



STATE OF THE MARKET

2026 | MID-YEAR REPORT

START WITH SOMEONE
WHO **CARES**™



**BROKERAGE &
ADVISORY**



**COMMERCIAL
DEVELOPMENT**
a Sentry Commercial Company

**CONSTRUCTION
MANAGEMENT**



**PROPERTY
MANAGEMENT**

Hartford Office — Market Snapshot

9.8%

VACANCY RATE

\$22.08

ASKING RENT / SF

+712K

12-MO NET ABSORPTION SF

+0.5%

RENT GROWTH (YOY)

Where the market stands

- **Positive net absorption for four straight quarters**

the longest stretch in a decade — while availability has fallen for nine consecutive quarters to 10.5%.

- **Recovery driven by supply removal, not new demand**

nearly 1M SF demolished since 2020; 500K+ SF proposed or underway for office-to-residential conversion.

- **An unusual bifurcation**

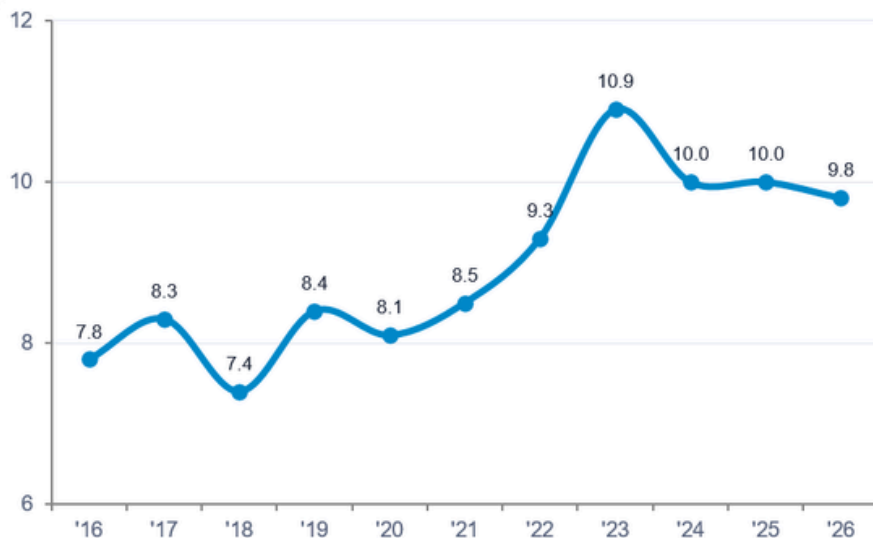
mid-tier 3 Star availability compressed to 7.9%, while 4 & 5 Star sits at 22.5%.

SNAPSHOT

Inventory	70.5M SF
Availability	10.5%
Under construction	40.5K SF (0.1%)
Top submarket rent	West Hartford, \$26.40
Largest 26Q1 lease	280 Trumbull St, 25.5K SF

Hartford Office — Trends & Investment

Vacancy rate by year (%)



Investment & demand signals

\$31.5M in Q1 2026 sales — double a year earlier, but still ~20% below the 2015–19 average.

8.9% average cap rate; average price of \$54/SF across 146 comparables.

Medical office remains the strongest subsector; conversions absorb obsolete stock.

Leasing ~35% below the pre-pandemic norm — a structural, not cyclical, shift.

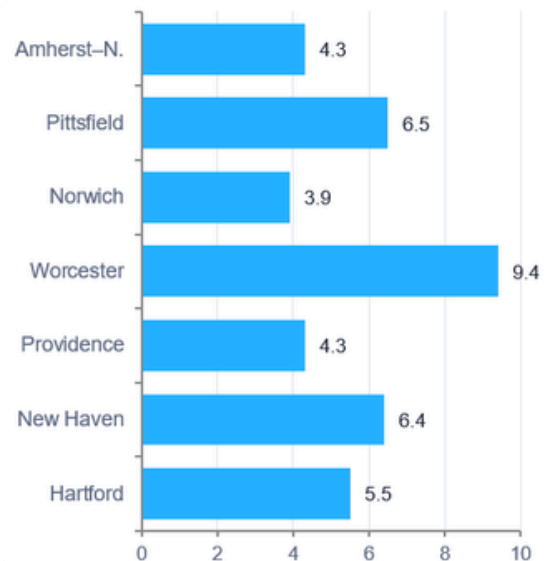
THE ECONOMY

1.2M residents · ~608K jobs · \$98.5K median household income. **Home to 4 Fortune 500 firms** (Cigna, The Hartford, Stanley Black & Decker, Otis).

