

FIGURES | HARTFORD INDUSTRIAL | Q4 2025

Hartford industrial market showed signs of stabilization amid 2025 losses

▲ 7.3%
Vacancy Rate

▼ (233,777)
SF Net Absorption

▲ 250,320
SF Construction Delivered

▼ 0
SF Under Construction

▲ \$7.32
NNN/YR Direct Lease Rate

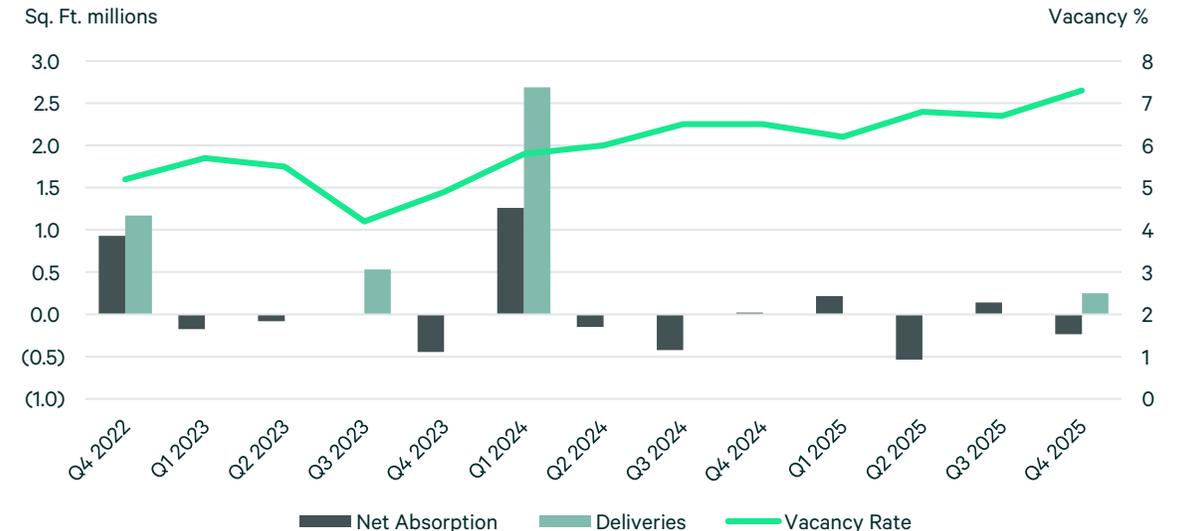
Note: Arrows indicate change from previous quarter.

SUMMARY

Despite posting an overall loss in occupancy during 2025, Hartford’s industrial market saw a significant uptick in leasing activity to end the year, pointing toward a more stabilized 2026. The market started the year in a positive trajectory, posting the first dip in vacancy since 2023, but subsequent quarters of oscillating demand performance and the delivery of more supply to the market pushed vacancy up 80 basis points (bps.), year-over-year to settle at 7.3%. But there were signs that the market could be turning a corner, or at least nearing peak vacancy in the coming year. First, following the delivery of 30 Hamilton Road in Windsor Locks, CT, the active construction pipeline is empty, posing no supply-side issues from development. Secondly, the pace of new or expansion leases signing ticked up after posting a few consecutive quarters of decelerating. And while the overall total for 2025 was less than the prior 2 years, it was not far off.

Beyond the overall uptick in activity, other signs pointed toward near-term stability. The overall size of leases grew to 20,000 sq. ft. by 2025’s end despite being as slight as 11,300 sq. ft. in Q2 2025 while the average lease term also grew during 2025 to 5-1/2 years after shrinking to as small as 4-1/2 years. Overall sublease availabilities started to shrink as the year progressed.

FIGURE 1: Historical Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q4 2025

And while the market lost more than 400,000 sq. ft. of occupancy during the year, this was mostly relegated to the Hartford East submarket while the rest of the submarkets either saw occupancy contract less, or even saw occupancy growth.

Economic Overview

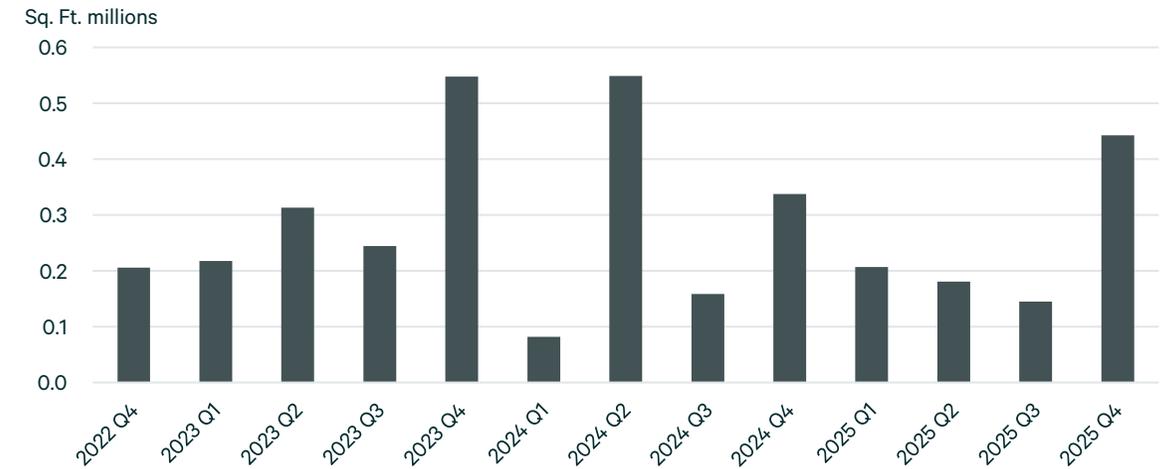
The U.S. economy is sending some mixed signals. Financial markets are focused on the upside, particularly AI's sizable contribution to growth in recent quarters. Some indicators of business activity, such as capital goods orders, are improving, and strengthening credit markets are helping to usher real estate into a new cycle.

