

# Absorption skews slightly negative for 2024

▲ 23.7%

Availability Rate

▼ 132,037

SF Leasing Activity

▼ (137,005)

SF Net Absorption

▲ \$20.89

PSF Average Asking Rent

Note: Arrows indicate change from previous quarter.

## QUICK FACTS

- Quarterly leasing activity totaled 132,000 sq. ft., down 8% from the previous quarter and 22% below the two-year quarterly average.
- Annual leasing activity totaled 583,000 sq. ft., down 4% year-over-year.
- The availability rate jumped 50 bps quarter-over-quarter to 23.7%
- Quarterly net absorption was negative 137,000 sq. ft., which skewed annual absorption to negative 34,000 sq. ft.
- The average asking rent was \$20.89 per sq. ft., unchanged quarter-over-quarter and up 2% from a year ago.
- Inventory adjustments were made to update the Hartford County office market to reflect CBRE Research standards of tracking Class A and B office buildings that have rentable building area of 20,000 sq. ft. or greater.

## Market Overview

Activity within Hartford County’s office market deteriorated slightly in 2024 compared to a year ago. Leasing activity totaled 132,000 sq. ft. in Q4, 22% below the two-year quarterly average. The modest quarter brought annual leasing to 583,000 sq. ft. in 2024—4% behind 2023 total.

Supply of available space increased both quarterly and annually. Availability reached 23.7% in Q4—up 50 bps quarter-over-quarter following negative 137,000 sq. ft. of absorption in Q4. This increase in supply moved annual absorption to negative 34,000 sq. ft.

Average asking rent was flat quarter-over-quarter at \$20.89 per sq. ft.— but 2% higher than 2023.

## Economic Overview

The U.S. economy continues to exceed expectations. Much of this is due to a sturdy consumer who is enjoying increased household wealth, real income growth, and a resilient labor market. Consequently, CBRE is revising its outlook upward for 2025 annual average GDP growth by 60 basis points to 2.3%.

Hartford’s labor market added 100 positions quarter-over-quarter (0.0%). Year-over-year gains in Q4 amounted to 7,700 positions (+1.3%). Office-using employment (OUE) sectors fared slightly better than the market overall, adding 200 positions in Q4 (+0.2%).

Professional and business services added 100 roles quarter-over-quarter (+0.1%) while financial activities increased headcount by 200 positions since Q3 (+0.5%). Information services contracted by 100 roles in Q4 (-1.2%). Year-over-year, OUE in Hartford is up by 200 positions (+0.2%). The region’s OUE has stabilized in the range of 132,000 to 136,000 since late 2020 and stands at 96.2% of the 2019 level.

Connecticut’s overall unemployment rate is 3.0%, down from 3.2% at the end of Q3 and below the national unemployment rate of 4.2%.

## Leasing Activity

Hartford County leasing slowed in the fourth quarter with 132,000 sq. ft. of activity—22% below the two-year quarterly average. There were 19 new deals completed in Q4 yielding an average size of 5,500 sq. ft. The absence of sizable transactions kept annual leasing figures muted at 583,000 sq. ft.—4% behind 2023 activity.