Industrial Markets at a Glance

Market	Inventory	Vacancy	Rent/SF	Rent Δ	Under Constr.
Hartford, CT	147.1M SF	5.5%	\$9.50	+4.1%	590K SF (0.4%)
New Haven, CT	84.9M SF	6.4%	\$10.40	+3.5%	3.4M SF (4.0%)
Providence, RI	96.0M SF	4.3%	\$11.73	+5.2%	408K SF (0.4%)
Worcester, MA	119.9M SF	9.4%	\$10.80	+3.5%	2.4M SF (2.0%)
Norwich, CT	21.4M SF	3.9%	\$10.40	+3.9%	480K SF
Pittsfield, MA	12.5M SF	6.5%	\$9.70	+3.6%	None
Amherst–Northampton, MA	8.7M SF	4.3%	\$9.60	+3.9%	None

Vacancy rate by market (%)



Hartford Industrial

Resilient demand, limited new supply.

5.5%

VACANCY RATE

\$9.50

ASKING RENT / SF

+132K

12-MO NET ABSORPTION

+4.1%

RENT GROWTH (YOY)

- **Q1 2026 net absorption of +438K SF**

reversed three negative quarters; leasing hit 1.4M SF, 60%+ above the five-year norm.

- **Flagship deal**

a full-building 299K SF pre-lease at 75 Baker Hollow Rd (Windsor), 40' clear, delivering 2026.

- **Rent ~20% below the U.S. average**

The U.S. average is \$12.20/SF, while Hartford's growth of 4.1% runs well ahead of the 1.3% national pace.

KEY METRICS

Inventory

147.1M SF

Availability

6.4%

Under construction

590K SF (0.4%)

New Haven Industrial

Softening fundamentals, swelling pipeline.

6.4%

VACANCY RATE

\$10.40

ASKING RENT / SF

-549K

12-MO NET ABSORPTION

+3.5%

RENT GROWTH (YOY)

- **Negative absorption persists**

Q1 2026 gave back 434K SF; leasing of 131K SF ran 60% below the five-year quarterly average.

- **Pipeline is the swing factor**

3.4M SF underway — mostly the 3.2M SF multi-story Amazon facility at 305 Great Hill Rd, Naugatuck.

- **Wide submarket spread**

Wallingford availability ~2% vs. Meriden, Orange and Cheshire at 12–14%.

KEY METRICS

Inventory

84.9M SF

Availability

7.0%

Under construction

3.4M SF (4.0%)

Providence Industrial

Deep manufacturing base, tight vacancy.

4.3%

VACANCY RATE

\$11.73

ASKING RENT / SF

+569K

12-MO NET ABSORPTION

+5.2%

RENT GROWTH (YOY)

- **Diverse industrial economy**

anchored by Electric Boat, Raytheon and Amgen, plus the Port of Providence — New England's 2nd-largest deepwater port.

- **Strong pricing**

rents of \$11.73/SF still trail Boston by ~53%; growth of 5.2% outpaces the nation.

- **Construction down 65%**

vs. the three-year average as the pipeline thins to 0.4% of inventory.

KEY METRICS

Inventory

96.0M SF

Availability

6.4%

Under construction

408K SF (0.4%)

Worcester Industrial

Digesting a wave of speculative supply.

9.4%

VACANCY RATE

\$10.80

ASKING RENT / SF

-961K

12-MO NET ABSORPTION

+3.5%

RENT GROWTH (YOY)

- **Highest vacancy in the region**

at 9.4%, driven by 1.5M SF of new deliveries against negative net absorption.

- **A tale of two size bands**

big-bay (200K SF+) vacancy is 14.4%; small-bay (≤20K SF) sits at just 4.4%.

- **Central New England location**

keeps pricing rising over time; The Boroughs (~\$14.20) and Ayer (\$12.90) lead on rent.

KEY METRICS

Inventory

119.9M SF

Availability

11.0%

Under construction

2.4M SF (2.0%)

Norwich Industrial

Tight, specialized, and supply-constrained.

