

**Market Analysis of the Warehousing and
Logistics Sectors in the CRCOG Region**

September 18, 2025

DRAFT

**Warehousing and Land Use Study for
Capitol Region Council of Governments**



CRCOG



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Economic Analysis of the Warehousing Sector

Background

A more decentralized and rapidly expanding e-commerce market has brought substantial changes to warehousing land use practices. The sections below detail the recent trends in industrial activity space in the CRCOG region and demonstrate the need for an economic analysis that estimates future growth and development.

Existing Studies

This section summarizes several existing studies relating to warehousing, e-commerce, and freight in central Connecticut. Each study is briefly summarized, and connections to this Warehousing & Land Use Study are provided.

Truck Parking Study

The Connecticut Department of Transportation completed a statewide Truck Parking Study in June 2023. The truck parking assessment included three components: 1) truck parking supply inventory and utilization, 2) undesignated truck parking, and 3) truck parking demand and supply forecast. Of 30 identified truck parking sites, 7 are in the CRCOG region: I-84 EB in Southington, I-84 Rest Areas (EB and WB) in Willington, TA in Southington, TA in Willington, Pride Truck Stop in Hartford, and Mercury Mobil in Hartford. Some of the highest demand for truck parking in Connecticut is found on I-84 between I-691 and Route 9, although existing truck parking facilities largely satisfy current demand.

Key takeaways identified in the Study include that most truck parking demand is on one of four interstates (including I-84 and I-91 in the CRCOG region). The I-84 Eastbound Southington Rest Area peak hourly truck arrivals are approaching the available supply, and this location was also identified as one of the most common areas for undesignated truck parking. A major shortfall of truck parking is identified along I-84 between US 7 and I-691. While this is just outside of CRCOG's area, this shortfall in supply can lead to impacts further east in the CRCOG region. Additionally, the Pride Hartford Truck Stop is underutilized, but surveys of truck drivers and law enforcement flagged recurring undesignated parking along I-84 in the vicinity of New Britain and along I-91 between Hartford and Enfield.





Capital Region Comprehensive Economic Development Strategy

The Capital Region Council of Governments completed a Capital Region Comprehensive Economic Development Strategy in 2023, titled *Act Greater Hartford: A Comprehensive Economic Development Strategy for Growth and Equity in the Capital Region*. This document is designed to accelerate inclusive economic growth by raising incomes across the income spectrum, with particular attention given to opportunities for engaging those who have been left behind. Goals of this study include encouraging entrepreneurs and small businesses, addressing immediate workforce needs, and supporting high-growth business owners.

The Study lists the region's top 10 sub-sectors by growth and employment. The sector with the second-highest increase in jobs (3,666 from 2016 to 2021) is General Warehousing and Storage. Across the region, the General Warehousing and Storage sub-sector accounted for nearly half of Logistics and E-Commerce employment in 2021. From 2012-2021, the region absorbed 1 million SF of industrial space annually and increased over time. As of 2021, according to CoStar data, the average lease rate was \$5.59/SF in the region, compared to the national average of \$10/SF.

Connecticut Statewide Freight Plan Update

Connecticut's Statewide Freight Plan was updated in December 2022. The Plan's purpose is to serve as a strategic planning tool for CTDOT, its partner agencies, and the private sector as a comprehensive strategy for goods movement. One of the trends identified in the Plan is e-commerce, although it is discussed at a high level. Throughout the State, I-84 is identified as carrying the highest tonnage of freight, while the annual average daily truck volume is higher on I-91 and I-95. Roadway segments scoring within the top ten in truck delay in Connecticut include I-91 in Windsor, I-84 in East Hartford, and Route 5/15 in Newington.

CRCOG Freight Fact Sheet

The Capital Region Council of Governments released a Freight Fact Sheet succinctly summarizing the role of freight in central Connecticut. Key facts about freight in the region are summarized below:

- Freight tonnage is expected to increase 0.8% annually between 2014 and 2040
- 90% of freight (tonnage and value) is moved by truck
- 40% of truck traffic is thru-moving, and inbound outweighs outbound by more than 2:1
- 80% of freight is moved on Interstates
- Both the I-84/I-91 interchange and I-91/US 5/15 interchange are listed on ATRI's top 100 bottlenecks nationally
- Truck Travel Time Reliability is poor on I-84 between New Britain and South Windsor, I-91 between Rocky Hill and Windsor, and on all of I-291
- CRCOG and partner agencies (including CTDOT) aim to improve parking and rest stop facilities for trucks and address bottlenecks.

Industrial Insights

Cushman & Wakefield published an analysis of the Hartford/New Haven region's Industrial market for Q2 2025. Key points of this analysis are summarized below. Unless otherwise noted,





all data points pertain to the larger Hartford/New Haven market, and all specifically concern the Industrial market.

Cushman & Wakefield Q2 2025

- The region's unemployment rate was 0.5 percentage points lower than the national rate
- There has only been one project delivered since the beginning of 2025 (205 Baker Hollow Road in Windsor)
- Q1 added 1.2 Million Square Feet while Q2 added only 170,000 SF
- Overall asking rents declined quarter-over-quarter (QOQ) by \$0.56 Per Square Foot (PSF) to \$8.34 PSF, although high technology asking rents increased \$1.72 PSF to \$11.91 PSF
- Net absorption in the region peaked in 2022, showing modest gains in 2024 and an overall loss thus far in 2025
- The vacancy rate has remained fairly steady (around 4%) since early 2024, while asking rent has increased by approximately 30% from 2021 to 2025
- Northern Hartford accounts for 32% of SF in the Hartford region, while Eastern Hartford accounts for 27% of SF. Northern Hartford accounts for 50% of the region's vacancy (7.0% vacancy rate), and Eastern Hartford accounts for 40% (6.4% vacancy rate).
- Year to date, only Southern and Western Hartford have a positive net absorption. Of the region's five subregions, only Northern Hartford has anything under construction (250,240 SF) or construction completed (185,600 SF).
- The weighted average net rent for Manufacturing is significantly higher in Eastern Hartford (\$9.89 PSF) than in Northern Hartford (\$5.33 PSF), although the weighted average net rent for High Tech is significantly higher in Northern Hartford (\$19.12 PSF) than in all other sub-regions (\$9.89 PSF in Eastern Hartford). The overall weighted average net rent for Warehousing & Distribution is significantly lower in Northern Hartford (\$5.99 PSF) than Eastern Hartford (\$9.72 PSF) and the Hartford region as a whole (\$8.34 PSF).

Trends

Decentralization of Supply Chains

The explosion of e-commerce in the past decade has upended the previous 'hub and spoke' logistics chains. E-commerce fulfillment is being decentralized to get products closer to customers, enabling faster and more reliable delivery. Shippers now require multiple levels of warehousing and distribution to fulfill customers' desires for 2-day, next-day, and same-day delivery. This decentralization also increases total warehousing requirements to manage inventories.

The COVID-19 pandemic, in particular, brought significant impacts to global and domestic logistics chains. With travel, commute, and shopping patterns disrupted by stay-at-home orders, online retail activity dramatically increased. As a result, online retailers scaled up their





operations, leading to a spike in new warehouse and industrial developments in the CRCOG region and the U.S. at large.

The Lehigh Valley and New Jersey have served as e-commerce hubs for the northeastern United States in recent decades. While warehousing continues to grow in these areas, the time pressures of e-commerce now exceed the regional transportation system's capacity to move freight from these areas to Connecticut and New England. Retailers and shippers have taken advantage of the extra capacity of northern Connecticut's transportation system and its comparatively lower property costs to add a leg in the logistics chain. This has occurred more quickly than CRCOG's member municipalities have had time to adjust their Plans of Conservation and Development (updated at a minimum interval of every ten years), zoning and regulations, and transportation policies and facilities.

Rapidly Increasing Air Cargo Volume

E-commerce and the emphasis on delivery speed have been a boon for air cargo, with airports that focus on package delivery seeing rapid growth in volumes, such as at Memphis (FedEx World Hub), Louisville (UPS Worldport), and Cincinnati (Amazon Air Hub). From 2010 to 2022, Bradley International Airport nearly doubled its amount of landed cargo from 730 million pounds to 1.26 billion pounds, and is currently ranked the 28th busiest cargo airport in the United States, compared to ranking 55th nationally in passenger traffic.

Data Centers

Data centers are becoming more common throughout the United States and Connecticut. Data centers are required to process the enormous amount of data for every cloud-based task. The demand for data centers and data processing is increasing with the routine use of artificial intelligence (AI) software such as ChatGPT. Data centers include computing infrastructure, storage infrastructure, network infrastructure, and associated office and security space. White & Case anticipates that data center needs will grow 15 percent annually. Data center ownership, operation, and design can vary significantly. Some are built by private data center developers who lease space to companies, while others are built by large tech companies, including Amazon, Microsoft, or Meta. The size of data centers can also vary greatly, from a small portion of a business park to a sprawling campus covering hundreds of acres.

Data centers can be viewed by the public and stakeholders as very similar to warehouses. Data centers can be, but are not always, large, rectangular box-like buildings in industrial areas. Despite their sometimes-similar designs, data centers have very different impacts from warehouses that should be considered in their design and municipal review process. Data centers consume significantly more electricity and water than other industrial uses, and produce more noise. According to an April 2025 article in Style Factor, it is estimated that each word in a ChatGPT query costs \$0.03 to process the data, and the University of California, Riverside found that each 100-word AI prompt consumes approximately one bottle of water. A 2024 article from the Yale School of the Environment stated that by 2026, data center electricity consumption worldwide will double that of 2022, at 1,000 terawatt-hours, approximately the same as Japan's current total consumption. A report by the U.S. Department of Energy reveals that data centers consumed 4.4% of electricity in 2023 and are expected to increase to 12% by





2028. Regarding water consumption, the Environmental and Energy Study Institute revealed that a single large data center can consume up to 5 million gallons of water per day. Additionally, data centers produce far fewer vehicle trips, including virtually no heavy vehicle trips, while in operation. Trip generation from a data center will peak during construction. Another difference between data centers and warehouses is that although both satisfy a local and international need, warehouses directly serve local customers, while the presence of a data center locally will not directly improve access to data for residents.

In February 2025, Governor Ned Lamont stated his support for building more data centers in Connecticut. To support the electricity needs of data centers, Lamont expressed his support for expanding nuclear energy in the State. Energy is one of the main considerations for data centers, assuring there is sufficient and consistent energy available to power the data center without being a detriment to other energy users. DataCenterMap.com's database shows 3,905 data centers across the United States and 60 in Connecticut, while DataCenters.com shows 13 data centers in Connecticut. DataCenterMap.com shows data centers in Bloomfield, Newington, and Hartford, while DataCenters.com shows a data center in Hartford.

While warehousing and e-commerce in central Connecticut and much of the world continue to expand to accommodate consumer expectations and demand, outdated and unused warehouses and office space offer opportunities for conversion to data centers. The suitability of these facilities will depend on numerous factors, including their location (less feasible when near residences or other sensitive receptors), availability of water and electricity, and the height and footprint of the building. Data centers need a high internal height in order to cool environments effectively, something that is lacking in most office spaces.

The impact of data centers on CRCOG, its municipalities, and its residents can require much further investigation, including assessing specific water and energy availability and land use contexts.





