

FAIRFIELD COUNTY

Office Q3 2023

	YoY Chg	12-Mo. Forecast
29.2% Vacancy Rate	▼	▲
474K Net Absorption YTD, SF	▲	▼
\$34.37 Asking Rent, PSF	▲	▲

(Overall, All Property Classes)

ECONOMIC INDICATORS Q3 2023

	YoY Chg	12-Mo. Forecast
431K Fairfield County Employment	▲	▼
3.7% Fairfield County Unemployment Rate	▼	▲
3.7% U.S. Unemployment Rate	▲	▲

Source: BLS

ECONOMY: Labor Markets Remain Resilient

In the last 12 months, the labor market in the United States registered a net increase of nearly three million new non-farm payrolls, marking the 13th consecutive quarter of positive job growth. Likewise, Fairfield County added almost 4,000 new jobs over the last 12 months, contributing to a 1.0% increase in total non-farm payrolls. Subsequently, the unemployment rate in Fairfield County fell 20 basis points (bps) year-over-year (YOY) to 3.7%. National and local economies generally exhibited favorable conditions in the third quarter of 2023, even amid heightened economic uncertainty.

DEMAND: Despite Lower Demand, Supply Continued To Diminish

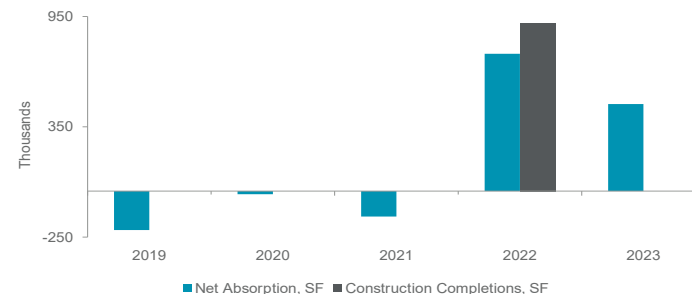
Tenant demand for commercial office space remained subdued during the third quarter, marking a 35.8% decline from year-to-date (YTD) levels observed this time last year. Similarly, the total YTD leasing volume, at nearly 1.1 million square feet (msf), fell short by 34.7% compared to the five-year historical average of 1.6 msf. Notably, both Stamford and Greenwich witnessed significant drops of 31.1% and 44.2%, respectively, from the five-year historical YTD leasing averages. The decline in these markets' tenant demand was linked to reduced leasing activity in the Central Business Districts, which registered a respective 34.8% and 66.2% YTD decrease in volume. Despite these reductions, overall supply continued to decline.

The overall vacancy rate in Fairfield County decreased by 140 bps, dropping from 30.6% in the third quarter of 2022 to 29.2%. Stamford exhibited the most significant YOY decline in overall supply, with the overall vacancy rate contracting by 290 bps to 32.6%. Stamford's office supply decrease was primarily due to the removal of more than 400,000 sf at 100 Elmcroft Road from the statistical inventory, which recently received approval for conversion into 256 apartment units. Consequently, the County recorded 473,537 sf of positive YTD net absorption.

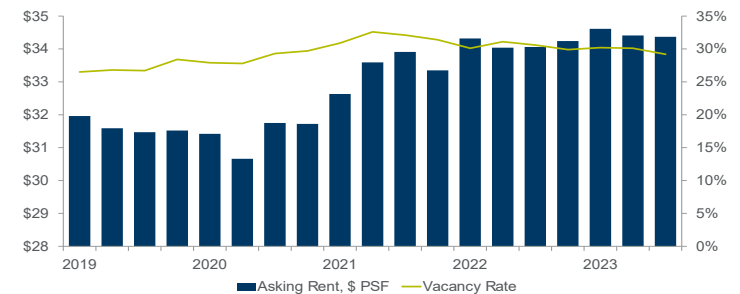
PRICING: Nominal Uptick In Pricing

Overall average asking rents in Fairfield County increased a nominal \$0.21 per square foot (psf) YOY to \$34.37. Most strikingly, Greenwich showcased a 51.6% increase in the overall average asking price of space from \$42.41 psf in the third quarter of 2022 to \$64.29 at the end of the third quarter of 2023. The notable increase registered in Greenwich was largely fueled by Viking Global's space coming online at 55 Rail Road Avenue, which is commanding an asking price of \$89.00 psf triple net. Conversely, Stamford recorded a YOY drop of \$0.97 psf to \$39.56, as a result of the removal of premium-priced office product due to tenant demand over the last 12 months.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKETBEAT FAIRFIELD COUNTY

