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Connecticut CCIM Chapter hosts successful 2025 ‘What’s Next in CRE’ market forecast webinar

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Hartford, CT The Connecticut CCIM Chapter recently hosted its annual What’s Next in CRE market forecast webinar on January 23, 2025, featuring an insightful presentation by Mike Goman of Goman + York. The event provided a comprehensive outlook on the key trends and challenges shaping the commercial real estate landscape for 2025 and beyond.

Goman highlighted the broader economic outlook, noting that the U.S. is on track for a “soft landing” post-recession, with slight interest rate reductions anticipated by late 2025. While inflation continues to affect essential goods, construction costs and capital availability are showing signs of stabilization.

Key Sector Insights:

- **Office Market:** The sector faces significant headwinds, with national office vacancies at approximately 21% and Hartford experiencing up to 50% vacancy rates. Many aging office buildings are becoming functionally obsolete, driving an uptick in defaults and an increased focus on adaptive reuse, including conversions to residential, self-storage, or mixed-use spaces.
- **Retail Sector:** Non-mall retail locations continue to perform well, maintaining low vacancy rates, while enclosed malls struggle with higher vacancies. E-commerce is expected to account for 18% of total retail sales by 2026, fueling the growth of “clicks-to-bricks” strategies and experience-driven retail models.
- **Residential Market:** Single-family home demand remains strong despite high mortgage rates (6-7%), limiting transaction volumes. The build-for-rent market is flourishing in southern regions, while multifamily housing sees a moderation in rent growth due to rising operational expenses.
- **Logistics & Industrial:** Although the rapid expansion of warehouse and logistics facilities is slowing, the sector remains robust, driven by e-commerce growth. Key opportunities exist in last-mile logistics and small-bay industrial spaces.
- **Redevelopment & Adaptive Reuse:** A major theme of the forecast was the increasing emphasis on repurposing underutilized commercial properties. Aging assets, including malls and office buildings, are being reimagined as mixed-use developments, housing, or logistics hubs, providing opportunities for forward-thinking investors and developers.

- Connecticut Market Outlook: Connecticut presents compelling redevelopment opportunities in apartments, retail, and industrial spaces. Investors are attracted by the state's stability, high disposable income, and less saturated market compared to high-growth regions. However, challenges such as regulatory hurdles and functional obsolescence remain key considerations.

The webinar concluded on an optimistic note, forecasting increased CRE activity in 2025-2026, fueled by redevelopment projects, evolving market demands, and shifting consumer behaviors.

A full recording of the webinar and slide presentation is available at www.ctccim.com in the Events tab, under Previous Meetings. For more information about upcoming Connecticut CCIM Chapter events and educational programs, visit www.CTCCIM.com.

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