

# Leasing activity tallied best quarter of the past two years



Note: Arrows indicate change from previous quarter.

## QUICK FACTS

- Quarterly leasing activity totaled 274,000 sq. ft., up 72% from the previous quarter and 52% ahead of the two-year quarterly average.
- Renewals totaled 109,000 sq. ft., bringing the year-to-date total to 145,000 sq. ft.
- The availability rate fell to 23.8%, down 50 bps (basis points) quarter-over-quarter but up 50 bps from a year ago.
- Quarterly net absorption was 149,000 sq. ft., bringing year-to-date totals to negative 70,000 sq. ft.
- Average asking rent remained flat quarterly and annually at \$21.07 per sq. ft.

## Market Overview

Hartford County saw most of its major metrics improve during Q2. Leasing activity totaled 274,000 sq. ft., a 72% increase over Q1 and a 52% increase over the two-year quarterly average. In Q2, 93% of leasing activity occurred outside the CBD. Strong leasing activity lowered Hartford County's availability rate by 50 basis points (bps) to 23.8%. Despite Q2's positive absorption of 149,000 sq. ft., year-to-date absorption was negative 70,000 sq. ft. Average asking rent remained stable at \$21.07 per sq. ft.

Rocky Hill led suburban office markets in leasing in Q2, with 96,000 sq. ft. of leasing, carried by the Hubbard Day School's two-floor, 45,000 sq. ft. lease at 525 Brook Street. West Hartford – Hartford County's up-and-coming suburban neighborhood – saw 46,000 sq. ft. of leasing, mostly focused at 29 South Main Street.

## Economic Overview

Policy announcements and the news cycle—not economic fundamentals—are driving sentiment today. While consumer and business sentiment surveys remain weak, the hard economic data (e.g., jobless claims, CPI, orders) points to a steadier economy. To be sure, it could take time for the costs associated with higher tariffs and global uncertainty to filter through, but in the meantime CBRE has increased its 2025 GDP growth outlook to 1.3% for 2025.

Connecticut’s labor market was relatively flat in Q2, letting go of 1,700 positions quarter-over-quarter (-0.1%). Office-using employment (OUE) was unchanged quarter over quarter. Professional and business services added 400 roles (+0.2%) while financial activities shed 400 jobs (-0.3%). Information employment was unchanged quarter over quarter in Q2. Year-over-year, OUE in Connecticut is up a net of 200 positions (+0.1%). Connecticut’s OUE currently stands at 99.6% of the pre-pandemic level.

Connecticut’s overall unemployment is 3.8%, up from 3.6% at the end of Q1 and below the national unemployment rate of 4.2%.

## Leasing Activity

Hartford County experienced its strongest quarterly leasing in two years, reaching 274,000 sq. ft.—up 72% from Q1 and 52% above the two-year quarterly average. Leasing outside the CBD submarket drove activity in Q2 making up a 93% share, which is 25% more than the average share seen over the past eight quarters. Year-to-date, leasing totaled 433,000 sq. ft., a 29% improvement compared to the same period a year ago.

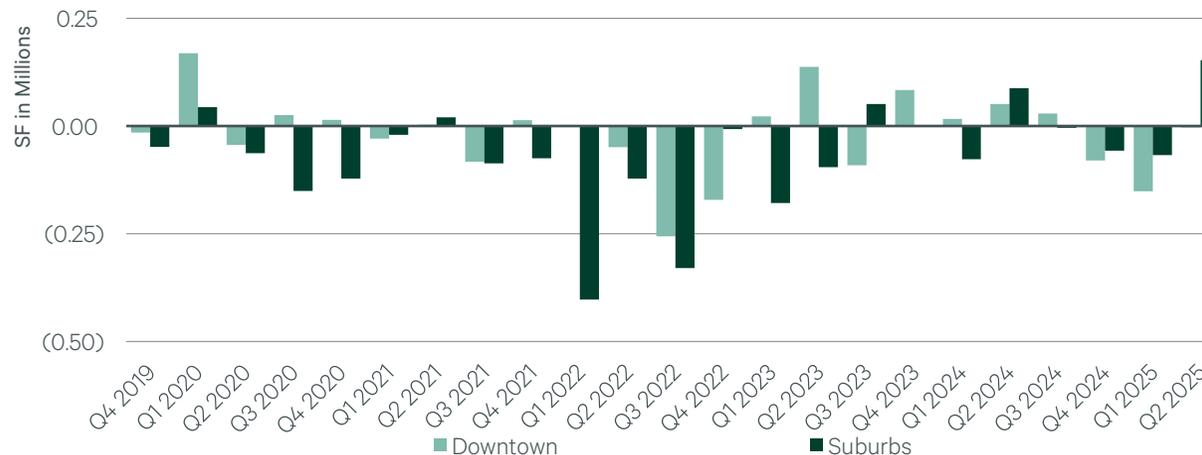
Hartford CBD’s leasing activity notched 18,000 sq. ft., down 40% from the previous quarter and 60% behind the two-year quarterly average. Despite the drop in new leasing, the CBD saw the largest renewal of the quarter with an undisclosed tenant’s 25,000 sq. ft. renewal at 280 Trumbull Street—the county’s largest renewal in Q2. Year-to-date leasing activity reached 47,000 sq. ft.