Office Q3 2023



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Greenwich CBD	1,803,029	14,923	120,037	7.5%	-1,682	28,573	45,530	0	\$116.07	\$117.46
Greenwich Non-CBD	2,173,325	198,448	243,138	20.3%	48,629	37,772	76,850	0	\$44.23	\$44.96
GREENWICH	3,976,354	213,371	363,175	14.5%	46,947	66,345	122,380	0	\$64.29	\$67.68
Stamford CBD	7,970,862	269,453	2,155,994	30.4%	207,130	291,425	367,255	0	\$46.75	\$47.43
Stamford Non-CBD	8,265,258	1,032,115	1,831,830	34.7%	-13,476	426,322	182,920	0	\$32.52	\$36.18
STAMFORD	16,236,120	1,301,568	3,987,824	32.6%	193,654	717,747	550,175	0	\$39.56	\$42.93
Darien/New Canaan	635,747	19,607	105,731	19.7%	-11,151	6,262	24,923	0	\$32.83	\$33.17
Norwalk	5,670,603	468,734	1,925,684	42.2%	-52,327	-139,825	132,230	0	\$30.11	\$31.85
Wilton	1,010,836	18,174	358,862	37.3%	-12,124	19,457	13,530	0	\$31.62	\$32.45
SOUTH CENTRAL	7,317,186	506,515	2,390,277	39.6%	-75,602	-114,106	170,683	0	\$30.47	\$32.03
Westport	1,264,528	65,277	136,305	15.9%	-3,833	-16,977	24,913	0	\$39.47	\$42.99
Fairfield/Southport	740,262	0	88,748	12.0%	6,478	20,634	34,518	0	\$35.46	\$36.94
CENTRAL	2,004,790	65,277	225,053	14.5%	2,645	3,657	59,431	0	\$37.96	\$40.70
Bridgeport	1,041,478	11,133	233,652	23.5%	3,557	9,093	12,843	0	\$22.19	\$25.37
Shelton/Stratford	3,817,520	298,365	658,576	25.1%	-62,310	-69,504	70,134	0	\$20.05	\$20.30
Trumbull	786,259	0	103,765	13.2%	-7,055	-15,939	14,847	0	\$17.37	\$20.92
EASTERN	5,645,257	309,498	995,993	23.1%	-65,808	-76,350	97,824	0	\$20.33	\$21.37
Greater Danbury	2,822,528	8,492	712,624	25.6%	-42,756	-123,756	57,604	0	\$21.20	\$21.84
FAIRFIELD COUNTY TOTALS	38,002,235	2,404,721	8,674,946	29.2%	59,080	473,537	1,058,097	0	\$34.37	\$37.13

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q3 2023

PROPERTY	SUBMARKET	TENANT	SF	TYPE
3 Corporate Drive, Shelton	Eastern	KeyBank	20,406	New Lease
400 Atlantic Street, Stamford	Stamford CBD	Engelhart	19,928	New Lease
250 Harbor Drive, Stamford	Stamford Non-CBD	YES Network	19,909	Renewal*
800 Connecticut Avenue, Norwalk	South Central	Booking Holdings	19,266	Renewal*
400 Atlantic Street, Stamford	Stamford CBD	Octagon Marketing	18,637	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2023

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
53 Forest Avenue, Greenwich	Greenwich Non-CBD	Collins Enterprise / HB Nitkin Group	42,000	\$15.5M / \$369
23 Old Kings Highway, Darien	South Central	Burrus Darien Invest LLC / 23 Okh Holdings LLC	23,500	\$4.3M / \$183

LORI ALBERT

Tri-State Research Director
lori.albert@cushwake.com

STEVEN FIORE

Senior Research Analyst
steven.fiore@cushwake.com

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