The Hartford-West Hartford-East Hartford, CT commercial real estate market is weaker compared to the overall U.S. market.

**NAR Commercial Real Estate Market Conditions Index** - 31.8

**Overall economic conditions are weaker than nationally.**

- The apartment property market is weaker than nationally.
- The office property market is about the same than nationally.
- The retail property market is weaker than nationally.
- The hotel/lodging property market is weaker than nationally.

The commercial real estate market is slowly getting back on track although the rise of Delta variant cases is casting a shadow on the path of the recovery. The multifamily, industrial, and retail property markets will continue to recover more quickly than the office property market where vacancy rates will likely remain elevated in 2021-2022 compared to the pre-pandemic level.

### I. Economic and Demographic

#### Hartford-West Hartford-East Hartford, CT

<table>
<thead>
<tr>
<th>Economic</th>
<th>2021 Q2</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
<th>2021 Q2</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total non-farm employment (‘000)</td>
<td>551</td>
<td>549</td>
<td>525</td>
<td>246,603</td>
<td>143,315</td>
<td>138,501</td>
</tr>
<tr>
<td>Y/Y chg. in nonfarm payroll employment (‘000)</td>
<td>26</td>
<td>(37)</td>
<td>(64)</td>
<td>8,102</td>
<td>(6,637)</td>
<td>(13,215)</td>
</tr>
<tr>
<td>Y/Y % chg. in nonfarm payroll employment</td>
<td>5.0%</td>
<td>-6.4%</td>
<td>-10.9%</td>
<td>5.8%</td>
<td>-4.4%</td>
<td>-8.7%</td>
</tr>
<tr>
<td>Unemployment rate (%)</td>
<td>7.0%</td>
<td>8.1%</td>
<td>11.1%</td>
<td>6.0%</td>
<td>5.9%</td>
<td>6.8%</td>
</tr>
<tr>
<td>Average weekly wages</td>
<td>$1,195</td>
<td>$1,198</td>
<td>$1,217</td>
<td>$1,059</td>
<td>$1,046</td>
<td>$1,016</td>
</tr>
<tr>
<td>Wage growth, year-over-year</td>
<td>-1.8%</td>
<td>-0.2%</td>
<td>3.6%</td>
<td>4.3%</td>
<td>6.7%</td>
<td>5.6%</td>
</tr>
<tr>
<td>(data are as of last month of the quarter)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>2018</td>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GDP growth (%)</td>
<td>0.8%</td>
<td>0.2%</td>
<td>1.6%</td>
<td>2.3%</td>
<td>2.9%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Median household income</td>
<td>$77,005</td>
<td>$54,535</td>
<td>$40,646</td>
<td>$87,470</td>
<td>$84,423</td>
<td>$81,284</td>
</tr>
</tbody>
</table>

#### Demographic

| Net domestic migration (‘000) | (0.4)    | (0.4)    |
| Population (‘000)             | 1,201    | 1,205    |
| Population growth (%)         | -0.27%   | -0.16%   |
| Rent as a percent of 2-person annual wage income | 13.0%    | 12.6%    |

#### II. Multifamily

<table>
<thead>
<tr>
<th>Demand indicators</th>
<th>2021 Q2</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
<th>2021 Q2</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacancy rate</td>
<td>3.4%</td>
<td>4.0%</td>
<td>5.3%</td>
<td>4.2%</td>
<td>4.7%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Absorption of units over the quarter</td>
<td>388</td>
<td>205</td>
<td>683</td>
<td>226,871</td>
<td>169,053</td>
<td>78,306</td>
</tr>
<tr>
<td>Absorption of units in past 12 months</td>
<td>1,712</td>
<td>1,927</td>
<td>1,091</td>
<td>603,925</td>
<td>450,336</td>
<td>255,164</td>
</tr>
<tr>
<td>Market asking rent per unit</td>
<td>$1,136</td>
<td>$1,137</td>
<td>$1,278</td>
<td>$1,004</td>
<td>$978</td>
<td>$953</td>
</tr>
<tr>
<td>Market asking rent per unit, y/y % chg</td>
<td>6.1%</td>
<td>4.0%</td>
<td>1.1%</td>
<td>6.1%</td>
<td>3.9%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Effective rent per unit</td>
<td>$1,140</td>
<td>$1,247</td>
<td>$1,247</td>
<td>$1,000</td>
<td>$972</td>
<td>$949</td>
</tr>
<tr>
<td>Effective rent per unit, y/y % chg</td>
<td>6.5%</td>
<td>4.1%</td>
<td>1.6%</td>
<td>6.4%</td>
<td>3.7%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Rent as a percent of 2-person annual wage income</td>
<td>13.0%</td>
<td>12.6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### III. Office

