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

November 19, 2025

DRAFT

Warehousing and Land Use Study for Capitol Region Council of Governments

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Economic Analysis of the Warehousing Sector

Background

A more decentralized, 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, seven 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 on I-84 between I-691 and Route 9, though 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 CRCOG's area, the supply shortfall can affect areas 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 near 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 to opportunities to engage those 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 to 2021, it increased to 2 million SF. As of 2021, according to CoStar data, the average lease rate in the region was $5.59/SF, 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 outlined 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 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 relatively 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). However, the weighted average net rent for High Tech is considerably 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 in Eastern Hartford ($9.72 PSF) and in 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 bring products closer to customers, enabling faster, 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, commuting, and shopping patterns disrupted by stay-at-home orders, online retail activity increased dramatically. As a result, online retailers scaled up their

operations, leading to a spike in new warehouse and industrial development in the CRCOG region and across the U.S.

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 focused on package delivery seeing rapid growth in volumes, such as Memphis (FedEx World Hub), Louisville (UPS Worldport), and Cincinnati (Amazon Air Hub). From 2010 to 2022, Bradley International Airport nearly doubled its cargo volume 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 increasingly common throughout the United States, including 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 as artificial intelligence (AI) software such as ChatGPT becomes more widely used. Data centers include computing, storage, and network infrastructure, along with 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.

The public and stakeholders can view data centers 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 on the environment than warehouses, which should be considered in their design and municipal review processes. 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, each word in a ChatGPT query costs $0.03 to process, 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 from 2022 levels to 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 accounted for 4.4% of electricity consumption 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 serve local and international needs, warehouses directly serve local customers. In contrast, the presence of a local data center will not directly improve residents' access to data.

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 primary considerations for data centers, ensuring sufficient and consistent energy is available to power the data center without detracting from other energy users. DataCenterMap.com's database lists 3,905 data centers across the United States, including 60 in Connecticut. In comparison, DataCenters.com lists 13 data centers in Connecticut. DataCenterMap.com lists data centers in Bloomfield, Newington, and Hartford, while DataCenters.com lists a data center in Hartford.

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

The impact of data centers on CRCOG, its municipalities, and its residents may require further investigation, including assessments of 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:

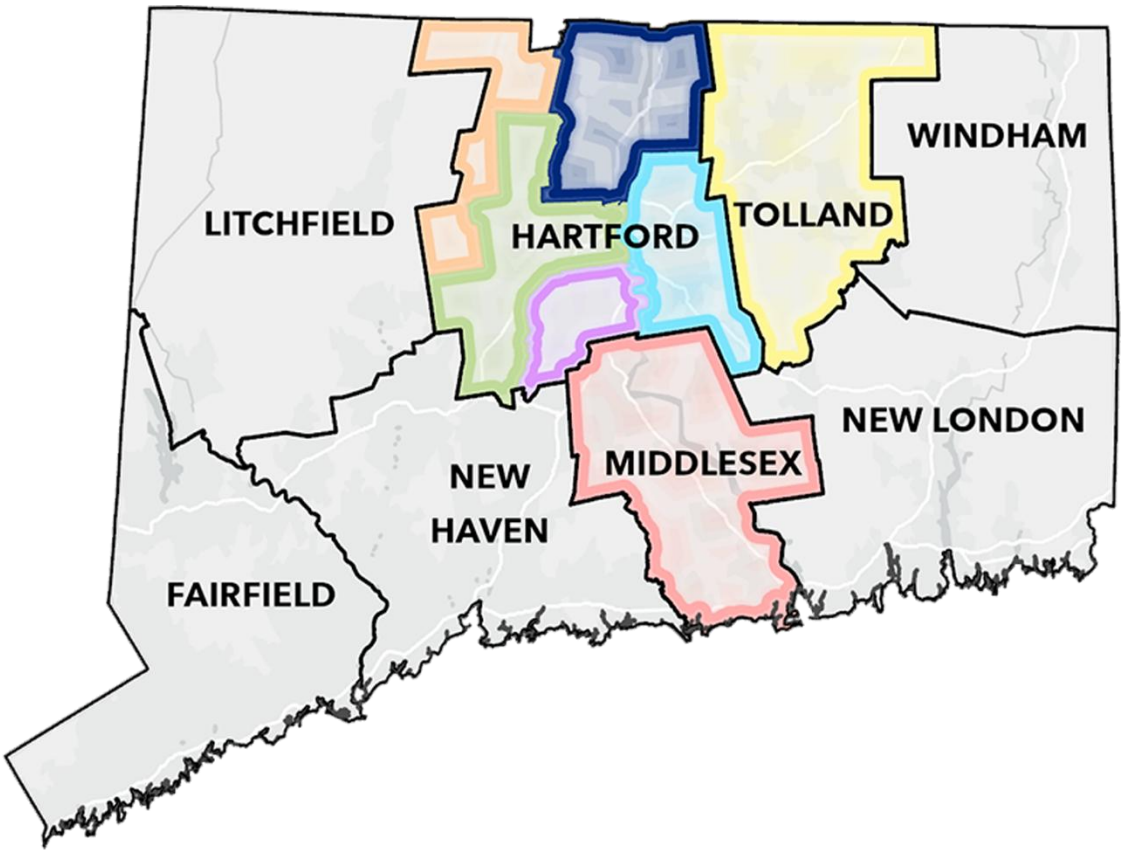

Figure 1: Area of Market and Economic Study, Hartford Metropolitan Statistical Area (MSA) and Associated Counties

Methodology

For **the supply analysis, regional property data was obtained from CoStar, a commercial real estate information and database provider**. To visualize growth trends across the region, the square footage of industrial real estate from 1993 to 2025 was extracted and analyzed. A composite picture was built from 7 submarkets, as determined by CoStar, within the Hartford 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.

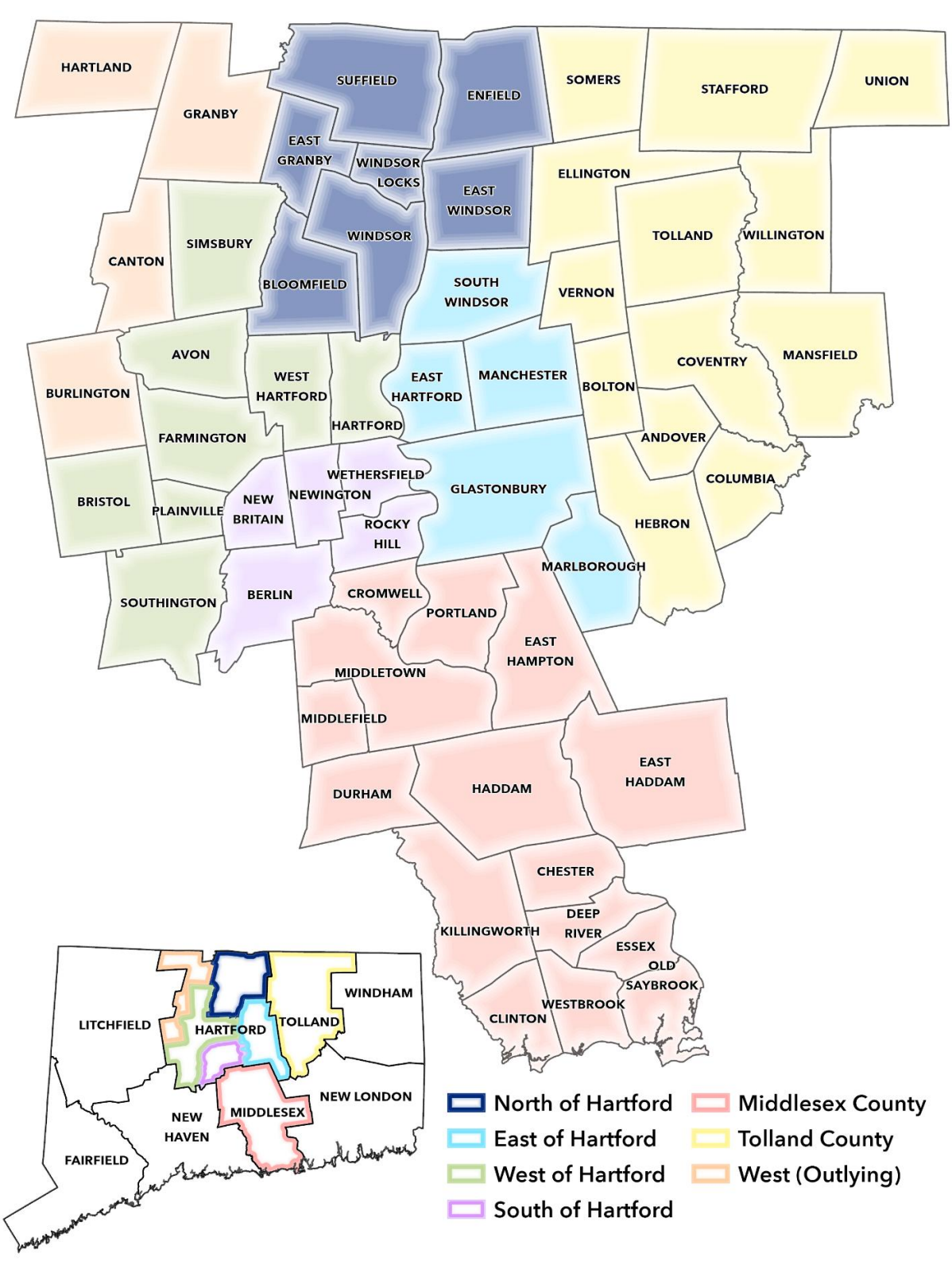

Figure 2: Regional Submarkets

North of Hartford – The North of Hartford submarket is the region's central warehousing hub. 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.

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 use for industrial or transportation purposes. 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, density, and development are highest along the I-84 corridor, which extends east from Hartford into East Hartford and Manchester.

West of Hartford – The West of Hartford submarket is the region's most populous, with moderate 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. 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 region's highest population density and is home to 4 distribution facilities, with 8% of land uses designated for industrial or transportation use. 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 it has 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 regional trip generator.

