

FIGURES | HARTFORD INDUSTRIAL | Q2 2026

# Large blocks drive vacancy higher in Q2

▲ 7.3%

Vacancy Rate

▼ -992,000

SF Net Absorption

▼ 0

SF Construction Delivered

▲ 417,607

SF Under Construction

▼ \$7.24

NNN/YR Direct Lease Rate

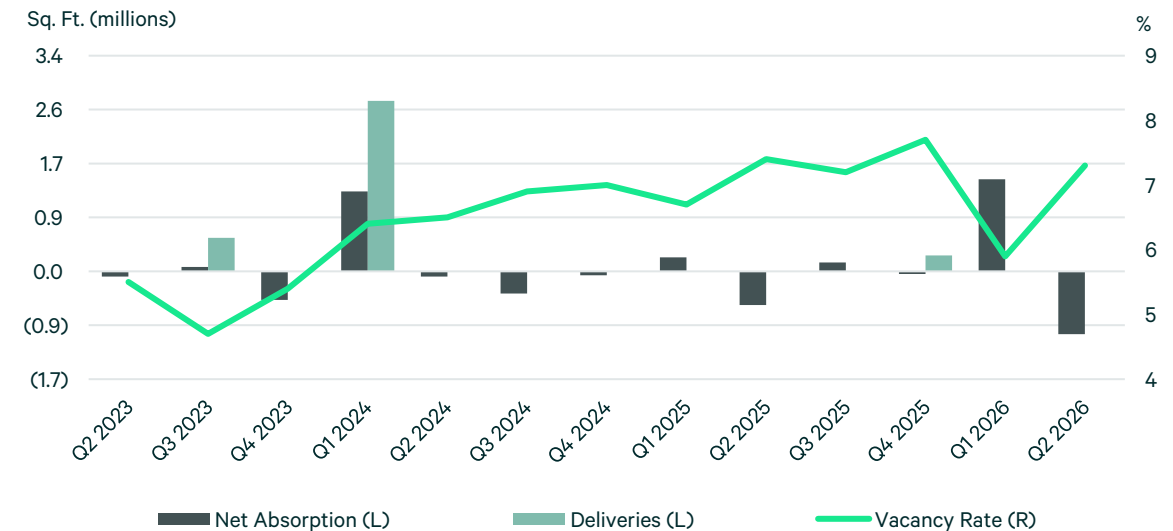
Note: Arrows indicate change from previous quarter.

## Market Overview

After several quarters of uneven demand, the Hartford industrial market posted 992,000 sq. ft. of negative net absorption in Q2 2026, driven largely by the addition of several large availabilities exceeding 100,000 sq. ft. As a result, vacancy climbed 130 basis points (bps) quarter-over-quarter to 7.3%. The increase in supply was accompanied by a sharp slowdown in leasing activity, which totaled 140,000 sq. ft. in Q2—down 72% quarter-over-quarter and 53% below the three-year quarterly average.

Increased supply has placed modest downward pressure on pricing. Average asking rents declined 2.0% from the previous quarter to \$7.24 per sq. ft., though rents remain elevated relative to pre-pandemic levels. On the supply side, development activity has remained disciplined. After a wave of 2.7 million sq. ft. of projects delivered in early 2024, few projects have broken ground. As of Q2 2026, the market had only 418,000 sq. ft. under construction. While this represents a 67% increase from the 250,000 sq. ft. underway one year ago, the pipeline remains well below the elevated levels seen during the market's peak in 2023.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2026

## Demand

Leasing activity in the Hartford industrial market slowed significantly in Q2, declining 72% quarter-over-quarter to 140,000 sq. ft. Despite the quarterly pullback, year-to-date leasing volume reached 636,000 sq. ft., surpassing mid-2025 levels by 108% and exceeding the three-year mid-year average by 25%. Activity during the quarter was anchored by Ferguson Enterprises' 53,000-sq.-ft. lease at 425 Day Hill Road in Windsor, while the remainder of transactions were concentrated in spaces under 50,000 sq. ft.

