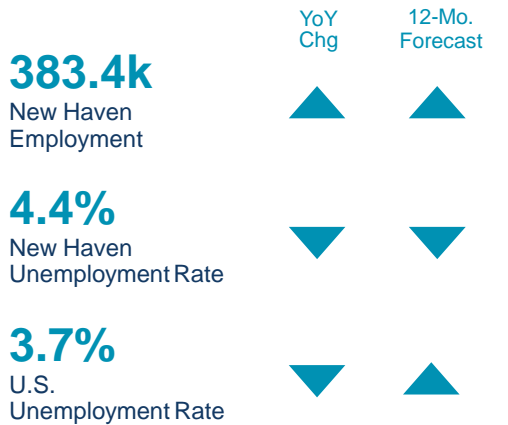


ECONOMIC INDICATORS Q4 2022



Source: BLS, Moody's Analytics
2022Q4 data are based on the latest available data

NEW HAVEN ECONOMY

The New Haven economy added 8,400 jobs in 2022, expanding by 101 basis points (bps). The unemployment rate of 4.4% comes in marginally higher than the previous quarter, with office using employment falling by 0.5% per Moody's analytics. The decrease can be attributed to the financial activities sector, with the professional and business services sectors staying stagnant.

DIRECT AVAILABILITIES LEAD TO A RISE IN VACANCY

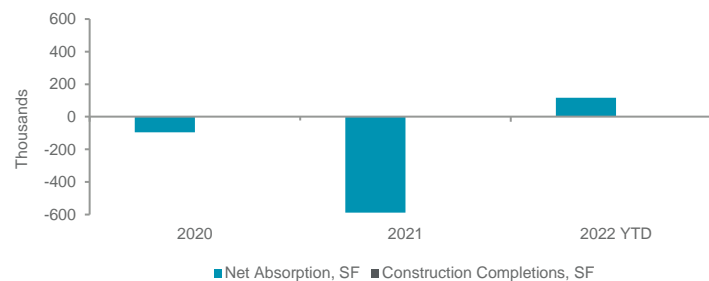
For the second consecutive quarter, New Haven recorded a net occupancy decrease in office space with -5,067 square feet (sf) of absorption, led by the -19,554 sf of absorption in the Central Business District (CBD). Western New Haven captured 10,554 sf of net absorption year-to-date (YTD), prevailing above the remaining submarkets with largest occupancy gains in 2022. Overall, occupancy fell, with a cumulative -117,609 absorption in the region. Despite this, vacancy remained at 18.8% in the fourth quarter, climbing 8 bps year-over-year (YOY).

Rents continued to decline for the third consecutive quarter, as average gross asking rent dropped to \$22.38 per square foot (psf). The modest downturn can be attributed to the flurry of leasing activity in the CBD. The submarket boasts the highest rents in the region, averaging \$25.98 per square foot (psf), representing a 13.9% premium over the market average. With over 50,000 sf being committed this quarter, the reduction in high-end available space has dragged asking rents lower across the greater market. Looking past the CBD, suburban New Haven registered modest rent growth quarter-over-quarter (QOQ), with Northern New Haven climbing 2.0%.

DEMAND

Though the national return to office movement has been a slow transition over the course of the year, New Haven demand was robust. In 2022 the region recorded 367,968 sf of cumulative leasing activity, a 183.6% improvement against 2021 totals. To reiterate, the CBD shined through as the preeminent submarket, accounting for 51.2% of leasing in the third quarter. Yale University continues to be a dominant player in New Haven, as they signed two new deals at 195 College St. contributing to 26% of all activity. Northern Hartford County carried its momentum through year-end, with 11 sub-10,000 sf transactions, totaling 33,269 sf. Look for the tight market to soften in the coming quarters with the delivery of 101 College St. which will add over 500,000 sf to the inventory.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL ABSORPTION (SF)**	YTD LEASING ACTIVITY (SF)**	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
New Haven CBD	3,243,323	0	554,428	17.1%	-19,554	-89,481	193,071	525,000	\$25.98	\$26.63
Periphery	2,477,213	22,379	391,057	16.7%	3,651	3,498	25,306	0	\$25.54	\$26.08
Eastern New Haven	573,457	0	58,775	10.3%	-5,108	-3,270	6,198	0	\$17.87	\$18.01
Western New Haven	1,775,647	0	504,355	28.4%	0	10,554	16,014	0	\$19.51	\$19.41
Northern New Haven	2,651,327	9,400	476,344	18.3%	15,944	-38,910	127,379	0	\$20.60	\$21.61
TOTAL MARKET	10,720,967	31,779	1,984,959	18.8%	-5,067	-117,609	367,968	525,000	\$22.38	\$22.24

	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL ABSORPTION (SF)**	YTD LEASING ACTIVITY (SF)**	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*
Class A	5,014,304	31,779	1,282,345	26.2%	-9,803	-52,659	122,733	525,000	\$22.24
Class B	5,706,663	0	702,614	12.3%	-4,736	-64,950	245,235	0	\$22.67

*Rental rate data reported on a full-service gross basis and is based on published asking lease rates of available space

KEY LEASE TRANSACTIONS Q4 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
300 George Street	Periphery	Celldex Therapeutics	17,741	Renewal
195 Church Street	New Haven CBD	Yale / CORE	16,241	New
195 Church Street	New Haven CBD	Trevi Therapeutics	12,500	New
185 Church Street	New Haven CBD	Yale / Core	11,521	New
123 Church Street	New Haven CBD	Undisclosed	10,825	New

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