<table>
<thead>
<tr>
<th>Demand indicators</th>
<th>2021 Q2</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
<th>2021 Q2</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacancy rate</td>
<td>9.3%</td>
<td>9.0%</td>
<td>8.8%</td>
<td>6.1%</td>
<td>9.0%</td>
<td>8.8%</td>
</tr>
<tr>
<td>Absorption in sq. ft. over the quarter</td>
<td>(176,578)</td>
<td>(249,173)</td>
<td>(210,517)</td>
<td>(9,309,111)</td>
<td>(51,131,309)</td>
<td>(13,966,267)</td>
</tr>
<tr>
<td>Absorption in sq. ft. over 12 months</td>
<td>(339,846)</td>
<td>(573,801)</td>
<td>(487,175)</td>
<td>(140,700,156)</td>
<td>(145,357,270)</td>
<td>(19,963,128)</td>
</tr>
<tr>
<td>Asking rent per sq. ft.</td>
<td>$19.6</td>
<td>$19.7</td>
<td>$19.9</td>
<td>$18.9</td>
<td>$18.9</td>
<td>$18.8</td>
</tr>
<tr>
<td>Asking rent growth, y/y % chg</td>
<td>-1.3%</td>
<td>-1.9%</td>
<td>-0.3%</td>
<td>0.3%</td>
<td>0.0%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Leasing activity in sq. ft.</td>
<td>264,357</td>
<td>211,440</td>
<td>267,876</td>
<td>100,568,800</td>
<td>81,175,252</td>
<td>81,278,145</td>
</tr>
<tr>
<td>Y/Y chg. in professional/business services jobs (‘000) (as of last month of the quarter)</td>
<td>2</td>
<td>(5)</td>
<td>(6)</td>
<td>1,260</td>
<td>(501)</td>
<td>(1,715)</td>
</tr>
</tbody>
</table>

### Supply indicators

<table>
<thead>
<tr>
<th>Supply indicators</th>
<th>2021 Q2</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
<th>2021 Q2</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory in sq. ft.</td>
<td>70,676,808</td>
<td>70,618,808</td>
<td>70,645,813</td>
<td>70,676,808</td>
<td>70,618,808</td>
<td>70,645,813</td>
</tr>
<tr>
<td>Net delivered over 12 months, in sq. ft.</td>
<td>124,456,676</td>
<td>333</td>
<td>12,415,786</td>
<td>12,402,381,226</td>
<td>12,364,751,288</td>
<td></td>
</tr>
<tr>
<td>Net delivered units, as % of inventory</td>
<td>10.9%</td>
<td>10.9%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under construction in sq. ft.</td>
<td>122,420</td>
<td>123,420</td>
<td>120,000</td>
<td>122,757,188</td>
<td>186,528,025</td>
<td>209,268,041</td>
</tr>
<tr>
<td>Under construction, as % of inventory</td>
<td>0.2%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Sales transactions

<table>
<thead>
<tr>
<th>Sales transactions</th>
<th>2021 Q2</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
<th>2021 Q2</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total investment acquisitions (in million $)</td>
<td>$18,058</td>
<td>$18,132</td>
<td>$15,580</td>
<td>$23,909,800</td>
<td>$21,181,700</td>
<td>$21,169,300</td>
</tr>
<tr>
<td>Transaction sale price per sq. ft.</td>
<td>$76</td>
<td>$96</td>
<td>$47</td>
<td>$108</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cap rate</td>
<td>9.0%</td>
<td>9.2%</td>
<td>9.2%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Job creation is weaker than nationally**