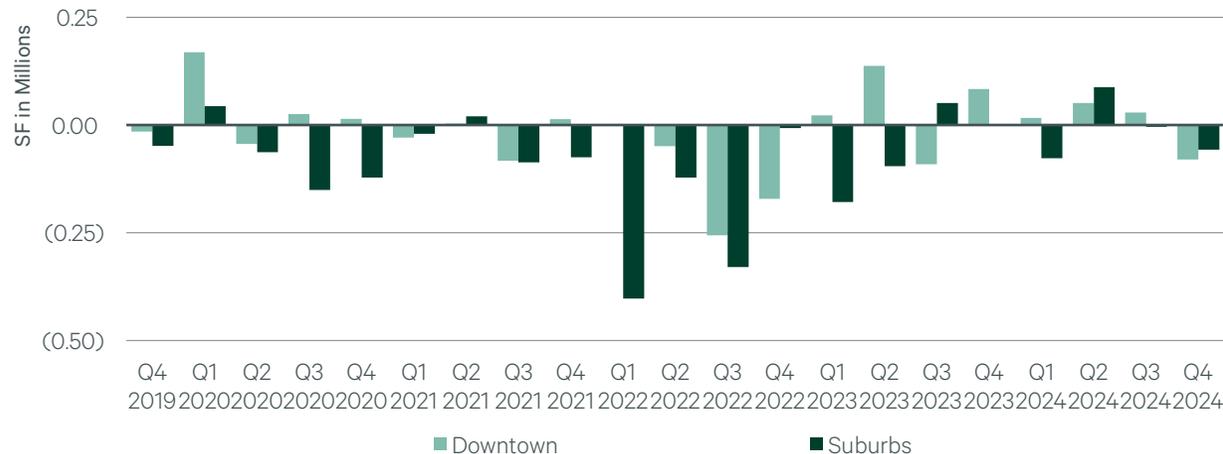
The Hartford CBD was particularly slow. Only one new lease occurred in Q4, which brought annual activity to 145,000 sq. ft—30% lower than 2023’s total.

FIGURE 1: Transactions of Note | Q4 2024

Size (Sq. Ft.)	Deal Type	Direct/ Sublet	Tenant	Address	Submarket
25,578	L	D	Federal Emergency Management Agency	500 Enterprise Drive	Hartford South
25,560	R	D	Whittlesey	280 Trumbull Street	Hartford CBD
25,000	R	D	Care Cloud	1095 Day Hill Road	Hartford North
24,132	R	D	Cantor Colburn, LLC	20 Church Street	Hartford CBD
17,487	L	D	Claggett, Sykes & Garza	76 Batterson Park Road	Hartford West

Source: CBRE Research, Q4 2024.. Lease (L), Renewal (R), Expansion (E), Renewal and Expansion (RE), Direct (D), Sublet (S).

FIGURE 2: Quarterly Net Absorption



Source: CBRE Research, Q4 2024

However, the CBD submarket saw four of the top five largest deals of the year for Hartford County. UConn and Fuss & O’Neill signed new leases totaling 76,000 sq. ft. and the City of Hartford and Pullman & Comely signed renewals for 65,000 sq. ft. at their respective locations.

Despite not having any of the top 10 annual deals in 2024, Hartford East led all suburban submarkets in leasing activity in the fourth quarter and 2024. Q4 Leasing totaled 39,000 sq. ft. which brought annual figures to 142,000 sq. ft. Glastonbury captured 60% of the new leases signed in the submarket. Annual activity for the submarket surpassed 2023 totals by 73%.

Hartford South notched 32,000 sq. ft. of activity in Q4—12% ahead of the previous quarter. The uptick in activity was largely due to FEMA’s 26,000 sq. ft. lease at 500 Enterprise Drive in Rocky Hill—the largest deal of the quarter and third largest new lease of the year.

Current active requirements for office tenants throughout the county total 70 tenants searching for 927,000 sq. ft. of space. 37% of that sq. ft. is focused on finding space in the Hartford CBD.