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 does not have 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 are 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 used to understand local business and employment growth patterns and their relative performance compared 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 shows a clear trend of industrial real estate growth, accompanied by an increase in industrial occupations.

In particular, North of Hartford captures a significant share of the region's industrial real estate growth, accounting for 64 percent of the total new industrial square footage constructed annually. 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 historical patterns and future projections point to continued growth in supply and demand in 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 demand for industrial real estate by analyzing business and employment growth in sectors that use warehouse and industrial real estate. Census and Bureau of Labor Statistics (BLS) Data for the Hartford MSA were analyzed to understand local business and employment growth patterns and their relative performance compared 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 using the Location Quotient (LQ) over the same period 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, with Up & Coming and Active categories representing industries with growing employment, and Off-Radar and Mature representing industries with established or declining employment.

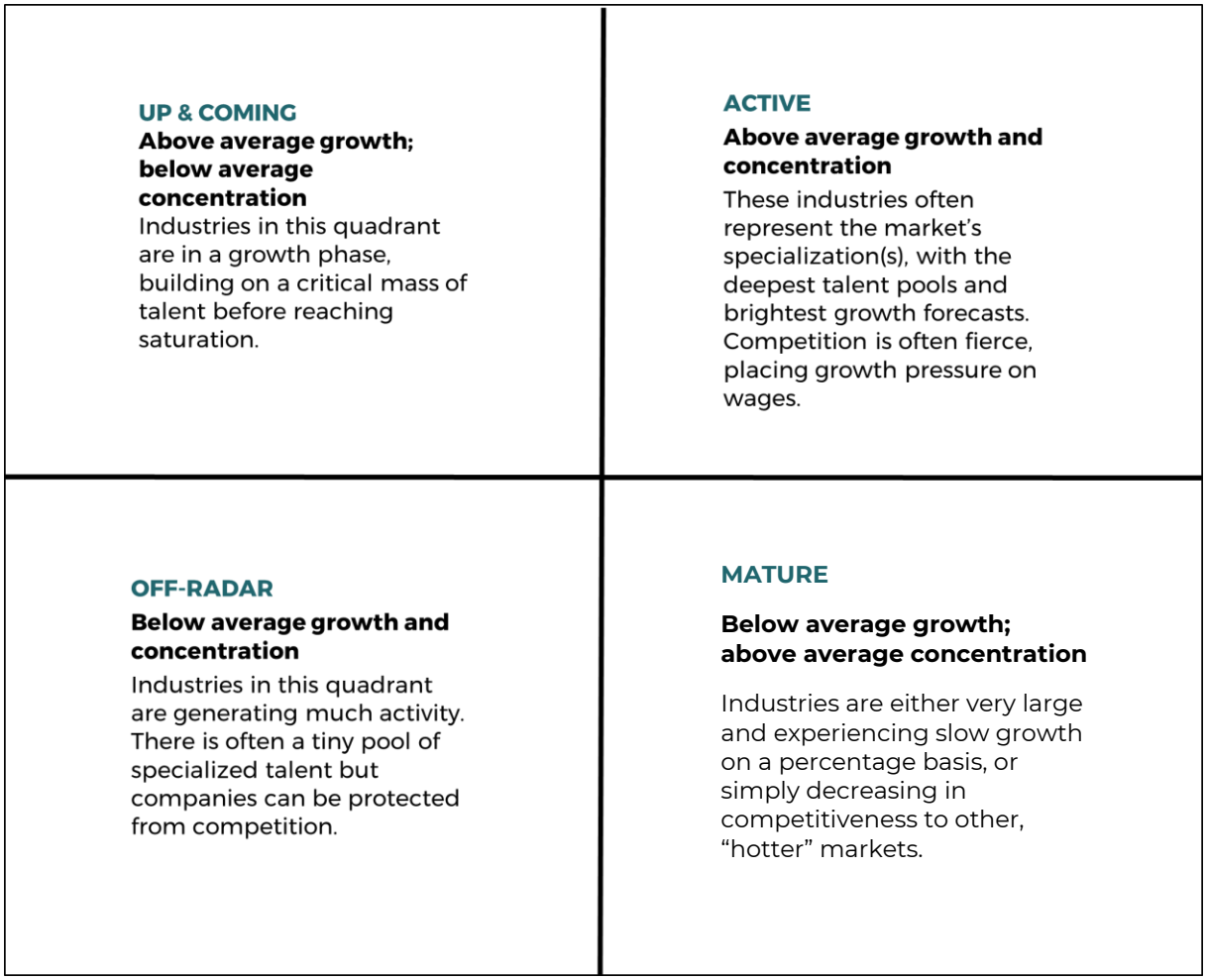

Figure 3: Interpretation of Growth vs Location Quotient (2012-2021)

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 the Active (Quadrant I) and Up & Coming (Quadrant IV) Quadrants, reflecting a high Location Quotient and a high job growth rate. This indicates the industry's regional competitive advantage and 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 intense concentration and steady employment levels, despite slower growth. However, Wholesale Trade is less competitive than other sectors that require industrial development. Figure 4 shows the increasing demand that justifies the growing supply of industrial footprint.

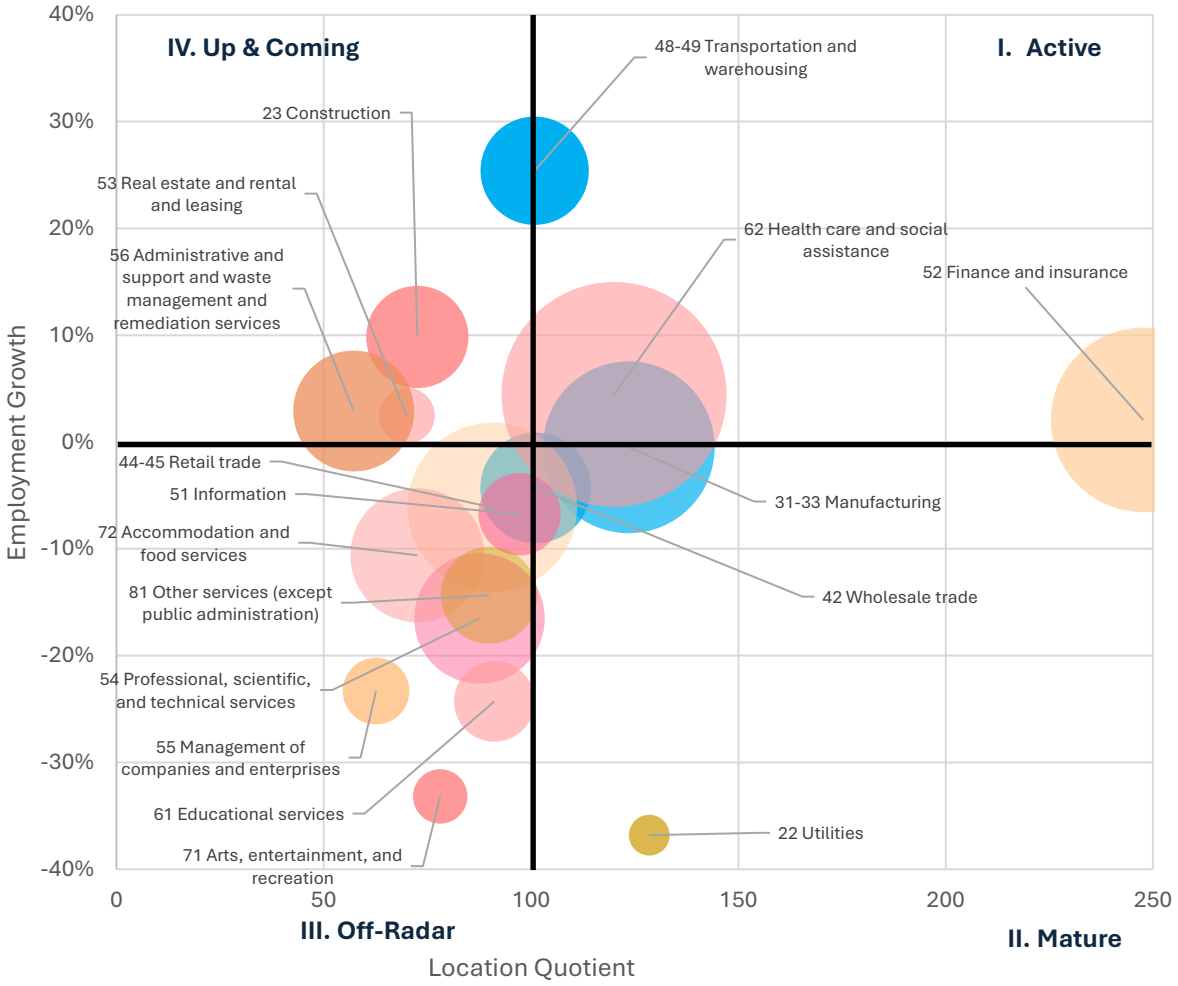

Figure 4: Employment Growth vs. Location Quotient by Industry, 2012-2021

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 maintains 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)