Summary

The Regional Market and Economic Analysis of the Warehousing Sector report evaluates the supply and demand for industrial real estate development in the **Hartford Metropolitan Statistical Area (MSA)**, which is comprised of **Hartford, Middlesex, and Tolland Counties**, shown in Figure 1 below:

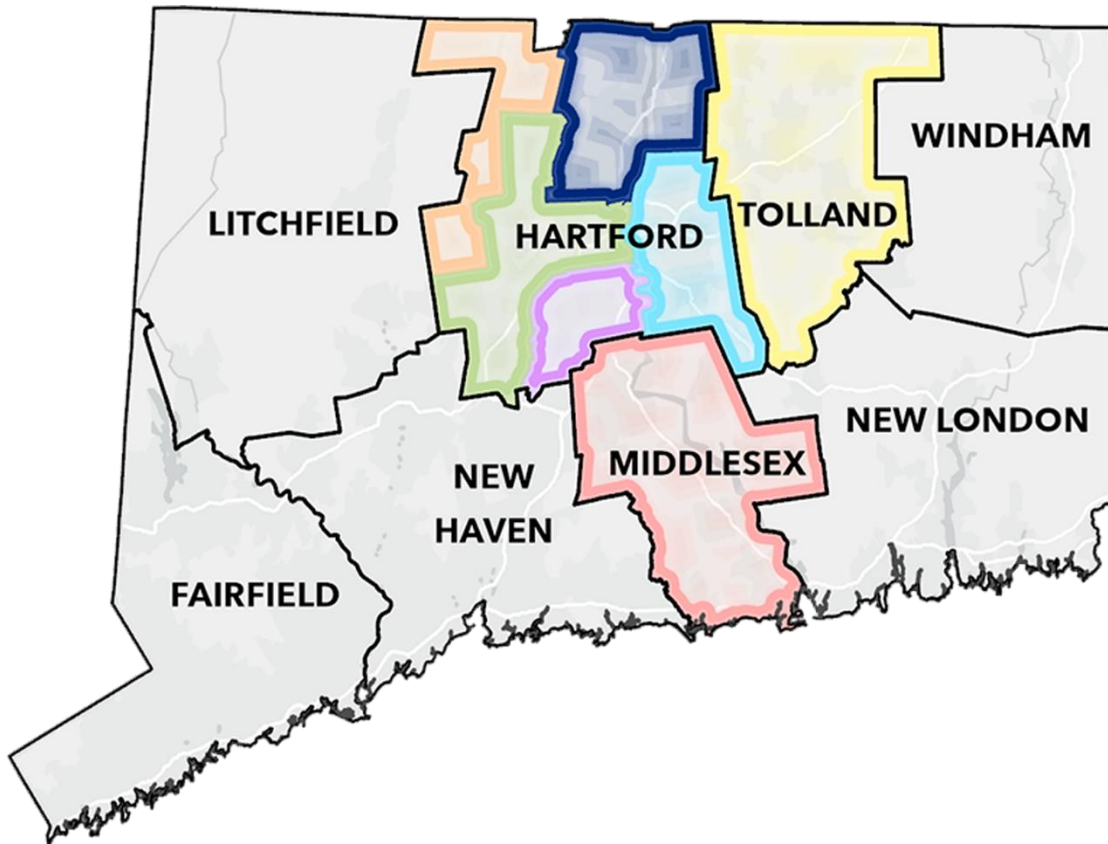


Figure 1: Area of Market and Economic Study, Hartford Metropolitan Statistical Area (MSA) and Associated Counties

Methodology

For **supply analysis**, regional property data was obtained from CoStar, a commercial real estate information and databases supplier. To visualize growth trends across the region, the square footage of industrial real estate in the region from 1993 to 2025 was extracted and analyzed. A composite picture was built from 7 submarkets, as determined by CoStar, within the Hartford Metropolitan Statistical Area (MSA) to identify the details driving industrial real estate growth trends in the region at large, as shown in Figure 2.

The seven submarkets include:

1. North of Hartford
2. East of Hartford





3. West of Hartford
4. South of Hartford
5. Tolland County
6. Middlesex County
7. West (Outlying)

Each of these seven submarkets is briefly described below, with characteristics summarized in Table 1.



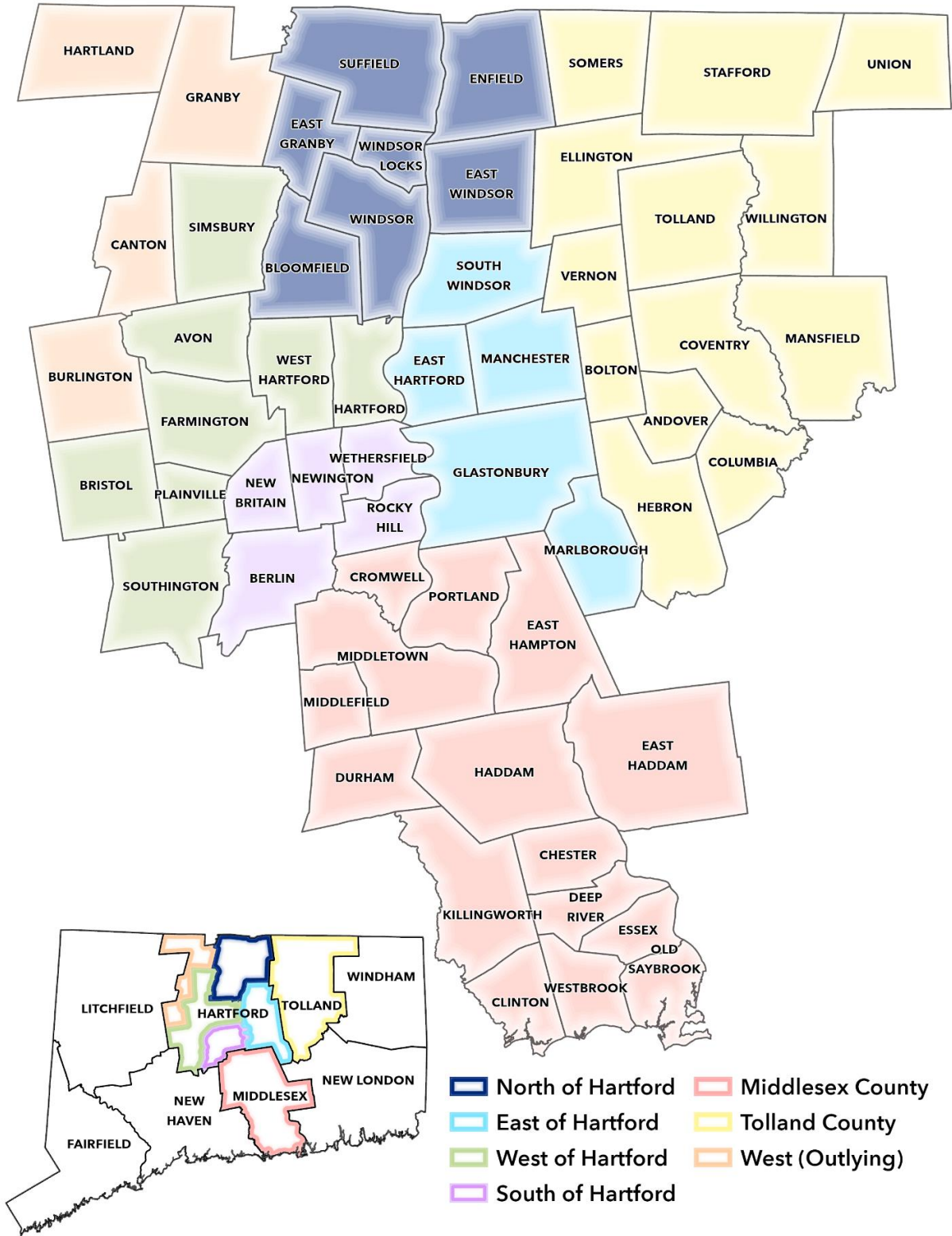


Figure 2: Regional Submarkets





North of Hartford – The North of Hartford submarket is the main warehousing hub in the CRCOG region. Windsor Locks is home to Bradley International Airport, and surrounding towns, including Windsor, are home to warehousing uses. The submarket is home to 61% of the region’s distribution facilities. Twenty-two percent of the area’s land is used for industrial or transportation purposes. Population density and development are highest in the southern portion of the submarket in Windsor and Bloomfield, as well as along Interstate 91, which travels north through Windsor, Windsor Locks, East Windsor, and Enfield into Massachusetts to the north.

East of Hartford – The East of Hartford submarket is the second most prominent warehousing submarket in the region, home to 13 distribution facilities and 11% of land uses for industrial or transportation uses. East Hartford is highly urbanized, with several warehousing and other industrial uses around Rentschler Field, currently a stadium and formerly an airfield. Manchester is home to Buckland Hills Mall, a regional shopping destination. Population and density, and development are highest along the I-84 corridor, which travels east from Hartford into East Hartford and Manchester.

West of Hartford – The West of Hartford submarket is the most populated submarket in the region, with a moderate amount of warehousing activity. The submarket is home to 6 distribution facilities, and seven percent of the land is used for industrial or transportation purposes. This submarket includes Hartford, the region’s largest city, and an economic, employment, and cultural hub for the region. Distribution facilities are located in the western portion of the submarket, in Bristol, Southington, Plainville, and Farmington, proximally to Interstate 84, which travels through Southington, Plainville, Farmington, West Hartford, and Hartford. Within the submarket, population density and development are highest in Hartford and West Hartford, moderate in Bristol, Southington, and Plainville, and lower in Farmington, Avon, and Simsbury.

South of Hartford – The South of Hartford submarket has the highest population density in the region and is home to 4 distribution facilities with eight percent of land uses for industrial or transportation. This submarket is the geographically smallest of the region, with more urbanized areas in New Britain and moderate density and development in the remaining four towns. I-91 passes through Wethersfield and Rocky Hill.

Tolland County – Tolland County is the largest submarket by area, but with a very low population density. It is home to only one distribution facility, in Willington. Development and population density are higher to the west, including in Vernon. I-84 passes through Vernon, Tolland, Willington, and Union. Mansfield is home to the University of Connecticut, the State’s flagship public university and a major employer and trip generator in the region.

Middlesex County – Middlesex County is home to one distribution facility and has a lower-than-average population density for the region. The submarket’s largest municipality is Middletown, which is home to Wesleyan University and a regional hub for education and employment. The southern towns of the submarket lie along the Long Island Sound, where I-95 travels.





West (Outlying) – The West (Outlying) submarket has the lowest population and population density of the region. The area is not home to any distribution facilities. These towns are highly rural with many environmentally sensitive features.

Submarket	Population	Area (Sq. Mi)	Population Density (Per Sq. Mi)	Municipalities	Industrial or Transportation Land Uses	Distribution Facilities
East of Hartford	178,968	148	1,210	5	11%	13
Middlesex	164,245	369	445	15	NA*	1
North of Hartford	137,937	184	750	7	22%	39
South of Hartford	172,989	79	2,195	5	8%	4
Tolland	149,788	410	365	13	4%	1
West (Outlying)	32,447	128	253	4	4%	0
West of Hartford	377,157	197	1,918	8	7%	6
Total	1,213,531	1,515	801	57		64

Table 1: Submarket Characteristics Summary

Source: Population is United States Census, 2020, Industrial or Transportation land uses are from Replica, Distribution Facilities is from CRCOG

*Land use data was not obtained for Middlesex County, which is outside of the CRCOG area

For the **demand analysis**, Census and Bureau of Labor Statistics (BLS) Data for the Hartford MSA were analyzed to understand business and employment growth patterns locally and relative to the nation as a whole. This analysis examined the growth of businesses and employment in sectors utilizing warehouse and industrial real estate.

The northern area of the Hartford MSA demonstrates a clear trend of industrial real estate growth, paired with an increase in industrial occupations.

In particular, North of Hartford captures a significant share of industrial real estate growth in the region, with 64 percent of the total new industrial square footage constructed annually in this submarket. This indicates the area’s growing importance within the regional industrial landscape.

After the COVID-19-accelerated e-commerce boom, the market is currently experiencing a downturn. However, both the historical patterns and the future projections point to a continued growth in supply and demand of the industrial sector. This indicates a strong opportunity to plan for long-term industrial expansion in the region.

Despite recent market softening, the combination of historic momentum, employment growth, and location-based advantages in the Bradley International Airport area makes a compelling case for proactive investment and industrial development planning.





Demand Analysis

To verify the forecasted supply, this study evaluated the demand for industrial real estate by analyzing the growth of businesses and employment in sectors that utilize warehouse and industrial real estate. Census and Bureau of Labor Statistics (BLS) Data for the Hartford MSA were analyzed to understand business and employment growth patterns locally and relative to the nation as a whole. Specifically, industrial industry codes from the North American Industry Classification System (NAICS) dataset, at the 2-digit level, were extracted for the Hartford MSA to evaluate the number of people working in industries located in the Hartford MSA, along with the number of people living in the Hartford MSA who work in industrial jobs.

The growth in employment between 2012 and 2021 was evaluated against the Location Quotient (LQ) in the same time frame to identify growth trends. The Location Quotient is the ratio of workers concentrated in the sector in the region compared to the national average. Figure 3 illustrates how to interpret the results, where Up & Coming and Active categories represent industry employment that is growing, and Off-Radar and Mature represent industries with established or declining growth.

<p>UP & COMING Above average growth; below average concentration Industries in this quadrant are in a growth phase, building on a critical mass of talent before reaching saturation.</p>	<p>ACTIVE Above average growth and concentration These industries often represent the market’s specialization(s), with the deepest talent pools and brightest growth forecasts. Competition is often fierce, placing growth pressure on wages.</p>
<p>OFF-RADAR Below average growth and concentration Industries in this quadrant are generating much activity. There is often a tiny pool of specialized talent but companies can be protected from competition.</p>	<p>MATURE Below average growth; above average concentration Industries are either very large and experiencing slow growth on a percentage basis, or simply decreasing in competitiveness to other, “hotter” markets.</p>

Figure 3: Interpretation of Growth vs Location Quotient (2012-2021)





Employment

Industries such as Transportation & Warehousing (NAICS 48-49), Manufacturing (31-33), and Wholesale Trade (42) are directly associated with demand for industrial space. In Figure 4, Transportation and Warehousing stand out as the industry with the highest employment growth rate. It is seen in both Active (Quadrant I) and Up & Coming (Quadrant IV) Quadrants, reflecting a high Location Quotient and job growth rate. This indicates the industry’s competitive regional advantage and a strong ongoing demand for industrial facilities.