Demand for smaller footprints from local and regional occupiers has remained the primary driver of leasing activity since the market normalized following the pandemic-era industrial surge. While third-party logistics, transportation, and warehousing operators continue to represent a meaningful source of regional demand, leasing activity from these sectors have been comparatively muted.

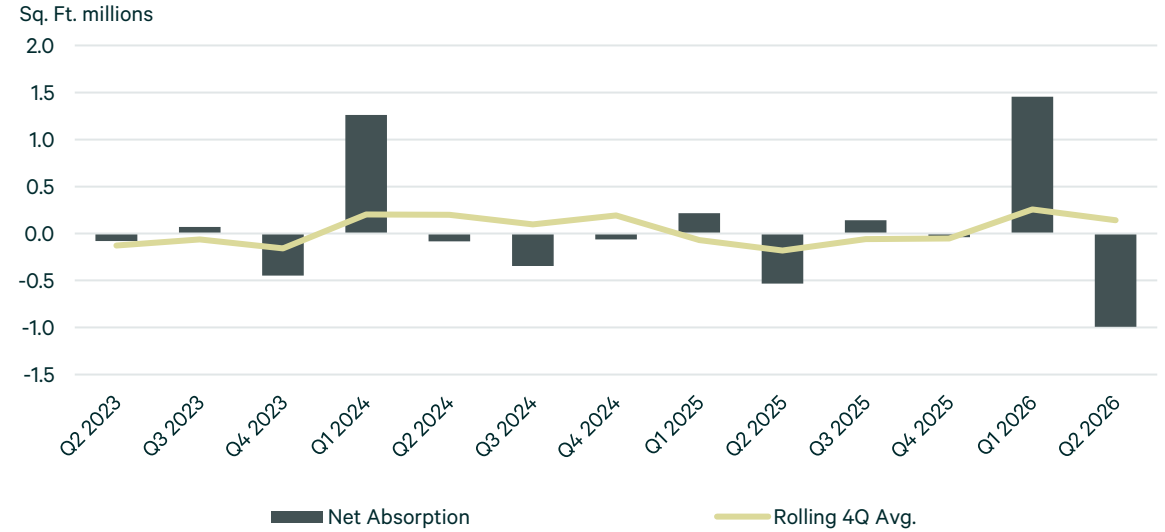
At the submarket level, Hartford North led leasing activity with 95,000 sq. ft. of transaction volume, followed by Hartford East with 30,000 sq. ft.

Figure 2: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Ferguson Enterprises	53,000	New Lease	425 Day Hill Rd	Hartford North
Manchester Winsupply	23,000	Renewal	169 Progress Dr	Hartford East
Tesla	15,000	New Lease	16 International Dr	Hartford North
Manchester Winsupply	12,000	New Lease/Expansion	169 Progress Dr	Hartford East

