

FIGURES | HARTFORD OFFICE | Q3 2026

Two strong quarters lift year-to-date leasing ahead of 2025



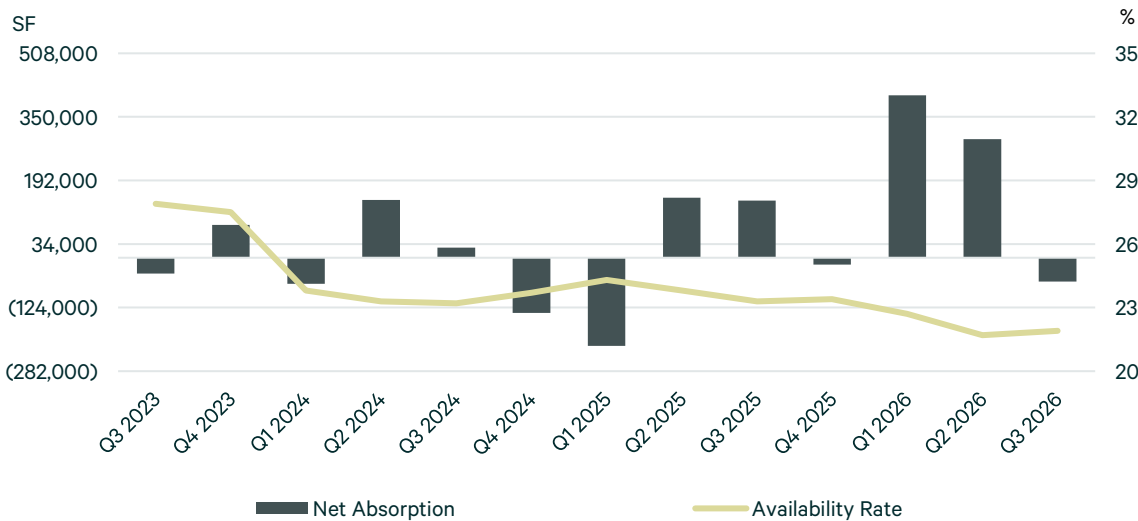
Note: Arrows indicate change from previous quarter.

Market Overview

Hartford County office demand remained robust for the second consecutive quarter. Q3 2026's 280,000 sq. ft. outpaced the three-year quarterly average by 40% and was up 3% from the prior quarter's strong leasing total. Despite robust leasing activity, net absorption was negative 59,000 sq. ft. in Q3, nudging the availability rate up 20 basis points (bps) from the prior quarter to 21.9%. The two strong quarters of leasing did not yield any significant movement in asking rents, which remained stable at \$21.52 per sq. ft. in Q3.

The CBD saw the strongest movements during Q3, the only submarket with positive absorption, which dropped availability 90 bps from the prior quarter. The submarket accounted for 33% of the quarter's leasing activity and surpassed its three-year leasing average by more than double. This is a reversal from Q2, when non-CBD markets showed more activity and a contraction of supply.

Figure 1: Historical Net Absorption and Availability



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Economic Overview

Notable challenges persist, from elevated energy costs and interest rates to lingering geopolitical and technological uncertainties. Despite these concerns, the U.S. economy remains on track to grow by over 2% during 2026, supported by impressive AI-driven business investment. Also, a generally stable labor market continues to underpin consumer activity, providing a cushion against other risks.

The final months of 2026 could prove pivotal. While economic growth supports healthy CRE occupier market fundamentals, the investment side of the market must contend with 5% Treasury yields. Signals from the Federal Reserve, inflation data, and global fixed-income markets suggest rates will remain elevated for the foreseeable future. A key upside catalyst would be a de-escalation in the U.S./Iran conflict, which could ease inflation and provide the Fed with more flexibility.

Leasing Activity

Leasing activity in the market remained above-average with 280,000 sq. ft. in Q3 2026, increasing 3% from the strong performance seen in Q2. Q3’s leasing total outpaced the three-year average by 40% and brought year-to-date leasing to 659,000 sq. ft., a 2% improvement from the same period in 2025. Leasing in Class A assets made up nearly 70% of new leasing during Q3, which is a slight uptick from the 66% share seen year-to-date in 2026 and a 62% share over the past twelve quarters.

Outside of new leasing, renewals, which are counted separately from new leasing, were also prevalent in Q3 totaling 105,000 sq. ft. This is the second consecutive quarter of more than 100,000 sq. ft. of renewals. Three of the five largest deals were renewals, which is a common theme across many U.S. office markets as tenants aim to avoid large capital expenses associated with relocations.

Submarket-level activity during the quarter was concentrated in the CBD and Hartford North, with the CBD recording 95,000 sq. ft. mostly driven by Shipman & Goodwin’s 70,000 sq. ft. new lease at 755 Main Street. Hartford North tallied 147,000 sq. ft. with a string of smaller leases, the largest being CliftonLarsonAllen’s 20,000 sq. ft. lease at 1300 Hall Boulevard. Leasing in Hartford West was 17,000 sq. ft., Hartford East at 13,000 sq. ft., Hartford South at 9,000 sq. ft., and no space was leased in Periphery Downtown during the quarter.