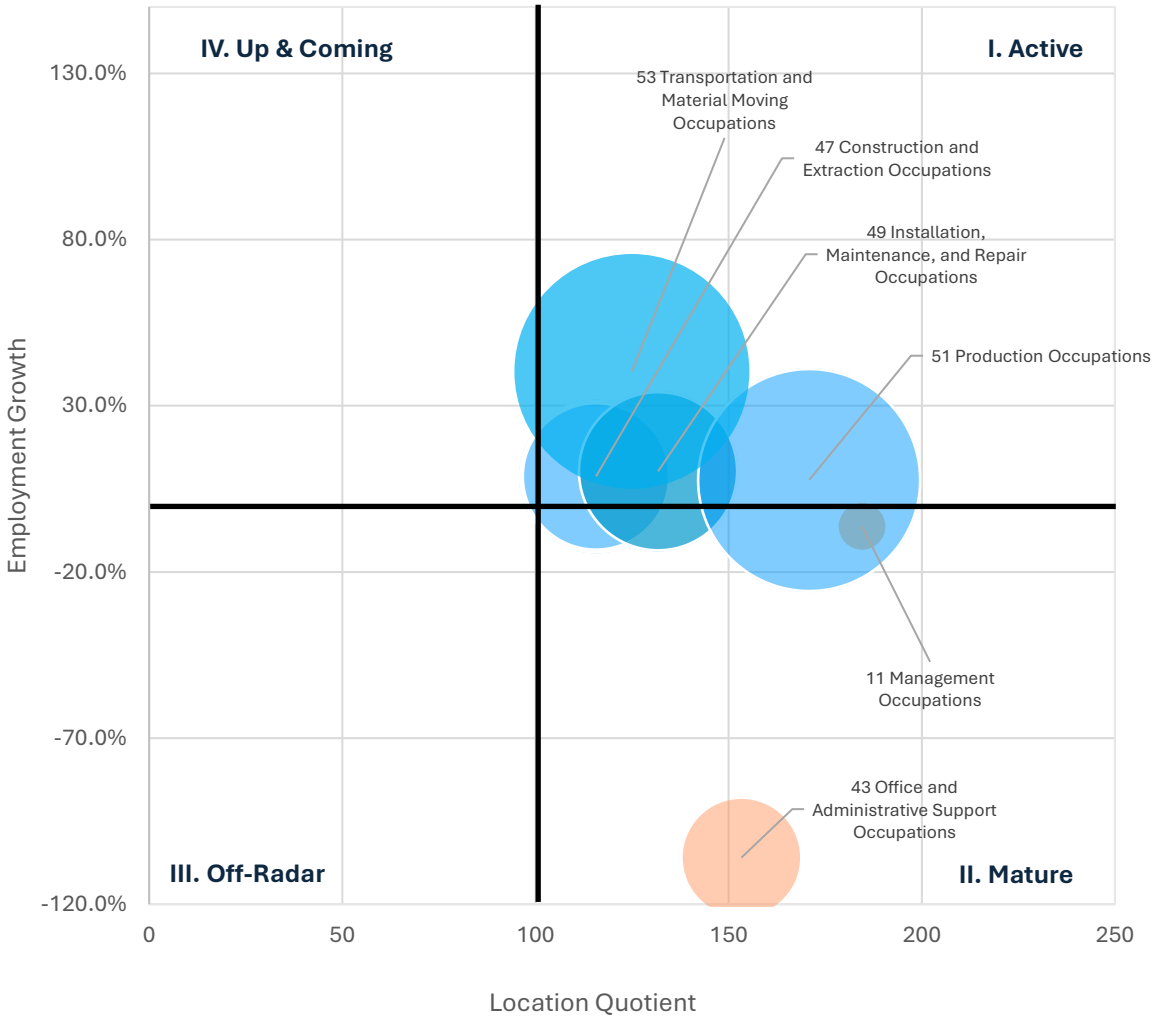

Figure 5: Employment Growth vs. Location Quotient by Occupation Type, 2-digit NAICS, 2012-2021

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 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 highest industrial development growth rate and dominates the market.

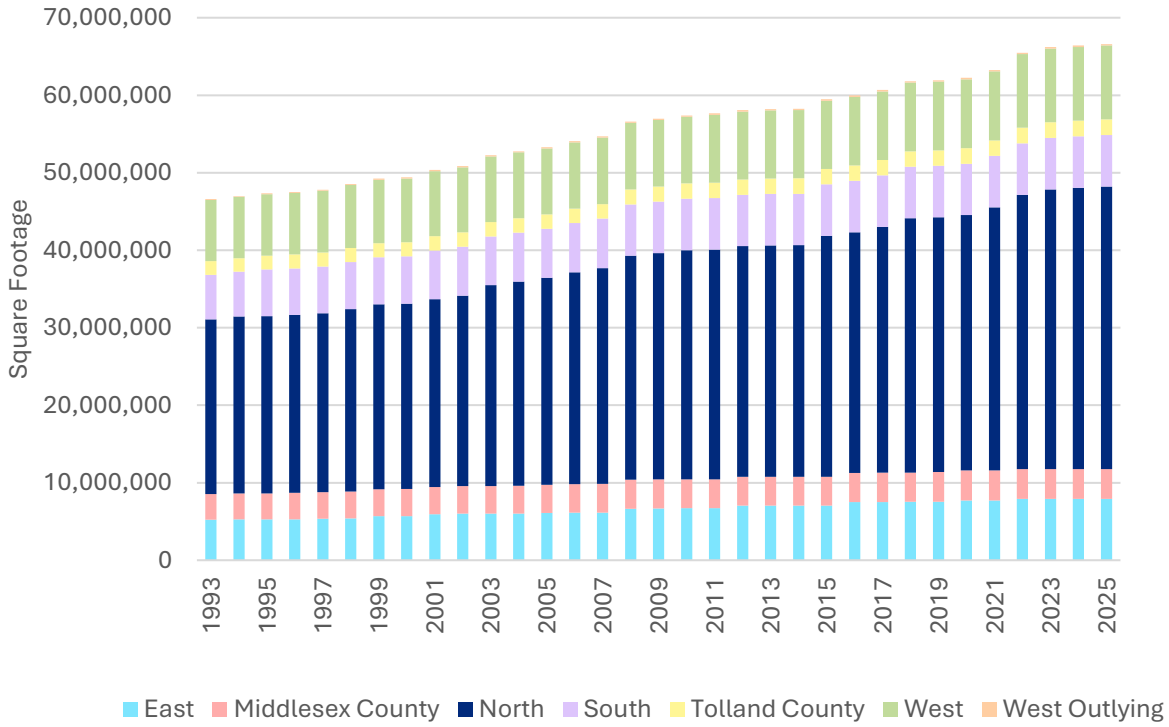

Figure 6: Historic Regional Supply of Industrial Real Estate in the Hartford MSA, 1993-2025

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.

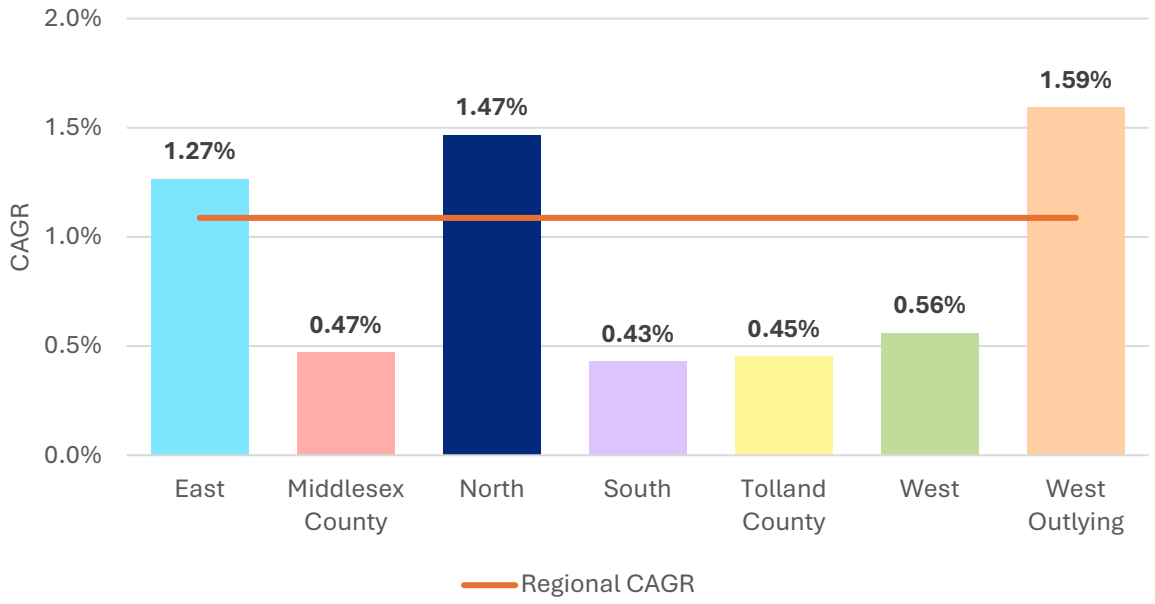

Figure 7: Compound Annual Growth Rate of Industrial Real Estate by Region and Submarket, 1993-2025

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 accounts for only 1 percent of the region's total industrial real estate square footage growth.

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 annual growth rate and one of the highest growth rates in the MSA.

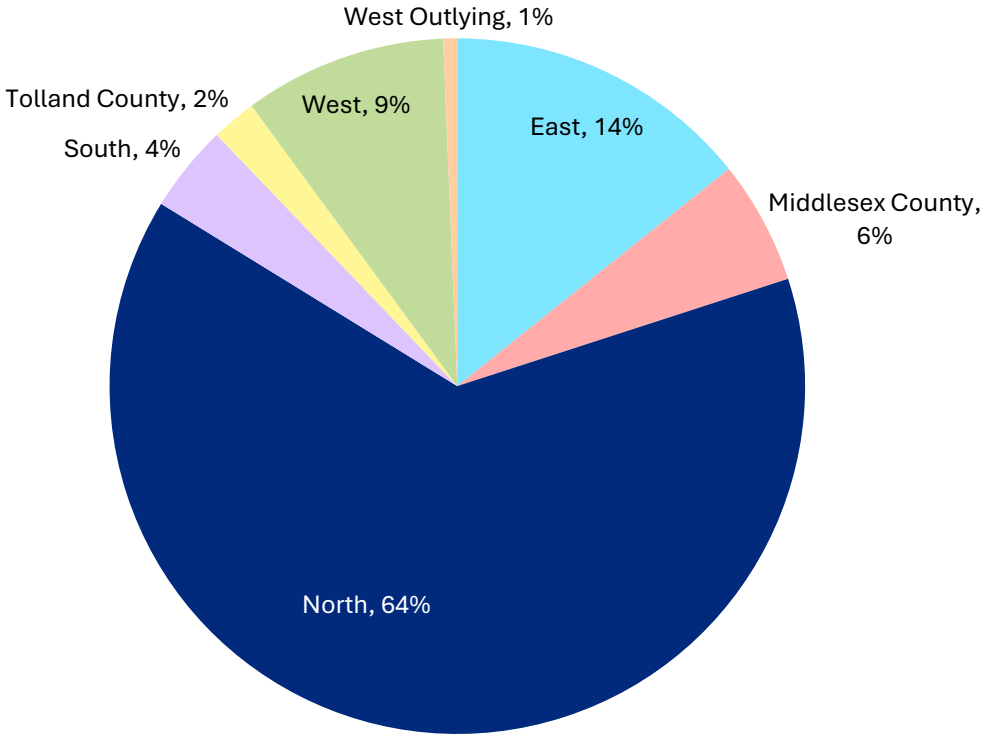

Figure 8: Share of Each Submarket in Total New Industrial Square Footage Built between 1993-2025

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.

