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What’s up with commercial real estate in Greater Hartford? Trends, twists & tales from the trenches - by Josephine Aberle

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If commercial real estate in Greater Hartford were a sitcom, it would be somewhere between The Office and Survivor – a quirky mix of familiar routines, unexpected plot twists, and the occasional high-stakes drama. For those of us working in the field – brokers, appraisers, developers, property managers – it's not just a job, it's a front-row seat to the slow but steady evolution of our city's environment. And lately, the script has been getting more interesting.

So, what's going on in the CRE world here in Greater Hartford? Let's dive in.

Multifamily: The Resilient Workhorse

If one sector's been keeping CRE afloat lately, it's multifamily. Even with interest rates making everyone a little jumpy, demand for apartments in Greater Hartford has held steady. Rents are up across the board – modestly in the suburbs and more aggressively in certain pockets of Hartford proper. Developers are still sniffing around for opportunities, especially those with an eye on adaptive reuse or tax-credit-based financing.

The affordable housing conversation is also getting louder – and rightly so. Whether you're underwriting LIHTC deals or just trying to understand the latest DOH scoring priorities, it's clear this sector isn't slowing down anytime soon. And in a market where cap rates are compressing and deals are tight, affordable and mixed-income projects are often where the numbers still make sense.

Office: Reports of Its Death Are Greatly Exaggerated

We can all agree: office is weird right now. Greater Hartford hasn't been spared from the national "return-to-office" tug-of-war, but we're not San Francisco or New York either. Suburban class A space (especially with parking and some semblance of natural light) is still leasing. Downtown? Well, it depends.

We've seen some creative approaches to office repositioning, especially in older buildings that aren't cutting it as traditional workspace anymore. Flex space is having a mini-moment, and hybrid layouts – think collaboration hubs, not cubicle farms – are gaining traction in some markets. For landlords with the capital and courage to invest, now's the time to reimagine what office space could be, not what it was in 2019.

And brokers? You're working harder than ever to lease 5,000 s/f. Hats off to you.

Retail: If It's Local, It's Likely Thriving

Despite all the headlines about the "death of retail," we've seen a lot of resilience – especially in local, experience-driven retail. If it's a yoga studio, brewery, dog spa, or taco joint with a loyal following, it's probably doing just fine. National chains are still picky and cautious, but smaller, nimble tenants are grabbing well-located spaces at reasonable terms.

Downtown Hartford and surrounding towns continue to battle the age-old “chicken or egg” dilemma – do you bring the people before the retail, or the retail before the people? But look around: in places like West Hartford Center, Blue Back Sq., Evergreen Walk, and Somerset Sq., you’ll find proof that walkable, mixed-use areas with curated retail are very much alive.

Industrial: Still the Darling (But Hard to Get)

Industrial continues to be the belle of the CRE ball. Warehouses, distribution centers, flex space – if it has a loading dock and a roof that doesn’t leak, someone wants it. The challenge, of course, is that there just isn’t much product out there, especially within 10 miles of Hartford.

Vacancy is low, lease rates are high, and buyers are still circling – even with financing costs putting a damper on enthusiasm. Still, if you’re holding decent industrial real estate in Greater Hartford right now, congratulations – you’re sitting on gold.

Lending & Valuations: The New Risk Calculus

Appraisers (hi, that’s me!) are seeing an uptick in assignments as lenders become more cautious and equity partners ask harder questions. Gone are the days when “it’ll lease up eventually” was enough to greenlight a loan. Today, it’s all about cash flow, tenant credit, and downside protection.

Cap rates have crept upward, but not as dramatically as some expected. In Greater Hartford, many investors are more focused on yield spread than on arbitrary cap rate benchmarks. Prudent investors are still active, focusing their efforts where the fundamentals remain strong – multifamily and industrial.

The Human Side: Relationships Still Rule

What really makes this market tick? Relationships. For all the data, drones, and dashboards we use, real estate in Greater Hartford is still a relationship business. Deals are often forged over coffee, cocktails, or the occasional round of golf – these days, even a spa isn’t off the table! Relationships take years to build, and referrals remain one of the most valuable currencies in our business.

So whether you’re closing your fiftieth transaction or showing a 2,000 s/f space for the third time this month, remember: this is a long game. The more we collaborate, share insights, and support each other, the stronger our local CRE community becomes.

Final Thoughts: A Market with Character

Greater Hartford might not dominate the national spotlight, but what it lacks in flash, it makes up for in substance. This market has depth – layers of history, untapped potential, and a unique rhythm that rewards those who pay attention.

So here’s to the next smart deal, the next vibrant block, the next signed lease – and to the conversations over coffee (& cocktails) that remind us why we love this business.

See you out there.

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