Similarly, Manufacturing distinguishes itself as Mature (Quadrant II) and Active (Quadrant I), reflecting its continued importance in the regional economy through strong concentration and steady employment levels, despite slower growth. However, Wholesale Trade is not as competitive as the other sectors that require industrial development. Figure 4 shows the increasing demand that justifies the growing supply of industrial footprint.

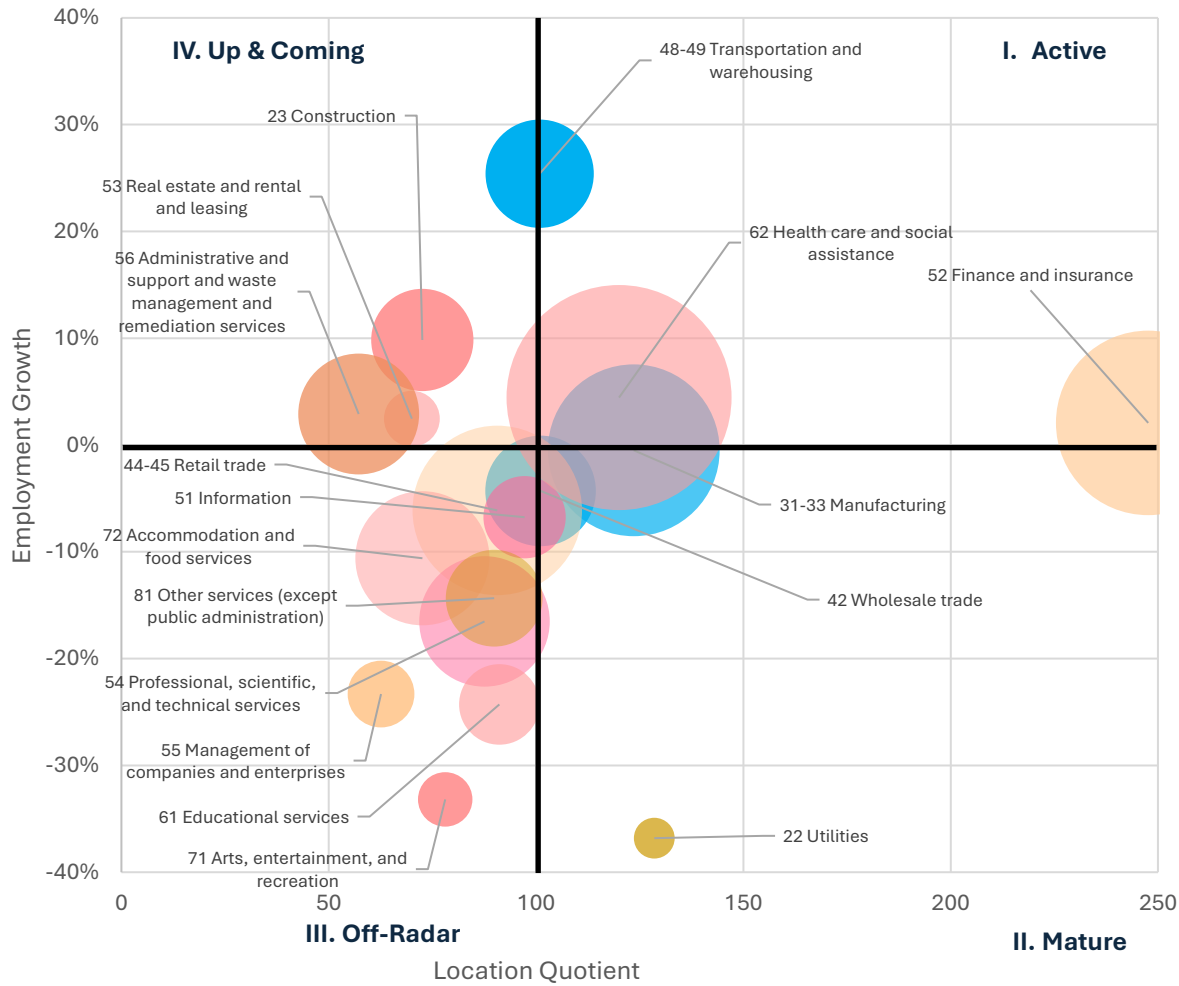


Figure 4: Employment Growth vs. Location Quotient by Industry, 2012-2021





Occupation

As seen in Figure 5 below, production and industrial-related occupations appear to be on the rise. Active and thriving labor markets include Transportation and Material Moving occupations (OCC 53), Construction and Extraction occupations (OCC 47), Installation, Maintenance, and Repair occupations (OCC 49), and Production occupations (OCC 51). Transportation and Material Moving Occupations and Production occupations stand out as the most concentrated.

Comparing occupation with employment sector-wise, the region appears to maintain a healthy balance between industry-related employment growth and industry real estate growth. That is, there are enough companies to support the labor pool and vice versa. This symbiotic relation makes the region attractive for continued investment and expansion.

2-Digit Occupation Code (OCC)

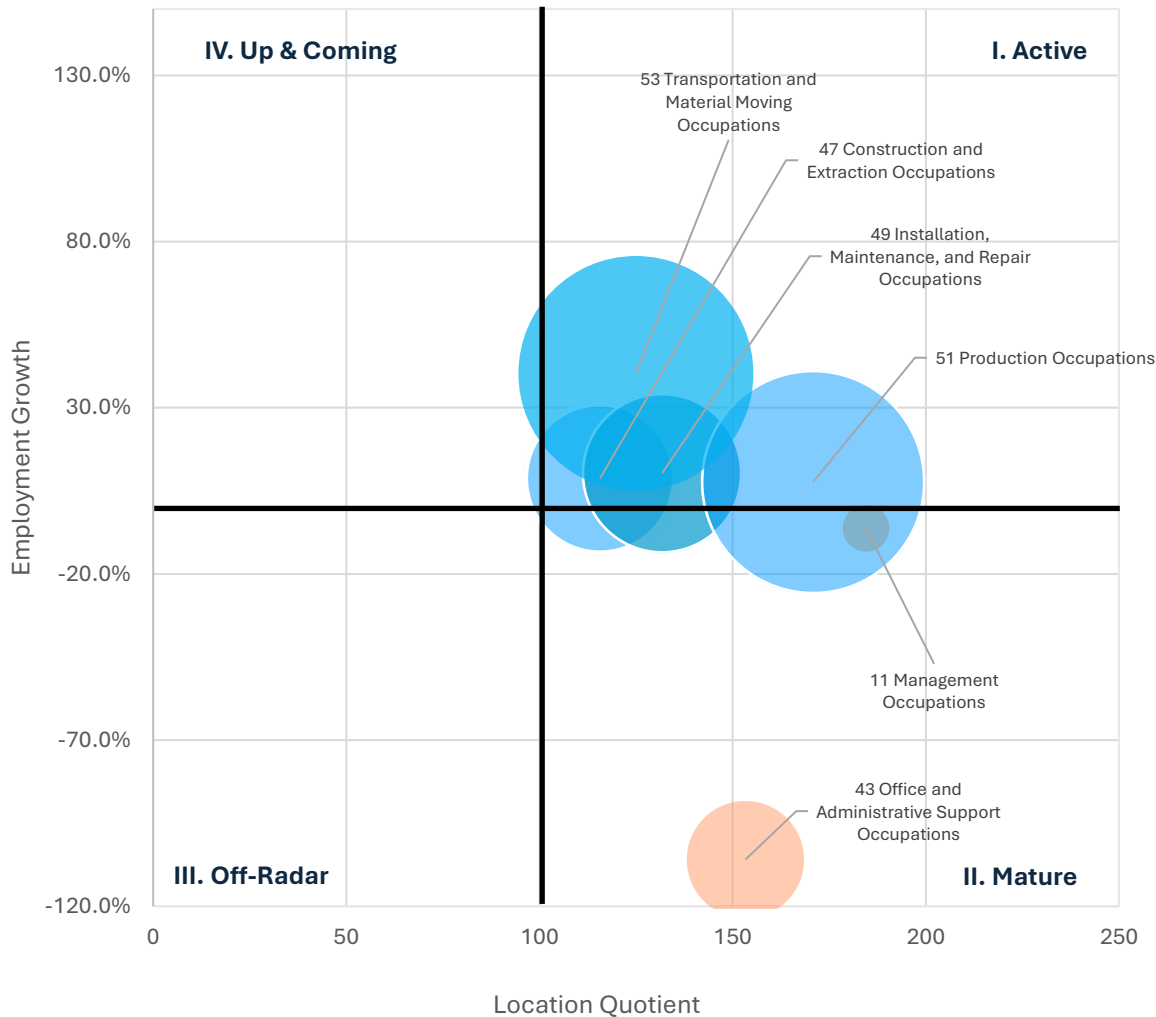


Figure 5: Employment Growth vs. Location Quotient by Occupation Type, 2-digit NAICS, 2012-2021





Supply Analysis

Historical Growth Analysis

Regional Growth

Over the past thirty years, industrial areas in the Hartford MSA have exhibited steady growth, though punctuated by slower growth rates during business cycle downturns. As demonstrated in Figure 6, most submarkets have seen an increase in the amount of industrial square footage over the years. Surges occurred during the 2008-2011 post-recession recovery phase and the COVID-19 years.

North of Hartford exhibits the trend with the highest industrial development growth rate and shows dominance in the market.

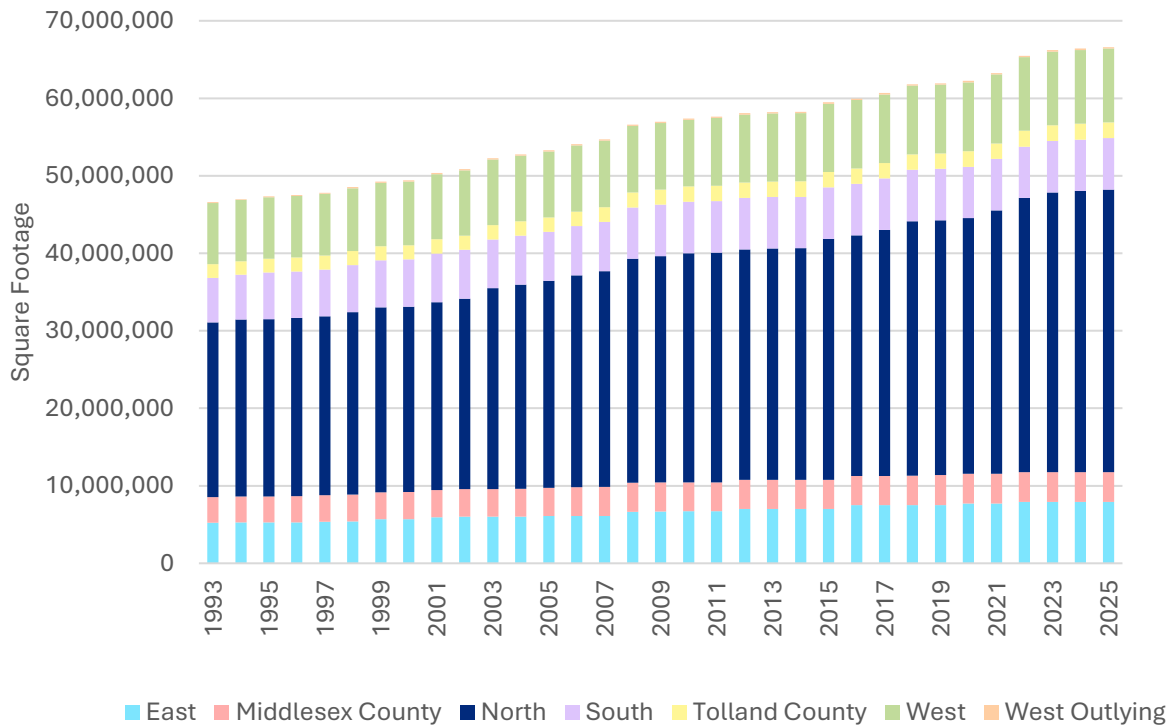


Figure 6: Historic Regional Supply of Industrial Real Estate in the Hartford MSA, 1993-2025

Growth by Submarket

Between 1993 and 2025, the industrial square footage in the regional market grew by 1.09 percent annually. Of all the submarkets included in this study, compound growth has been the highest in the West Outlying area, followed by North of Hartford (North) and East of Hartford (East). These submarkets have growth rates higher than the regional average, as shown in Figure 7.