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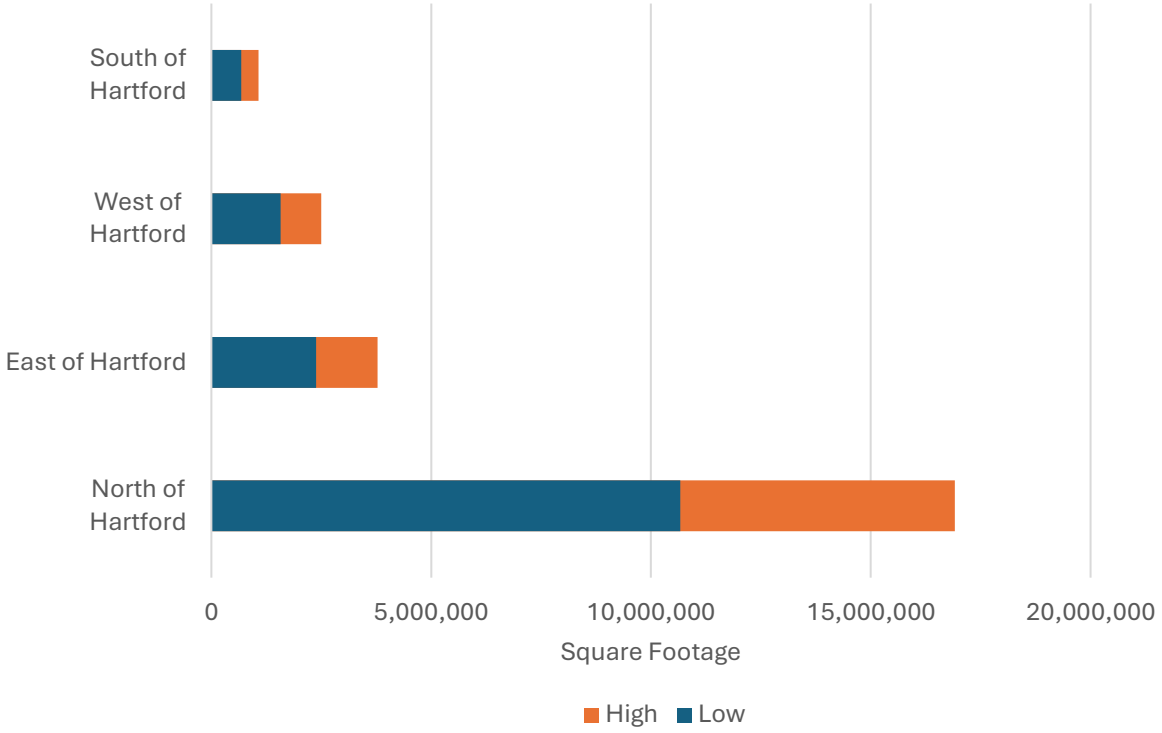

Figure 9: Cumulative Industrial Real Estate Square Footage Growth by Submarket in 2050 (forward projection of historical growth rates)

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

North of Hartford

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

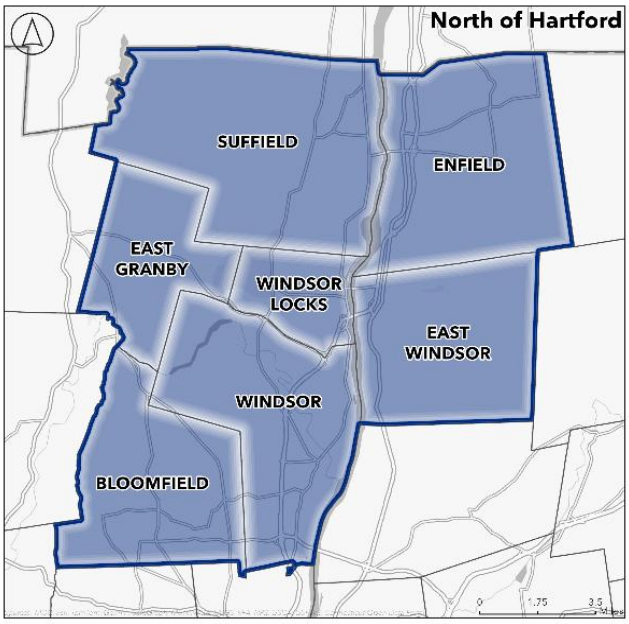

Figure 10: 'North of Hartford' Market Sub-Region

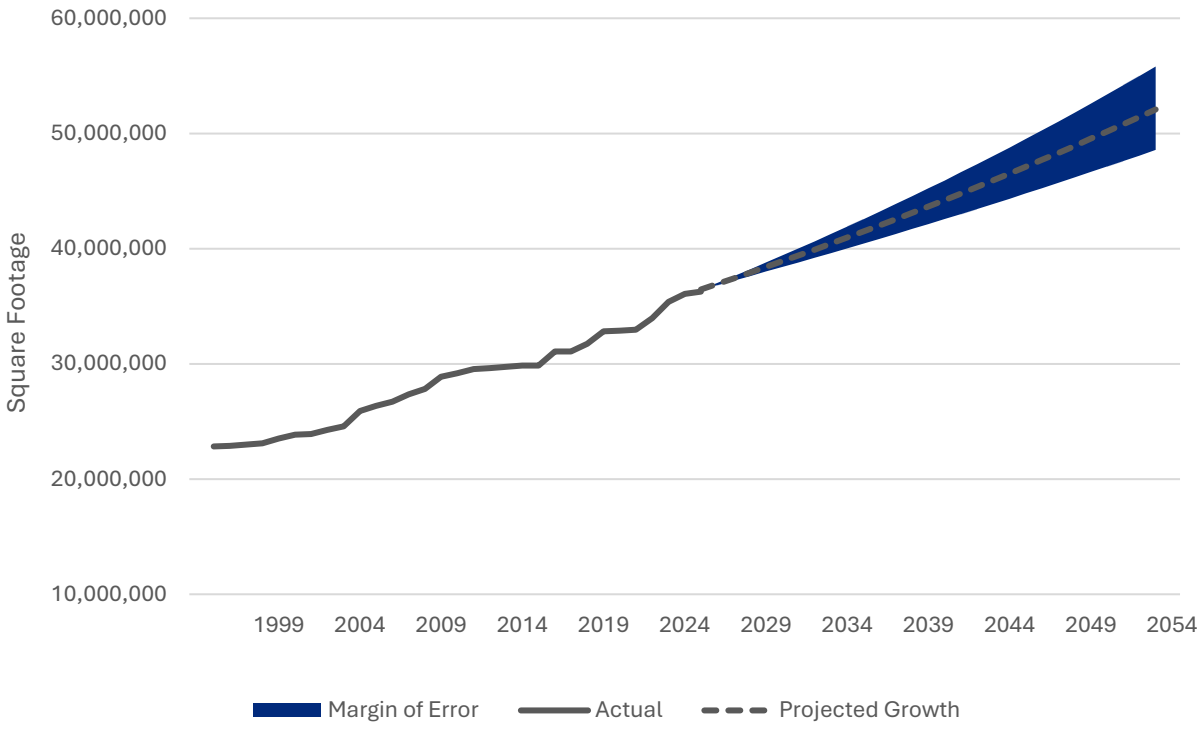

Figure 11: Projected Number of Square Feet at Average Growth Rate: North of Hartford (forward projection of historical growth rates)

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 of approximately 2 million to 3 million square feet in 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 and 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 10.7 million to 16.9 million square feet 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 built in the MSA between 1993 and 2025 at 64 percent. Given the steep rate of growth and the highest capture rate, it is anticipated that industrial real estate development will increase in the following 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 indicate an upward trend, suggesting a sustained increase in industrial real estate in the submarket.

