

FIGURES | HARTFORD INDUSTRIAL | Q1 2026

Hartford Industrial Fundamentals Rebound as Vacancy Tightens

▼ 5.9%
Vacancy Rate

▲ 1.5M
SF Net Absorption

▼ 0
SF Construction Delivered

▲ 298,905
SF Under Construction

▲ \$7.41
NNN/YR Direct Lease Rate

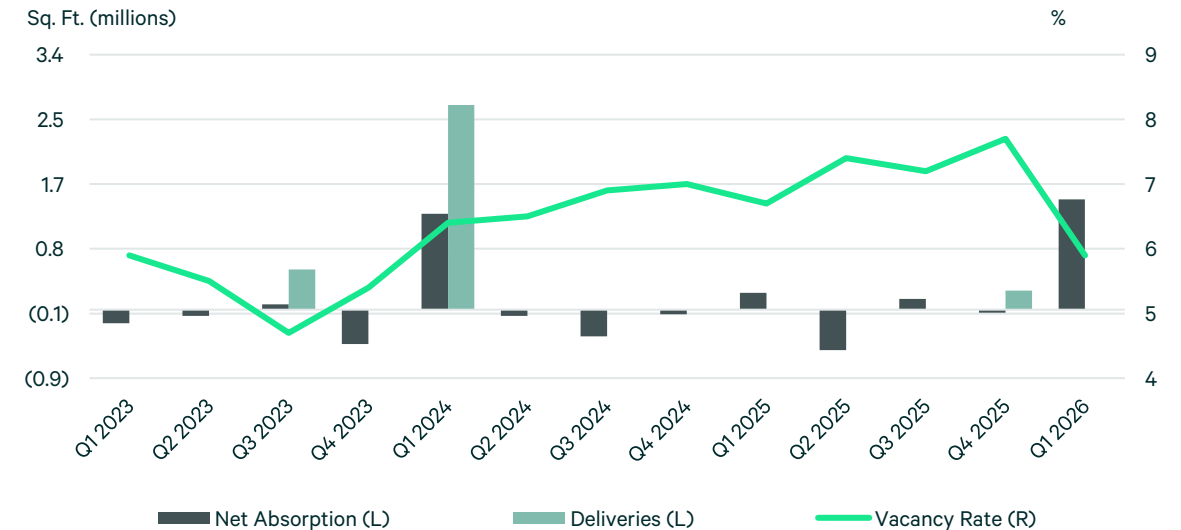
Note: Arrows indicate change from previous quarter.

Market Overview

Following several quarters of see-saw demand performance, the market posted 1.5 million square feet (sq. ft.) off occupancy gains, mostly on the heels of Walmart’s purchase of the 1.2 million sq.-ft. distribution center located at 695 East Hartford Blvd. This drove vacancy down to 5.9%, 180 basis points lower than last quarter’s measure. While availability contracted 1.2 percentage points from Q4 2025 and 0.4 percentage points year-over-year. This quarter’s performance abruptly changed the direction of vacancy which had been steadily rising since mid-2023.

Pricing and construction trends were more measured. Average asking rents increased 2.3% quarter-over-quarter to \$7.41 per-sq.-ft., putting a pause on pricing’s downward trend starting in late 2024. On the supply side, a 2.7 million sq. ft. delivery wave in Q1 2024 cleared the earlier pipeline, and new starts were modest thereafter; the construction pipeline stood at 299,000 sq. ft. in Q1 2026, up 19.6% from 250,000 sq. ft. a year earlier but well below 2023 levels. As of Q1 2026, the market combined lower vacancy, stabilizing rents, and a much smaller active development pipeline.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2026