The picture gets more melancholy when looking at households. Consumer confidence remains weak, with spending reportedly driven by a smaller segment of affluent households. This mosaic of data suggests that annual average GDP growth will be steady in 2026, at 2%, but a touch softer than in 2025. 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. A consequence of this outlook is softer inflation and long-term bond yields trending just below 4% by H2 2026.

FIGURE 8: Key Lease Transactions

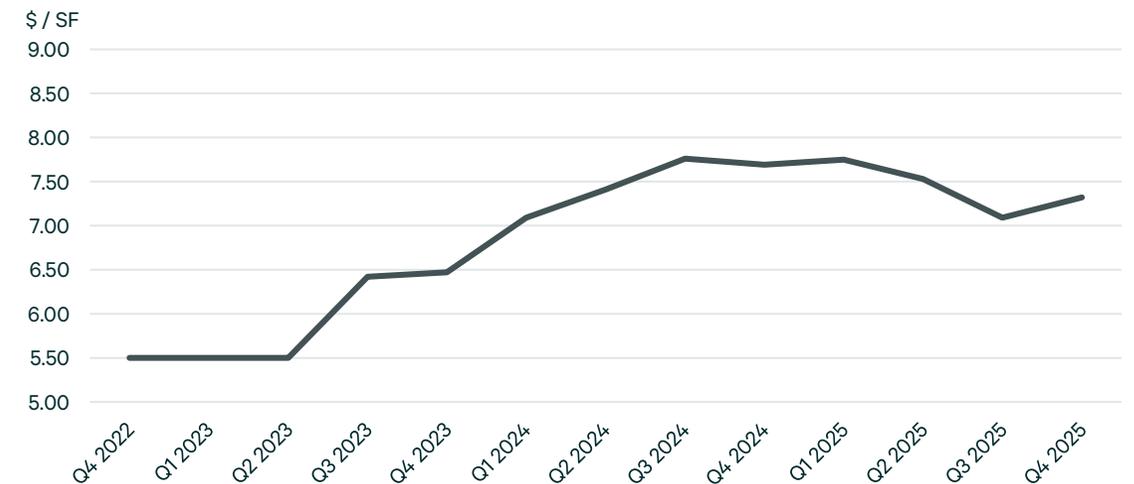
Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Niagara Bottling	164,725	New Lease	35 Manning Rd	Hartford North
Home Express Delivery	116,930	New Lease	425 Day Hill Rd	Hartford North
Lego	106,475	New Lease	30 Hamilton Rd	Hartford North
ITW Foils & Thermal Films	65,859	Renewal	40 E Newberry Rd	Hartford North
Undisclosed	24,940	New Lease	11-15 Thompson Rd	Hartford North
U.S. Energy Systems	13,800	New Lease	34 E Dudley Town Rd	Hartford North
Undisclosed	8,700	New Lease	111 Roberts St	Hartford East
Undisclosed	7,323	New Lease	111 Roberts St	Hartford East
Community Surgical Supply	5,038	Renewal	15 International Dr	Hartford North
Undisclosed	4,200	New Lease	345 Nutmeg Rd South	Hartford East

FIGURE 6: Leasing Activity Trend – Leases 0 sq. ft. and up



Source: CBRE Research, Q4 2025

FIGURE 3: Avg. Direct Asking Rate (NNN/YR)



Source: CBRE Research, Q4 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	9.2	10.9	5.1	5.8	7.27	(403,397)	(447,725)	0	0
Hartford North	33,528,402	8.6	9.2	8.1	1.0	7.23	83,904	(181,244)	250,320	0
Hartford South	11,797,361	4.6	7.5	7.4	0.1	7.24	48,431	68,845	0	0
Hartford West	10,297,545	4.5	5.8	5.8	0.0	7.55	10,835	85,681	0	0
Periphery Downtown	4,448,145	1.5	4.4	4.4	0.0	10.42	26,450	65,840	0	0
Total	81,005,821	7.3	8.7	6.7	1.9	7.32	(233,777)	(408,603)	250,320	0

