

FIGURES | I-91 INDUSTRIAL CORRIDOR | Q4 2021

# I-91 Industrial Corridor grows tight throughout 2021

▼ 7.3%  
Availability

▼ 6.0%  
Vacancy

▲ \$5.57  
Average Asking Rent (NNN)

▲ 1.6 MSF  
Year-to-Date Absorption

Note: Arrows indicate change from previous quarter.

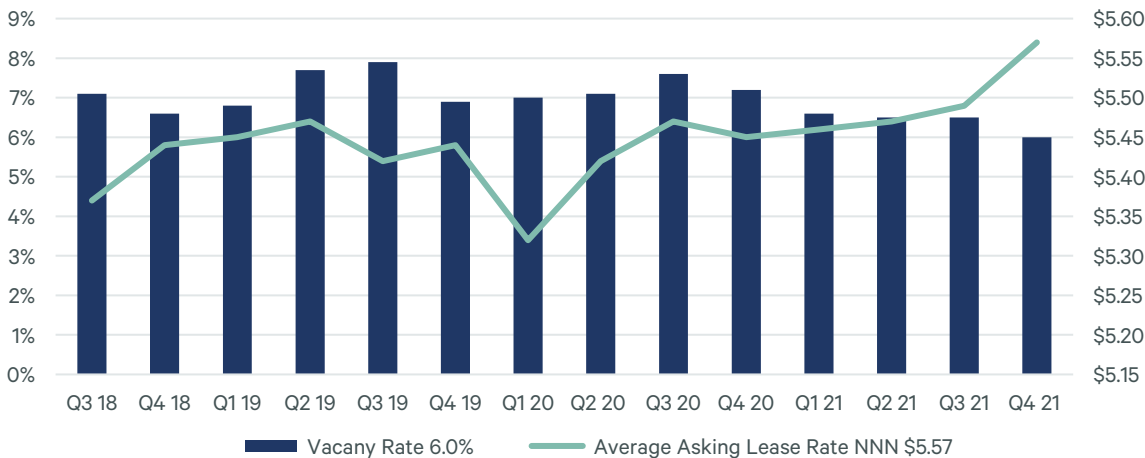
Situated in Central Connecticut and Western Massachusetts, the I-91 Industrial Corridor has prospered in the last decade due to its location—halfway between Boston and New York. The proximity to two key markets in the Northeast combined with favorable labor availability, an abundance of flat land parcels near the interstate highway system and municipalities eager to build a tax base have created an environment in which this market thrives. Regional distribution operations, food companies, e-commerce-related large-format warehouses and last-mile distribution centers are eager to call this area home.

The area has enjoyed significant rent growth over the past several years despite a slight fluctuation in vacancy rates up until 2021, during which they have dropped steadily. The I-91 Corridor industrial market ended the year with 662,442 sq. ft. of positive absorption during the quarter and 1,571,787 sq. ft. of positive year-to-date (YTD) absorption, making 2021 the second consecutive year with over 1,000,000 sq. ft. of positive absorption.

## Hartford

The Greater Hartford industrial market closed the fourth quarter of 2021 with 160,172 sq. ft. of positive absorption, and 827,298 sq. ft. of positive absorption YTD. The vacancy rate decreased

FIGURE 1: Average Asking Rent (NNN) vs. Vacancy Rate



Source: CBRE Research, Q4 2021

slightly to 6.7%, while the availability rate increased slightly, finishing the quarter at 8.5%. Average asking rents increased to \$5.38 per sq. ft. NNN. The Hartford market remains tight, with only 5.14 million sq. ft. of vacant space, most of which being class B and C inventory slated for renovation and improvements.

New deals drove leasing activity during Q4, however a noticeable slowdown in leasing volume was felt in the market. This activity was concentrated in the suburban Hartford market, with notable transactions occurring only in the Hartford North market. In East Windsor, Blue Triton signed a new 275,000 sq. ft. lease at 18 Craftsman Road, the largest transaction of the fourth quarter. In Windsor Locks, UPS took all 83,000 sq. ft. of the recently constructed 120 Old County Circle in a new lease.