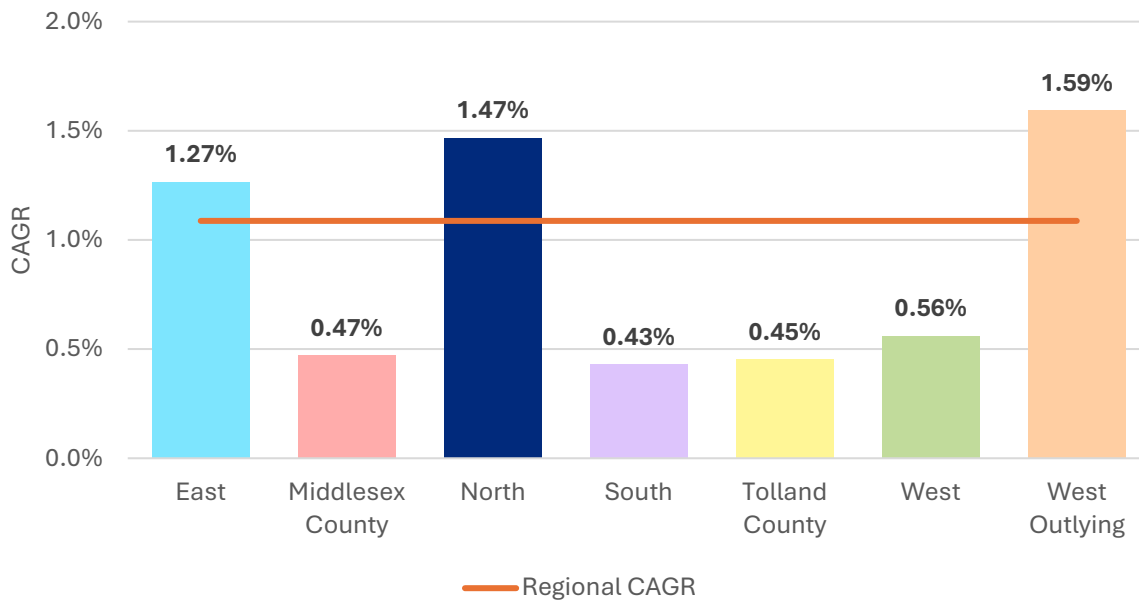


Figure 7: Compound Annual Growth Rate of Industrial Real Estate by Region and Submarket, 1993-2025

Figure 8 illustrates the regional share of growth within each submarket and provides additional context for the growth patterns. For example, even though the West Outlying submarket has the highest growth rate, it represents only 1 percent of the total industrial real estate square footage growth in the region.

On the other hand, the North of Hartford submarket has the second-highest growth rate in the MSA for industrial real estate construction, and the highest average share of annual growth, as seen in Figure 8. This submarket is where the most industrial real estate in the region is being developed, comprising 64 percent of all new square footage. East of Hartford follows with the second-highest average share of annual growth and one of the highest growth rates in the MSA.



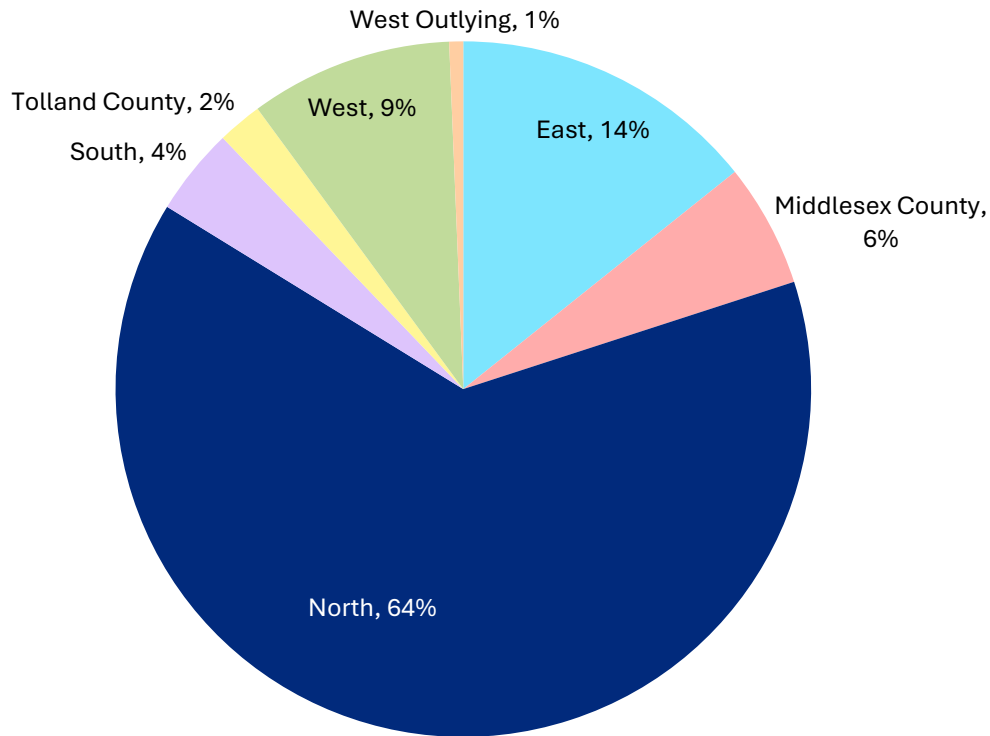


Figure 8: Share of Each Submarket in Total New Industrial Square Footage Built between 1993-2025

Future Growth Projections

Based on the analysis of historical data, future growth projections have been developed for target submarkets in the Hartford market:

- **North of Hartford**
- **East of Hartford**
- **West of Hartford**
- **South of Hartford**

The industrial real estate square footage forecast begins in 2025 and extends to 2050. “High” and “Low” forecasts are made based on standard deviations of projected growth. These high and low forecasts provide a range of the likely outcomes, which are subject to changes in market conditions, business cycles, technology, and other factors.

The forecasts are analyzed further by assessing cumulative and incremental changes in industrial real estate square footage. This analysis provides insight into five 5-year periods. The periods included in this research are 2025 to 2030, 2030 to 2035, 2035 to 2040, 2040 to 2045, and 2045 to 2050. The 2025 to 2030 square footage consists of historical and forecasted values. A comparative summary of cumulative growth in 2050 is provided below in



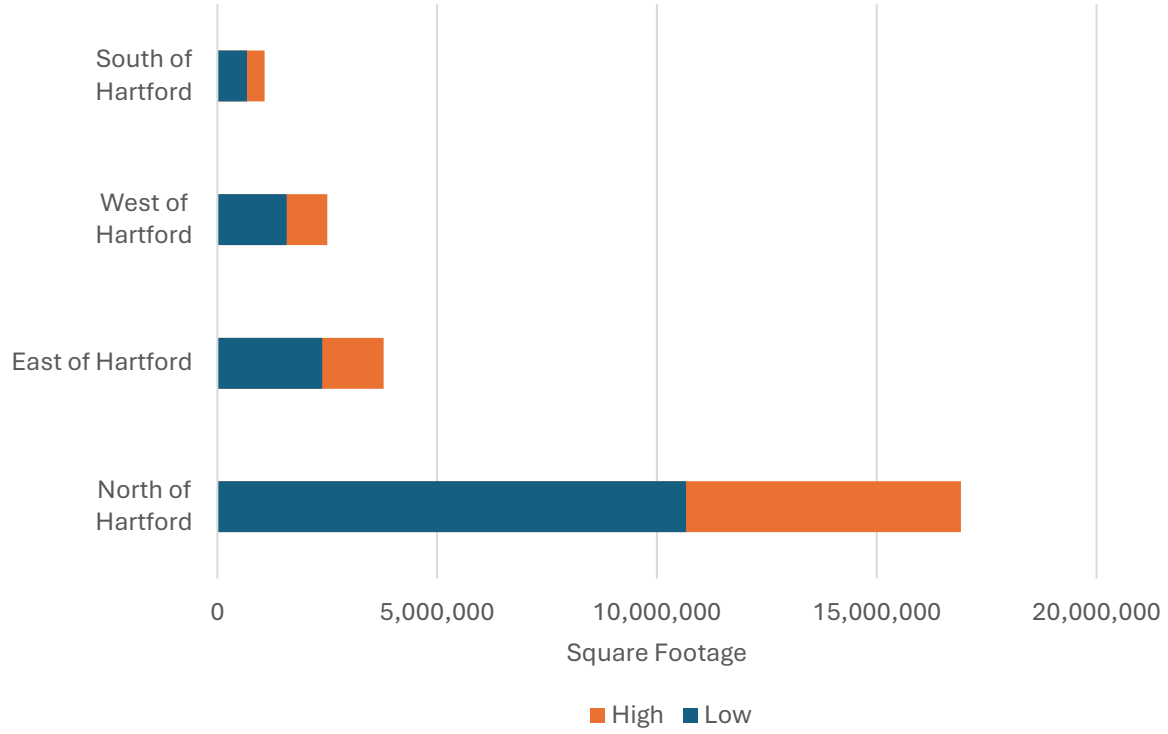


Figure 9.



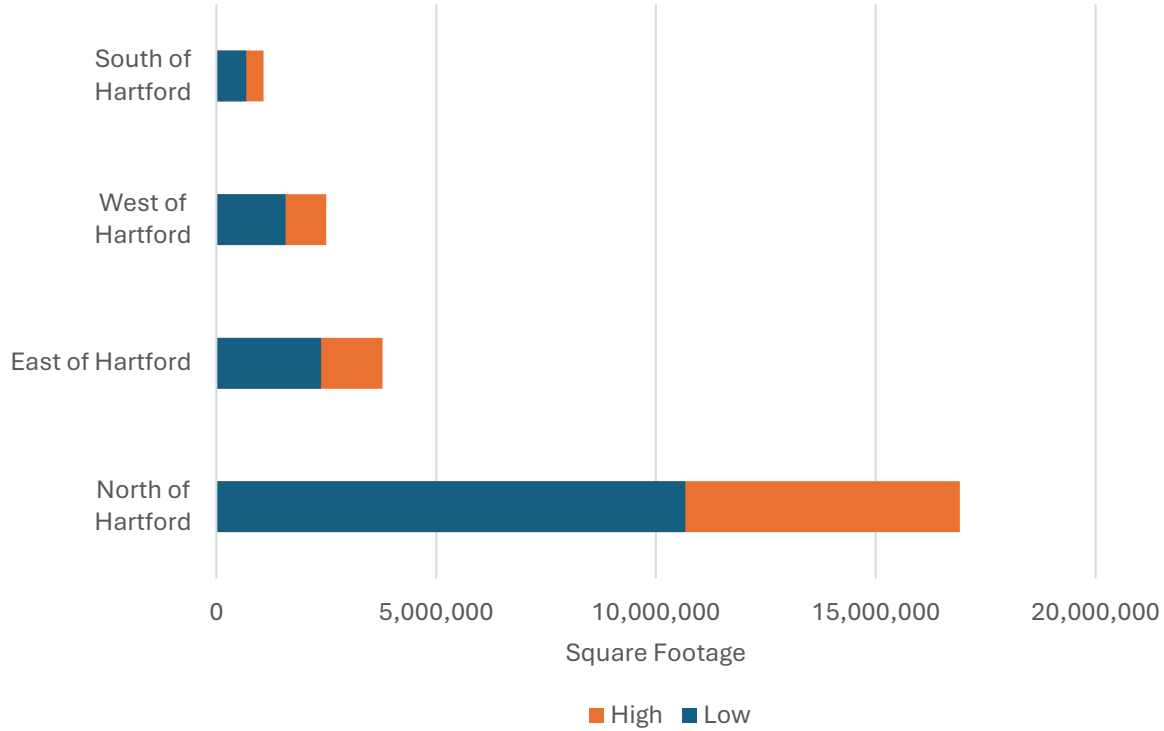


Figure 9: Cumulative Industrial Real Estate Square Footage Growth by Submarket in 2050 (forward projection of historical growth rates)

The results show that North of Hartford is slated to have an exceptionally large increase in the forecasted additional square footage in the upcoming market cycle. East of Hartford comes in second, followed by West and South of Hartford.





North of Hartford

Figure 11 demonstrates the number of industrial square feet projected through 2050, along with a shaded margin of error included to provide a forecast range. The projections depict an upward trend, indicating a consistent increase in industrial real estate square footage in the submarket.