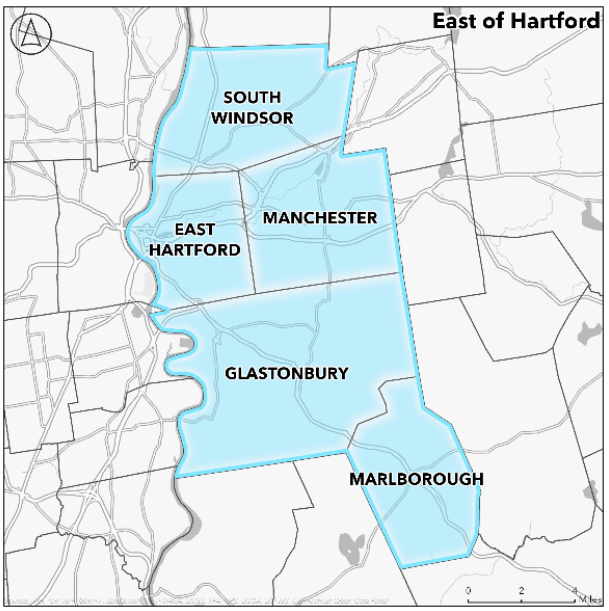

Figure 12: 'East of Hartford' Market Sub-Region

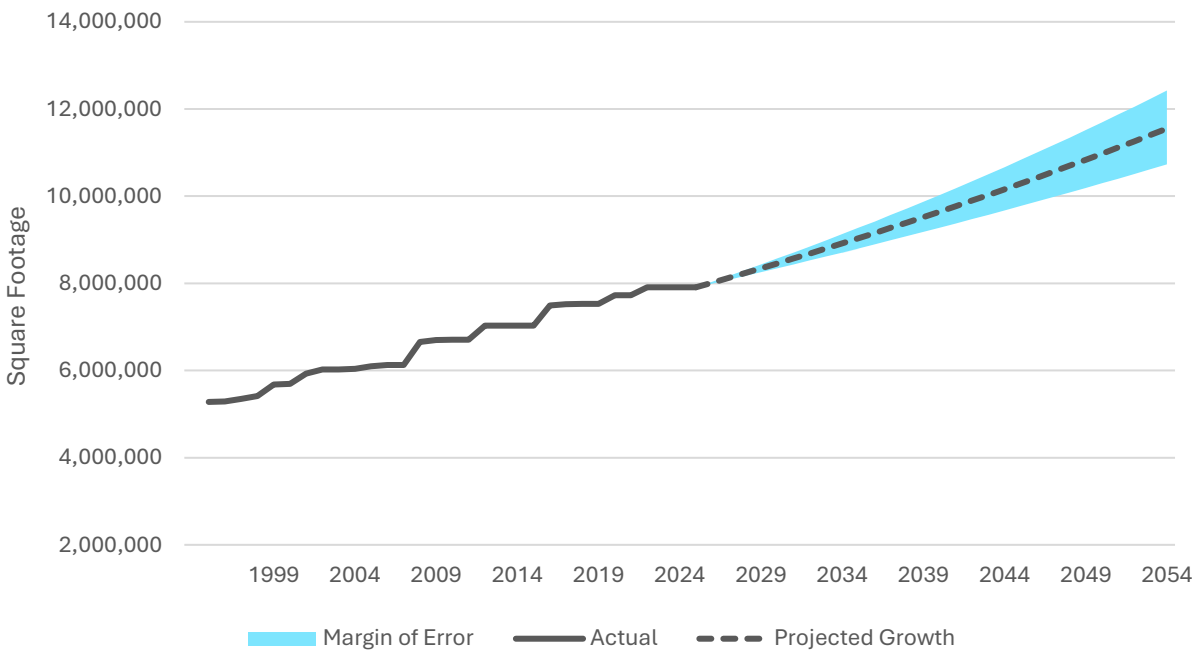

Figure 13: Projected Number of Square Feet at Average Growth Rate: East of Hartford (forward projection of historical growth rates)

Table 3 demonstrates incremental and cumulative square-footage increases projected for industrial real estate in the East of Hartford submarket from 2025 through 2050. The forecast shows an incremental increase of between 400,000 and 700,000 square feet in 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 and 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 2.4 million to 3.8 million square feet 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 projected amount of industrial square footage through 2050, with a shaded margin of error 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.

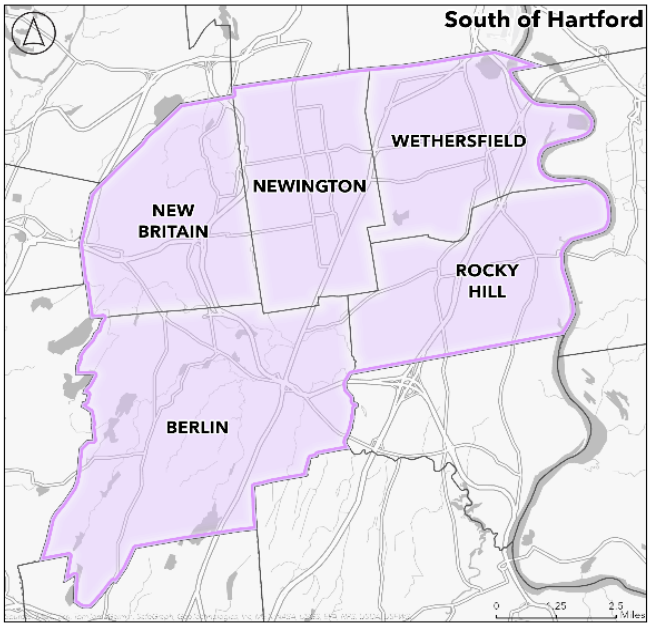

Figure 14: 'South of Hartford' Market Sub-Region

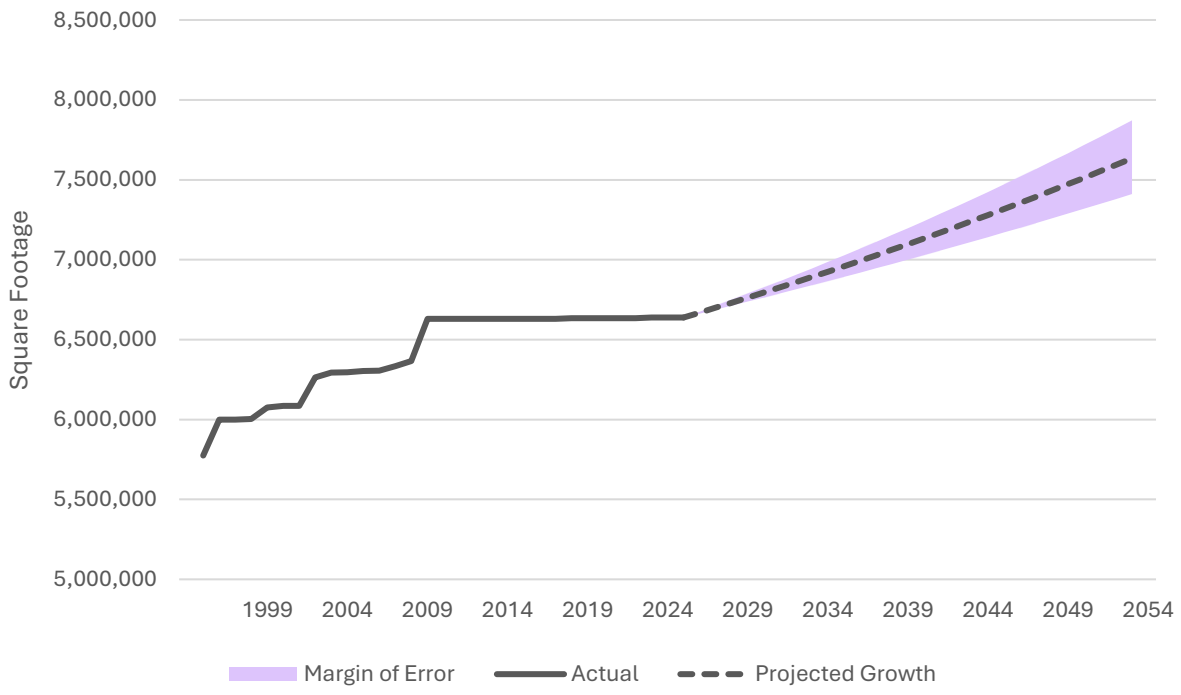

Figure 15: Projected Number of Square Feet at Average Growth Rate: South of Hartford (forward projection of historical growth rates)

Table 4 demonstrates incremental and cumulative square-footage increases projected for industrial real estate in the South of Hartford submarket from 2025 through 2050. The forecast shows an incremental increase of approximately 125,000 to 200,000 square feet in 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 and 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 677,000 to 1.1 million square feet 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 projected amount of industrial square footage through 2050, with a shaded margin of error to provide a forecast range. The projections show a slight upward trend, suggesting a moderate increase in industrial real estate in the submarket.