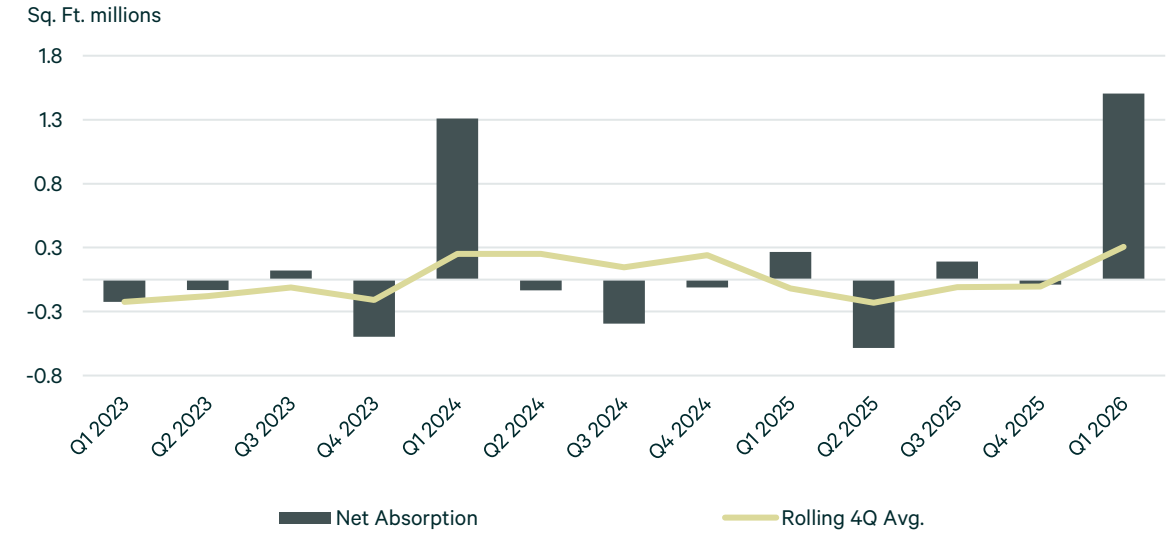
Demand

The market posted positive 1.5 million sq. ft. of net absorption in Q1 2026, exceeding the 217,000 sq. ft. recorded in Q1 2025 and rebounding sharply from negative 38,000 sq. ft. in Q4 2025. This strong quarter more than offset the negative demand that characterized much of the prior year. Demand was mostly relegated to the Hartford East submarket where Walmart purchased the 1.2 million sq.-ft. logistics facility at 695 East Hartford Blvd. While other submarkets posted more modest gains, no submarket recorded negative net absorption this quarter.

From a leasing perspective, 628,000 sq. ft. of space was leased in Q1 2026, up 4.5% quarter-over-quarter and 5.2% year-over-year. Activity rebounded from the lows seen in early 2024 but remains below the Q2 2024 peak of 676,000 sq. ft.

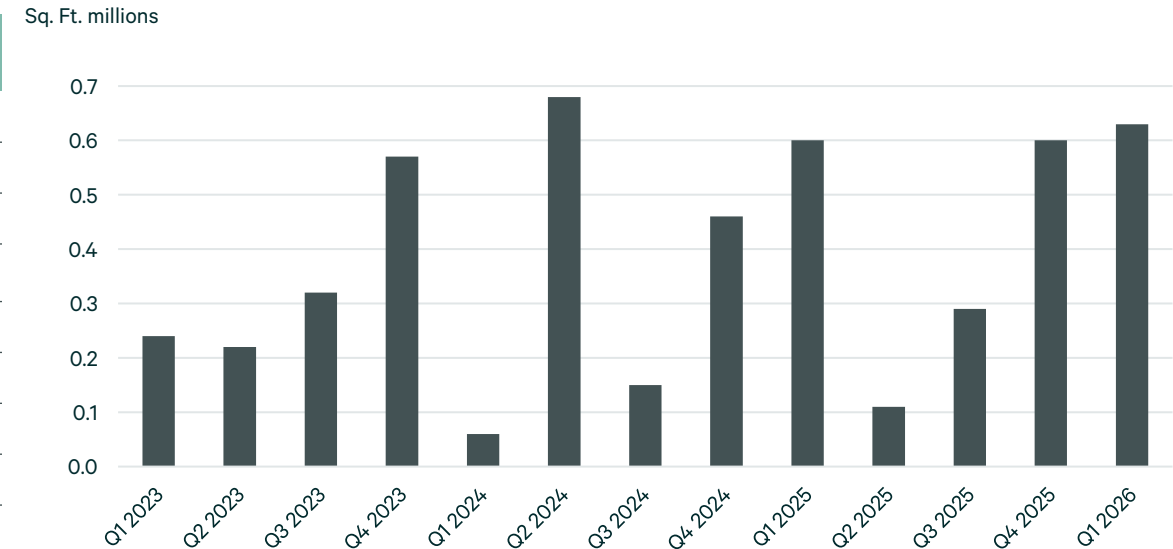
Among submarkets, Hartford North and Hartford South posted the strongest leasing volumes at 426,000 sq. ft. and 131,000 sq. ft., respectively. Hartford East also recorded positive activity, with 72,000 sq. ft. leased, though at a significantly lower level than the other Hartford submarkets.

