

COMMERCIAL REAL ESTATE REPORT Q4 2023

Bridgeport-Stamford-Norwalk, CT Metro Area

Select a Metro Area
Bridgeport-Stamford-Norwalk, CT ...

Demographics and Economy

Demographics

0.4%	33.4%	0.8%	Net Migration in Connecticut
population growth (2022)	share of renters (2022)	renter household formation (2022)	6,248 (2023)
U.S.: 0.4%	U.S.: 34.8%	U.S.: 2.4%	5,481 (2022)

Economy

7.4%	5,300	1.3%	0.8%
GDP growth (2022)	12-month job creation (December 2023)	1-year job growth (December 2023)	1-year wage growth (December 2023)
U.S.: 9.1%		U.S.: 1.7%	U.S.: 3.8%
\$67,110	3.8%	19.3%	International Migration in Connecticut
Average wage per year (December 2023)	unemployment rate (November 2023)	share of workers teleworking (2022)	15,264 (2023)
U.S.: \$61,120	U.S.: 3.7%	U.S.: 17.9%	15,562 (2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **weaker than nationwide** as this area has a slower absorption of office space. Despite weak conditions, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2023 Q4	-268,983	-1,086,889	1.0%	\$34	14.4%
2022 Q4	-160,085	204,258	5.1%	\$34	13.4%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2023 Q4	67,417,836	0	-450,967	\$20.67M	8.8%
2022 Q4	67,868,803	0	164,585	\$146.62M	8.3%

2. Multifamily

Demand for multifamily space is **stronger than nationwide** as this area has a faster absorption of multifamily space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2023 Q4	140	1,337	1.9%	\$2,593	\$2,571	5.7%
2022 Q4	167	400	4.6%	\$2,545	\$2,525	6.4%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo		Market Cap Rate	
2023 Q4	38,095	34	1,153		5.8%	
2022 Q4	36,942	506	1,053		5.2%	

3. Retail

Demand for retail space is **weaker than nationwide** as this area has a slower absorption of retail space. As a result, rents rose slower than nationwide and vacancy rate is higher in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	-12,013	-384,774	2.8%	\$32	4.2%
2022 Q4	118,775	552,835	2.8%	\$31	3.2%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
2023 Q4	53,253,509	6.4%	\$61.72M	\$319	
2022 Q4	53,107,940	6.4%	\$182.21M	\$115	

4. Industrial

Demand for industrial space is **weaker than nationwide** as this area has a slower absorption of industrial space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	-280,688	-188,373	5.8%	\$14	4.9%
2022 Q4	362,004	1,212,308	8.8%	\$13	4.2%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2023 Q4	63,925,421	0	246,100	8.6%	\$17.93M
2022 Q4	63,679,321	0	102,755	7.9%	\$13.70M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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COMMERCIAL REAL ESTATE REPORT Q4 2023

Hartford-East Hartford-Middletown, CT Metro Area

Select a Metro Area
Hartford-East Hartford-Middletown

Demographics and Economy

Demographics

0.8%	33.5%	5.6%	Net Migration in Connecticut
population growth (2022)	share of renters (2022)	renter household formation (2022)	6,248 (2023)
U.S.: 0.4%	U.S.: 34.8%	U.S.: 2.4%	5,481 (2022)

Economy

8.3%	900	0.2%	3.6%
GDP growth (2022)	12-month job creation (December 2023)	1-year job growth (December 2023)	1-year wage growth (December 2023)
U.S.: 9.1%		U.S.: 1.7%	U.S.: 3.8%
\$66,610	3.5%	16.6%	International Migration in Connecticut
Average wage per year (December 2023)	unemployment rate (November 2023)	share of workers teleworking (2022)	15,264 (2023)
U.S.: \$61,120	U.S.: 3.7%	U.S.: 17.9%	15,562 (2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **weaker than nationwide** as this area has a slower absorption of office space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2023 Q4	-643,597	-1,292,743	0.7%	\$20	11.3%
2022 Q4	58,880	-751,407	2.6%	\$20	9.4%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2023 Q4	71,266,869	26,037	29,206	\$7.58M	11.2%
2022 Q4	71,237,663	-80,000	-187,243	\$20.47M	10.5%

2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. Despite weaker conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2023 Q4	-26	738	4.1%	\$1,579	\$1,570	4.4%
2022 Q4	163	255	5.4%	\$1,518	\$1,510	4.3%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
2023 Q4	66,938	38	784	6.9%		
2022 Q4	66,154	233	665	6.4%		

3. Retail

Demand for retail space is **weaker than nationwide** as this area has a slower absorption of retail space. Despite weaker conditions, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	117,880	71,748	3.7%	\$18	4.2%
2022 Q4	56,753	414,107	3.1%	\$17	4.1%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
2023 Q4	79,832,076	7.7%	\$51.97M	\$96	
2022 Q4	79,705,912	7.7%	\$153.40M	\$194	

4. Industrial

Demand for industrial space is **weaker than nationwide** as this area has a slower absorption of industrial space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	-486,173	134,231	5.8%	\$9	4.5%
2022 Q4	1,045,006	2,915,800	8.9%	\$8	4.1%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2023 Q4	140,843,644	0	668,125	8.3%	\$20.02M
2022 Q4	140,175,519	976,529	1,946,969	7.6%	\$188.49M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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COMMERCIAL REAL ESTATE REPORT Q4 2023

