

Annual absorption skews positive for first time since 2016



Note: Arrows indicate change from previous quarter.

QUICK FACTS

- Quarterly leasing activity totaled 211,000 sq. ft., up 4% from the previous quarter and up 14% from the three-year quarterly average.
- Annual leasing activity totaled 846,000 sq. ft., up 45% year-over-year.
- The availability rate increased 10 bps quarter-over-quarter to 23.4% and was down 30 bps from a year ago.
- Quarterly net absorption was negative 17,000 sq. ft., which brought annual absorption to positive 55,000 sq. ft.
- The average asking rent remained flat quarter-over-quarter and increased 1% year-over-year to \$21.20 per sq. ft.

Market Overview

Hartford County improved in 2025, showing an increase in annual leasing, positive absorption, and a slight increase in average asking rent. Leasing totaled 211,000 sq. ft. in Q4, bringing annual totals to 846,000 sq. ft. of new activity—45% ahead of 2024.

Despite 17,000 sq. ft. of negative absorption captured in Q4, annual absorption was positive for the year at 55,000 sq. ft.—the first year of positive absorption since 2016. The availability rate ticked up 10 bps quarterly to 23.4% but was 30 bps lower than the prior year. Average asking rent was stable quarter-over-quarter but saw a 1% bump year-over-year, landing at \$21.20 per sq. ft.

Hartford CBD’s 24.0% availability rate remains elevated due to a slowdown in demand. Several of the submarket’s Class A assets are currently entering receivership, which has prevented new activity.

Economic Overview

The U.S. economy is sending some mixed signals. Financial markets are focused on the upside, particularly AI’s sizable contribution to growth in recent quarters. Some indicators of business activity, such as capital goods orders, are improving, and strengthening credit markets are helping to usher real estate into a new cycle. Conversely, consumer confidence remains weak, with spending reportedly driven by a smaller segment of affluent households. Annual average GDP growth will be steady in 2026, at 2%. A key catalyst is a softer labor market, as companies are ‘slow to hire, slow to fire’—a trend that is likely to last a few quarters.

Connecticut’s labor market fell by 5,400 positions quarter-over-quarter in Q4 (-0.3%) and is up 1,800 positions year-over-year (+0.1%). Office-using employment (OUE) fared slightly worse than the overall labor market, losing 2,100 positions quarter-over-quarter in Q4 (-0.6%). Financial activities let go of 1,200 positions in Q4 (-1.0%) while information services reduced headcount by 800 positions (-2.6%), and professional and business services contracted by 100 positions (0.0%). Year-over-year, OUE in Connecticut is up a net of 2,200 positions (+0.6%). Connecticut’s OUE currently stands at 100.3% of the pre-pandemic level.

Connecticut’s overall unemployment is 3.8%, unchanged since May 2025. The national unemployment rate is 4.6%.

Leasing Activity

Hartford County recorded 211,000 sq. ft. of leasing activity in Q4, 14% above the three-year quarterly average. Full-year leasing reached 846,000 sq. ft., a 45% increase from 2024. This was a definitive rebound from last year’s low and highlights the market’s growing preference for suburban locations, which accounted for 77% of annual leasing activity across the county.