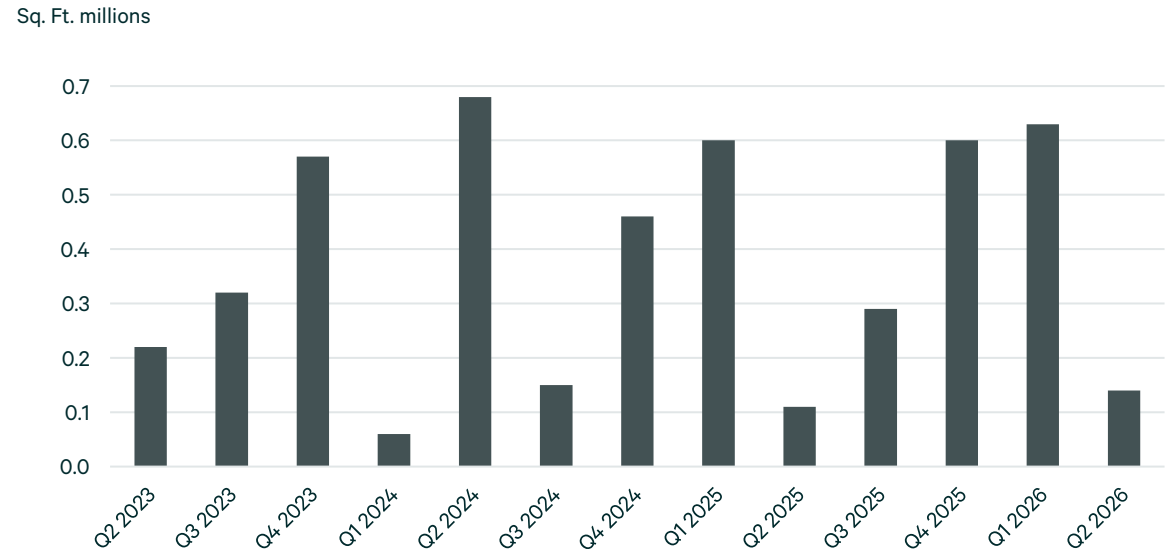
Source: CBRE Research, Q2 2026

Figure 3: Net Absorption Trend



Source: CBRE Research, Q2 2026

Figure 4: Leasing Activity



Source: CBRE Research, Q2 2026

## Supply

The Hartford industrial market recorded 992,000 sq. ft. of negative net absorption in Q2 2026, pushing vacancy up 130 bps quarter-over-quarter to 7.3%. The increase was driven by several large blocks of space exceeding 100,000 sq. ft. returning to the market. The largest was 275,000 sq. ft. at 18 Craftsman Road in East Windsor vacated by BlueTriton Brands, followed by UPS's departure from 230,000 sq. ft. at 1 Market Circle in Windsor. Together, these occupancies accounted for a significant portion of the quarter's negative absorption and contributed to the rise in available inventory.

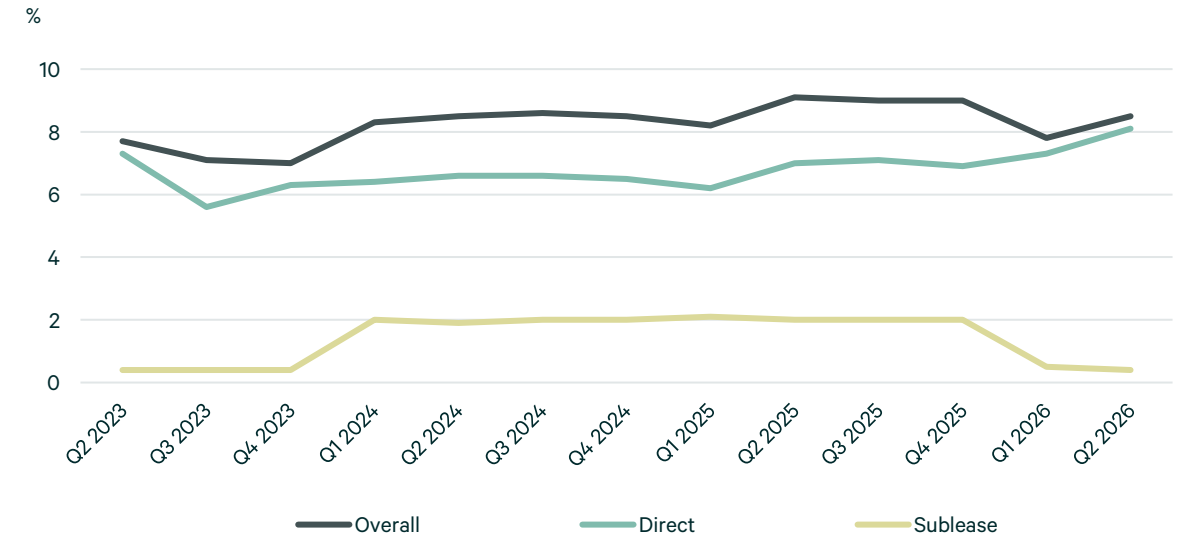
Development activity remained relatively modest during the quarter. Construction began on a 119,000-sq.-ft. speculative distribution facility at 85 Baker Hollow Road in the Hartford North submarket, bringing total space under construction to 418,000 sq. ft. While the pipeline has expanded from year-ago levels, it remains well below the volumes recorded during the market's peak development cycle, reflecting a more measured pace of new supply.