New Haven-Milford, CT Metro Area

Select a Metro Area
New Haven-Milford, CT Metro Area

Demographics and Economy

Demographics

0.7%	38.6%	-0.4%	Net Migration in Connecticut
population growth (2022)	share of renters (2022)	renter household formation (2022)	6,248 (2023)
U.S.: 0.4%	U.S.: 34.8%	U.S.: 2.4%	5,481 (2022)

Economy

7.1%	6,700	2.2%	3.7%
GDP growth (2022)	12-month job creation (December 2023)	1-year job growth (December 2023)	1-year wage growth (December 2023)
U.S.: 9.1%		U.S.: 1.7%	U.S.: 3.8%
\$59,670	3.3%	13.2%	International Migration in Connecticut
Average wage per year (December 2023)	unemployment rate (November 2023)	share of workers teleworking (2022)	15,264 (2023)
U.S.: \$61,120	U.S.: 3.7%	U.S.: 17.9%	15,562 (2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **weaker than nationwide** as this area has a slower absorption of office space. Despite weak conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2023 Q4	40,294	-326,270	1.6%	\$23	8.1%
2022 Q4	117,872	-67,763	5.4%	\$23	7.3%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2023 Q4	37,233,782	0	-26,032	\$161.05M	9.8%
2022 Q4	37,259,814	3,420	-125,361	\$29.58M	9.6%

2. Multifamily

Demand for multifamily space is **stronger than nationwide** as this area has a faster absorption of multifamily space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2023 Q4	174	985	3.4%	\$1,728	\$1,715	4.3%
2022 Q4	141	519	4.0%	\$1,672	\$1,658	5.5%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
2023 Q4	38,207	264	538	6.7%		
2022 Q4	37,669	266	1,635	6.1%		

3. Retail

Demand for retail space is **weaker than nationwide** as this area has a slower absorption of retail space. As a result, rents rose slower than nationwide and vacancy rate is higher in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	741,123	43,056	3.2%	\$18	5.2%
2022 Q4	-44,450	-204,796	2.4%	\$17	5.1%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
2023 Q4	56,682,875	7.3%	\$13.19M	\$134	
2022 Q4	56,570,477	7.2%	\$54.69M	\$186	

4. Industrial

Demand for industrial space is **weaker than nationwide** as this area has a slower absorption of industrial space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	-225,027	-643,290	5.8%	\$9	4.7%
2022 Q4	257,925	563,932	9.1%	\$9	3.8%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2023 Q4	83,712,054	0	165,845	9.9%	\$20.87M
2022 Q4	83,546,209	0	135,440	9.0%	\$21.18M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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COMMERCIAL REAL ESTATE REPORT Q4 2023

Norwich-New London, CT Metro Area

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Norwich-New London, CT Metro Ar...

Demographics and Economy

Demographics

0.4%	31.7%	-2.2%	Net Migration in Connecticut
population growth (2022)	share of renters (2022)	renter household formation (2022)	6,248 (2023)
U.S.: 0.4%	U.S.: 34.8%	U.S.: 2.4%	5,481 (2022)

Economy

8.9%	3,300	2.7%	7.5%
GDP growth (2022)	12-month job creation (December 2023)	1-year job growth (December 2023)	1-year wage growth (December 2023)
U.S.: 9.1%		U.S.: 1.7%	U.S.: 3.8%
\$54,550	3.3%	12.9%	International Migration in Connecticut
Average wage per year (December 2023)	unemployment rate (November 2023)	share of workers teleworking (2022)	15,264 (2023)
U.S.: \$61,120	U.S.: 3.7%	U.S.: 17.9%	15,562 (2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **stronger than nationwide** as this area has a faster absorption of office space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2023 Q4	-4,905	-28,772	0.9%	\$22	7.6%
2022 Q4	79,897	77,742	3.9%	\$22	7.3%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2023 Q4	8,513,073	0	0	\$1.16M	9.9%
2022 Q4	8,513,073	62,300	127,751	\$5.20M	9.4%

2. Multifamily

Demand for multifamily space is **stronger than nationwide** as this area has a faster absorption of multifamily space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2023 Q4	82	304	7.4%	\$1,601	\$1,596	2.9%
2022 Q4	-66	-81	8.3%	\$1,491	\$1,481	3.4%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
2023 Q4	10,945	42	255	6.6%		
2022 Q4	10,690	0	0	6.2%		

3. Retail

Demand for retail space is **weaker than nationwide** as this area has a slower absorption of retail space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	-50,896	45,155	2.9%	\$15	2.7%
2022 Q4	-19,299	33,692	2.9%	\$15	2.8%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
2023 Q4	19,862,202	7.6%	\$6.40M	\$33	
2022 Q4	19,838,462	7.6%	\$7.86M	\$83	

4. Industrial

Demand for industrial space is **stronger than nationwide** as this area has a faster absorption of industrial space. Despite strong conditions, rent prices rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	52,095	345,152	4.9%	\$9	3.5%
2022 Q4	10,234	196,687	8.6%	\$9	4.2%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2023 Q4	21,552,578	0	200,000	8.5%	\$0.48M
2022 Q4	21,352,578	0	0	7.9%	\$2.00M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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