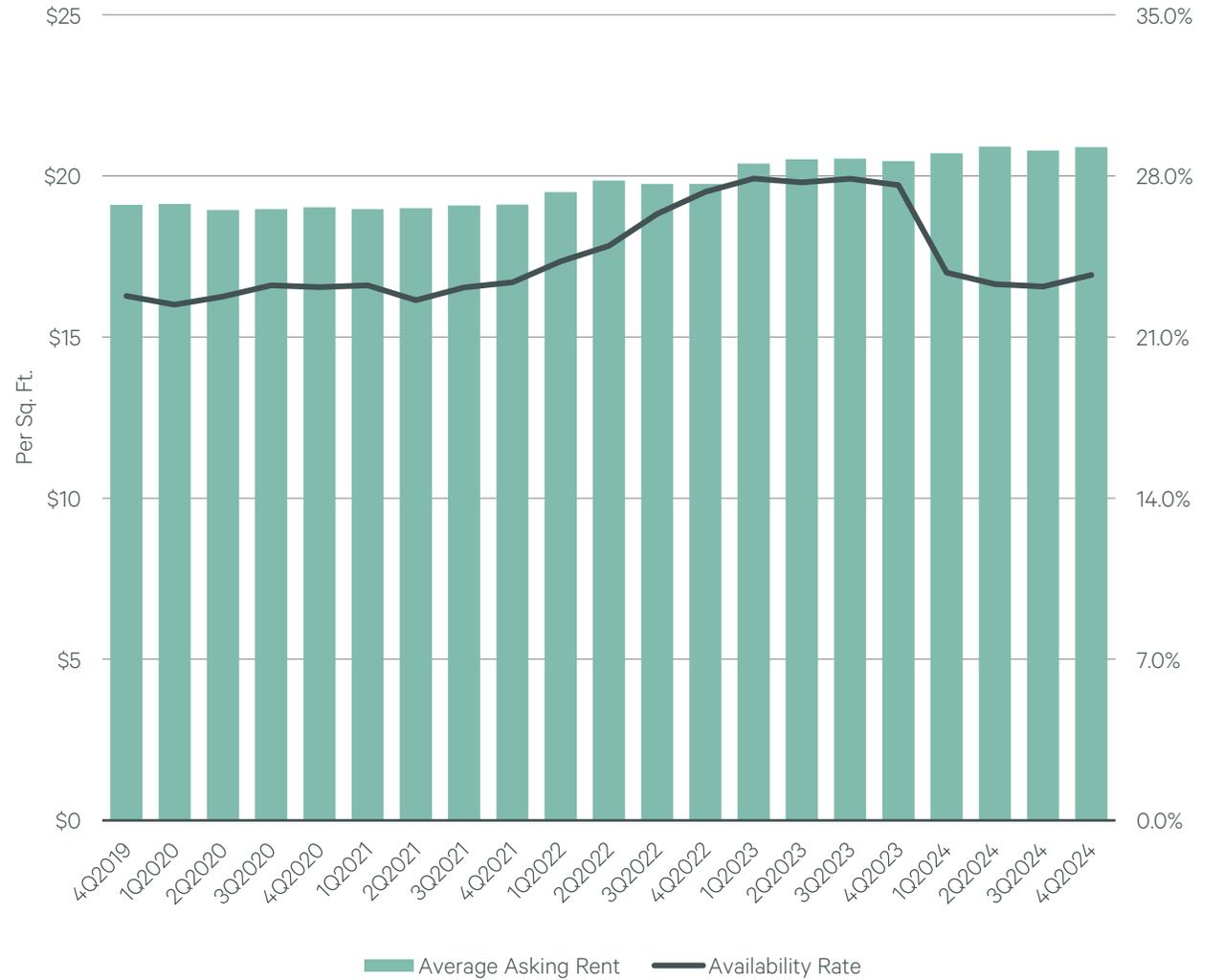
### Net Absorption and Availability

Hartford’s quarterly net absorption totaled negative 137,000 sq. ft., driven by the 3-floor addition at 5 Batterson Park in Farmington. Subsequently, Hartford County’s availability rate rose 50 bps to 23.7%. Hartford County’s annual absorption skewed to negative 34,000 sq. ft.

Three of the five largest space additions in 2024 took place in the Hartford West submarket. The submarket saw negative 97,000 sq. ft. of absorption in Q4 which brought annual absorption to negative 346,000 sq. ft. This brought the availability rate up 180 bps quarter-over-quarter, and 590 bps year-over-year to a record high 23.9%.

Hartford CBD also saw low absorption totals in Q4 with negative 82,000 sq. ft. which pushed availability up 90 bps to 22.6% quarter-over-quarter.

FIGURE 3: Availability vs. Average Asking Rent



Source: CBRE Research, Q4 2024.

The lack of leasing activity in Q4 skewed annual absorption to negative 12,000 sq. ft. One of the major spaces added in Q4 was Sunlife Financials' 23,000 sq. ft. sublease located at 755 Main Street downtown.