FIGURE 1: Transactions of Note | Q2 2025.

Size (Sq. Ft.)	Deal Type	Direct/ Sublet	Tenant	Address	Submarket
45,250	L	D	Hubbard Day	525 Brook Street	Hartford South
39,764	R/E	R/E	Undisclosed Tenant	99 East River Drive	Hartford East
25,520	R	R	Undisclosed Tenant	280 Trumbull Street	CBD
22,404	R	R	Undisclosed Tenant	29 South Main Street	Hartford West
17,675	L	D	Fiducient Advisors	5 Waterside Crossing	Hartford North

Source: CBRE Research, Q2 2025. Lease (L), Renewal (R), Expansion (E), Renewal and Expansion (RE), Direct (D), Sublet (S).

FIGURE 2: Quarterly Net Absorption



Source: CBRE Research, Q2 2025.

Hartford’s Southern submarket experienced a surge in leasing activity during Q2, achieving 109,000 sq. ft. of new leases—a staggering 409% increase compared to the previous quarter. The town of Rocky Hill contributed 96,000 sq. ft. of leasing to the submarket’s total. Many deals concentrated along the Brook Street office corridor closed in Q2 including the Hubbard Day School’s 45,000 sq. ft. two-floor lease at 525 Brook Street. This strong Q2 leasing brought the year-to-date figure to 131,000 sq. ft., putting Hartford South as the leader in county-wide leasing activity in the first half of 2025.

Hartford West fared well in Q2, notching 86,000 sq. ft. of leasing activity—up 102% from the previous quarter and 99% above the two-year quarterly average. This figure brought year-to-date leasing to 129,000 sq. ft.

Hartford North notched 41,000 sq. ft. of activity in Q2 behind three new leases. The largest deal was Fiducient Advisors’ 17,000 sq. ft. lease at 5 Waterside Crossing. This brought year-to-date leasing to 58,000 sq. ft.—73% ahead of last year’s year-to-date figure.