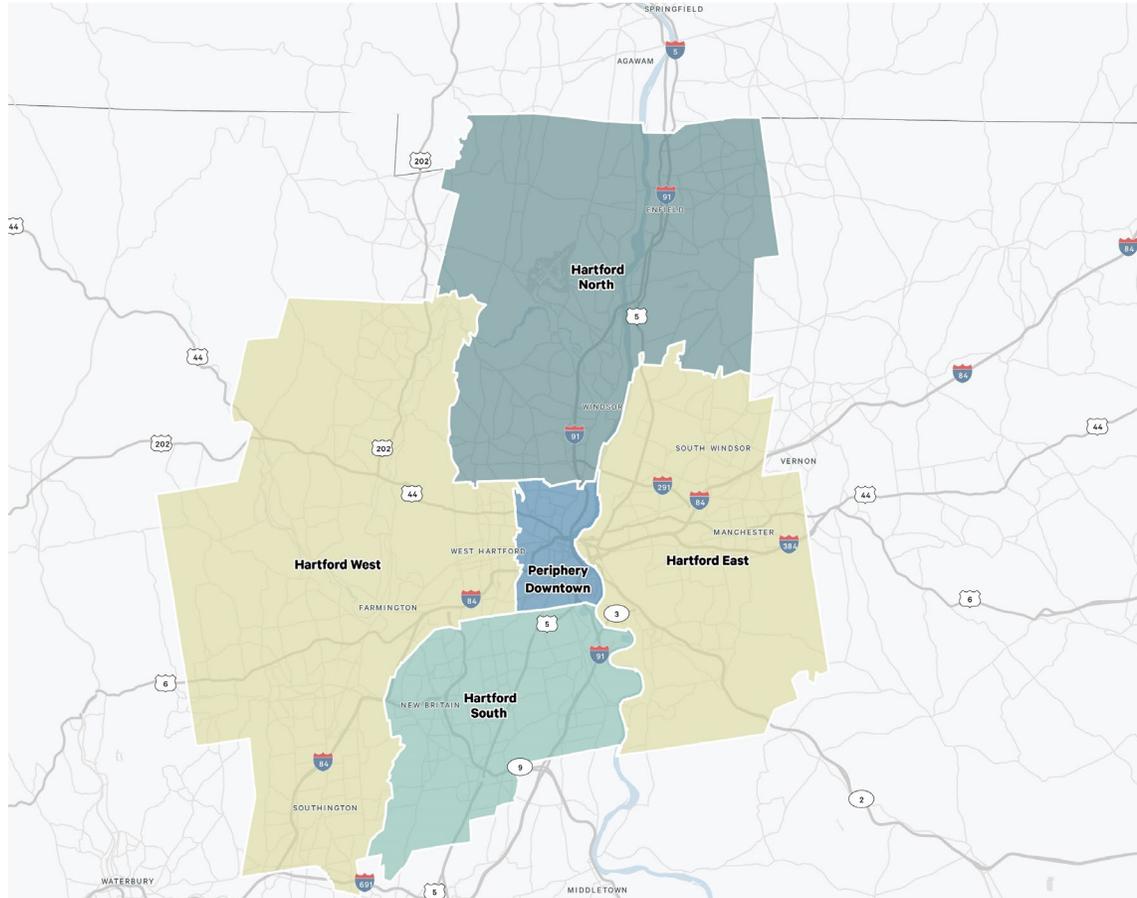
Market Statistics by Size

	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
Under 100,000 sq. ft.	38,438,564	3.0	6.0	5.9	0.0	8.35	94,786	236,457	0	0
100,000-199,999 sq. ft.	13,261,138	5.2	5.0	4.8	0.2	7.05	(234,038)	(65,533)	0	0
200,000-299,999 sq. ft.	5,075,136	12.6	12.6	9.8	2.8	8.40	190,475	190,475	250,320	0
300,000-499,999 sq. ft.	7,683,063	8.5	8.5	8.5	0.0	6.53	(45,000)	(54,405)	0	0
500,000-749,999 sq. ft.	5,841,945	24.3	24.8	23.5	1.3	6.54	(240,000)	(728,973)	0	0
750,000 sq. ft.	10,705,975	12.3	12.3	0.0	12.3	-	0	13,376	0	0
Total	81,005,821	7.3	8.7	6.7	1.9	7.32	(233,777)	(408,603)	250,320	0

Market Statistics by Product Type

	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
Distribution / Logistics	70,730,207	7.4	8.5	6.3	2.2	7.15	(75,733)	(457,418)	250,320	0
Manufacturing	2,551,831	8.3	12.7	12.7	0.0	6.98	(169,950)	81,146	0	0
R&D / Flex	5,954,468	6.2	8.9	8.9	0.0	9.26	(5,325)	(49,562)	0	0
Other Industrial	1,769,315	3.2	8.1	8.1	0.0	7.00	17,231	17,231	0	0
Total	81,005,821	7.3	8.7	6.7	1.9	7.32	(233,777)	(408,603)	250,320	0

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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