**Unemployment rate is higher than nationally**

**Wages are rising at a slower pace than nationally**

**Rents are rising faster than nationally**

**The rent to income ratio is higher than nationally**

**The area has a lower vacancy rate than nationally**

**The area has a faster pace of absorption than nationally**

**Rents growth is slower than nationally**

**Leasing volume is rising faster than nationally**

**The area has stronger office job creation than nationally**

**Relatively fewer units are being delivered than nationally**

**Construction activity is slower than nationally**

**Building permits are not rising as fast as nationally**

**Construction activity is slower than nationally**

**The area has a higher vacancy rate than nationally**

**The area has a higher pace of absorption than nationally**

**Prices are not rising as fast than nationally**

**Cap rates are higher than nationally**

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IV. Industrial

<table>
<thead>
<tr>
<th>Demand indicators</th>
<th>Hartford-West Hartford-East Hartford, CT</th>
<th>U.S.</th>
<th>2021 Q2</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
<th>2021 Q2</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacancy rate</td>
<td>5.4%</td>
<td>5.2%</td>
<td>6.0%</td>
<td>4.2%</td>
<td>5.2%</td>
<td>6.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Absorption in sq.ft. over the quarter</td>
<td>(244,537)</td>
<td>194,899</td>
<td>567,003</td>
<td>146,182,325</td>
<td>119,411,326</td>
<td>56,883,324</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Absorption in sq.ft. over 12 months</td>
<td>888,584</td>
<td>3,700,124</td>
<td>(1,064,900)</td>
<td>437,432,148</td>
<td>348,131,148</td>
<td>231,022,238</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asking rent per sq. ft.</td>
<td>$7.0</td>
<td>$6.9</td>
<td>$6.6</td>
<td>$6.5</td>
<td>$6.4</td>
<td>$6.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asking rent growth, y/y % chg.</td>
<td>6.2%</td>
<td>6.2%</td>
<td>4.8%</td>
<td>5.2%</td>
<td>6.2%</td>
<td>4.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leasing activity in sq.ft.</td>
<td>489,817</td>
<td>848,309</td>
<td>1,661,114</td>
<td>319,474,044</td>
<td>296,163,970</td>
<td>254,024,482</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Supply indicators

<table>
<thead>
<tr>
<th>Inventory in sq. ft.</th>
<th>132,767,292</th>
<th>132,644,172</th>
<th>132,659,029</th>
<th>26,553,663,022</th>
<th>26,461,805,496</th>
<th>26,166,021,757</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net delivered over 12 months, in sq.ft.</td>
<td>108,263</td>
<td>(14,857)</td>
<td>95,850</td>
<td>385,387,457</td>
<td>398,260,005</td>
<td>382,527,483</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net delivered units, as % of inventory</td>
<td>0.1%</td>
<td>0.0%</td>
<td>0.1%</td>
<td>1.5%</td>
<td>1.5%</td>
<td>1.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under construction in sq.ft.</td>
<td>1,409,930</td>
<td>1,517,740</td>
<td>492,250</td>
<td>567,307,627</td>
<td>521,496,024</td>
<td>452,528,658</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under construction, as % of inventory</td>
<td>1.1%</td>
<td>1.1%</td>
<td>0.4%</td>
<td>2.1%</td>
<td>2.0%</td>
<td>1.7%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sales transactions

| Total investment acquisitions (in million $) | $714 | $84.6 | $26.4 | $27,261.9 | $21,600.7 | $13,713.9 |         |         |
| Transaction sale price per sq.ft. | $39 | $74 | $46 | $56 | $56 | $54 |         |         |
| Cap rate | 10.7% | 8.3% | 7.8% | 7.4% | 8.3% | 7.8% |         |         |