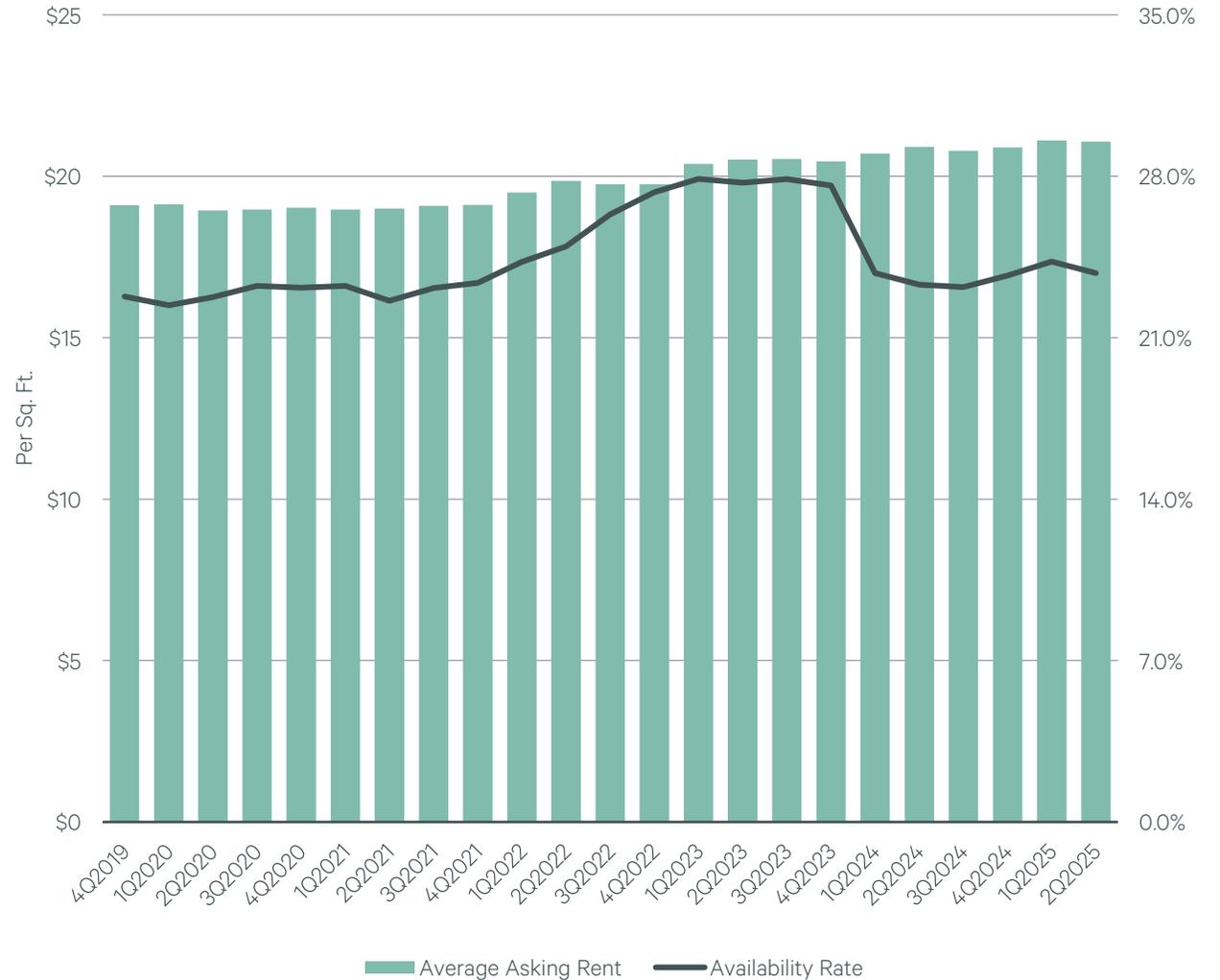
### Net Absorption and Availability

Hartford County tallied its first quarter of positive absorption since Q3 2024. Q2’s 149,000 sq. ft. of absorption which lowered the availability rate 50 bps from the prior quarter to 23.8%.

Hartford South recorded 79,000 sq. ft. of absorption in Q2, reducing the availability rate by 240 bps quarter-over-quarter to 16.4%. The submarket’s availability reached its lowest point since year-end 2018.

Leasing activity in Hartford North significantly outpaced new space deliveries, resulting in 48,000 sq. ft. of positive absorption in Q2. The availability rate fell 100 bps from the prior quarter to 46.9%. Despite this positive quarterly absorption, year-to-date absorption remained negative at 28,000 sq. ft. Current availability is 1,190 bps below the peak observed in Q4 2023, in part due to large office-to-residential conversions across the submarket.

FIGURE 3: Availability vs. Average Asking Rent



Source: CBRE Research, Q2 2025.

Hartford West was the county's only other submarket to see significant positive absorption in Q2. Quarterly absorption totaled 38,000 sq. ft., lowering availability to 23.1%—down 70 bps from the prior quarter. The largest new space addition of Q2 was the 30,000 sq. ft. full floor addition at 29 South Main Street. Year-to-date absorption remained negative 41,000 sq.ft.

Hartford CBD & Periphery submarkets' availability rates remained unchanged quarter-over-quarter, and absorption was virtually negligible. The current availability rate for space in Hartford CBD stands at 24.0%, and Class A availability stands at 28.3%.