Figure 3: Net Absorption Trend



Source: CBRE Research, Q1 2026

Figure 4: Leasing Activity



Source: CBRE Research, Q1 2026

Figure 2: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
NEFCO Construction Supply	299,000	New Lease	75 Baker Hollow Rd	Hartford North
Eversource Energy	131,000	Renewal	225 Episcopal Rd	Hartford South
Namco Pool & Patio	55,000	New Lease	10 Lego Way	Hartford North
Advance Mold & Manufacturing	36,000	Renewal	20 Utopia Rd	Hartford East
OtW Shipping	36,000	New Lease	12-14 Eastern Park Rd	Hartford East
Confidential Tenant	27,000	New Lease	250 South Rd	Hartford North
Aerospace Alloys	14,000	New Lease	9 Britton Dr	Hartford North
Tufftide Marine	11,000	New Lease	250 South Rd	Hartford North

Source: CBRE Research, Q1 2026

Supply

The market availability rate finished Q1 2026 at 7.8%, down from 9.0% in Q4 2025. On a year-over-year basis, availability edged down from 8.2% in Q1 2025 to 7.8%, but over the last three years the rate has moved slightly higher, from 7.6% in Q1 2023 to 7.8%.

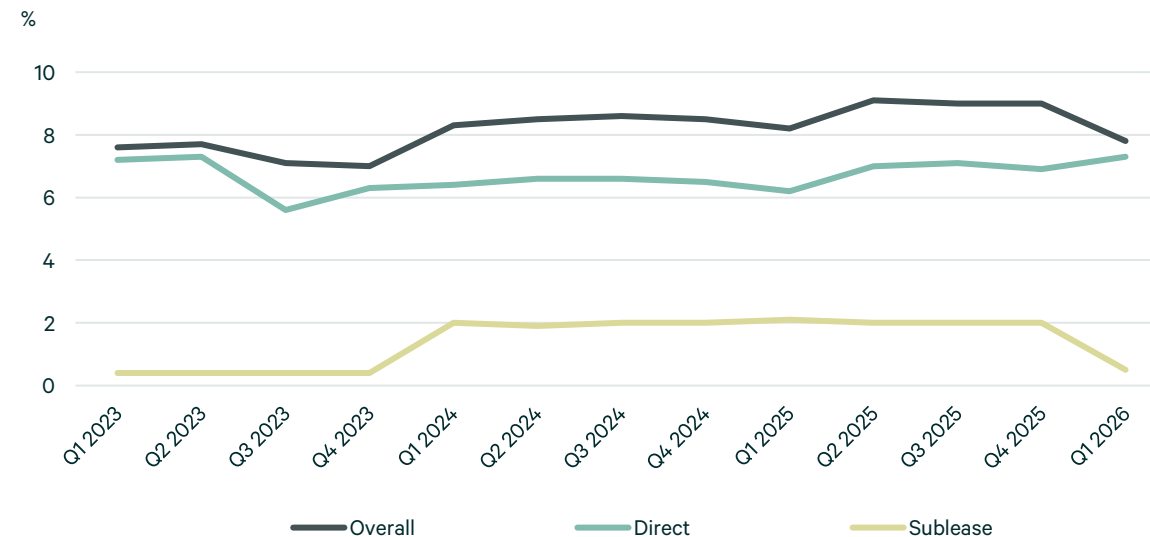
In Q1 2026, a 299,000 sq.-ft. distribution facility at 75 Baker Hollow Road in the Hartford North submarket broke ground, breaking the construction hiatus starting in Q3 2025. The project is 100.0% pre-leased to NEFCO Construction supply and slated for delivery in Q4 2026, making it both the largest and only project currently underway in the market.