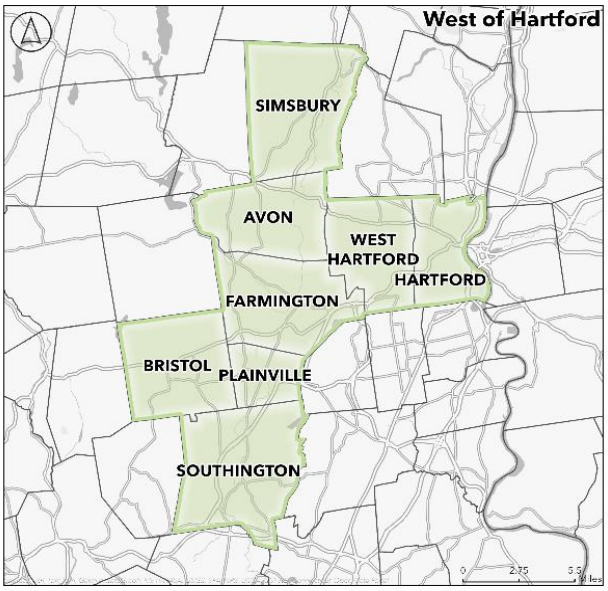

Figure 16: 'West of Hartford' Market Sub-Region

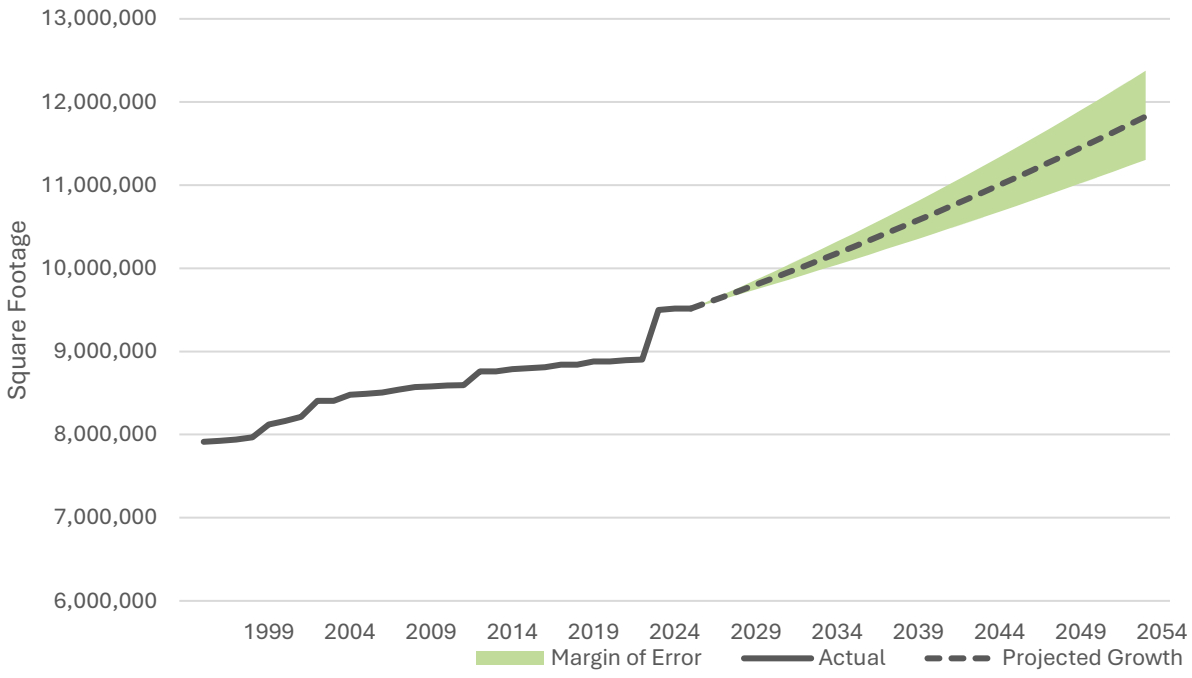

Figure 17: Projected Number of Square Feet at Average Growth Rate: West of Hartford (forward projection of historical growth rates)

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

Cumulatively, a low of 287,000 square feet 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 and 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 from local planners and desktop research, it is estimated that 4.9 million square feet of warehousing and industrial space will be added in the next several years in the CRCOG region. This figure was calculated by identifying industrial developments in the pipeline. The results of this review were confirmed by municipal planners from each of the applicable municipalities. Planning staff also provided the probability of completion for each of these developments. The 4.9 million square foot figure is the result of weighting each anticipated development based on its likelihood of completion (i.e., a 1 million square foot development with a 50% probability of completion would be weighted to a 500,000 square foot development). If the likelihood of completion were not considered, the development pipeline would result in 7.1 million square feet of warehousing and industrial space.

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 4.9 million square feet of warehousing and industrial space expected to come online in the next few years would bring CRCOG 32 percent of the way towards meeting the low-end of the 25-year growth estimate and about 20 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 across all submarkets, this research identified warehouse space only in the North and East submarkets of Hartford. Further breakdowns of the pipeline by submarket are provided below.

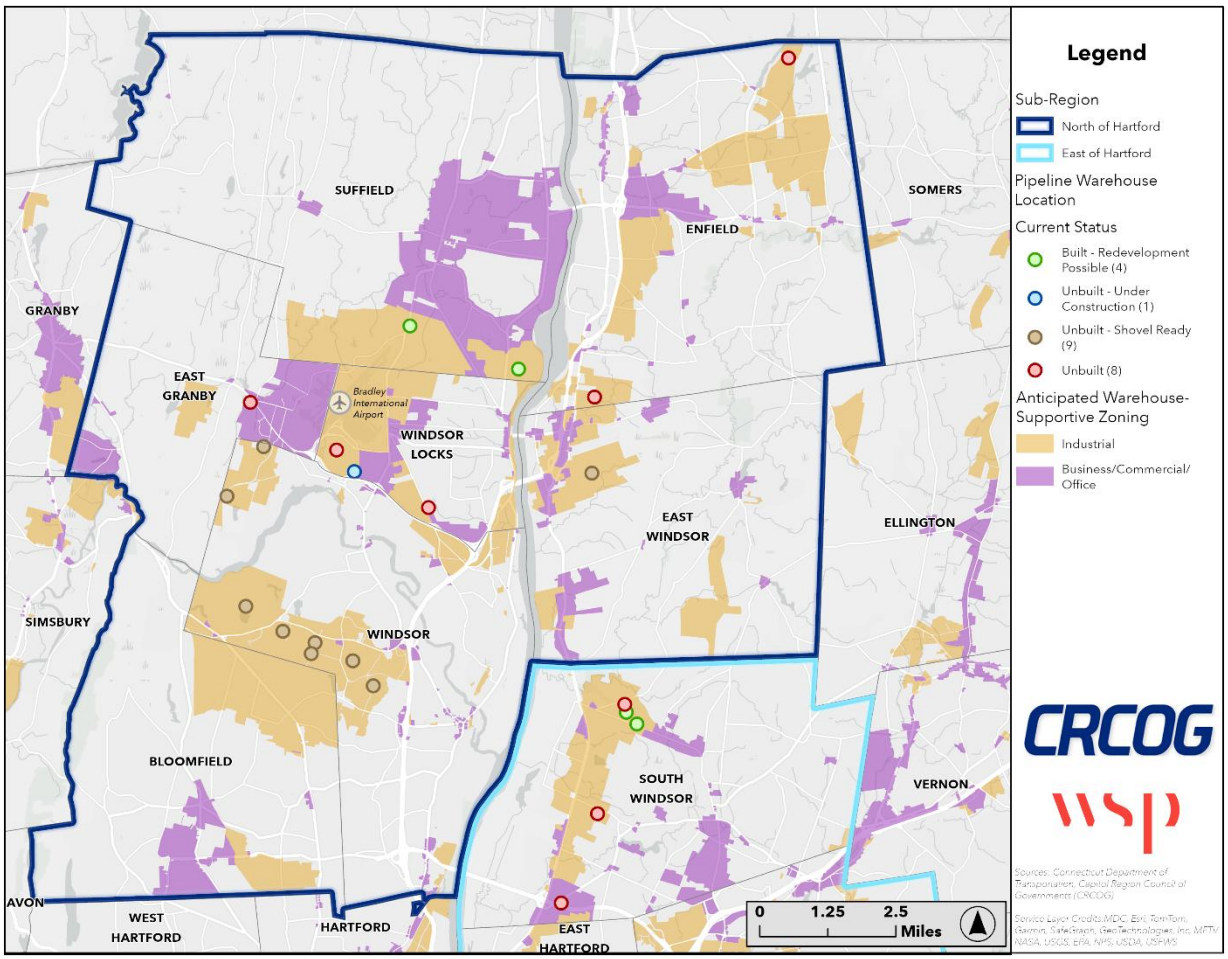

Figure 18: Warehouse Development Pipeline Locations

North of Hartford

In the North of Hartford submarket, nearly 4.4 million weighted square feet of additional industrial space is anticipated. If all developments in the pipeline are completed, 6.2 million square feet will be added.

Specifically, it is expected that 3.7 million weighted square feet of new unbuilt properties and 655,000 weighted square feet in existing properties will be leased. Figure 19 maps the locations of the sites at the parcel level.

This weighted industrial pipeline comprises nearly 45 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 29 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 (Weighted)	Square Footage (Not Weighted)
Unbuilt	East Granby	350,000	700,000
	East Windsor	112,875	150,500
	Enfield	987,213	1,319,225
	Windsor	1,363,550	1,983,400
	Windsor Locks	916,206	1,381,980
	Total	**3,729,844**	**5,535,105**
Built	Suffield	655,284	661,612
	Total	655,284	661,612
Total Built and Unbuilt		**4,385,128**	**6,196,717**