Figure 2: Leasing Activity Trend

Class A



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Figure 3: Key Lease Transactions

Tenant	Size (Sq. Ft.)	Deal Type	Direct/ Sublet	Address	Submarket.
Shipman & Goodwin	70,000	L	D	755 Main Street	CBD
AFLAC	32,000	R	D	1 Griffin Rd N	Hartford North
OneDigital	21,000	RE	D	195 Scott Swamp Road	Hartford West
CliftonLarsonAllen	20,000	L	D	1300 Hall Boulevard	Hartford North
Vertafore	14,000	R	D	5 Waterside Crossing	Hartford North

Source: CBRE Research, Q2 2026. Lease (L), Renewal (R), Expansion (E), Renewal and Expansion (RE), Direct (D), Sublet (S).

Availability Rate & Net Absorption

For the first time in 2026, quarterly absorption was negative. The 59,000 sq. ft. of negative absorption led to a 20 bps quarterly increase in the availability rate to 21.9%. Despite the quarter adding supply, year-to-date absorption is still positive 639,000 sq. ft., keeping the availability rate 140 bps lower than a year ago.

The split by property class explains the quarter’s movement. Class A absorbed 67,000 sq. ft., and its availability rate fell 40 bps to 24.8%. Class B returned 127,000 sq. ft. to the market, lifting its availability rate 120 bps to 17.1%.

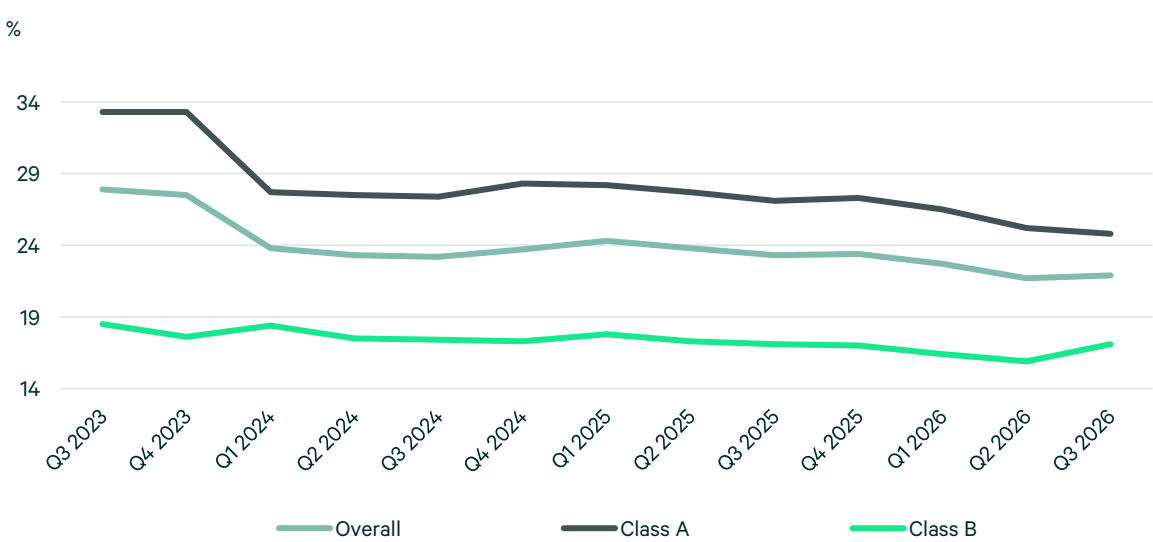
The CBD was the only submarket with positive absorption in Q3, at 88,000 sq. ft. (197,000 sq. ft. year-to-date), and its availability rate fell 90 bps from the prior quarter to 22.3%. Hartford West saw the lowest amount of absorption at negative 107,000 sq. ft., pushing its availability rate to 22.1%. Hartford North (negative 20,000 sq. ft.), Hartford East (negative 11,000 sq. ft.), Periphery Downtown (negative 7,000 sq. ft.) and Hartford South (negative 2,000 sq. ft.) all added supply in Q3, although Hartford West and Hartford North remain positive year-to-date at 41,000 sq. ft. and 360,000 sq. ft., respectively.

Asking Rent

Overall office asking rent in Q3 2026 was steady at \$21.52 per sq. ft., up nearly 2% from one year ago, while Class A space climbed 6% to \$22.31 per sq. ft., remaining priced above the broader market and at a 15% premium to the Class B average asking rent of \$19.46 per sq. ft.

Hartford’s office submarkets saw no meaningful quarterly change in asking rent in Q3. The CBD’s average asking rents are the highest in the county at \$22.97 per sq. ft.—8% higher than the next closest average asking rent of \$21.27 per sq. ft. in Hartford East. While the CBD has the highest overall average asking rent, Class A properties in Glastonbury and portions of West Hartford commonly achieve asking rents as high as \$26.77 per sq. ft. The CBD has been virtually unchanged for six consecutive quarters.