3.9%

VACANCY RATE

\$10.40

ASKING RENT / SF

-161K

12-MO NET ABSORPTION

+3.9%

RENT GROWTH (YOY)

- **Very low availability**

of 2.1% — well under the market's own 10-year vacancy average of 4.5%.

- **Specialized-heavy inventory**

12.5M SF of the 21.4M SF total; logistics 6.6M SF, flex 2.3M SF.

- **Pipeline is outsized for its scale**

480K SF underway vs. a 10-year average of just 110K SF.

KEY METRICS

Inventory

21.4M SF

Availability

2.1%

Under construction

480K SF

Pittsfield Industrial

Small market, no new construction.

6.5%

VACANCY RATE

\$9.70

ASKING RENT / SF

+28.1K

12-MO NET ABSORPTION

+3.6%

RENT GROWTH (YOY)

- **Vacancy above its own history**

6.5% vs. a 10-year average of 2.7%, yet still modest in absolute terms.

- **No space under construction**

against a 10-year average pipeline of barely 1,200 SF.

- **Rents of \$9.70/SF**

among the region's most affordable; growth of 3.6% holds above the national rate.

KEY METRICS

Inventory

12.5M SF

Availability

8.6%

Under construction

None

Amherst–Northampton Industrial

Compact, stable, logistics-led.

4.3%

VACANCY RATE

\$9.60

ASKING RENT / SF

+35.3K

12-MO NET ABSORPTION

+3.9%

RENT GROWTH (YOY)

- **Vacancy of 4.3%**

in line with five- and 10-year averages of 3.5%; forecast to end 2026 near 4.6%.

- **Logistics-weighted base**

5.3M SF of the 8.7M SF total, with 2.9M SF specialized and 0.5M SF flex.

- **No new supply**

keeps the market balanced; rent growth of 3.9% triples the national pace.

KEY METRICS

Inventory

8.7M SF

Availability

5.6%

Under construction

None

**KEY TAKEAWAYS****The Regional Picture**

- 01 Office: recovery on removal** Hartford office is healing through supply reduction and residential conversion, not a demand surge — leasing stays structurally below pre-2019 norms.
- 02 Industrial: cooling, not cracking** Demand has softened from its peak, but vacancy across most markets remains below the 9.6% national average, and rent growth still leads the nation.
- 03 Supply is the differentiator** Worcester and New Haven face the heaviest speculative pipelines and highest vacancy; Providence, Norwich and the smaller MA markets stay tight.
- 04 Small-bay outperforms** Across markets, small-bay space holds sub-5% vacancy while big-box, spec-built product carries the softness.

SENTRY COMMERCIAL MARKET ACTIVITY SUMMARY



TOTAL DEALS

43

YTD



SALES

11

TOTAL



LEASES

32

TOTAL



SALES VOLUME

\$23.68 M

TOTAL

SENTRY COMMERCIAL SALES

	ADDRESS	CITY	CLOSE DATE	BUILDING SIZE	PRICE
	481 Sullivan Avenue	South Windsor	3/16/2026	30,242	\$1,476,500.00
	95 Peters Road	Bloomfield	3/17/2026	40,000	\$3,175,000.00
	450 Woodland Avenue	Bloomfield	3/24/2026	51,880	\$3,435,000.00
	283 Burnham Street	East Hartford	4/15/2026	15,256	\$2,100,000.00
	5 Northwood Drive	Bloomfield	5/4/2026	17,778	\$1,740,000.00
	188-200 Prestige Park Road	East Hartford	5/8/2026	81,475	\$5,950,000.00
	7 Taylor Road	Enfield	5/11/2026	7,500	\$600,000.00
	256 North Main Street	Southington	5/14/2026	4,947	\$725,000.00
	344 North Main Street	Marlborough	5/26/2026	7,874	\$679,000.00
	18 Thompson Road	East Windsor	5/28/2026	31,000	\$2,000,000.00
	70 Bidwell Road	South Windsor	5/28/2026	26,200	\$1,800,000.00