New Haven

The New Haven industrial market finished Q4 of 2021 with 174,249 sq. ft. of positive absorption, bringing its YTD total absorption to positive 201,242 sq. ft. Throughout the year the market tightened, with vacancy decreasing 70 basis points to a level of 6.4%, which is the lowest the market has seen. Although rents were flat in the fourth quarter, the New Haven industrial market experience the highest level of rent growth during the year, of \$0.34, to end the year at \$7.05 per sq. ft. NNN.

Greater Springfield

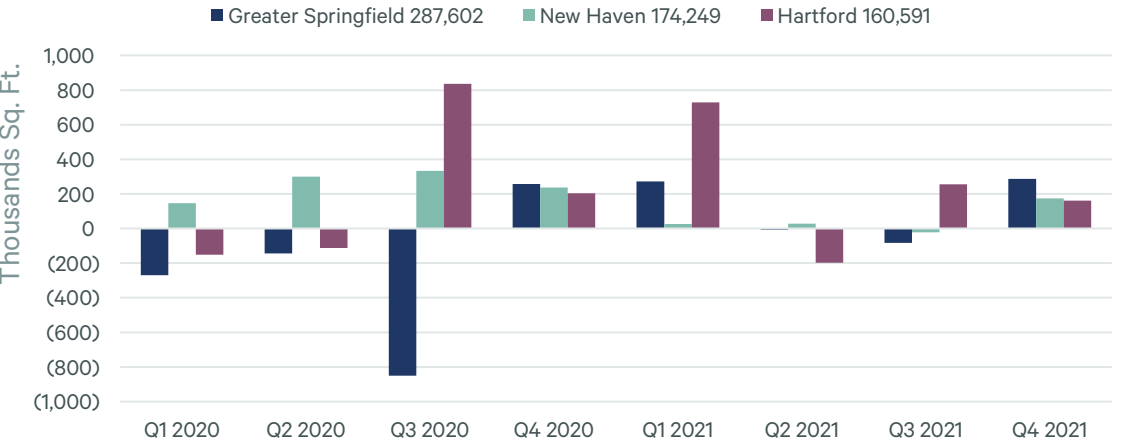
The Greater Springfield industrial market was active during the fourth quarter of 2021, with 287,602 sq. ft. of positive absorption, finishing the year with 543,247 sq. ft. of positive absorption YTD. Availability and vacancy rates fell significantly during Q4, to 5.3% and 4.3% respectively. Average asking rent decreased slightly, ending 2021 at \$4.32 per sq. ft. NNN.

The growing delta between supply and demand is larger than ever in the greater Springfield industrial market, leaving the many large industrial-using occupiers currently in the market for space with nowhere to land. Most of the availabilities in the market are two-to-three-star warehouse buildings ranging from 10,000 to 90,000 sq. ft., although multiple 150,000+ sq. ft. warehouse and distribution properties are currently available. With little construction in the pipeline, and ever-increasing building costs stunting the market’s expansion, prospective tenants are left with a challenging landscape when trying to find adequate space in this increasingly tight market.

FIGURE 2: Market Statistics

I-91 Industrial	Bldgs	Total Sq. Ft.	Available (%)	Vacant (%)	Sublease (%)	Quarter Absorption	YTD Absorption	Avg Asking Rent \$ (NNN)
Springfield & Western MA	1,042	45,035,879	5.3	4.3	0.1	287,602	543,247	4.32
New Haven	953	47,613,591	7.1	6.4	0.1	174,249	201,242	7.05
Hartford	1,477	76,618,046	8.5	6.7	0.2	160,591	827,398	5.38
Total I-91 Corridor	2,519	121,653,925	7.3	6.0	0.1	448,193	1,571,787	5.57