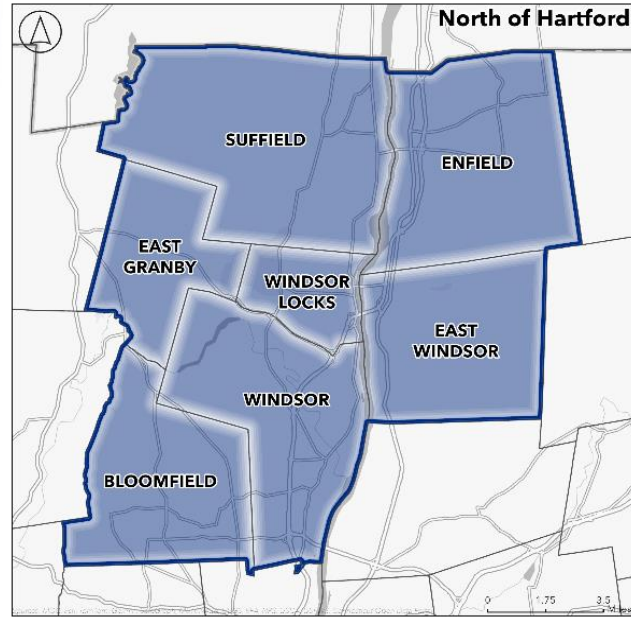


Figure 10: 'North of Hartford' Market Sub-Region

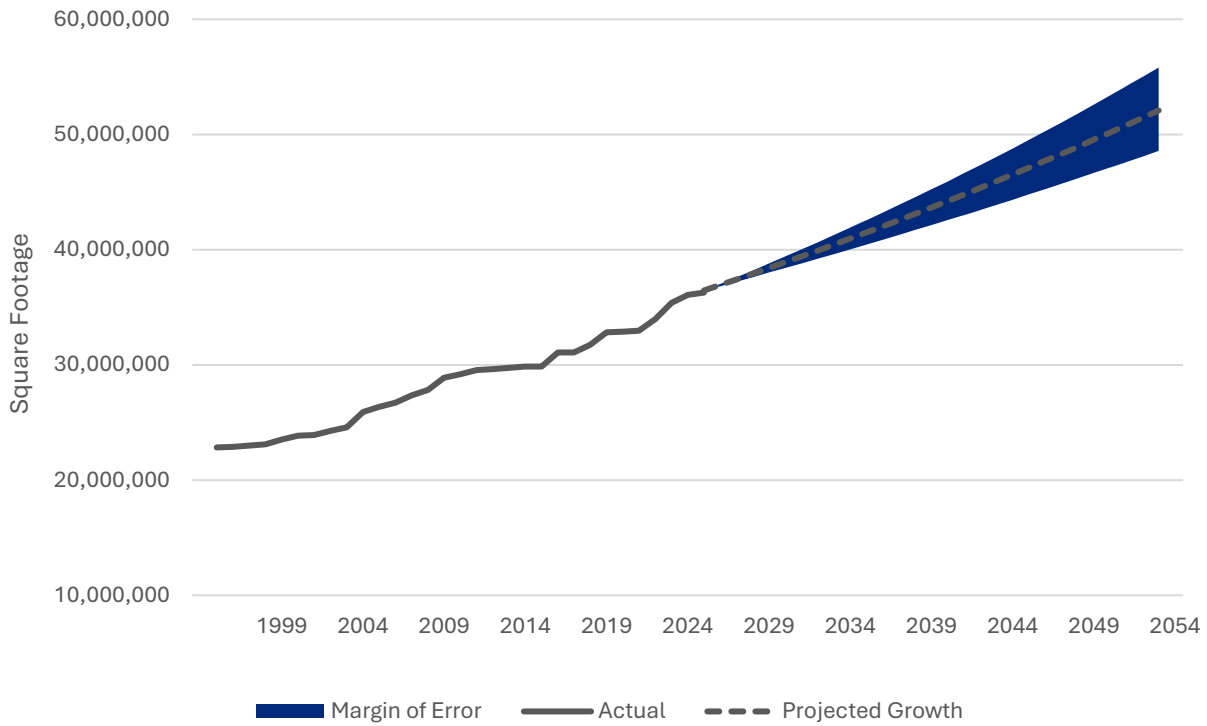


Figure 11: Projected Number of Square Feet at Average Growth Rate: North of Hartford (forward projection of historical growth rates)





Table 2 demonstrates the incremental and cumulative square footage increases projected for industrial real estate from 2025 through 2050 in the North of Hartford submarket. The forecast shows an incremental increase between approximately 2 million and 3 million square feet projected for construction during the initial years. This is projected to grow from around 2.3 million to nearly 3.9 million square feet during the final five years of the forecast.

Cumulatively, it is projected that between 1.9 million to a high of 2.9 million new square feet of industrial real estate will be built in the first five years of the forecast, resulting in a range of between 10.7 million to 16.9 million square feet to be added within the next twenty-five years.

New Square Footage Forecast (in 000s)	2030	2035	2040	2045	2050
Incremental	1,946 to 2,945	2,035 to 3,149	2,128 to 3,368	2,226 to 3,601	2,328 to 3,851
Cumulative	1,946 to 2,945	3,981 to 6,094	6,109 to 9,462	8,335 to 13,063	10,663 to 16,914

Table 2: Net New Industrial Square Footage (North of Hartford)

North of Hartford is the key driver of industrial growth within the Hartford MSA. It has the second-highest growth rate in the region at 1.47 percent, and the highest share of industrial real estate square footage that has been built in the MSA between 1993-2025, at 64 percent. Given the steep rate of growth and the highest capture rate, it is anticipated that there will be an increase in industrial real estate development in the next market cycle.





East of Hartford

Figure 13 demonstrates the number of industrial square feet projected to be built through 2050, along with a shaded margin of error included to provide a forecast range. The projections depict an upward trend, indicating a consistent increase in industrial real estate in the submarket.

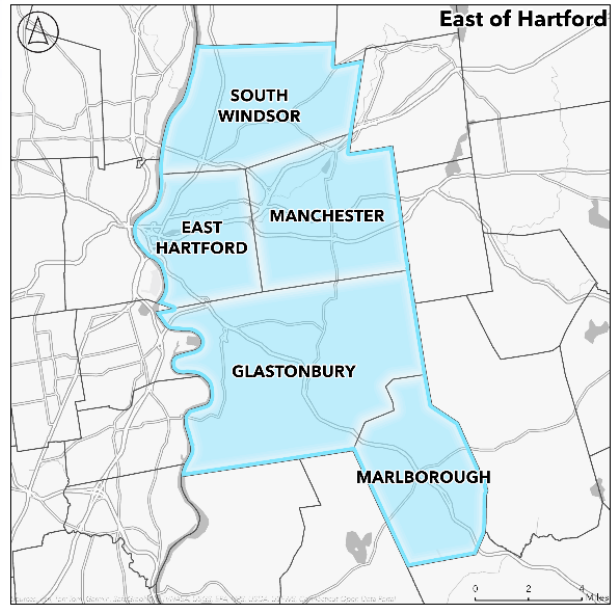


Figure 12: 'East of Hartford' Market Sub-Region

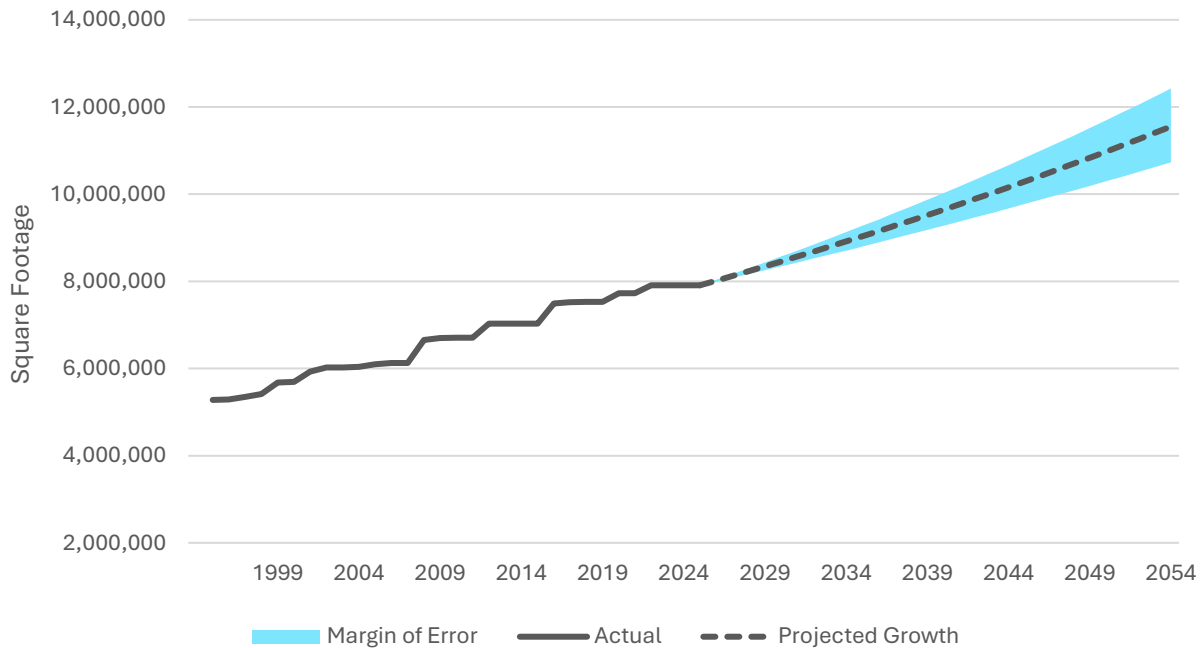


Figure 13: Projected Number of Square Feet at Average Growth Rate: East of Hartford (forward projection of historical growth rates)





Table 3 demonstrates incremental and cumulative square footage increases projected for industrial real estate from 2025 through 2050 in the East of Hartford submarket. The forecast shows an incremental increase of between 400,000 to 700,000 square feet projected for construction during the initial years. This is projected to grow to around 500,000 to mid-800,000 square feet during the final years of the forecast.

Cumulatively, it is projected that between 435,000 to a high of 658,000 new square feet of industrial real estate will be built in the first five years of the forecast, resulting in a range of between 2.4 million to 3.8 million square feet to be added within the next twenty-five years.

New Square Footage Forecast (in 000s)	2030	2035	2040	2045	2050
Incremental	435 to 658	455 to 704	476 to 753	497 to 805	520 to 861
Cumulative	435 to 658	890 to 1,362	1,366 to 2,115	1,863 to 2,920	2,383 to 3,781

Table 3: Net New Industrial Square Footage (East of Hartford)





South of Hartford

Figure 15 demonstrates the amount of industrial square footage projected through 2050, along with a shaded margin of error included to provide a forecast range. The projections depict a flat to slightly upward trend, indicating a slight increase in industrial real estate in the submarket.

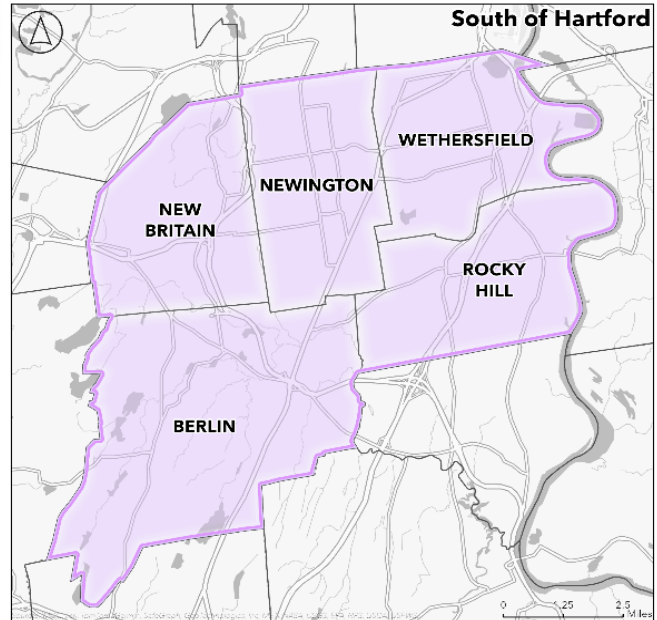


Figure 14: 'South of Hartford' Market Sub-Region

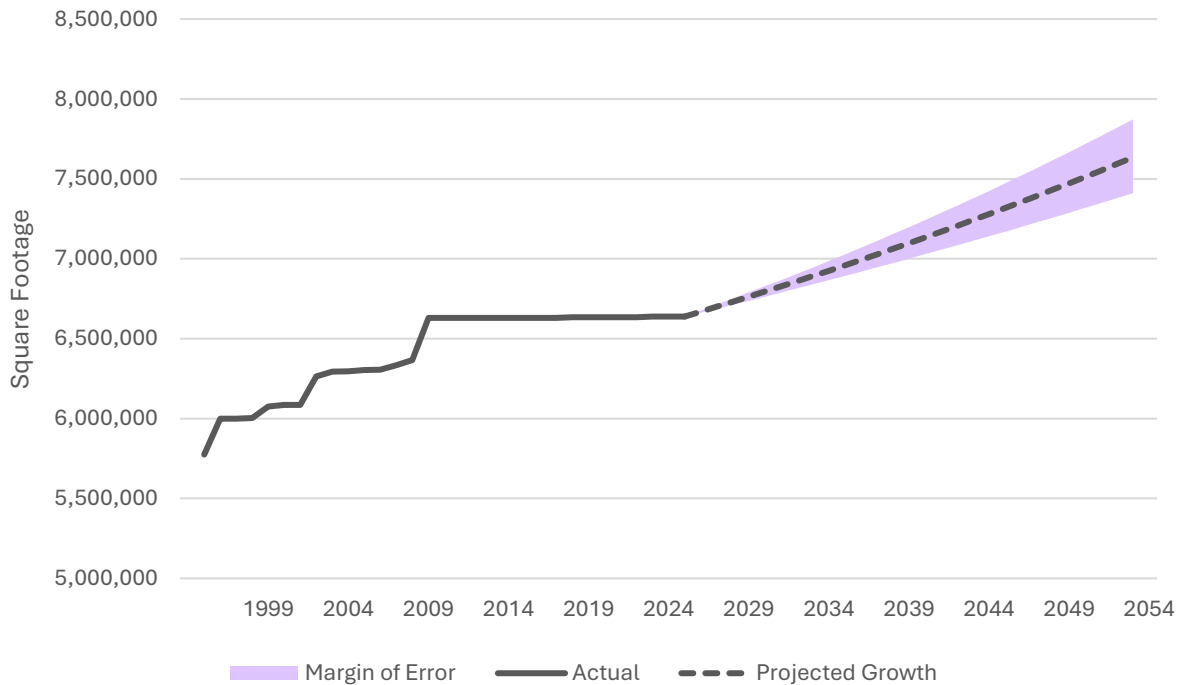


Figure 15: Projected Number of Square Feet at Average Growth Rate: South of Hartford (forward projection of historical growth rates)





Table 4 demonstrates incremental and cumulative square footage increases projected for industrial real estate from 2025 through 2050 in the South of Hartford submarket. The forecast shows an incremental increase of between approximately 125,000 to 200,000 square feet projected for construction during the initial years. This is projected to grow to almost 150,000 to 245,000 square feet during the final five years of the forecast.