Figure 4: Availability Rates



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Figure 5: Average Asking Rate by Class



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Market Statistics by Class

Figure 7: Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Total Vacancy (%)	Avg. Asking Rate (\$/SF/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Quarterly Leasing (SF)	YTD Leasing (SF)
Class A	18.52	24.8%	22.1%	2.7%	24.5%	\$22.31	67,486	573,062	195,664	440,186
Class B	11.15	17.1%	16.9%	0.2%	16.4%	\$19.46	(126,893)	65,873	84,361	218,979
Total	29.67	21.9%	20.1%	1.8%	21.5%	\$21.52	(59,407)	638,935	280,025	659,165

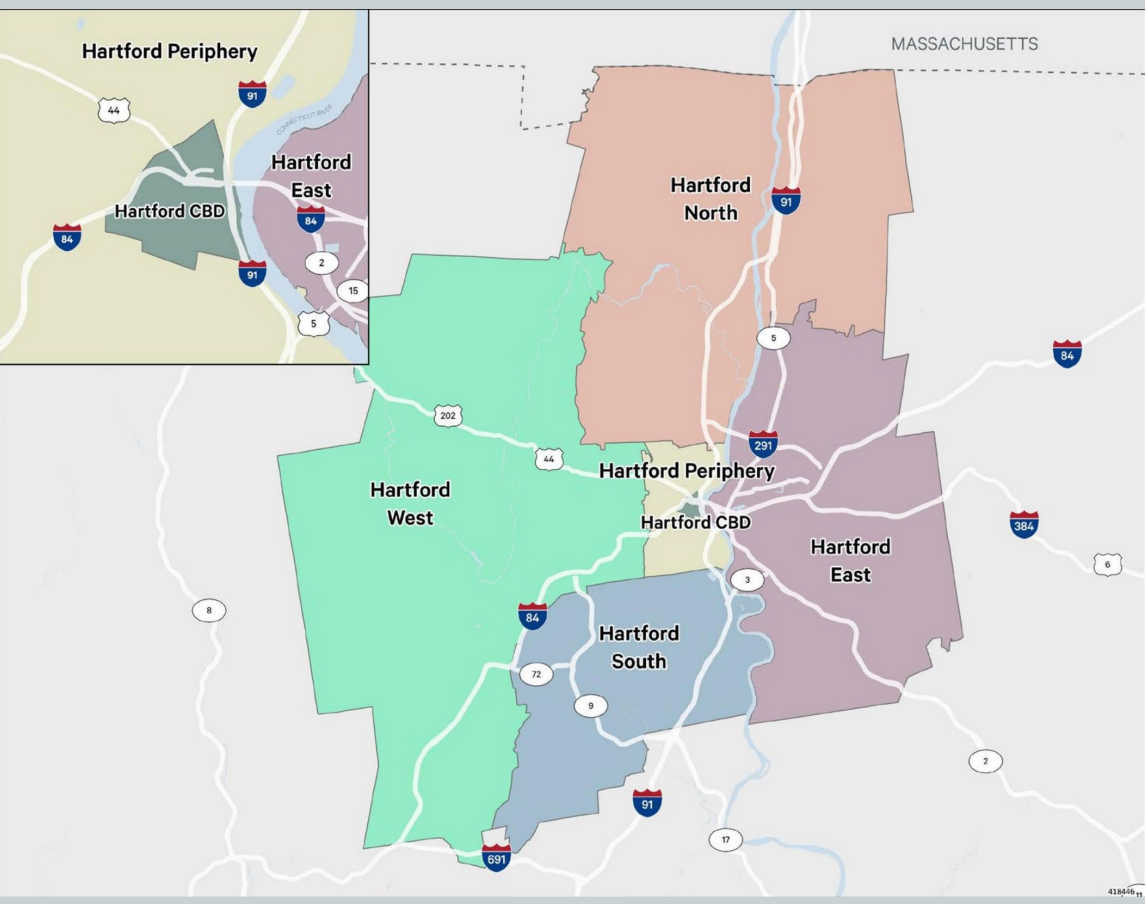
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Figure 8: Market Statistics by Submarket

Submarket	Net Rentable Area (MSF)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Total Vacancy (%)	Avg. Asking Rate (\$/SF/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Quarterly Leasing (SF)	YTD Leasing (SF)
CBD	9.81	22.3%	20.7%	1.6%	22.3%	\$22.97	87,632	197,117	94,068	182,961
Hartford East	3.66	12.9%	11.8%	1.1%	11.9%	\$21.27	(10,812)	68,886	12,914	106,996
Hartford North	4.71	41.5%	38.9%	2.6%	41.2%	\$20.78	(20,358)	360,050	147,386	178,553
Hartford South	3.31	16.3%	14.9%	1.4%	15.4%	\$20.16	(1,640)	2,383	9,010	41,837
Hartford West	5.59	22.1%	19.2%	2.9%	21.3%	\$20.74	(107,029)	40,053	16,647	148,818
Periphery Downtown	2.60	4.4%	4.4%	-	4.3%	\$20.32	(7,200)	(29,554)	-	-
Total	29.67	21.9%	20.1%	1.8%	21.5%	\$21.52	(59,407)	638,935	280,025	659,165

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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.

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