Asking Rent

The average asking rent was \$7.41 per sq. ft. in Q1 2026, up 2.4% quarter-over-quarter but down 8.1% year-over-year. Rents peaked at \$8.10 per sq. ft. in Q3 2024, then declined to \$7.24 per sq. ft. by Q4 2025 before increasing to \$7.41 per sq. ft. in Q1 2026, a 34.7% increase compared with Q1 2023.

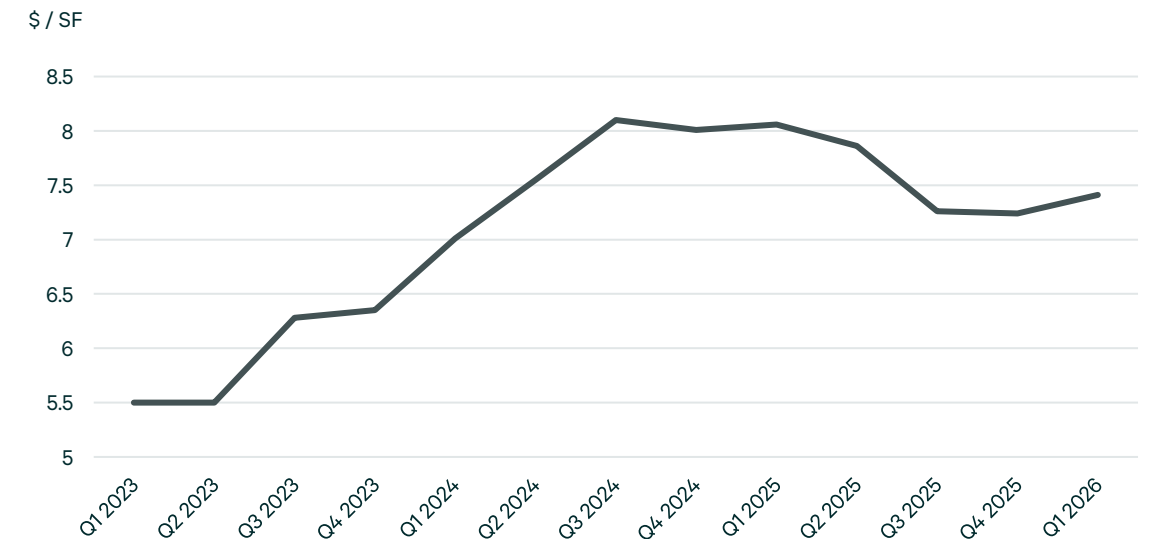
By submarket, Periphery Downtown posted the highest average asking lease rate in Q1 2026 at \$10.43 per sq. ft., followed by Hartford West at \$7.71 per sq. ft. Hartford East, Hartford South, and Hartford North recorded average asking rates of \$7.54, \$7.49, and \$7.21 per sq. ft., respectively, compared with a five-submarket average of \$8.08 per sq. ft.

Figure 5: Availability Rates



Source: CBRE Research, Q1 2026

Figure 6: Average Direct Asking Rent



Source: CBRE Research, Q1 2026

Market Statistics by Submarket

Figure 7

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (MSF)	YTD Net Absorption (MSF)	Deliveries (SF)	Under Construction (SF)
Hartford East	20.22	3.7	7.1	7.1	-	7.54	1.09	1.09	-	-
Hartford North	30.73	8.9	9.9	8.8	1.1	7.21	0.28	0.28	-	299,000
Hartford South	11.32	4.5	6.8	6.7	0.2	7.49	0.03	0.03	-	-
Hartford West	10.05	4.1	5.4	5.4	-	7.71	0.04	0.04	-	-
Periphery Downtown	4.18	1.5	4.3	4.3	-	10.43	-	-	-	-
Total	76.50	5.9	7.8	7.3	0.5	7.41	1.45	1.45	-	299,000