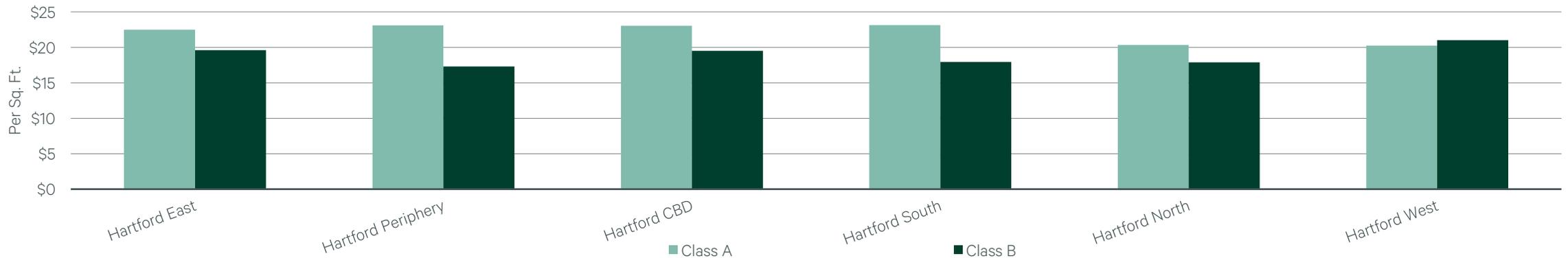
## Office Average Asking Rent

Hartford County's average asking rent remained flat quarter-over-quarter and year-over-year at \$21.07 per sq. ft. Hartford CBD's asking rent also remained flat quarter-over-quarter at \$22.27 per sq. ft.

Only the East and West submarkets saw any change to asking rent during Q2 with a 2% decrease due to premium-priced space being leased and taken off the market. Current rental rates stand at \$20.83 per sq. ft. and \$20.58 per sq. ft., respectively.

*\*The Hartford office market's inventory and availability figures have changed substantially due to a shift in the number and type of buildings that are being tracked as statistical inventory. The updated statistical building set aligns with the rest of CBRE's Tri-State markets and provides a more relevant view of the Hartford office market, tracking Class A and Class B office buildings that total 20,000 sq. ft. or larger, and that are not owned and occupied by a government or medical institution.\**

FIGURE 4: Average Asking Rent | Class A vs. Class B



Source: CBRE Research, Q2 2025.

FIGURE 5: Q2 2025. | Market Statistics

Submarket	Buildings	Market Rentable Area (MSF)	Availability Rate (%)	Vacancy Rate (%)	Sublease Availability Rate (%)	Net Absorption YTD (SF)	Average Asking Rent (\$/SF/Year)
<b>Hartford CBD</b>	37	2.19	24.0%	23.8%	7.5%	(174,920)	\$22.27
Class A	18	2.01	28.3%	28.0%	8.1%	(177,936)	\$23.03
<b>Hartford Periphery</b>	16	0.10	3.7%	3.7%	-	19,938	\$19.53
Class A	3	0.03	1.8%	1.8%	-	(1,525)	\$23.10
<b>Hartford North</b>	48	2.28	46.9%	46.9%	6.4%	(27,852)	\$19.82
Class A	18	1.70	53.2%	53.2%	7.3%	(45,901)	\$20.33
<b>Hartford East</b>	50	0.46	13.6%	13.6%	7.8%	16,839	\$20.83
Class A	15	0.19	16.6%	16.6%	18.7%	(6,039)	\$22.48
<b>Hartford South</b>	54	0.58	16.4%	15.8%	8.9%	137,057	\$20.46
Class A	14	0.27	17.8%	17.4%	17.6%	(7,409)	\$23.13
<b>Hartford West</b>	101	1.19	23.1%	22.3%	14.7%	(40,892)	\$20.58
Class A	34	0.56	24.7%	23.5%	25.4%	(25,127)	\$20.25
<b>HARTFORD OVERALL</b>	<b>306</b>	<b>6.79</b>	<b>23.8%</b>	<b>23.2%</b>	<b>11.0%</b>	<b>(69,776)</b>	<b>\$21.07</b>

Source: CBRE Research, Q2 2025.