Cumulatively, it is projected that between 124,000 to a high of 187,000 new square feet of industrial real estate will be built in the first five years of the forecast, resulting in a range of between 677,000 to 1.1 million square feet to be added within the next twenty-five years.

New Square Footage Forecast (in 000s)	2030	2035	2040	2045	2050
Incremental	124 to 187	129 to 200	135 to 214	141 to 229	148 to 245
Cumulative	124 to 187	253 to 387	388 to 601	529 to 830	677 to 1,075

Table 4: Net New Industrial Square Footage (South of Hartford)





West of Hartford

Figure 17 demonstrates the amount of industrial square footage projected through 2050, along with a shaded margin of error included to provide a forecast range. The projections depict a slightly upward trend, indicating a moderate increase in industrial real estate in the submarket.

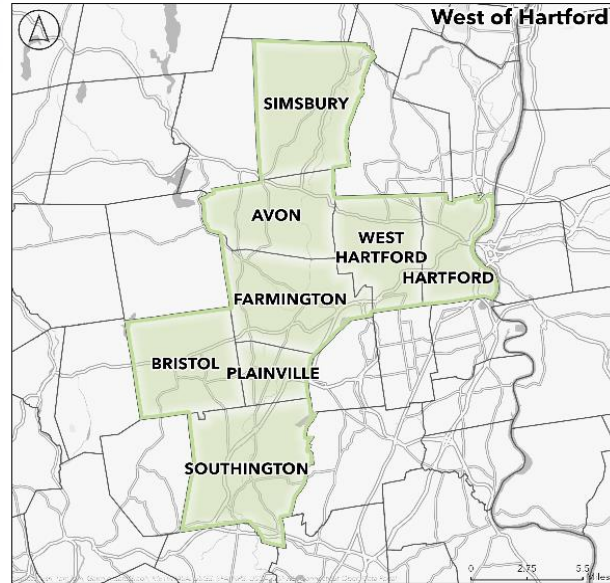


Figure 16: 'West of Hartford' Market Sub-Region

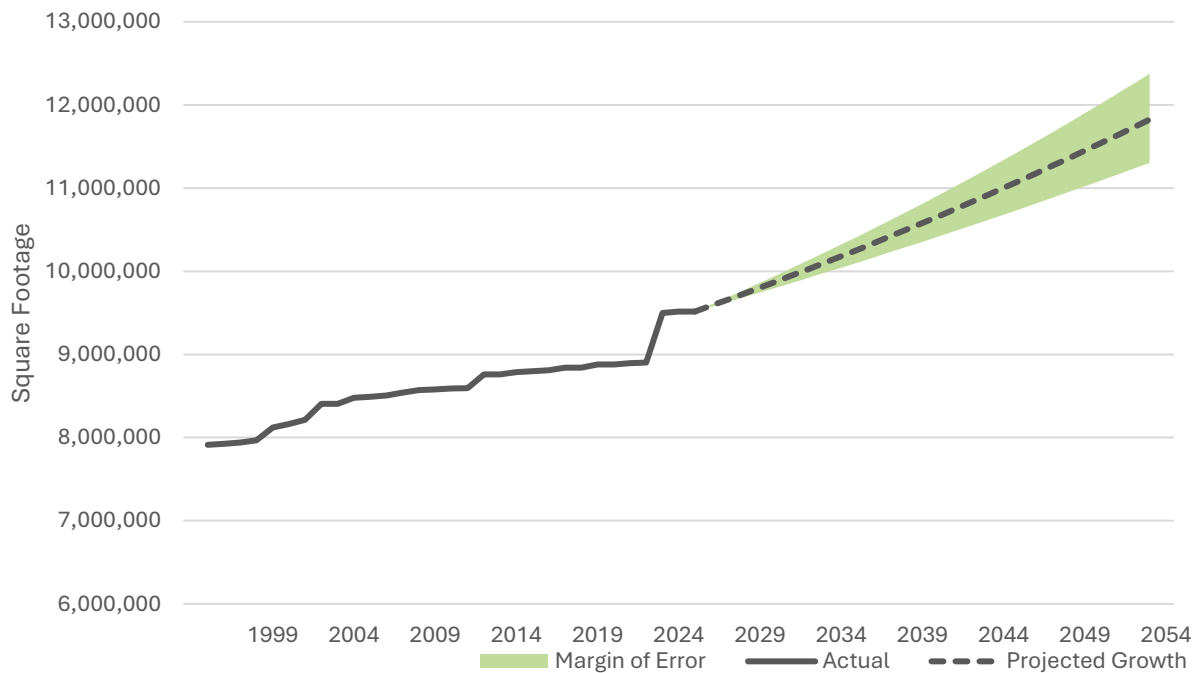


Figure 17: Projected Number of Square Feet at Average Growth Rate: West of Hartford (forward projection of historical growth rates)





Table 5 demonstrates the incremental and cumulative increases projected for the square footage of industrial real estate from 2025 through 2050 in the area west of Hartford. The forecasts show an incremental increase of between the high 200,000s and mid-400,000s in square footage of industrial real estate projected for construction every five years during the initial years of the forecast. This is projected to grow to between 344,000 to 569,000 square feet of industrial real estate constructed during the final five years of the forecast.

Cumulatively, a low of 287,000 million to a high of 435,000 square feet of new industrial real estate is projected in the first five years of the forecast, culminating in between 1.6 million to 2.5 million square feet of industrial real estate projected to be added within twenty-five years.

New Square Footage Forecast (in 000s)	2030	2035	2040	2045	2050
Incremental	287 to 435	300 to 465	314 to 497	329 to 532	344 to 569
Cumulative	287 to 435	587 to 900	901 to 1,397	1,230 to 1,929	1,574 to 2,498

Table 5: Net New Industrial Square Footage (West of Hartford)





Development Pipeline

Based on information provided by local planners and desk research, it is estimated that **8.9 million square feet of warehousing and industrial space could be added in the next several years** in the CRCOG region. Specifically, 5.4 million square feet of new unbuilt warehouse space is expected to be added, and 3.9 million square feet of existing space is expected to be available and leased out. This existing space includes properties that will be leased out after any planned redevelopments and renovations are completed.

In general, this level of growth meets or exceeds the projections described in the previous section. **The quantitative review of the Costar data finds that between 15.3 and 24.3 million square feet of industrial space will be added in the region between now and 2050.** The known pipeline of 8.9 million square feet of warehousing and industrial space expected to come online in the next few years would bring CRCOG nearly 60 percent of the way towards meeting the low-end of the 25-year growth estimate and about 37 percent of the way towards meeting the high-end of the growth estimate.

Figure 18 shows the locations of warehouses of various uses that are currently in the pipeline. These facilities are placed into five development phase categories:

- Built, Renovations Planned
- Built, Redevelopment Possible
- Unbuilt, Under Construction
- Unbuilt, Shovel Ready
- Unbuilt

Notably, while industrial space growth is generally expected in all submarkets, this research only yielded warehouse space in the North and East of Hartford submarkets. Further breakdowns of the pipeline by submarket are provided below.



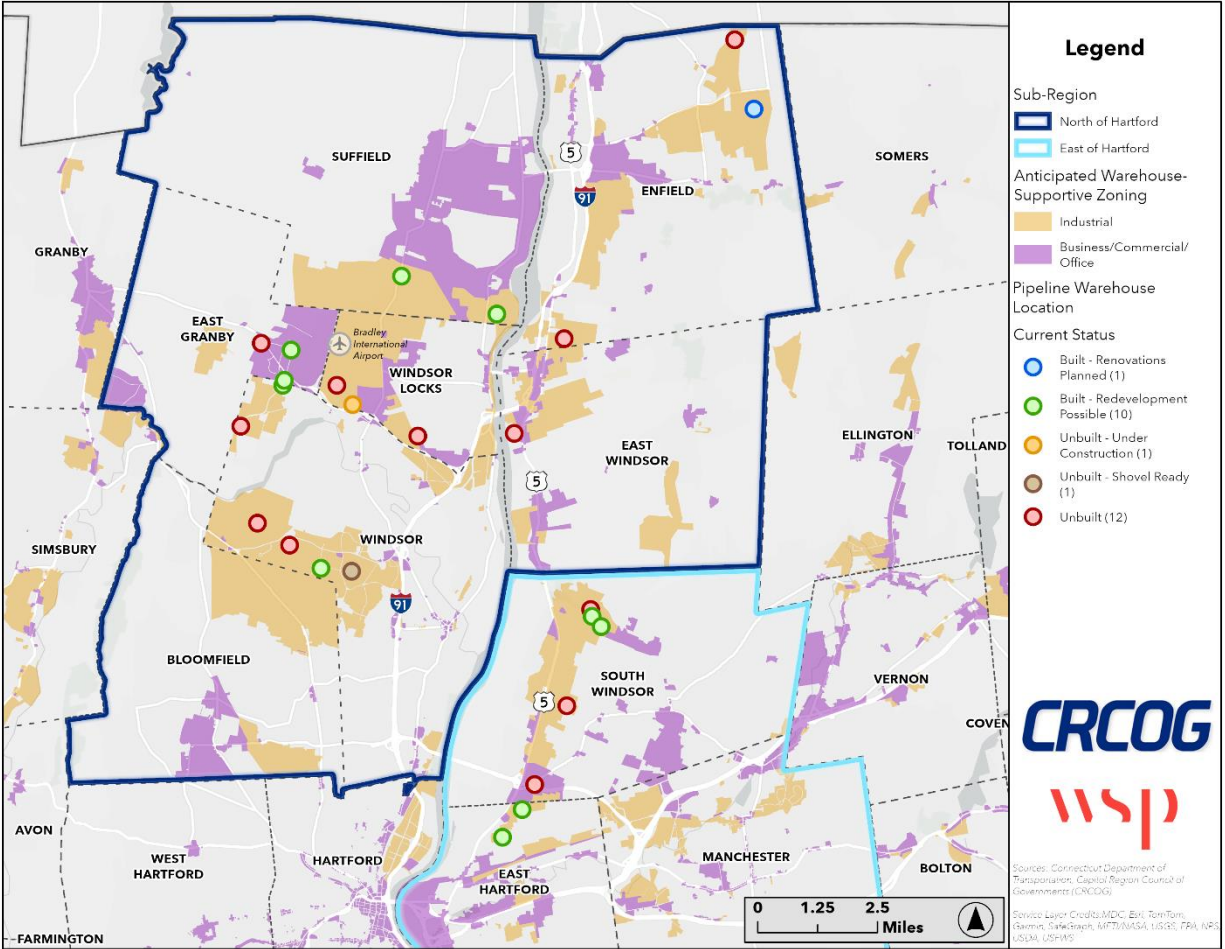


Figure 18: Warehouse Development Pipeline Locations





North of Hartford

In the North of Hartford submarket, nearly 6.6 million square feet of additional industrial space is anticipated. Specifically, it is expected that 4.7 million square feet of new unbuilt properties and 1.9 million square feet in existing properties to be leased will be added to the market. Figure 19 maps out the locations of the sites at the parcel level.