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

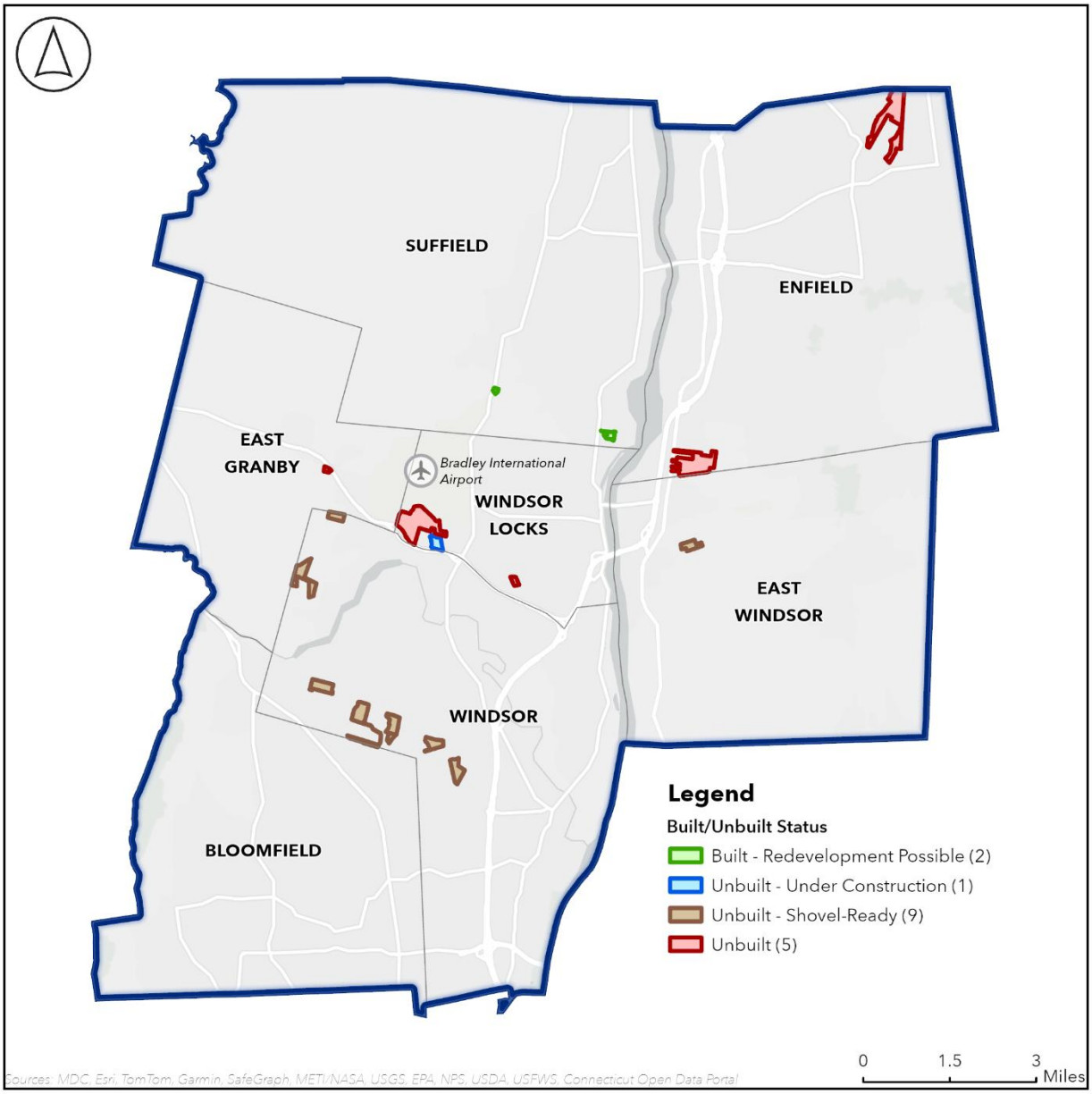

Figure 19: North of Hartford Pipeline Locations

East of Hartford

In the East of Hartford submarket, 480,320 weighted square feet of additional industrial space is anticipated. If all developments in the pipeline are completed, 930,640 square feet will be added. Specifically, 329,420 weighted square feet of new unbuilt properties and 150,900 weighted 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 weighted industrial pipeline comprises about 20 percent of the low end of the total projected 2050 industrial square footage in the submarket (2.4 million square feet), and about 13 percent of the high end of the forecast (3.8 million square feet). Table 7 provides the additional square footage by town and built/unbuilt status.

Status	City	Square Footage (Weighted)	Square Footage (Not Weighted)
Unbuilt	South Windsor	329,420	658,840
	Total	329,420	658,840
Built	South Windsor	150,900	271,800
	Total	150,900	271,800
Total Built and Unbuilt		**480,320**	**930,640**

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

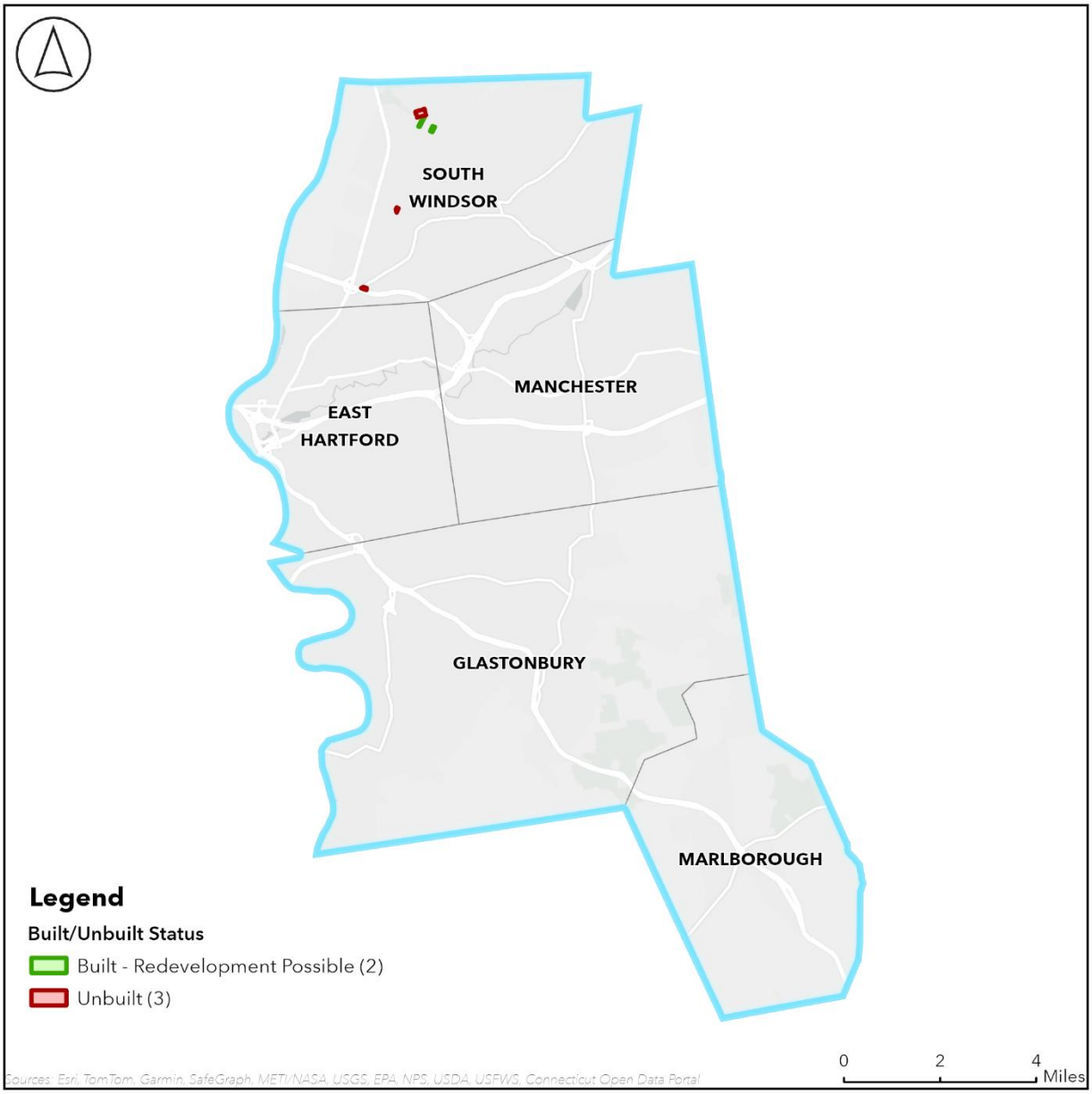

Figure 20: East of Hartford Pipeline Locations

Summary of Interviews with Developers and Real Estate Firms

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

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 – Demand for e-commerce in the region remains strong, but 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 on the preferred warehouse size.

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 because they are 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 south of the CRCOG region, were also identified as anticipated sites 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 prefer to meet 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 additional parking, depending on the warehouse's anticipated vehicle mix, and electrification equipment when updating their zoning ordinances and designing sites and facilities.

Trends – While specialized facilities are not for everyone, there is increased demand for more specialized facilities, including those that use robotics. This demand can be met through the construction of new facilities and the renovation of 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 more land is available. 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, electricity demand will continue to grow.

Additional Strengths and Challenges – Central Connecticut's proximity to the Northeast megalopolis and lower land costs than those of the region's major cities are strengths for the area. A challenge for development in Connecticut is the lack of counties to facilitate the process. Additionally, in developing other states, developers have sometimes found that state or regional organizations help streamline 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, accounting for more than half of the regional average. East of Hartford has a growth rate above the regional average, contributing 14 percent to annual regional growth.

The supply forecasts are reinforced by demand analysis of the region, based on employment growth rates and Location Quotients. Warehouses have the highest employment growth rate among industries. Jobs tied to industrial development also exhibit high LQs, underscoring regional specialization.

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

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 most significant part of the regional economy, it is emerging as an important growth sector.

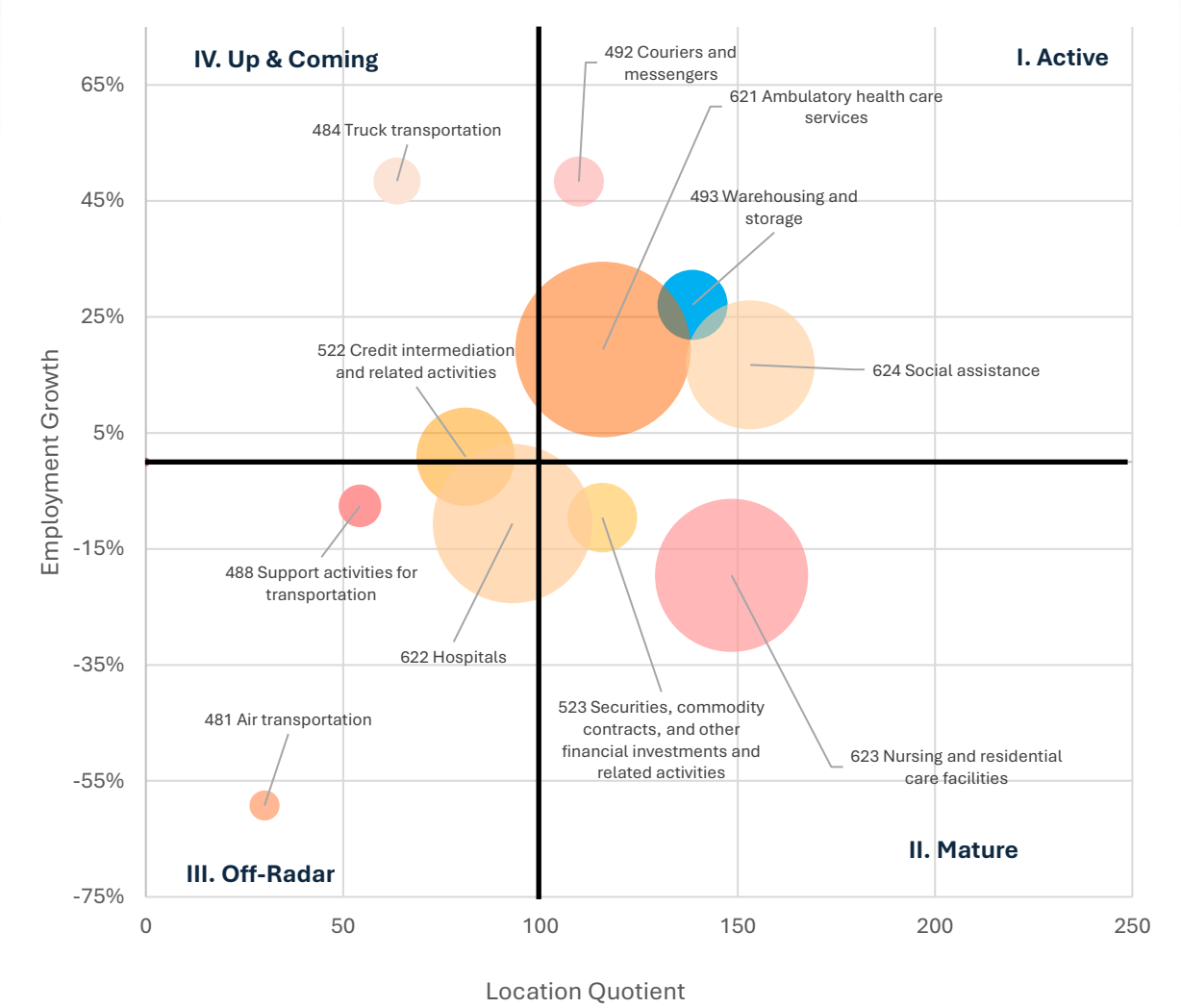

Figure 21: Employment Growth vs. Location Quotient by Industry, 3-digit NAICS, 2012-2021

