+0.4%). However, those gains were mostly in non-office using jobs. Office-using employment showed declines, shedding 800 jobs since Q1 (-0.2%). Financial activities shed 700 positions (-0.6%), while information services cut 700 jobs (-2.9%). These losses were offset slightly by professional and business services, which added 600 positions (+0.3%). On a year-over-year basis, office-using employment declines by 1,300 jobs (-0.4%).

Connecticut’s unemployment rate rose to 5.1% in May 2026, up from 4.8% at the end of Q1, while the national unemployment rate stood lower at 4.3%.

Leasing Activity

Hartford County new leasing rebounded in Q2 totaling 273,000 sq. ft.—more than doubling the new leasing volume in Q1 and 47% above the three-year average. Despite the improved quarterly total, year-to-date leasing trails the same period a year ago by 12%. Renewal activity, which is excluded from the new leasing totals, tallied 144,000 sq. ft. in Q2—44% above the three-year average. The two largest renewals of the quarter were: Clifton Larson Allen renewed for 20,000 sq. ft. at 29 South Main Street in West Hartford and Reid & Reige renewed for 17,000 sq. ft. at 755 Main Street in Hartford’s CBD.

The Hartford CBD saw a strong quarter of new leasing registering 49,000 sq. ft. of activity—up 24% from the prior quarter and 8% ahead of the three-year average. Most notably Farmers Insurance’s 23,000 sq. ft. lease at 185 Asylum Street, which reflected net growth for the tenant.

Figure 2: Leasing Activity Trend

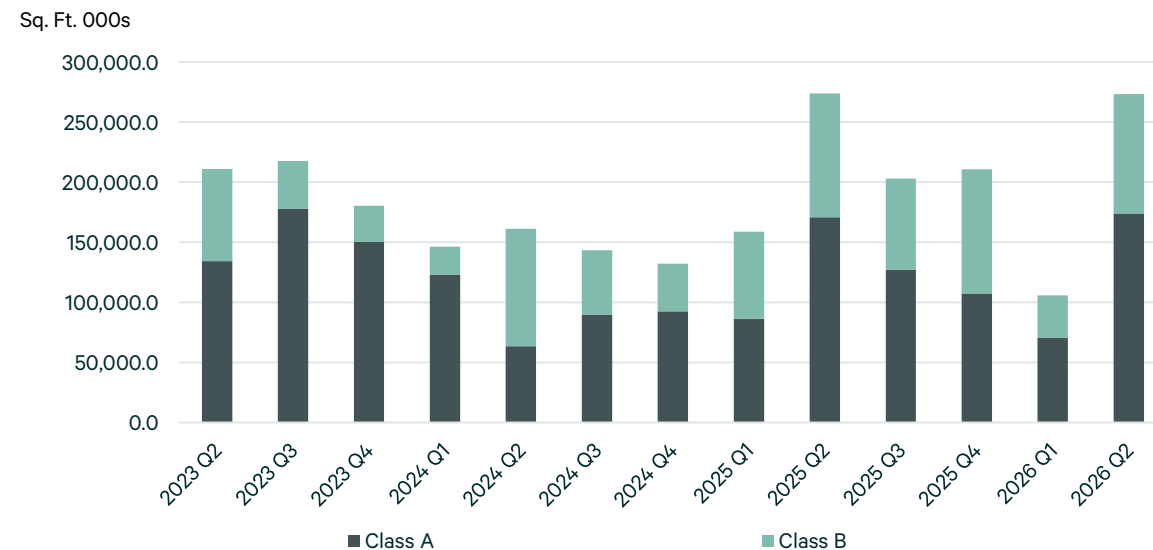


Figure 3: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Otis Elevator	31,790	New Lease	29 South Main Street	Hartford West
Farmers Insurance	23,135	New Lease	185 Asylum Street	CBD
Clifton Larson Allen	19,614	Renewal	29 South Main Street	Hartford West
Reid & Riege	17,000	Renewal	755 Main Street	CBD
GT Independence	16,366	New Lease	400 Executive Boulevard	Hartford West

Source: CBRE Research, Q2 2026

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The suburban Hartford geography continued to account for most new leasing activity—82% of Q2’s total. Hartford West saw 123,000 sq. ft. of leasing activity in Q2—158% above its three-year quarterly average. The Otis Elevator 32,000 sq. ft. lease at 29 South Main Street in West Hartford was the submarket’s largest new deal of the. Hartford East is another suburban market that saw demand rebound more than 300% from the prior quarter. Q2’s 76,000 sq. ft. of new leasing was attributed to a typical surge of leasing activity caused by several transactions under 10,000 sq. ft.

Hartford Periphery recorded the greatest degree of negative absorption, totaling 20,000 sq. ft. The largest space addition within the submarket and countywide during the quarter was the full-floor listing at 21 Oak Street.

Availability & Absorption

Hartford County recorded 294,000 sq. ft. of positive net absorption in Q2, the second consecutive quarter of positive absorption. Subsequently, the availability rate fell by 100 bps to 21.7% quarterly. The availability rate is now back to 2019 levels; however, the removal of Class B product has aided that overall number. Class A availability remains 360 bps above the 2019 level.

Unlike Q1, where conversions and removal of stock propelled positive absorption, Q2 saw organic demand for office space cause the reduction of supply. Only the Hartford Periphery submarket saw supply increase in Q1.

