

# NEW HAVEN | OFFICE

Quarter 2 2019

Accelerating success.



## Connecticut Innovations Announces Move to New Haven

Connecticut Innovations, the quasi-public fund that invests in technology, healthcare and manufacturing companies in the state, has signed a lease to move its headquarters from Rocky Hill to District New Haven, the recently developed tech center on James Street.

CI will move in December into 10,000 square feet at District, effectively bringing the building to full occupancy. Officials of the company said they were looking to create a more collaborative environment for employees than that offered by the suburban Rocky Hill office park where they have been located.

The CI lease was the largest transaction in an otherwise quiet quarter for the New Haven market. Overall vacancy in the city's 5.6 million square feet of office space fell 20 basis points to 15.6 percent behind net absorption of 14,685 square feet. While modest, the gains continued a positive trend that began in the 3rd Quarter of 2018.



Occupancy remained strongest in Class B buildings in the Central Business District, where only 74,758 square feet – 6.1 percent of inventory – is available. Conversely, Class A space outside the CBD (a two-building category that consists of 545 and 555 Long Wharf Drive) has a vacancy rate of 43.6 percent. Much of that is due to a steady erosion of occupancy levels by Southern New England Telephone Company and its

(continued on back page)

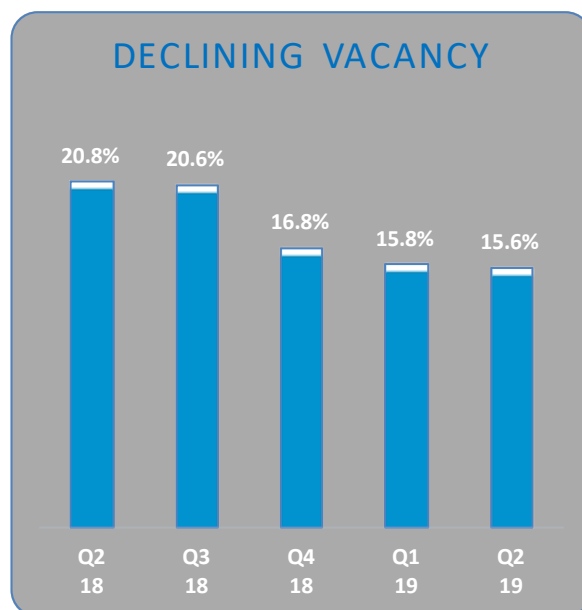
### Market Indicators

Relative to prior period

New Haven Q2 2019    New Haven Q3 2019\*

Market Indicator	New Haven Q2 2019	New Haven Q3 2019*
VACANCY	↓	↓
NET ABSORPTION	+	+
CONSTRUCTION	↔	↔
RENTAL RATE	↔	↔

\*Projected



Overall vacancy rates continue to fall in New Haven's office market.



successors – SBC Communications, AT&T and now Frontier Communications.

District New Haven also figured in another bit of news: the demise of what had been New Haven’s premier coworking center, The Grove. Located at 760 Chapel Street in 9th Square, The Grove occupied 14,000 square feet of office space and played host to entrepreneurs and freelancers who rented individual office and desk space. The facility worked hard to foster a sense of community among its renters and was widely lauded as a hotbed of collaboration.

Business at The Grove began to fade, however, when District New Haven opened its 18,600-square-foot coworking center with amenities including a gym and a canoe launch on the Mill River. A last-ditch effort by a new owner to revive the operation under the name Agora failed this summer. East River Partners, owners of 760 Chapel Street, say they are exploring possible uses for the building but are leaning toward converting it to apartments.

NEW HAVEN OFFICE VACANCY Q2 2019						
	INVENTORY	DIRECT AVAILABLE	SUBLET AVAILABLE	TOTAL AVAILABLE	NET ABSORPTION	VACANCY %
<b>CBD</b>						
CLASS A	1,815,265	133,284	59,522	192,806	(1,638)	10.6
CLASS B	1,224,081	74,758	0	74,758	(4,343)	6.1
<b>TOTAL</b>	<b>3,039,346</b>	<b>208,042</b>	<b>59,522</b>	<b>267,564</b>	<b>(5,981)</b>	<b>8.8</b>
<b>NON-CBD</b>						
CLASS A	687,052	235,461	63,969	299,430	10,840	43.6
CLASS B	1,907,110	309,061	0	309,061	9,826	16.2
<b>TOTAL</b>	<b>2,594,162</b>	<b>544,522</b>	<b>63,969</b>	<b>608,491</b>	<b>20,666</b>	<b>23.5</b>
<b>TOTAL OFFICE MARKET</b>						
CLASS A	2,502,317	368,745	123,491	492,236	9,202	19.7
CLASS B	3,131,191	383,819	0	383,819	5,483	12.3
<b>TOTAL</b>	<b>5,633,508</b>	<b>752,564</b>	<b>123,491</b>	<b>876,055</b>	<b>14,685</b>	<b>15.6</b>

Source: John Keogh - Colliers International

## FOR MORE INFORMATION

**John Keogh**

Senior Broker | New Haven

+1 203 497 3953

john.keogh@colliers.com

Colliers International tracks occupancy levels in 56 office properties throughout the City of New Haven and reports the results on a quarterly basis. Buildings are included in the survey if they are intended for occupancy by more than a single tenant, contain at least 5,000 square feet of rentable office area, meet the generally accepted standards of a Class A or B facility and are occupied principally by non-medical space users. We appreciate the cooperation of the building owners, managers and rental agents who provide information for this report.

To receive this report regularly or for help leasing, buying or selling commercial real estate, please contact us.

Colliers International | New Haven  
 205 Whitney Avenue, Suite 300  
 New Haven, Connecticut 06511  
 +1 203 562 5000  
[colliers.com/newhaven](http://colliers.com/newhaven)



Accelerating success.

Copyright © 2015 Colliers International.  
 The information contained herein has been obtained from sources deemed reliable. While every reasonable effort has been made to ensure its accuracy, we cannot guarantee it. No responsibility is assumed for any inaccuracies. Readers are encouraged to consult their professional advisors prior to acting on any of the material contained in this report.