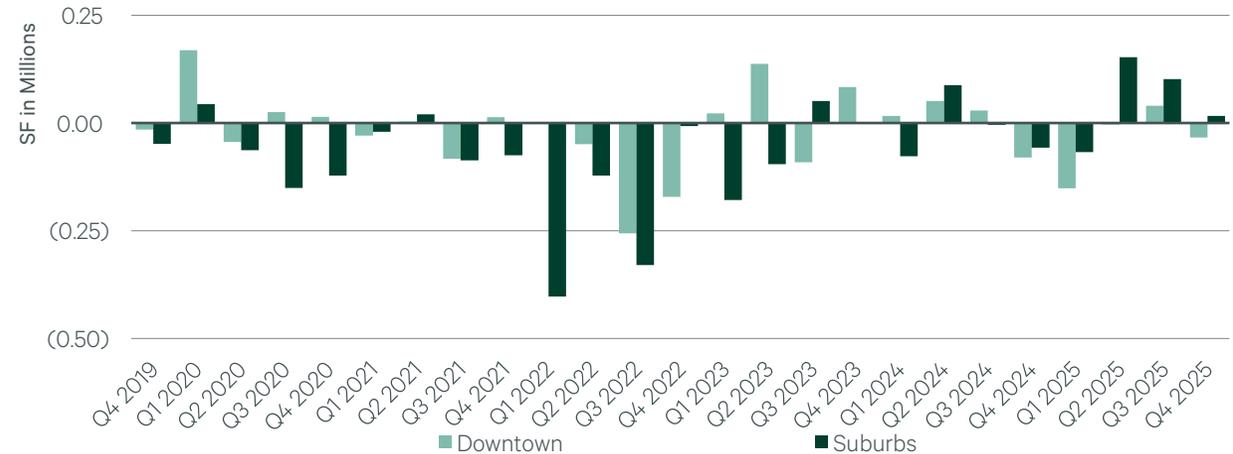
Hartford West clearly emerged as the standout submarket, recording 57,000 sq. ft. of activity in Q4—up 44% from the previous quarter. Annually, the submarket tallied the highest leasing total out of any other submarket with 226,000 sq. ft.

FIGURE 1: Transactions of Note | Q4 2025.

Size (Sq. Ft.)	Deal Type	Direct/ Sublet	Tenant	Address	Submarket
66,601	R	D	Undisclosed Tenant	185 Asylum Street	Hartford CBD
30,746	L	D	The Catholic Academy of Hartford	765 Asylum Avenue	Hartford Periphery
26,600	L	D	Progressive Insurance Company	30 Batterson Park Road	Hartford West
25,560	R	D	Whittlesey	280 Trumbull Street	Hartford CBD
23,000	L	D	CohnReznick	755 Main Street	Hartford CBD

Source: CBRE Research, Q4 2025. Lease (L), Renewal (R), Expansion (E), Renewal and Expansion (RE), Direct (D), Sublet (S).

FIGURE 2: Quarterly Net Absorption



Source: CBRE Research, Q4 2025.

One notable deal in Q4 was Progressive Insurance’s 26,000 sq. ft. lease at 30 Batterson Park in Farmington. 30 Batterson Park which captured 18% of total leasing activity in Hartford West for 2025.

Hartford South recorded its highest annual leasing total on record in 2025, reaching 169,000 sq. ft. After adding 22,000 sq. ft. of activity in Q4, annual leasing totals finished 65% above 2024 figures. Activity was largely boosted by the year’s biggest deal—The Hubbard Day School’s 45,000 sq. ft. lease at 525 Brook Street in Rocky Hill in Q2.

Hartford CBD recorded 35,000 sq. ft. of new leasing in Q4—46% below Q3 and 23% below the three-year quarterly average. Annual leasing reached 147,000 sq. ft., up 2% from 2024. Activity was anchored by two major deals: the Connecticut State Department of Banking’s 26,000 sq. ft. lease at 280 Trumbull Street and CohnReznick’s 23,000 sq. ft. full-floor deal at the Gold Building on 755 Main Street. Renewals were the standout of 2025, totaling 103,000 sq. ft. in Q4 and 182,000 sq. ft. for the year. The CBD’s renewal total accounted for 47% of all countywide renewal activity.