Hartford North tacked on 13,000 sq. ft. of positive absorption in Q4, which brought annual absorption further into positive territory at 304,000 sq. ft. Inventory adjustments and removals of non-office space along Day Hill Road in Windsor and 90 Phoenix Avenue in Enfield were large contributors to the positive absorption during the year. Current availability stands at 52.7%— the lowest rate seen since December 2022.

## Office Average Asking Rent

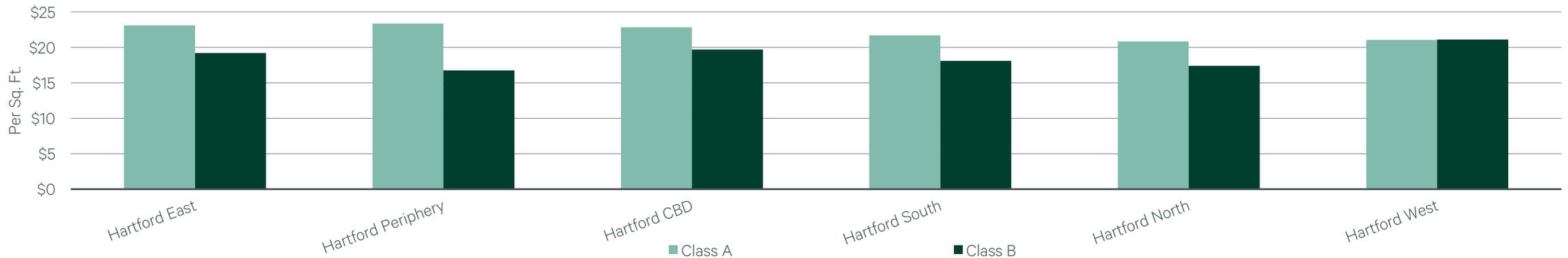
Average asking rent was \$20.89 per sq. ft. —flat quarter-over-quarter but increased 2% year-over-year as spaces priced above market average came available.

Each submarket saw asking rent remain stable quarter-over-quarter. However, Hartford saw significant year-over-year change. Hartford Periphery's average asking rent jumped 16% year-over-year due to above-average priced space being listed at 10 Columbus Boulevard and 21 Oak Street. Hartford CBD saw an annual 5% jump in asking rent with full floors of space coming available at 755 Main Street and 90 State House Square. Both submarkets overall asking rents stand at \$18.77 per sq. ft. and \$22.49 per sq. ft. respectively.

Hartford West saw a 5% drop in asking rent year-over-year to \$21.06 per sq. ft. The driving factor in the decrease was two full buildings coming available at 175 Scott Swamp Road bringing 165,000 sq. ft. of space priced below the market average.

*\*The Hartford office market's inventory and availability figures have changed substantially due to a shift in the number and type of buildings that are being tracked as statistical inventory. The updated statistical building set aligns with the rest of CBRE's Tri-State markets and provides a more relevant view of the Hartford office market, tracking Class A and Class B office buildings that total 20,000 sq. ft. or larger, and that are not owned and occupied by a government or medical institution.\**

FIGURE 4: Average Asking Rent | Class A vs. Class B



Source: CBRE Research, Q4 2024.

FIGURE 5: Q4 2024 | Market Statistics

Submarket50	Buildings	Market Rentable Area (MSF)	Availability Rate (%)	Vacancy Rate (%)	Sublease Availability Rate (%)	Net Absorption YTD (SF)	Average Asking Rent (\$/SF/Year)
<b>Hartford CBD</b>	38	2.20	22.6%	21.3%	1.7%	(12,475)	\$22.49
Class A	18	2.02	27.5%	25.9%	2.2%	(128,164)	\$22.81
<b>Hartford Periphery</b>	24	0.12	4.1%	4.1%	-	29,041	\$18.77
Class A	3	0.03	1.7%	1.7%	-	(29,498)	\$23.35
<b>Hartford North</b>	49	2.36	52.7%	52.7%	3.5%	304,722	\$20.05
Class A	18	1.77	67.0%	67.0%	4.8%	373,240	\$20.83
<b>Hartford East</b>	51	0.53	13.1%	13.1%	1.6%	(32,040)	\$20.84
Class A	15	0.21	16.1%	16.1%	2.8%	110,588	\$23.09
<b>Hartford South</b>	61	0.69	17.9%	17.3%	1.1%	22,872	\$19.58
Class A	14	0.27	15.7%	15.7%	1.1%	88,973	\$21.69
<b>Hartford West</b>	97	1.29	23.9%	23.7%	3.5%	(345,633)	\$21.06
Class A	30	0.68	26.9%	26.5%	6.7%	63,652	\$21.03
<b>HARTFORD OVERALL</b>	<b>320</b>	<b>7.19</b>	<b>23.7%</b>	<b>23.2%</b>	<b>2.0%</b>	<b>(33,513)</b>	<b>\$20.89</b>