V. Retail

<table>
<thead>
<tr>
<th>Demand indicators</th>
<th>Hartford-West Hartford-East Hartford, CT</th>
<th>U.S.</th>
<th>2021 Q2</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
<th>2021 Q2</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacancy rate</td>
<td>4.6%</td>
<td>4.5%</td>
<td>4.3%</td>
<td>4.3%</td>
<td>4.5%</td>
<td>4.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Absorption in sq.ft. over the quarter</td>
<td>132,490</td>
<td>120,291</td>
<td>(141,677)</td>
<td>26,554,046</td>
<td>6,829,628</td>
<td>(12,969,003)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Absorption in sq.ft. over 12 months</td>
<td>90,688</td>
<td>(183,481)</td>
<td>142,970</td>
<td>12,853,280</td>
<td>(26,669,769)</td>
<td>5,842,298</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asking rent per sq. ft.</td>
<td>$16.1</td>
<td>$16.3</td>
<td>$16.3</td>
<td>$14.5</td>
<td>$14.5</td>
<td>$14.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asking rent growth, y/y % chg.</td>
<td>-1.1%</td>
<td>0.1%</td>
<td>1.7%</td>
<td>1.4%</td>
<td>1.0%</td>
<td>1.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leasing activity in sq.ft.</td>
<td>224,495</td>
<td>221,942</td>
<td>248,062</td>
<td>65,144,289</td>
<td>60,598,011</td>
<td>44,924,273</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y/Y chg.in retail trade payroll employment ('000)</td>
<td>3.0%</td>
<td>(7.0%)</td>
<td>(1.8%)</td>
<td>822.30</td>
<td>(1,100.50)</td>
<td>(245.60)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Supply indicators

| Inventory in sq. ft. | 78,176,145 | 77,972,018 | 77,806,681 | 15,772,300,571 | 15,764,713,778 | 15,724,204,780 |         |         |
| Net delivered over 12 months, in sq.ft. | 362,464 | 197,081 | 333,183 | 46,178,397 | 47,102,191 | 58,535,237 |         |         |
| Net delivered units, as % of inventory | 0.5% | 0.3% | 0.7% | 0.3% | 0.3% | 0.4% |         |         |
| Under construction in sq.ft. | 175,758 | 375,885 | 383,206 | 55,829,483 | 58,628,746 | 71,303,691 |         |         |
| Under construction, as % of inventory | 0.2% | 0.5% | 0.5% | 0.4% | 0.4% | 0.5% |         |         |

Sales transactions

| Total investment acquisitions (in million $) | $84.6 | $65.0 | $23.2 | $20,811.7 | $15,469.2 | $8,857.2 |         |         |
| Transaction sale price per sq.ft. | $167 | $168 | $79 | $134 | $136 | $134 |         |         |
| Cap rate | 6.7% | 6.6% | 8.2% | 6.6% | 6.6% | 6.7% |         |         |

VI. Hotel/Lodging

<table>
<thead>
<tr>
<th>Demand indicators</th>
<th>Hartford-West Hartford-East Hartford, CT</th>
<th>U.S.</th>
<th>2021 Q2</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
<th>2021 Q2</th>
<th>2021 Q1</th>
<th>2020 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leisure and hospitality payroll workers ('000)</td>
<td>43.4</td>
<td>35.7</td>
<td>29.1</td>
<td>15,395.0</td>
<td>13,448.0</td>
<td>12,637.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y/Y change ('000)</td>
<td>14.3</td>
<td>(8.3)</td>
<td>(21.6)</td>
<td>2,758.0</td>
<td>(2,297.0)</td>
<td>(4,590.0)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% share to nonfarm payroll employment</td>
<td>7.9%</td>
<td>6.8%</td>
<td>5.5%</td>
<td>10.5%</td>
<td>9.4%</td>
<td>9.2%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The area has higher vacancy rate than nationally
The area has lower price of absorption than nationally
Rents are rising faster than nationally
Leasing volume is not rising as fast than nationally
Relatively more units are being derived than nationally
Construction activity is slower than nationally
Sales transactions are rising faster than nationally
Prices are not rising as fast than nationally
Cap rates are higher than nationally
The area has a higher vacancy rate than nationally
The area has a faster pace of absorption than nationally
Rent growth is slower than nationally
Leasing volume is not rising as fast than nationally
The area has stronger retail trade job creation than nationally
Relatively fewer units are being delivered than nationally
Construction activity is slower than nationally
Sales transactions are rising faster than nationally
Prices are rising faster nationally
Cap rates are higher than nationally
Job creation in the leisure industry is weaker than nationally
The area has a smaller share of leisure jobs than nationally

*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.
NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.
The total points for each local market are divided by the number of variables that are available at the local area, with 46 indicators if all the data are available. The fraction is multiplied by 100 to get the index.
Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.
NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.
For information about this report, email data@nar.realtor.