

New Haven County Office Market H2 2024



Leasing Improves in 2nd Half of 2024



Note: Arrows indicate change from previous half year.

QUICK FACTS

- Leasing activity amounted to 232,000 sq. ft. for H2 2024, up 33% from H1 2024.
- Renewals totaled 31,000 sq. ft. for H2 2024 down 51% from H1 2024.
- The availability rate was down 10 basis points (bps) from the First Half currently standing at 20.1%.
- Net absorption for H2 2024 was positive 18,000 sq. ft.
- At \$21.99 per sq. ft., the average asking rent was down 1% half-over-half.
- Sublease space currently makes up 1% of all available space on market.

FIGURE 1: Top Lease Transactions for H2 2024

Size (Sq. Ft.)	Deal Type	Direct/ Sublet	Tenant	Address	Submarket
145,410	L	D	Yale New Haven	1 Long Wharf Drive	New Haven Central
11,099	R	D	Langan Engineering & Environmental Services, Inc.	555 Long Wharf Drive	New Haven Central
10,798	R	D	Automatic Data Processing, Inc. (ADP)	185 Plains Road	New Haven West
9,839	L	D	World Insurance Associates	2321 Whitney Avenue	New Haven North
8,734	R	D	Prospect Medical	1625 Straits Turnpike	New Haven West

Source: CBRE Research, H2 2024. | Lease (L), Renewal (R), Expansion (E), Renewal and Expansion (RE), Direct (D), Sublet (S).

FIGURE 2: New Haven Market Activity

Source: CBRE Research, December 2024.

New Haven County	H1 2024	H2 2024
Leasing Activity	174,740	232,270
Renewals	62,645	30,631
Absorption	52,165	18,219
Availability Rate	20.2%	20.1%
Vacancy Rate	20.1%	20.1%
Average Asking Rent	\$22.24	\$21.99

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 fell 1% half-over-half to \$21.99 per sq. ft. as below average priced space came to market out of New Haven North
- Langan Engineering had the largest renewal of the second half with a 11,000 sq. ft. deal at 555 Long Wharf Drive.
- The largest lease of the first half was Yale University’s 145,000 sq. ft. lease at 1 Long Wharf Drive—the second consecutive quarter Yale has grown its footprint.
- Absorption was positive 18,000 sq. ft. through the second half of 2024 due to leasing outpacing space additions coming to market.
- Availability dropped 10 bps from the previous half to 20.1%. Year-over-year availability is 60 bps lower than 2023 figures.

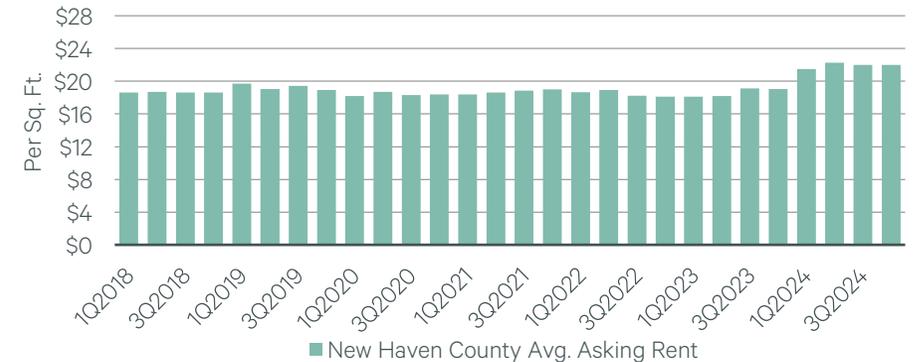
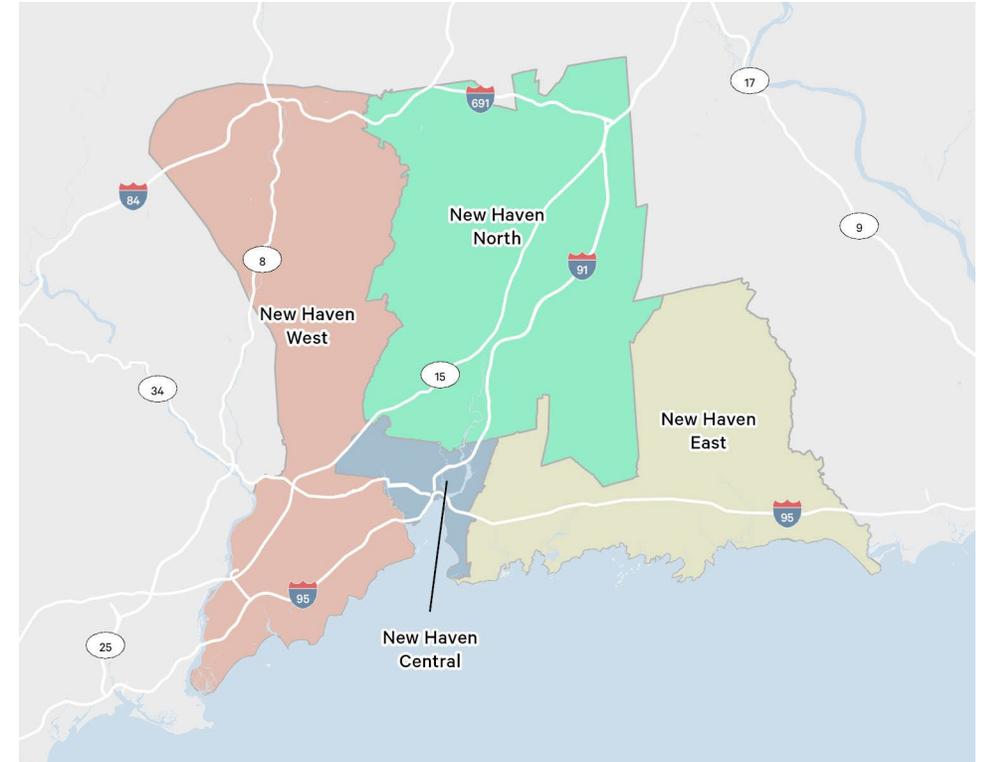


FIGURE 8: H2 2024 | Market Statistics

Submarket	Market Rentable Area (MSF)	Total Available (MSF)	Availability Rate (%)	Vacancy Rate (%)	2024 Net Absorption (SF)	2024 Leasing Activity (SF)	Average Asking Rent (\$/SF/Year)
New Haven Central	6.12	0.94	15.4%	14.9%	(85,407)	261,628	\$27.08
New Haven North	3.56	0.77	21.6%	20.8%	134,202	128,769	\$19.87
New Haven East	0.53	0.07	14.1%	13.7%	(5,382)	16,313	\$18.08
New Haven West	1.56	0.60	36.2%	35.9%	26,951	300	\$17.17
NEW HAVEN COUNTY	11.86	2.38	20.1%	20.1%	70,384	407,010	\$21.99

Source: CBRE Research, H2 2024

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.

Contacts

Nicole LaRusso

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

Michael Slattery

Tri-State Research Director
+1 212 656 0583
Michael.Slattery@cbre.com

James Smith

Research Data Analyst
+1 203 352 8930
James.Smith3@cbre.com

James Smith
Research Data Analyst
james.smith3@cbre.com
+1 203 352 8930

