

# New Haven County Office Market H1 2024



FIGURES | NEW HAVEN OFFICE | H1 2024

# Leasing activity totals 175,000 sq. ft. through first half of 2024



Note: Arrows indicate change from previous half year.

## QUICK FACTS

- Leasing activity amounted to 175,000 sq. ft. year-to-date, up 139% from H2 2023.
- Renewals totaled 63,000 sq. ft. year-to-date, up 100% from H2 2023.
- The availability rate was up 70 basis points (bps) from a year ago currently standing at 20.2%.
- Net absorption year-to-date stands at positive 52,000 sq. ft.
- At \$22.24 per sq. ft., the average asking rent was up 22% year-over-year.
- Sublease space currently makes up 2% of all available space on market.

FIGURE 1: Top Lease Transactions for H1 2024

Size (Sq. Ft.)	Deal Type	Direct/ Sublet	Tenant	Address
37,401	R	D	APT Foundation, Inc.	1 Long Wharf Drive
32,686	L	D	Yale University	265 Church Street
17,741	R	D	Celldex Therapeutics	300 George Street
17,570	L	D	XING Technology Corporation	55 Church Street
10,000	L	D	Allegis Group Inc.	545 Long Wharf Drive

Source: CBRE Research, H1 2024. | Lease (L), Renewal (R), Expansion (E), Renewal and Expansion (RE), Direct (D), Sublet (S).

FIGURE 2: New Haven Market Activity

Source: CBRE Research, July 2024.

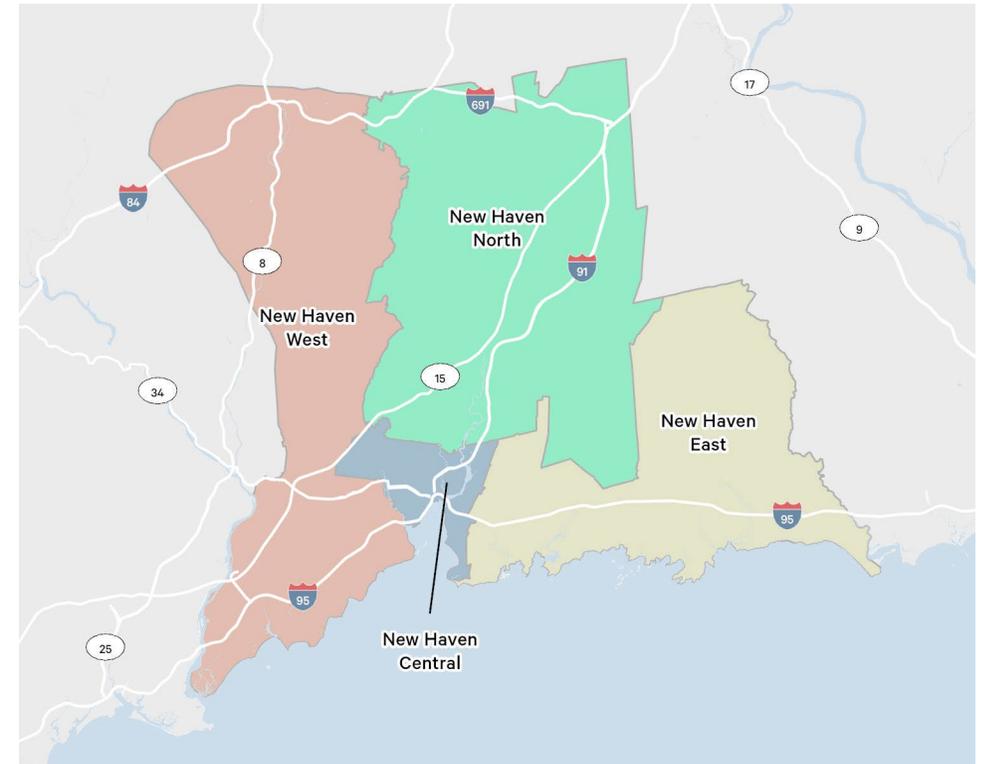
	H1 2024	H2 2023
Leasing Activity	174,740	73,238
Renewals	62,645	31,322
Absorption	52,165	(142,339)
Availability Rate	20.2%	20.7%
Vacancy Rate	20.1%	20.7%
Average Asking Rent	\$22.24	\$19.04

### New Haven Overview

Situated along the Long Island Sound, New Haven has undergone a transformation in the past few decades, from a declining industrial center to an innovation hub. One of the main drivers of this change has been the presence and growth of educational institutions, healthcare organizations, and biotech companies, which have attracted talent, investment, and development to the city.

### Major Headlines

- Average asking rent hit a new high of \$22.24 per sq. ft. due to price adjustments at 55 Church Street in downtown New Haven.
- The APT Foundation had the largest renewal of the first half with a 37,000 sq. ft. recommitment at 1 Long Wharf Drive.
- The largest lease of the first half was Yale University’s 33,000 sq. ft. new lease at 265 Church Street.
- Absorption was positive 52,000 sq. ft. through the first half of 2024 due to leasing outpacing space additions coming to market.
- Availability dropped 50 bps from the previous half to 20.2% but is 90 bps higher than Q1 2020.



Submarket	Total Size (MSF)	No. of Buildings
1 New Haven Central	6.1	43
2 New Haven East	0.5	16
3 New Haven West	1.7	27
4 New Haven North	3.6	81
<b>TOTAL INVENTORY</b>	<b>11.9</b>	<b>167</b>

### 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.

Concession Values: The combination of rent abatement and T.I. allowance. The graph is for new leases for raw space of 25,000 sq. ft. or greater consummated year-to-date, this excludes expansion and renewal deals.

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.

Rent Abatement: The time between lease commencement and rent commencement.

Taking Rent: Actual, initial base rent in a lease agreement.

Taking Rent Index: Initial taking rents as a percentage of asking rents.

### Definitions

T.I.: Tenant improvements.

Vacancy: Unoccupied space available for lease.

Percentage of Leasing by Industry: The percentage of sq. ft. leased by an industry based on transactions where a tenant and industry have been confirmed.

### Survey Criteria

CBRE's market report analyzes fully modernized office buildings that total 20,000+ sq. ft. in New Haven County, including owner-occupied buildings (except those owned and occupied by a government or government agency). 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.

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