FIGURE 3: Historic Absorption



Source: CBRE Research, Q4 2021

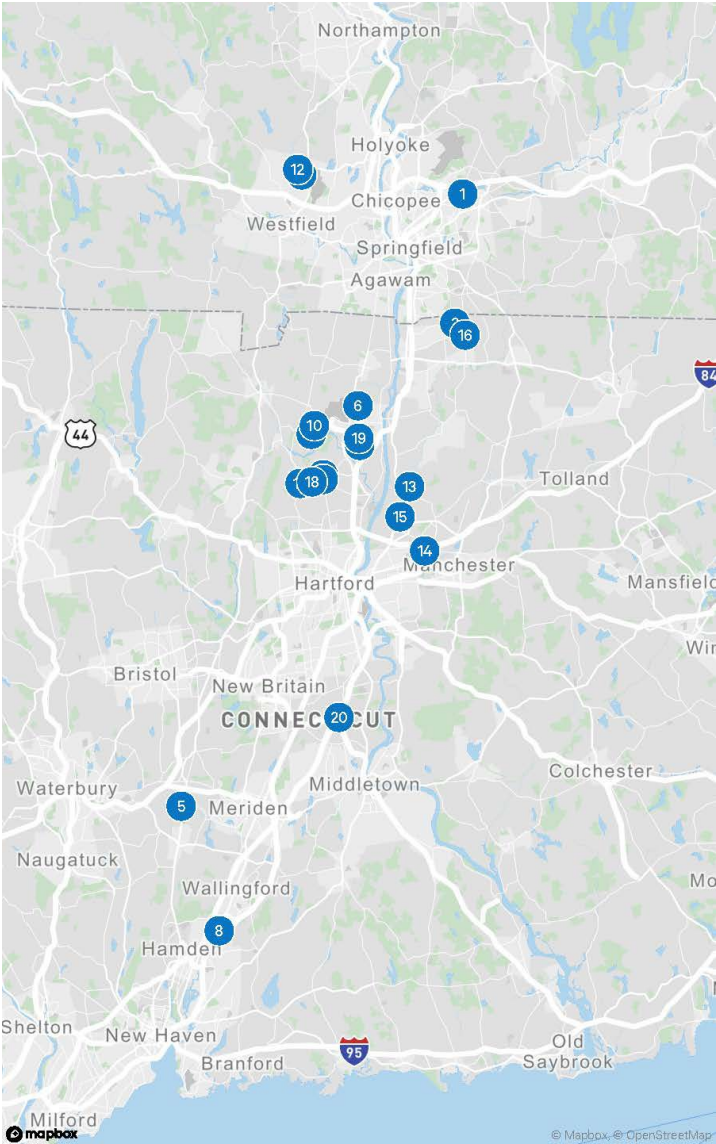
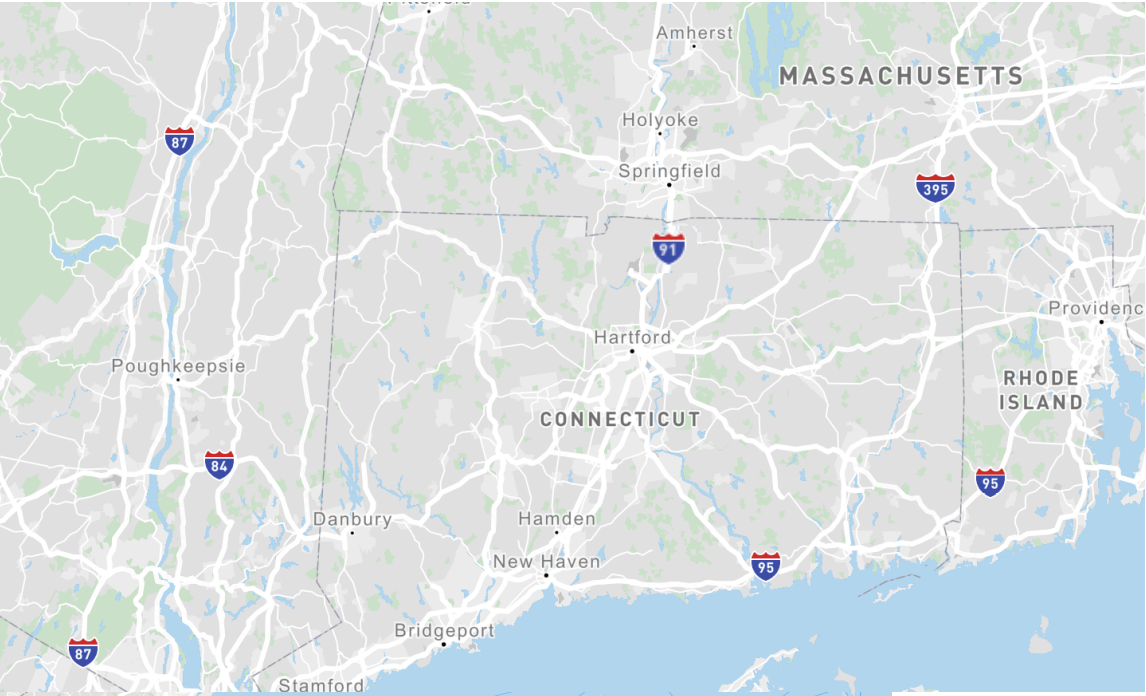