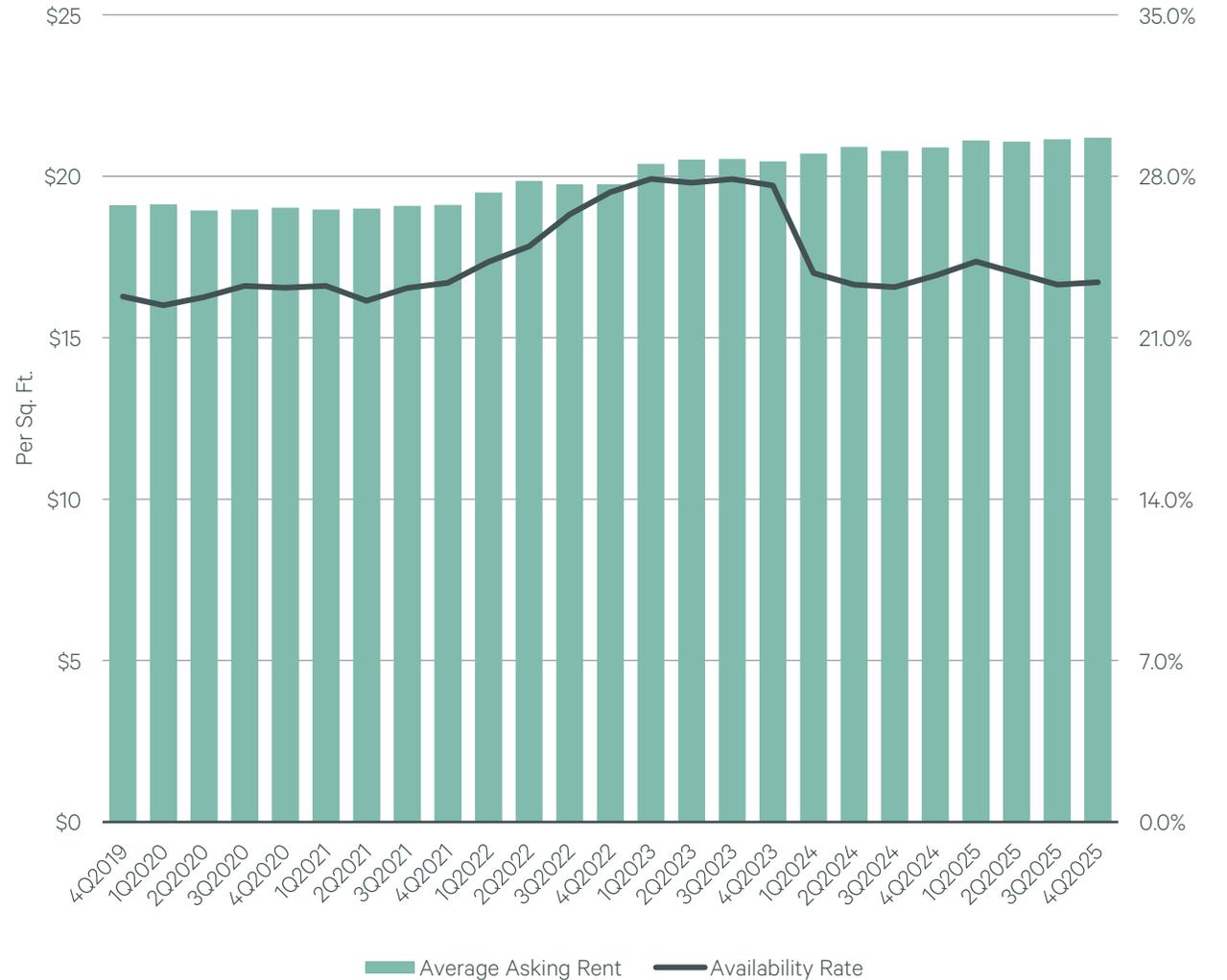
Hartford North saw 39,000 sq. ft. of activity in Q4, bringing its annual total to 135,000 sq. ft.—the highest annual figure the submarket has seen in four years. The submarket was led by Symetra Insurance’s 15,000 sq. ft. lease at 175 Addison Road in Q4.