Source: CBRE Research, Q4 2024.

## Market Area Overview

### 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.

**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.

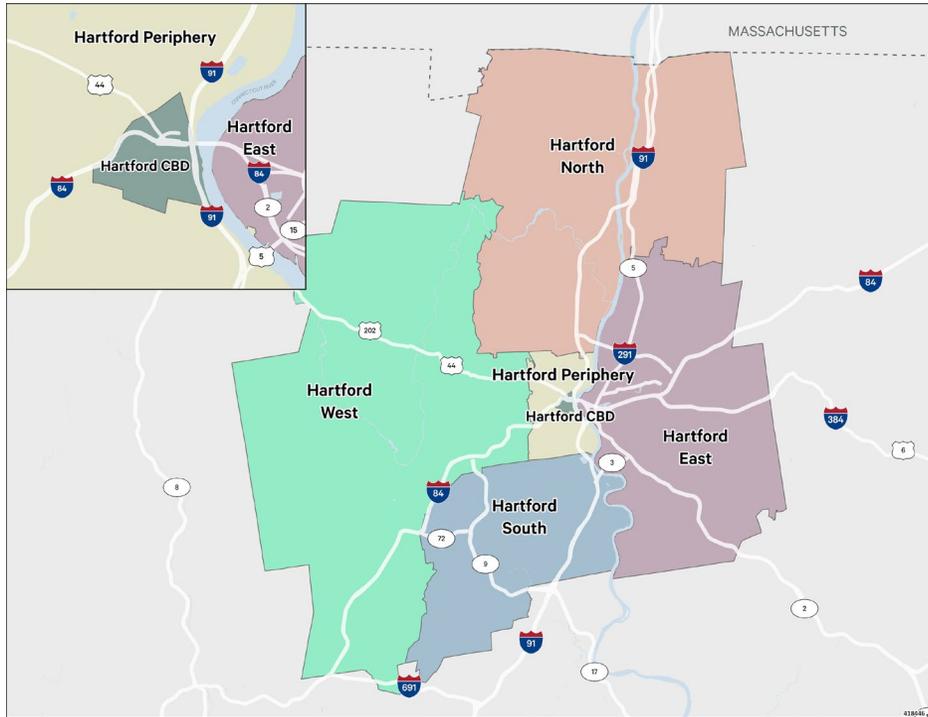
**Net Absorption:** The change in the amount of committed sq. ft. within a specified period of time, as measured by the change in available sq. ft.

**Vacancy:** Unoccupied space available for lease.

### Survey Criteria

CBRE's market report analyzes Hartford's Class A and B office buildings that are conventionally modernized, and not owned and occupied by a government or medical institution. 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.

Market Area Overview



Submarket	Total Stock (MSF)
Hartford CBD	9.77
Hartford Periphery	2.86
Hartford North	4.48
Hartford East	4.04
Hartford South	3.83
Hartford West	5.42
<b>HARTFORD OVERALL</b>	<b>30.40</b>

Contact

Nicole LaRusso

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

Michael Slattery

Tri-State Research Director  
 +1 212 656 0583  
[Michael.Slattery@cbre.com](mailto:Michael.Slattery@cbre.com)

James Smith

Research Data Analyst  
 +1 203 352 8930  
[James.Smith3@cbre.com](mailto:James.Smith3@cbre.com)