FIGURE 4: Top Distribution Centers

#	Distribution Center	Square Footage	City, State
1	USPS Bulk Main Center	1,100,000	Springfield, MA
2	Veritiv & Plastipak	1,000,000	Enfield, CT
3	Amazon	1,000,000	Windsor, CT
4	Dollar Tree	1,000,000	Windsor, CT
5	Bozzuto's Inc.	990,000	Cheshire, CT
6	C&S Wholesale Grocers	970,000	Windsor Locks, CT
7	Amazon	900,000	Windsor, CT
8	Amazon	850,000	North Haven, CT
9	Trader Joe's	690,000	Bloomfield, CT
10	Walgreens	660,000	Westfield, CT
11	Home Depot	520,000	Westfield, CT
12	C&S Wholesale Grocers	500,000	South Windsor, CT
13	ALDI	485,000	Manchester, CT
14	Raymour & Flanigan	470,000	South Windsor, CT
15	Macy's	450,000	Enfield, CT
16	Advanced Auto Warehouse	450,000	Bloomfield, CT
17	Home Depot	450,000	Bloomfield, CT
18	HomeGoods	400,000	Windsor Locks, CT
19	Honda	400,000	Cromwell, CT
20	Amazon	350,000	Cheshire, CT

Source: CBRE Research, Q4 2021

Market Area Overview



Definitions

**AVERAGE ASKING LEASE RATE:** Rate determined by multiplying the asking gross lease rate for each building by its available space, summing the products, then dividing by the sum of the available space with net leases for all buildings in the summary. **GROSS LEASES:** Includes all lease types whereby the tenant pays an agreed rent plus estimated average monthly costs of the operating expenses and taxes for the property, including utilities, insurance and/or maintenance expenses. **NET ABSORPTION:** The change in occupied sq. ft. from one period to the next, as measured by available sq. ft. **NET RENTABLE AREA:** The gross building square footage minus the elevator core, flues, pipe shafts, vertical ducts, balconies and stairwell areas. **OCCUPIED AREA (SQ. FT.):** Building area not considered vacant. **UNDER CONSTRUCTION:** Buildings that have begun construction as evidenced by site excavation or foundation work. **AVAILABLE AREA (SQ. FT.):** Available building area that is either physically vacant or occupied. **AVAILABILITY RATE:** Available sq. ft. divided by the net rentable area. **VACANT AREA (SQ. FT.):** Existing building area that is physically vacant or immediately available. **VACANCY RATE:** Vacant building feet divided by the net rentable area. **NORMALIZATION:** Due to a reclassification of the market, the base, number and square footage of buildings of previous quarters have been adjusted to match the current base. Availability and vacancy figures for those buildings have been adjusted in previous quarters.

Survey Criteria

Includes all competitive buildings in CBRE’s survey set for the Suburban Boston Office.

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