## Asking Rent

Average asking rents declined to \$7.24 per sq. ft. in Q2 2026, down 2.0% from the previous quarter and 6.0% year-over-year, reflecting softer market fundamentals and a growing supply of available space.

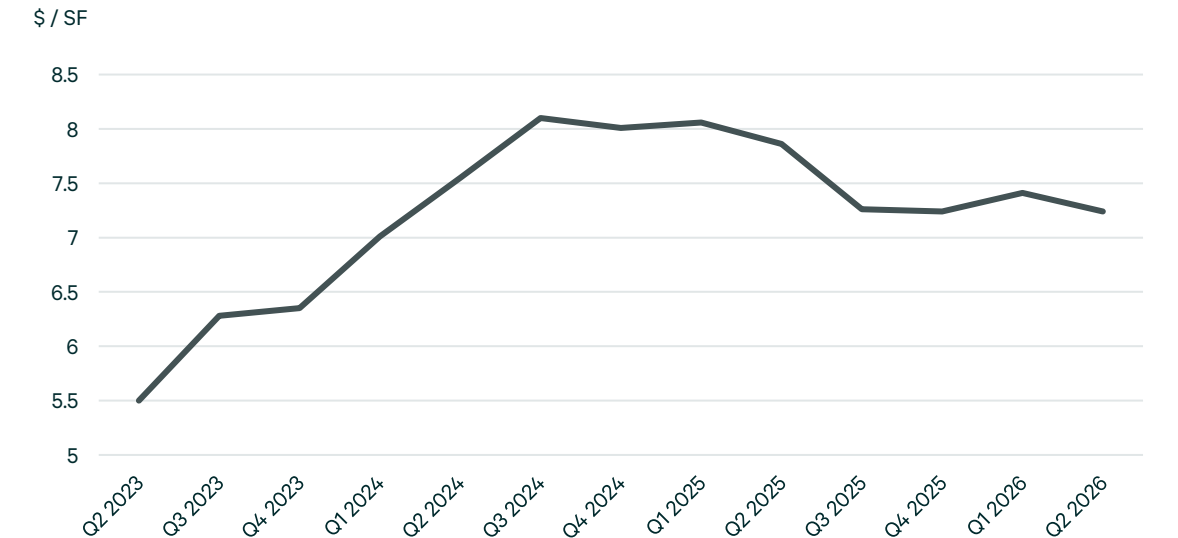
At the submarket level, Periphery Downtown commanded the highest average asking rent at \$8.14 per sq. ft. Despite leading the market, rents in the submarket declined 15% quarter-over-quarter after a lower-priced 120,000-sq.-ft. block became available, illustrating the influence large availabilities can have on averages. Hartford West followed at \$7.33 per sq. ft., while Hartford East, Hartford South, and Hartford North posted average asking rents of \$7.31, \$7.20, and \$7.13 per sq. ft., respectively.

Figure 5: Availability Rates



Source: CBRE Research, Q2 2026

Figure 6: Average Direct Asking Rent



Source: CBRE Research, Q2 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	3.6	7.0	7.0	-	7.42	(0.67)	0.42	-	-
Hartford North	30.73	10.1	11.0	10.0	1.0	7.13	(0.19)	0.09	-	418,000
Hartford South	11.35	4.2	5.9	5.8	0.1	7.20	0.02	0.05	-	-
Hartford West	10.05	3.9	5.4	5.4	-	7.33	0.02	0.06	-	-
Periphery Downtown	4.18	4.8	7.6	7.6	-	8.14	(0.16)	(0.16)	-	-
<b>Total</b>	<b>76.53</b>	<b>7.3</b>	<b>8.5</b>	<b>8.1</b>	<b>0.4</b>	<b>7.24</b>	<b>(0.99)</b>	<b>0.46</b>	<b>-</b>	<b>418,000</b>

Source: CBRE Research, Q2 2026