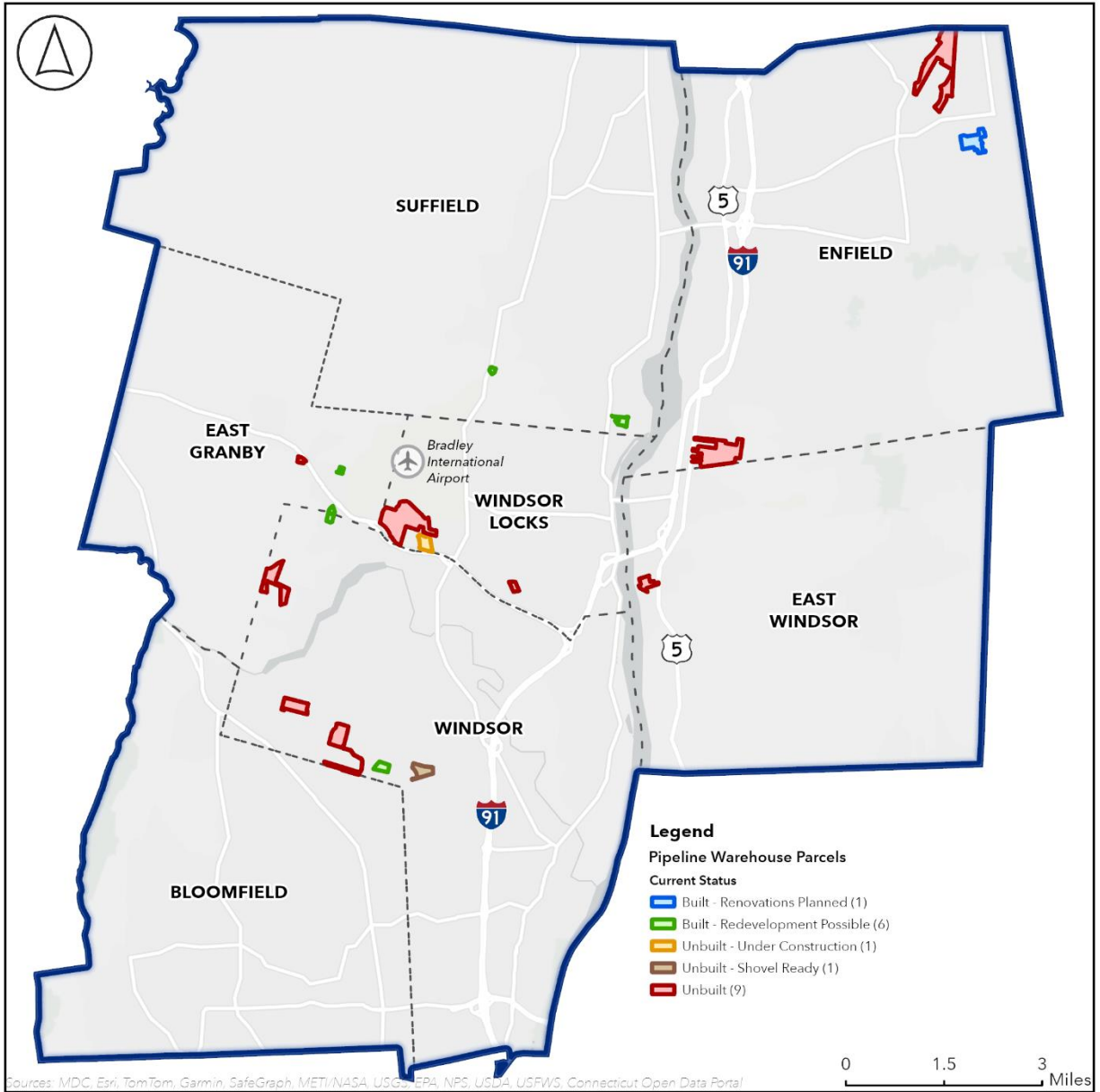
This industrial pipeline comprises nearly 62 percent of the low end of the total projected 2050 industrial square footage in the North of Hartford submarket (10.7 million square feet), and almost 39 percent of the high end of the forecast (16.9 million square feet).

Interviews with real estate firms conducted during this study indicated that they believe the market is currently in a lull, paused due to economic uncertainties. Should the market return to a busier pace, this submarket could meet or exceed the forecasted growth before 2050. Table 6 provides the additional square footage by city and built/unbuilt status.

Status	City	Square Footage
Unbuilt	East Granby	800,000
	East Windsor	246,240
	Enfield	1,239,875
	Windsor	1,046,000
	Windsor Locks	1,381,980
	Total	4,714,095
Built	East Granby	110,609
	Suffield	661,612
	Windsor	222,455
	East Windsor	279,256
	Enfield	587,700
	Total	1,861,632
Total Built and Unbuilt		6,575,727

Table 6: North of Hartford: Warehouse Development Pipeline – Built and Unbuilt Properties





Sources: MDC, Esri, TomTom, Garmin, SafeGraph, METI, NASA, USGS, EPA, NPS, USDA, USFWS, Connecticut Open Data Portal

Figure 19: North of Hartford Pipeline Locations





East of Hartford

In the East of Hartford submarket, 2.3 million square feet of additional industrial space is anticipated. Specifically, 658,000 square feet of new unbuilt properties and 1.6 million square feet in existing properties to be leased will be added. Figure 20 maps out the locations of the sites at the parcel level.

This industrial pipeline comprises about 95 percent of the low end of the total projected 2050 industrial square footage in the submarket (2.4 million square feet), and about 61 percent of the high end of the forecast (3.8 million square feet). Table 7 provides the additional square footage by city and built/unbuilt status.

Status	City	Square Footage
Unbuilt	South Windsor	658,840
	Total	658,840
Built	East Hartford	1,352,750
	South Windsor	271,800
	Total	1,624,550
Total Built and Unbuilt		2,283,390

Table 7: North of Hartford: Warehouse Development Pipeline – Built and Unbuilt Properties



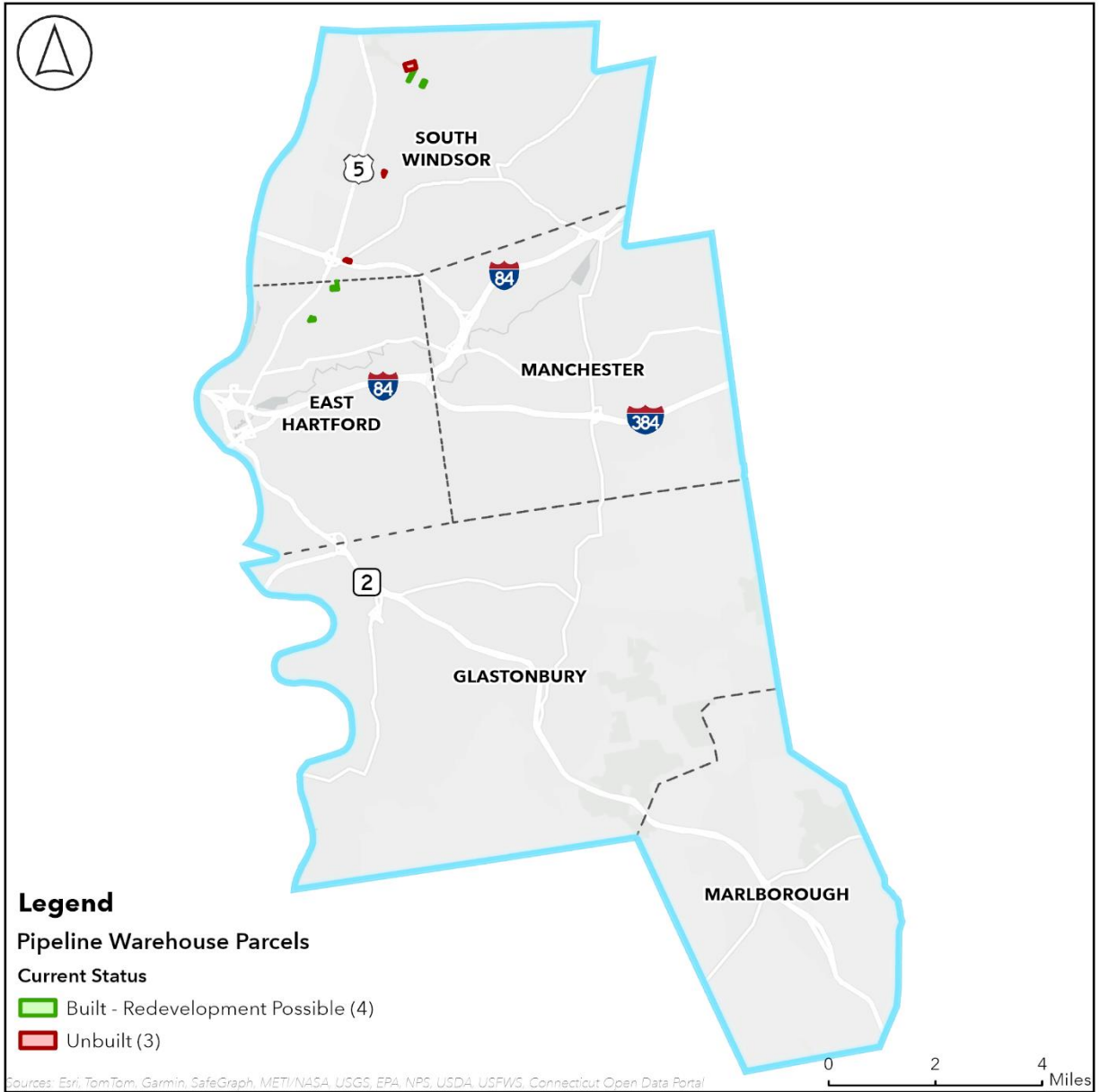


Figure 20: East of Hartford Pipeline Locations





Summary of Interviews with Developers and Real Estate Firms

Interviews were conducted with representatives from three e-commerce/logistics sector firms. These interviews provided an overview of the e-commerce market in Central Connecticut, explored challenges to developing in the area, and identified ongoing trends and anticipated changes in the market going forward.

Each interview was conducted with one or more representatives of an industrial real estate firm. Each firm has experience within Central Connecticut, with some having a more global or regional focus than others. These firms and their representatives were selected and contacted based on referrals from the Study's Project Advisory Committee and CRCOG staff.

Takeaways from the interviews are summarized below.

Takeaways

General Demand – There is still demand for e-commerce in the region, but it has slowed from its peak in 2022-2023. Rising interest rates and concerns about tariffs have negatively impacted e-commerce demand in early to mid-2025. There were mixed opinions regarding the preferred size of warehouses.

Regional Demand – Windsor, specifically the area around Day Hill Road, has been identified as a desirable location for e-commerce development. This is due to proximity to Interstate 91, Interstate 84, Hartford, Springfield, and Bradley International Airport. Windsor Locks was also identified as a desirable location to develop. Major population centers are desirable due to being close to customers and labor. In addition to diminished access to these resources, other towns in the area face reduced e-commerce demand due to less access to utilities and topographical challenges (i.e., hills). The Meriden and Wallingford areas, located to the south of the CRCOG region, were also identified as areas anticipated for warehouse development.

Permitting and Entitlements – Warehousing development in Connecticut has become more difficult. While some towns can be easier to develop than others, all towns can face public opposition to warehousing projects. Additionally, the appeals process can significantly delay a project by 1 to 3 years. Some towns have required a “special permit” for warehousing. This has caused additional delays for warehouse development. Developers prefer towns where warehouse development is by-right. The review period for obtaining permits through the Office of the State Traffic Administration (OSTA), Department of Energy & Environmental Protection (DEEP), and United States Army Corps of Engineers (USACE) also causes significant delays.

Parking – Developers and towns have a preference for meeting the needs of employee, trailer, and van parking to prevent spillover into adjacent locations. Some tenants are interested in electrifying their fleet. Towns and future development may need to plan for both the need for additional parking, depending on the warehouse's anticipated vehicle mix, and electrification equipment, in updating their zoning ordinances and designing sites and facilities.

Trends – While specialized facilities are not for everyone, there is an increased demand for more specialized facilities, including those using robotics. This demand can be met through the construction of new facilities, as well as by renovating existing, outdated ones. Many large





tenants are now more interested in operations and less in real estate costs. Multi-story facilities are in demand in some parts of the country, but are unlikely to be popular in Connecticut, where there is more available land. An additional challenge to multi-story facilities is that many developers lack experience with them. E-commerce requires more electricity than older warehouses. With the proliferation of data center development and robotics in warehousing, demand for electricity will continue to grow.

Additional Strengths and Challenges – Central Connecticut’s proximity to the Northeast megalopolis and lower land costs than the region’s major cities are a strength for the area. A challenge for development in Connecticut is that there are no counties to help facilitate the development process. Additionally, in developing other states, developers have sometimes found that there are State or regional organizations that help facilitate the process.

Summary

The Hartford, Connecticut MSA saw a significant boom in warehouse development from 2020 to 2023, driven by pandemic-accelerated e-commerce growth. While that surge has since moderated, current market conditions still support a healthy, sustained increase in warehouse and industrial activity.

North of Hartford, in particular, stands out with the second-highest industrial development growth rate in the region, contributing to more than half of the regional average growth. East of Hartford follows behind with a growth rate more than the regional average, contributing a 14 percent share to annual regional growth.

The supply forecasts are reinforced by demand analysis of the region through employment growth rates and Location Quotients. Warehouses exhibit the highest increasing employment rate in comparison to other industries. Jobs tied to industrial development also exhibit high LQs, underscoring regional specialization.