## Market Area Overview

### Definitions

**Availability:** Space that is being actively marketed and is available for tenant build-out within 12 months. Includes space available for sublease as well as space in buildings under construction.

**Asking Rent:** Weighted average asking rent.

**Leasing Activity:** Total amount of sq. ft. leased within a specified period of time, including new deals, expansions, and pre-leasing, but excluding renewals.

**Leasing Velocity:** Total amount of sq. ft. leased within a specified period of time, including new deals, expansions, and pre-leasing and renewals.

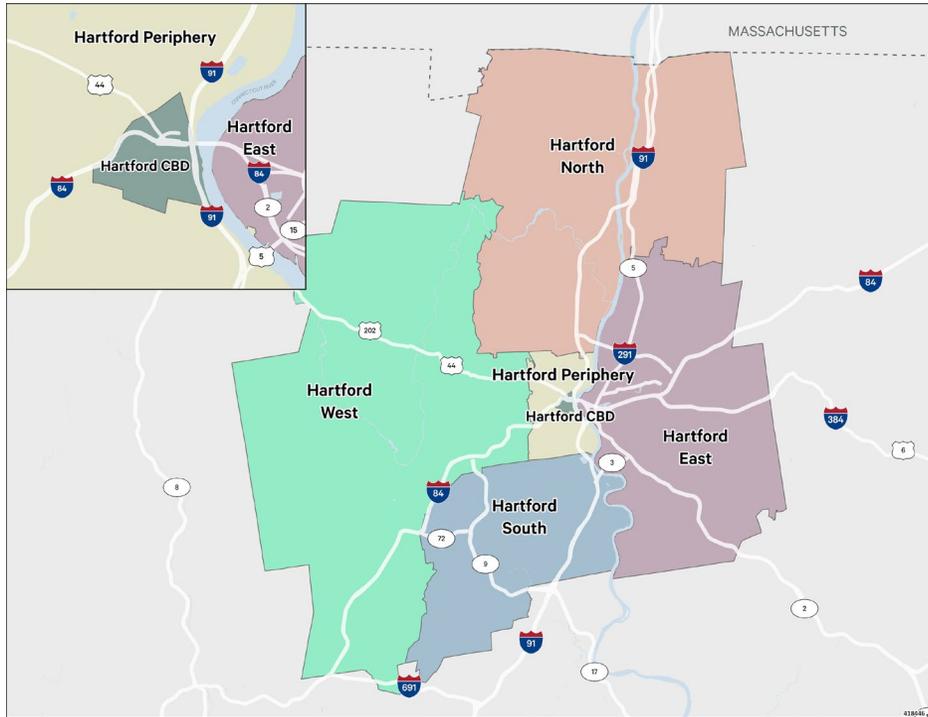
**Net Absorption:** The change in the amount of committed sq. ft. within a specified period of time, as measured by the change in available sq. ft.

**Vacancy:** Unoccupied space available for lease.

### Survey Criteria

CBRE's market report analyzes Hartford's Class A and B office buildings that are conventionally modernized, and not owned and occupied by a government or medical institution. New construction must be available for tenant build-out within 12 months. CBRE assembles all information through telephone canvassing and listings received from owners, tenants and members of the commercial real estate brokerage community.

Market Area Overview



Submarket	Total Stock (MSF)
Hartford CBD	9.93
Hartford Periphery	2.63
Hartford North	5.09
Hartford East	3.79
Hartford South	3.34
Hartford West	5.77
<b>HARTFORD OVERALL</b>	<b>30.55</b>

Contact

Nicole LaRusso

U.S. Head of Field Research & Data Intelligence & Senior Research Director, Americas Advisory North  
 +1 212 984 7188  
[Nicole.LaRusso@cbre.com](mailto:Nicole.LaRusso@cbre.com)

Michael Slattery

Tri-State Research Director  
 +1 212 656 0583  
[Michael.Slattery@cbre.com](mailto:Michael.Slattery@cbre.com)

James Smith

Research Data Analyst  
 +1 203 352 8930  
[James.Smith3@cbre.com](mailto:James.Smith3@cbre.com)