SENTRY COMMERCIAL LEASES

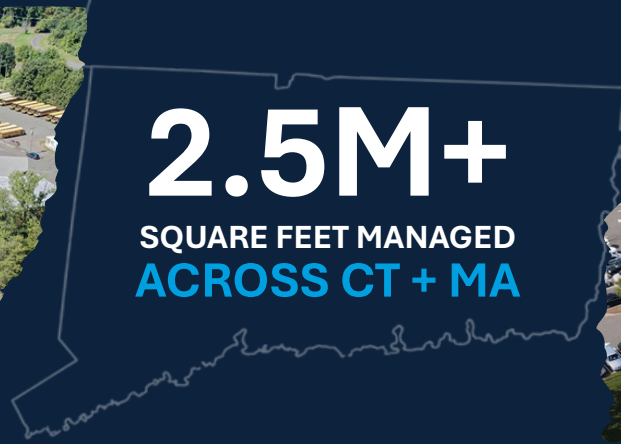
TYPE	ADDRESS	CITY	CLOSE DATE	BUILDING SF	SPACE SF	BUILDING TYPE
New	522 Cottage Grove Road	Bloomfield	2/17/2026	20,000	10,000	Industrial
New	70 County Line Drive	Cromwell	3/13/2026	0	1,200	Industrial
New	100 Sebethe Drive	Cromwell	4/13/2026	28,960	7,180	Industrial
New	75 Brainard Road	Hartford	5/4/2026	43,811	14,000	Industrial
New	126B Quinnipiac Avenue	North Haven	1/29/2026	16,000	16,000	Industrial
New	10 Commerce Drive	North Windham	2/15/2026	7,260	7,260	Industrial
New	211 Hartford Turnpike	Tolland	4/1/2026	18,400	10,000	Industrial
New	200 Old County Circle, Unit 305	Windsor Locks	2/20/2026	1,125	1,125	Industrial
New	290 Roberts Street	East Hartford	1/16/2026	30,352	1,467	Office
New	2534 Main Street	Glastonbury	4/7/2026	5,873	450	Office
New	545 Long Wharf Drive	New Haven	2/20/2026	257,068	3,084	Office
New	27 Siemon Company Drive	Watertown	1/21/2026	182,765	606	Retail

SENTRY COMMERCIAL LEASES

TYPE	ADDRESS	CITY	CLOSE DATE	BUILDING SF	SPACE SF	BUILDING TYPE
Renewal	29 Kripes Road	East Granby	4/30/2026	48,336	10,560	Industrial
Renewal	111 Pitkin Street	East Hartford	5/19/2026	3,750	3,750	Industrial
Renewal	21 Hyde Road	Farmington	4/30/2026	328,000	113,437	Industrial
Renewal	920 Cromwell Avenue	Rocky Hill	1/30/2026	12,000	12,000	Industrial
Renewal	1640 John Fitch Boulevard	South Windsor	3/19/2026	256,000	29,200	Industrial
Renewal	11 Kenny Roberts Memorial Drive	Suffield	3/31/2026	15,648	6,056	Industrial
Renewal	27 Siemon Company Drive	Watertown	3/24/2026	182,765	400	Industrial
Renewal	500 Winding Brook Drive	Glastonbury	3/7/2026	61,536	9,952	Office
Renewal	200 Glastonbury Boulevard	Glastonbury	5/14/2026	81,042	8,612	Office
Renewal	280 Trumbull Street	Hartford	2/23/2026	675,000	4,382	Office
Renewal	101 Centerpoint Drive	Middletown	3/13/2026	34,390	359	Office
Renewal	101 Centerpoint Drive	Middletown	3/18/2026	34,390	400	Office
Renewal	27 Siemon Company Drive	Watertown	1/27/2026	182,765	214	Office
Renewal	27 Siemon Company Drive	Watertown	1/26/2026	182,765	119	Office
Renewal	27 Siemon Company Drive	Watertown	2/23/2026	182,765	186	Office
Renewal	27 Siemon Company Drive	Watertown	1/31/2026	182,765	295	Office
Renewal	27 Siemon Company Drive	Watertown	3/31/2026	182,765	1,914	Office
Renewal	27 Siemon Company Drive	Watertown	3/18/2026	182,765	216	Retail
Renewal	27 Siemon Company Drive	Watertown	3/2/2026	182,765	1,299	Retail
Renewal/ Expansion	16 International Drive	East Granby	4/20/2026	58,370	31,302	Industrial
Renewal/ Expansion	221 South Street	New Britain	1/1/2026	485,563	171,632	Industrial

Creating Value Beyond Property Management

The first half of 2026 has reinforced a core principle at Sentry Commercial: effective property management is not measured by the issues we respond to, but by the challenges we help owners avoid. Our focus remains on protecting asset value, controlling operating costs, and positioning properties for long-term success through proactive management and strategic planning.