Net Absorption and Availability

Hartford County achieved positive absorption for the first time in nearly a decade, reflecting a slowdown of sizable space additions. Quarterly absorption in Hartford County was negative 17,000 sq. ft., but annual absorption remained positive at 55,000 sq. ft. Availability remained stable throughout 2025, finishing at 23.4%, down 30 bps from year-end 2024.

Hartford South recorded strong positive absorption in 2025, ending the year at 145,000 sq. ft., despite posting negative 12,000 sq. ft. in Q4. This was the submarket’s third consecutive year of positive absorption. Availability increased 40 bps in Q4 to 16.2%, but was down 170 bps year-over-year.

FIGURE 3: Availability vs. Average Asking Rent



Source: CBRE Research, Q4 2025.

Improved leasing activity and the addition of only two new space additions over 20,000 sq. ft. at 500 Enterprise Drive, and the removal of 1344 Silas Deane Highway from the inventory due to its conversion to 75 apartments all contributed to the positive absorption.

Hartford North delivered 50,000 sq. ft. of positive absorption in 2025, despite two of the year’s largest space additions at 200 Great Pond Drive in Windsor and 1300 Hall Boulevard in Bloomfield, which added nearly 160,000 sq. ft. of new space combined. Strong leasing activity helped offset the new supply. Availability finished at 45.4%, down 20 bps from the prior quarter and 1,300 bps below the record high in Q4 2023.

Hartford CBD had the lowest volume of absorption. Q4’s absorption totaled negative 47,000 sq. ft. and brought the annual figure to negative 181,000 sq. ft. The CBD’s availability rate increased to 24.0%, up 50 bps quarter-over-quarter and up 140 bps year-over-year. The CBD submarket saw the largest new space addition of Q4—two full floors totaling 50,000 sq. ft. at 350 Church Street, formerly occupied by CohnReznick. Throughout the year, the submarket accounted for four of the ten largest newly added availabilities.

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.

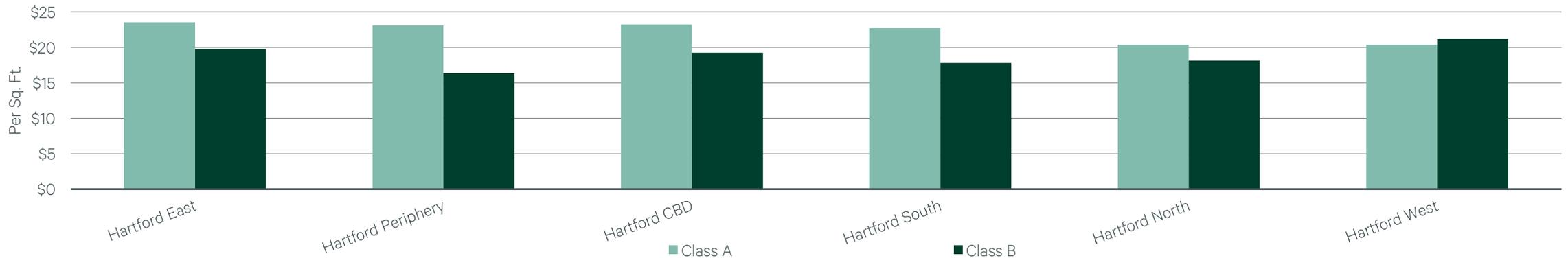
Office Average Asking Rent

Hartford County’s average asking rent was \$21.20 per sq. ft.—flat quarter-over-quarter but increased 1% year-over-year as spaces priced above market average became available.

Hartford South saw a 2% drop in asking rent quarter-over-quarter to \$20.04 per sq. ft. The decrease was driven by the full building listing at 750 Old Main Street in Rocky Hill, which brought 24,000 sq. ft. to market at a rate below the submarket’s average.

Annually, Hartford East saw an increase in asking rent, jumping 3% to \$21.40 per sq. ft.—the highest level the submarket has ever seen. Six new space additions along Glastonbury Boulevard, priced above the submarket’s average, were the key contributors to the increase.

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



Source: CBRE Research, Q4 2025.

