





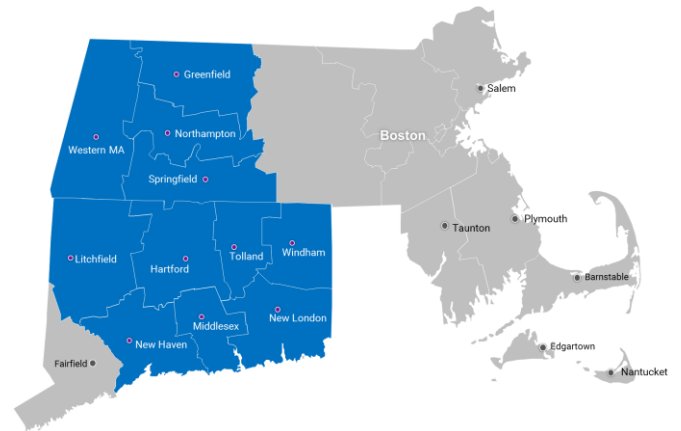
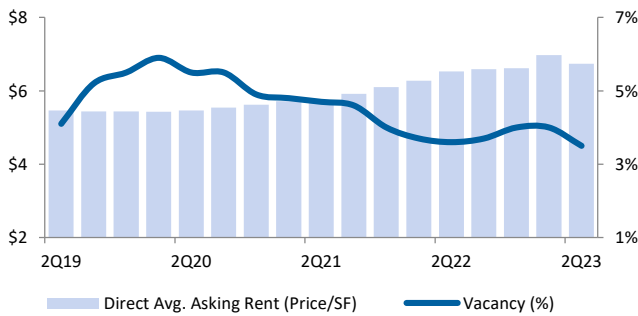
# CT/Western Mass. Region

## Industrial Report

Market Summary				
	ALL MARKETS	GREATER HARTFORD	NEW HAVEN	WESTERN MASS.
Total Inventory:	 172.5 MSF (1,541 bldgs.)	 95.0 MSF (843 bldgs.)	 40.8 MSF (403 bldgs.)	 36.7 MSF (295 bldgs.)
% Of Total Inventory:		54.8% of Total Inv.	23.7% of Total Inv.	21.5% of Total Inv.
Vacancy Rate:	3.8%	3.3%	4.3%	4.5%
Direct Asking Rent:	\$6.74/SF	\$6.31/SF	\$9.15/SF	\$7.66/SF
Net Absorption:				
Q2 2023	1,313,608 SF	1,173,520 SF	65,550 SF	74,538 SF
H1 2023	1,609,327 SF	1,217,006 SF	138,150 SF	254,171 SF

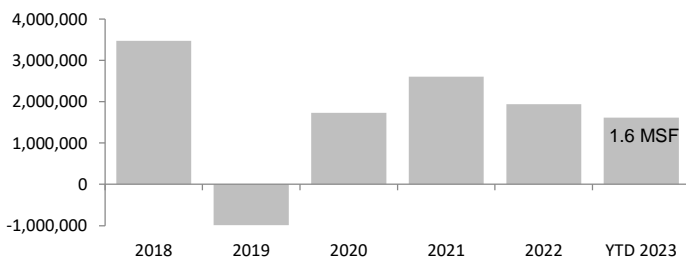
12-Month Forecast	
Vacancy	↔
Net Absorption	↑
Asking Rates	↑
# of Leases	↔
Leased SF	↑
Sold SF	↔
Sales \$ PSF	↑
# of Sales	↔

### Direct AVG. Asking Rents vs. Vacancy Rates (%)



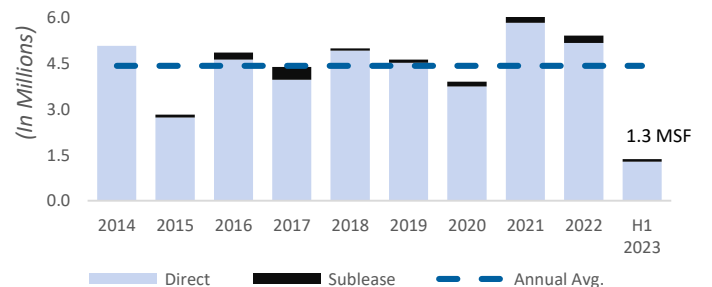
### Net Absorption

SQUARE FEET, MILLIONS



### Yearly Leasing Activity

BREAKDOWN BY TYPE



## Market Highlights

The Connecticut and Western Massachusetts industrial market, which includes all modern facilities greater than 20,000 square feet (SF), comprises an inventory of 172.5 million SF spread over 1,541 buildings. Most of the inventory in the region is concentrated in Greater Hartford, with a total of 95.0 million SF in 843 buildings, or 54.8% of the region's total inventory. Greater Hartford also absorbed 1.2 million SF in the first half of 2023.