2.5M+
SQUARE FEET MANAGED
ACROSS CT + MA



ASSET PROTECTION

Protecting asset value and reducing risk through proactive management and strategic planning.



OPERATIONAL EFFICIENCY

Controlling operating costs and improving efficiency through disciplined operations and informed decisions.



TENANT RETENTION

Delivering responsive service and a positive tenant experience that supports occupancy and retention.



LONG-TERM VALUE CREATION

Positioning properties for long-term success and sustainable value.

Building through uncertainty. Delivering through experience.

The first half of 2026 has been defined by a construction environment that demands adaptability, discipline, and foresight. CDC (Commercial Development Company), a Sentry Commercial company, continues to help clients navigate challenges, seize opportunities, and deliver projects that strengthen their operations and communities for the long term.



MARKET CONDITIONS



Construction activity remains active but disciplined.



Clients continue focusing on strategic projects instead of speculative development.



Financing and project economics remain under scrutiny.

WHAT WE'RE SEEING



LONGER PLANNING CYCLES

More time is required upfront for due diligence, entitlements, and design coordination.



MORE CLIENT OVERSIGHT

Clients are taking a more hands-on approach to make informed decisions at every stage.



GREATER EMPHASIS ON BUDGETING

Cost certainty, value engineering, and scope control are top priorities from day one.



INCREASED FOCUS ON PROJECT FEASIBILITY

Careful evaluation of site conditions, schedules, and returns is shaping every investment decision.

THE CDC DIFFERENCE

Acting as a true owner's representative, CDC aligns scope, schedule, budget, and execution from concept through completion. Our integrated approach, market insight, and hands-on management deliver results that protect our clients' investments and create lasting value.

- Owner Representation
- Strategic Planning
- Cost & Schedule Management
- Quality Execution

PROJECTS IN PROGRESS

CDC is proud to partner with clients on a diverse pipeline of projects that drive growth, improve operations, and strengthen communities.



MIDDLE STREET BRISTOL (Former ESPN Headquarters)

400,000+ SF REPOSITIONING PROJECT

- Primary Power Upgrade
- 250,000SF of white boxing demolition
- Trucking Court re-design
- Additional loading docks



Transforming a landmark asset with strategic upgrades and enhanced functionality.



CT FOODSHARE FACILITY EXPANSION PROJECT

- Design and entitlement work completed on schedule
- Expands capacity to support growing community needs
- Ground Breaking October



Expanding capacity to better serve our community.



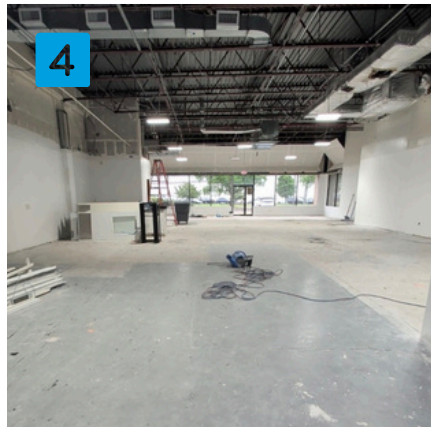
VAUPELL - AGAWAM, MA

OFFICE RENOVATION

- Workplace and interior upgrades
- Re-design of entrance foyer



Repurposing and modernizing to meet today's market standards.



LORDSHIP BOULEVARD

55,000 SF REPOSITIONING PROJECT

- Selective demolition and combination of units
- Repurpose building to fit market demands
- Exterior improvements
- Multiple tenant fit outs



Enhancing the workplace and creating a welcoming first impression.



75 AIRPORT ROAD

REPOSITIONING OF 15,000 SF VACANT SPACE

- Design and Entitlement work
- Demolition of former donut manufacturing facility
- Conversion into auto parts warehouse



Converting vacant space into a modern facility that supports a growing industry.