3-Digit Occupation Code (OCC)

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

Figure 22 these are in the Up-and-Coming Quadrant, indicating their place in the growth phase. The results suggest that while demand for industry-related labor is growing, it remains below the national average, leaving room for further growth over time.

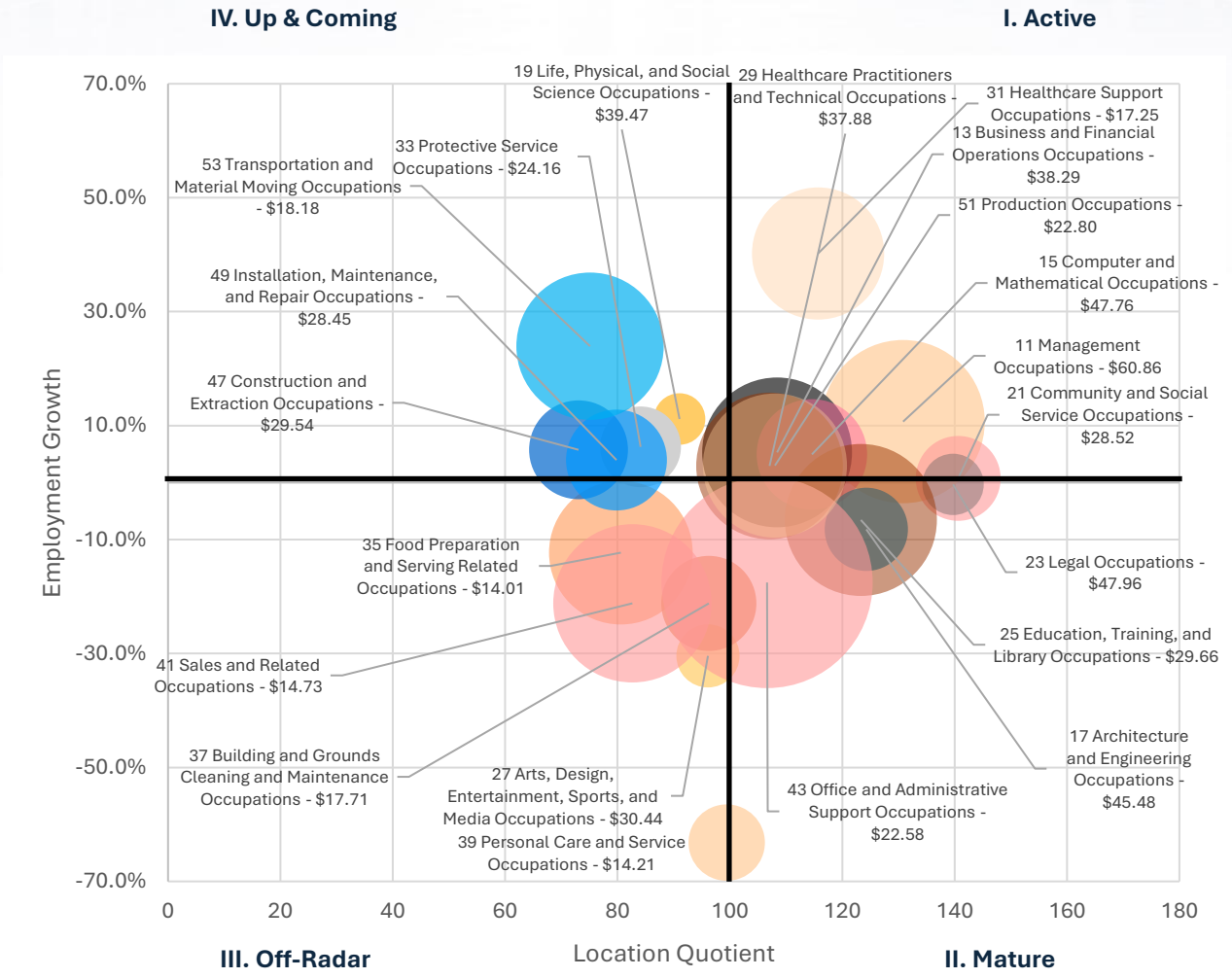

Figure 22: Employment Growth and Location Quotient by Industry, 3-digit NAICS, 2012-2021

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 efficiently and consistently estimate their market values. 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 on building appraisals and assessed values from 2022 to 2024 were reviewed. CAMA data were 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 with more than 100,000 square feet were selected. For each year for which data were available, nominal dollar-per-square-foot prices were calculated using cumulative appraised and assessed values for each town. Figure 23 shows the nominal dollar-per-square-foot price in each town using this method. Of note, Windsor Locks and Suffield did not have any properties assessed or appraised at over 100,000 square feet between 2022 and 2024.

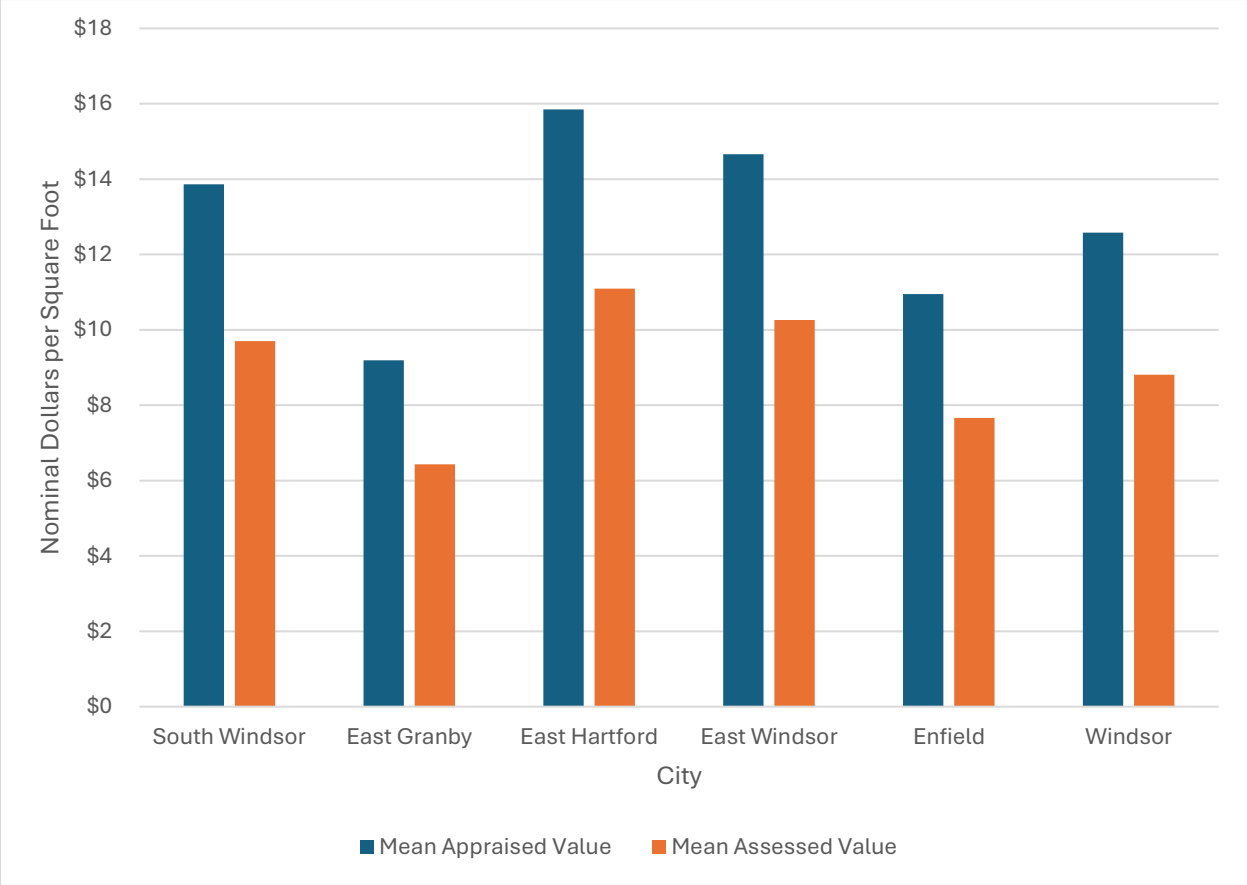

Figure 23: Mean Appraised and Assessed Building Value - CRCOG Region (2022-2024)

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. East Hartford, East Windsor, and South Windsor feature the highest prices per square foot. Some examples of the highest-assessed properties in these towns include 400 Main Street (East Hartford, owned by Raytheon Inc.) and 295 Rye Street (South Windsor, owned by Aldi Inc.). Windsor is also a hub for these larger industrial 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.