Industrial vacancies at the end of Q2 2023 totaled nearly 6.6 million SF, or 3.8%, a decrease from the 4.3% rate recorded at the end of 2022. Vacancy rates in Greater Hartford, which ended at 3.3%, were the lowest in the region. High net absorption levels, primarily due to new construction in Greater Hartford combined with historic low vacancy rates, continued to drive unprecedented positive industrial market conditions. Despite continued end user demand and market activity, inflationary metrics and debt market uncertainty have created possible industrial sector concerns about a slowdown in the foreseeable future.

Current highlights and regional market trends, similar to those being observed nationally and likely to continue throughout the remainder of 2023, are listed below:

- Demand for industrial space remains strong
- Inflationary pressures accelerating price growth appear to be stabilizing.
- Commodity shortages and supply chains remain challenged for some materials and products
- Consumer demand remains high
- Dwindling properly zoned land for new development opportunities
- Community and regulatory barriers
- Tight labor availability and pandemic disruption rebounding effects

Big box distribution development and activity continues to be a market headline. National Development closed on the 280-acre Rentschler Field site in East Hartford in late 2022, and construction is proceeding on the two committed major build to suits for this site; the 1.2 million SF Wayfair distribution facility and the 1.2 million SF Lowes distribution center. Construction on Target's 530,000-SF freezer facility in Windsor is continuing, and ground has broken at 425 Day Hill Road in Windsor, a 170,300-SF flex logistics facility. Finally, NorthPoint has obtained approvals for a 522,000-SF cross dock facility in Bloomfield, and plans are underway to break ground on this project speculatively. Furthermore, Blueprint Robotics has received approvals to build a 460,000 SF automated building products manufacturing facility in Windsor.

Several other developers are pursuing permits elsewhere in the market, however none of these other projects are slated for spec construction at this time. National recessionary concerns, despite the robust absorption numbers and low vacancy rates, have caused developers to hit the caution button about building on spec in the coming months. Nonetheless, there are roughly 20 logistics projects that are developer-permitted or in various stages of permitting at just under 10.0 million SF. Although the larger projects are concentrated north and east of Hartford along I-91 and I-84, developer and end-user demand are creating new opportunities south and west of Hartford as well.

Regulatory permitting pressures remain a meaningful factor for big box development, adding to the upward pricing pressures and lower vacancy rates. Over the past year, 6 proposed warehouse/distribution projects totaling more than 4.0 million SF have been rejected in Connecticut, and several applications have been pulled before formal planning board decisions were rendered.

This raised permitting bar also includes a few approved projects being appealed; along with enacting additional big box permitting requirements in some communities.

The direct average asking rent for the region ended Q2 2023 at \$6.74/SF, 3.2% higher than the \$6.53/SF rate recorded a year ago. New Haven's rental rates remain the highest, at \$9.15/SF.

### Top Mid-Year 2023 Lease Transactions

Tenant	Building	SF	Type
Yankee Candle	142 Elm St, Hatfield, MA	356,289	New
UFP Industries	301 Griffith Rd, Chicopee, MA	152,289	New
Fullstack Modular	30 Edmund St, Hamden, CT	100,000	New
Woodgrain	353-407 Alumni Rd, Newington, CT	71,000	New
LaserShip	1020 Research Pky, Meriden, CT	43,200	New
MMC USA	7 Bradley Park Rd, East Granby, CT	40,000	New

### Top Mid-Year 2023 Sale Transactions

Building	Market	SF Sold	Price	Price/SF
181 W Johnson Ave	Cheshire, CT	527,000	\$39.0 M	\$74
30 Forbes Rd	Dayville, CT	460,000	\$48.1 M	\$105
475 Knotter Dr	Cheshire, CT	356,612	\$25.3 M	\$71
301 Griffith Rd	Chicopee, MA	152,380	\$8.5 M	\$78
28 Gaylord St	South Hadley, MA	134,652	\$7.3 M	\$54
94 & 100 Highland Ave	Putnam, CT	65,591	\$5.8 M	\$89

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