FIGURE 5: Q4 2025. | Market Statistics

Submarket	Buildings	Market Rentable Area (MSF)	Availability Rate (%)	Vacancy Rate (%)	Leasing YTD (SF)	Net Absorption YTD (SF)	Average Asking Rent (\$/SF/Year)
Hartford CBD	37	2.19	24.0%	23.6%	147,914	(180,873)	\$22.93
Class A	18	2.01	28.4%	28.4%	122,204	(189,058)	\$23.21
Hartford Periphery	16	0.10	3.2%	3.2%	46,550	32,314	\$19.34
Class A	3	0.03	1.8%	1.8%	1,755	(1,525)	\$23.10
Hartford North	48	2.28	45.4%	44.8%	134,741	49,606	\$19.89
Class A	18	1.70	51.1%	50.2%	71,564	27,353	\$20.38
Hartford East	50	0.46	14.2%	12.8%	122,380	(9,362)	\$21.40
Class A	15	0.19	19.9%	16.5%	69,645	(22,397)	\$23.53
Hartford South	54	0.58	16.2%	15.5%	168,678	145,453	\$20.04
Class A	14	0.27	16.5%	15.3%	93,345	12,843	\$22.71
Hartford West	101	1.19	22.1%	21.5%	226,033	17,867	\$20.70
Class A	34	0.56	24.1%	23.3%	132,969	(7,699)	
HARTFORD OVERALL	306	6.79	23.4%	22.9%	846,296	55,055	\$21.20

Source: CBRE Research, Q4 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.

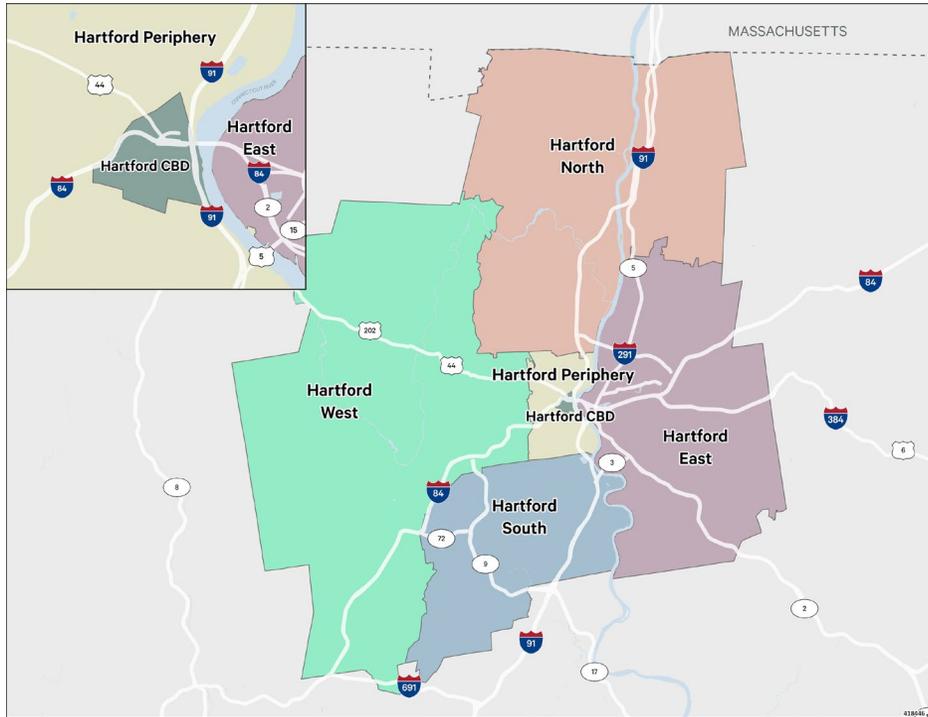
Net Absorption: The change in the amount of committed sq. ft. within a specified period of time, as measured by the change in available sq. ft.

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
HARTFORD OVERALL	30.55

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