Hartford West captured 116,000 sq. ft. of absorption, driving availability down to 210 bps from the prior quarter to 20.2%. Hartford East also saw positive absorption in Q2 of 83,000 sq. ft. and a 230-bps quarterly decline to 12.6%.

In Hartford CBD, above average leasing activity combined with limited supply additions resulted in 41,000 sq. ft. of positive absorption. The availability rate fell 40 bps quarterly to 23.2% and is down 650 bps from its peak availability in 2022.

Figure 4: Net Absorption Trend



Figure 5: Availability Rates by Class



Source: CBRE Research, Q2 2026

Asking Rent

Hartford’s average asking rent was stable in Q2 at \$21.48 per sq. ft. but is up 2% annually.

Hartford West was the only submarket that saw rents move from the prior quarter. The submarket saw a 2% quarterly decline to \$20.76 per sq. ft. Several spaces leased during the quarter within this geography were priced above the market average. Newly added spaces to this submarket during the quarter were Class B spaces, driving the overall asking rent lower.

All other submarkets saw stable rents during Q2.

Figure 6: Overall Average Asking Rate by Class



Source: CBRE Research, Q2 2026

Market Statistics by Submarket

Figure 7

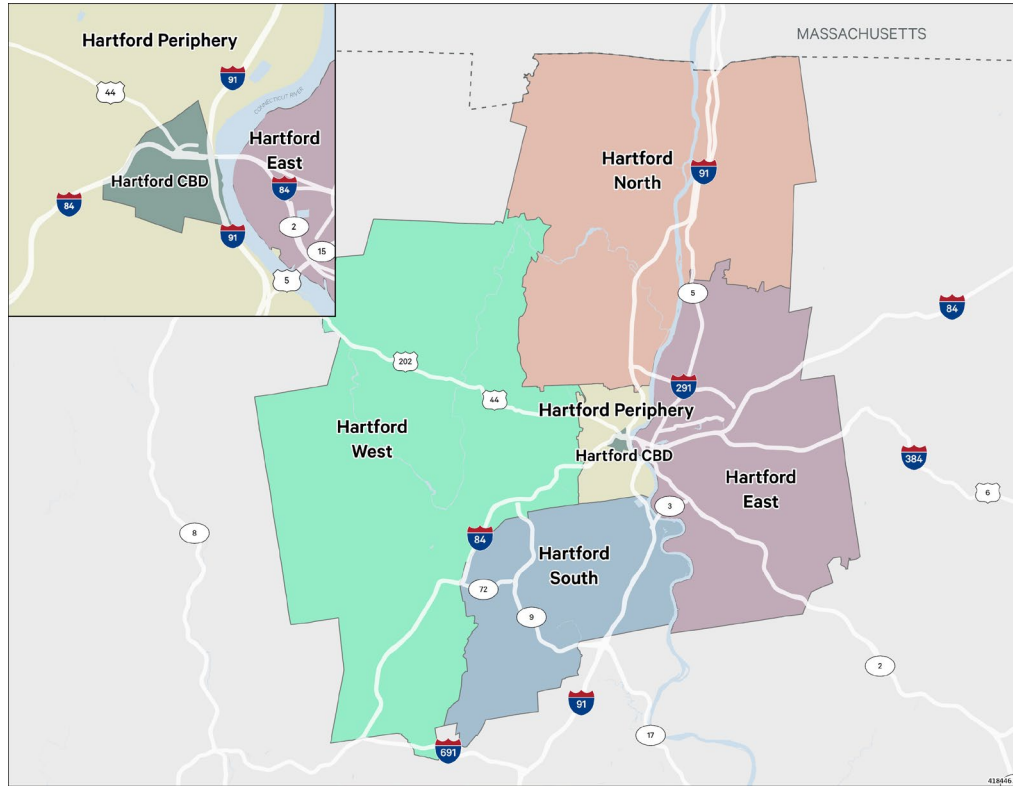
Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
CBD	9.81	23.2%	23.2%	21.6%	1.6%	\$22.95	41,360	109,485	-	-
Hartford East	3.66	11.9%	12.6%	11.5%	1.1%	\$21.45	83,305	79,698	-	-
Hartford North	4.71	19.5%	41.1%	38.4%	2.6%	\$20.62	44,357	380,408	-	-
Hartford South	3.31	15.6%	16.2%	14.8%	1.4%	\$20.15	12,517	4,023	-	-
Hartford West	5.59	19.5%	20.2%	17.2%	3.0%	\$20.76	115,511	147,082	-	-
Periphery Downtown	2.60	4.0%	4.1%	4.1%	0.0%	\$20.25	(2,600)	(22,354)	-	-
Total	29.67	21.3%	21.7%	19.9%	1.8%	\$21.48	294,450	698,342	-	-

Source: CBRE Research, Q2 2026

Figure 8: Metro Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	18.52	24.8%	25.2%	22.4%	2.8%	\$22.26	241,475	505,576	-	-
Class B	11.15	15.4%	15.9%	15.8%	0.2%	\$19.43	52,975	192,766	-	-

Market Area Overview



Definitions

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. Net Absorption: The change in Occupied 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.

Survey Criteria

[Insert survey Criteria here. Contact your manager for specific criteria]

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