Source: CBRE Research, Q1 2026

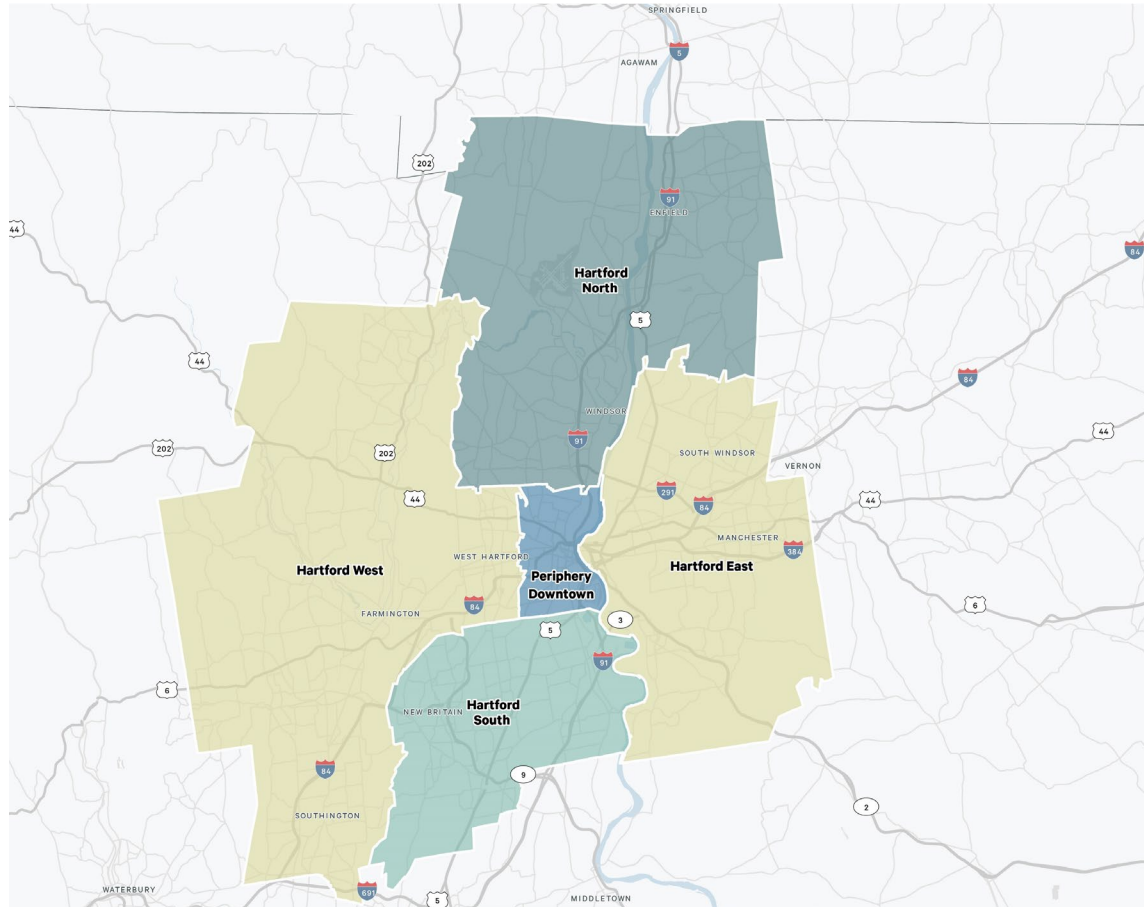
Market Statistics by Product Type

Figure 8

Product Type	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (MSF)	YTD Net Absorption (MSF)	Deliveries (SF)	Under Construction (SF)
Distribution/Logistics	67.08	5.8	7.8	7.2	0.5	7.32	1.47	1.47	-	299,000
Manufacturing - General	2.37	5.1	6.0	6.0	-	5.40	-	-	-	-
R&D/Flex	5.89	6.5	8.4	8.3	0.1	9.20	(0.01)	(0.01)	-	-
Other Industrial	1.17	4.8	10.9	10.9	-	7.00	-	-	-	-
Total	76.50	5.9	7.8	7.3	0.5	7.41	1.45	1.45	-	299,000

Source: CBRE Research, Q1 2026

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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