While market cycles may experience highs and lows, long-term warehouse developments are forecasted to rise, especially in the North and East of Hartford submarkets. Given the foreseeable growth, it would be reasonable for CRCOG to prepare for future industrial development proactively.



Appendix

Demand Charts

3-Digit NAICS

A 3-digit NAICS analysis was conducted to assess the regional business landscape. The results, in Figure 21, show that health care is dominating the regional economy. Warehousing and storage are in the Active Quadrant, indicating market specialization and strong growth potential. Concentration-wise, while Warehousing and Storage is not the largest part of the regional economy, it is emerging as an important growth sector.

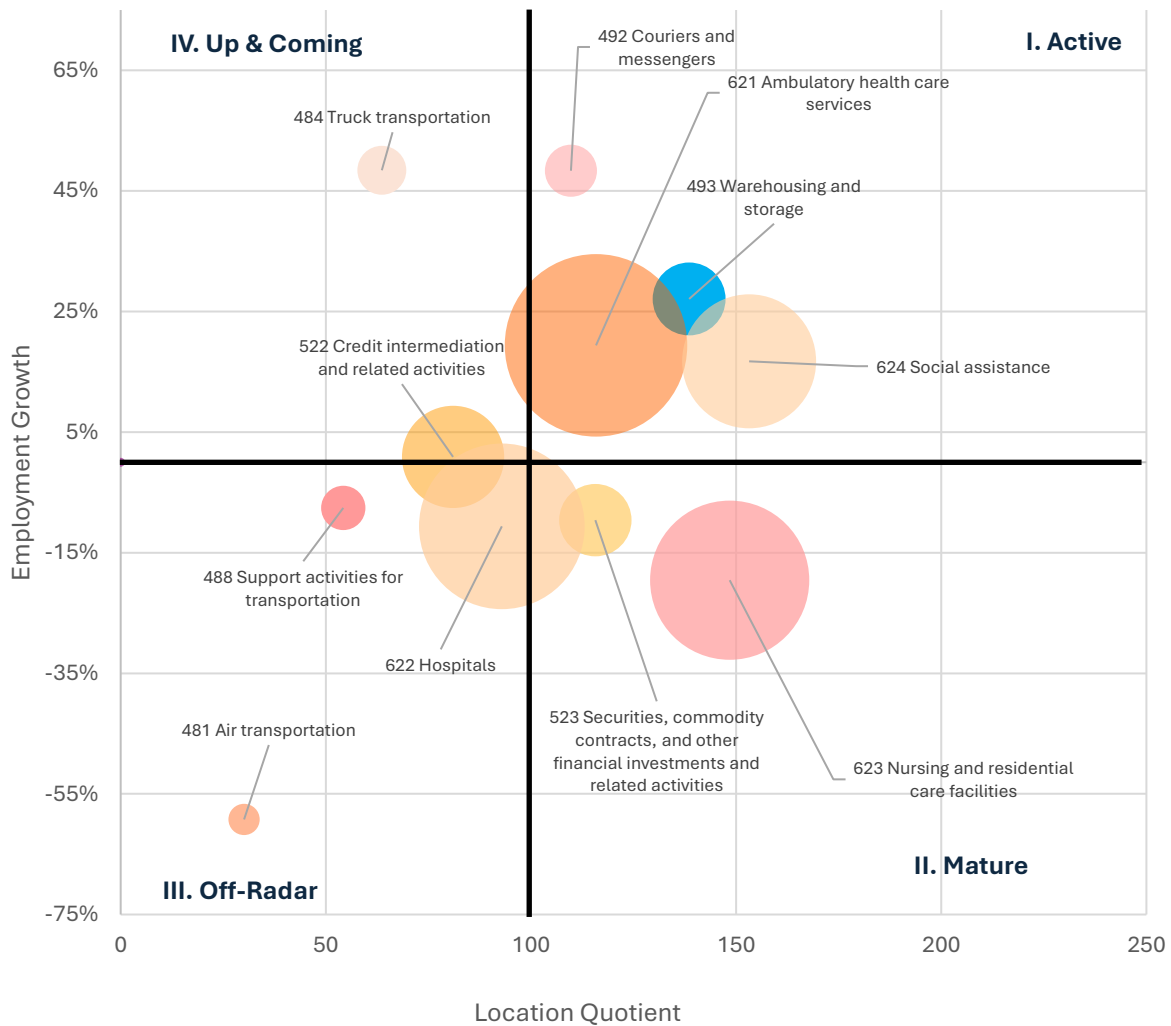


Figure 21: Employment Growth vs. Location Quotient by Industry, 3-digit NAICS, 2012-2021

3-Digit Occupation Code (OCC)

A 3-Digit Occupation Code (OCC) analysis was conducted to assess the regional labor landscape. The occupations related to industrial jobs are Transportation and Material Moving (OCC 53), Installation, Maintenance, and Repair (OCC 49), and Construction and Extraction (OCC 47) occupations. As shown in

Figure 22, these are in the Up-and-Coming Quadrant, showing their place in the growth phase. The results indicate that while demand for industry-related labor is growing, it remains below the national average, suggesting it has room to grow over time.

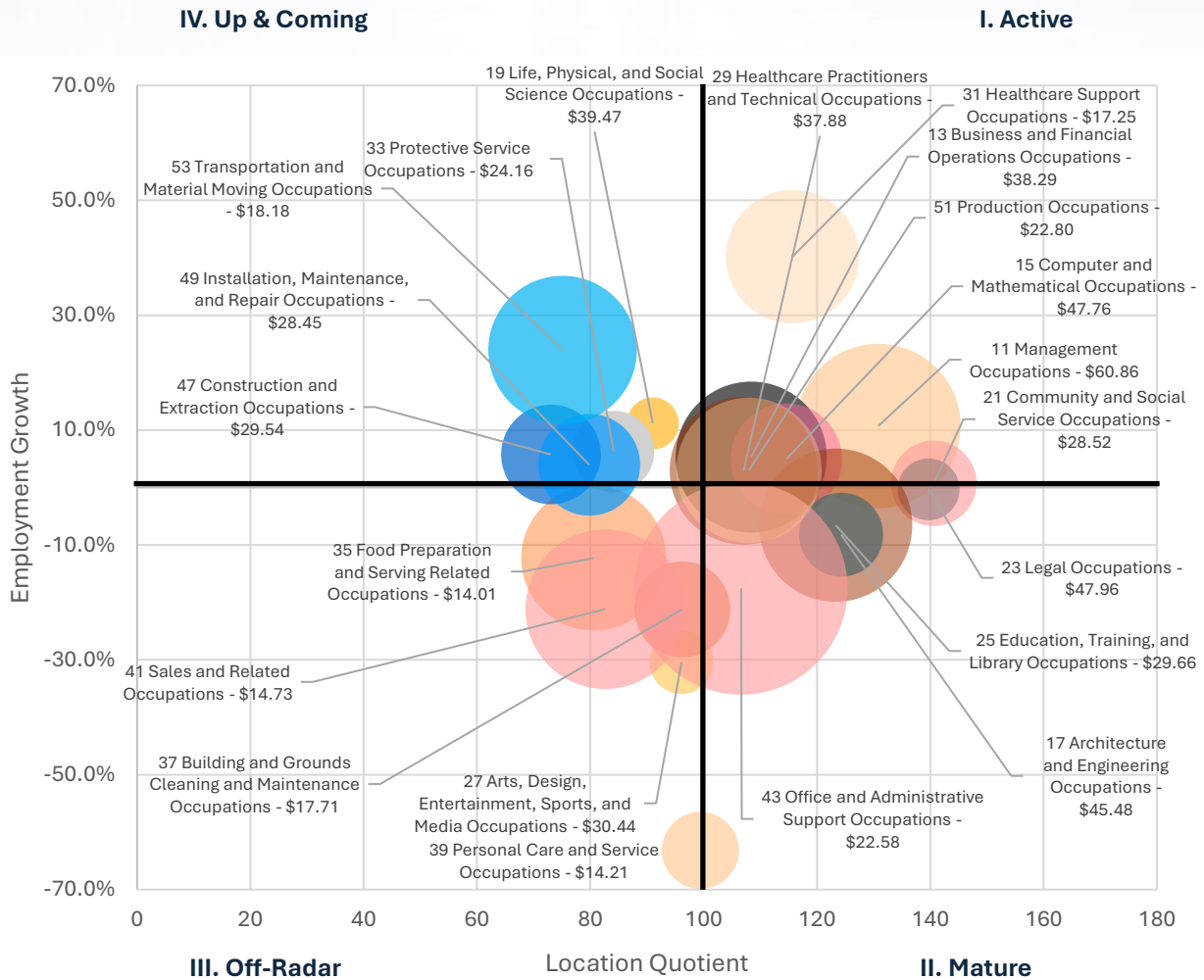


Figure 22: Employment Growth and Location Quotient by Industry, 3-digit NAICS, 2012-2021

Appraisal Data

The team reviewed Computer-Assisted Mass Appraisal (CAMA) parcel data as a supplemental component to this analysis. To derive appraisal data using the CAMA methodology, appraisal districts typically create statistical models to estimate property values. These models consider factors like location, size, condition, and recent market trends. The models are applied to all properties within the district to determine their estimated market values efficiently and consistently. It is important to note that by nature, appraisal data is highly subjective, and appraisal methods and corresponding valuations may differ greatly across locations.

For this analysis, parcel-level data containing building appraisal and assessed value data from 2022 to 2024 were reviewed. CAMA data was available for all towns within the CRCOG region; however, this analysis focused on only the following municipalities:

1. South Windsor
2. East Hartford
3. Windsor
4. Windsor Locks
5. East Granby
6. Enfield
7. Suffield
8. East Windsor

To further refine the data set to warehouse and industrial properties of interest, locations over 100,000 square feet were selected. For each year where data were available, the average appraisal and assessed values for each town were calculated. Figure 23 indicates that the mean appraised and assessed values were higher in Windsor compared to all other towns. Of note, Windsor Locks and Suffield did not have any properties over the 100,000 square foot threshold assessed or appraised between 2022 and 2024.

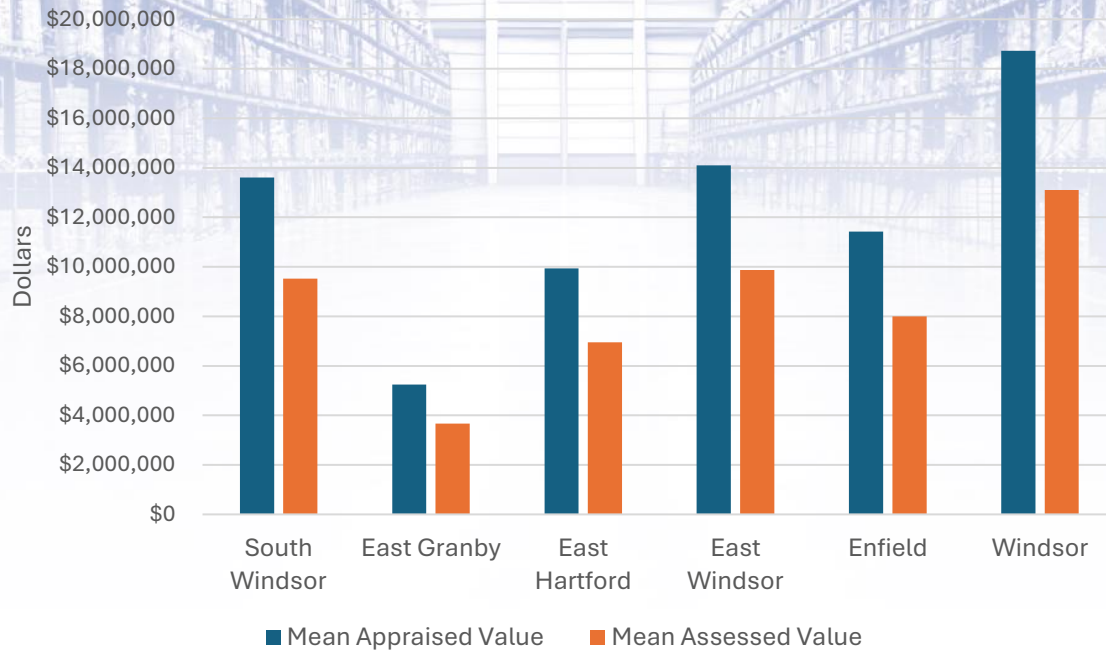


Figure 23: Mean Appraised and Assessed Building Value - CROG Region (2022-2024)

This analysis reinforces what the team has heard in developer interviews. Some large projects are costly to build and, as such, are appraised and assessed at higher values. Windsor, in particular, is the hub for these kinds of projects. Some examples of the highest-valued parcels in Windsor are 1215 Kennedy Road and 200 Old Iron Ore Road, warehouses owned by Amazon that were assessed at \$142.1 million and \$65.5 million, respectively.