



Office Q2 2021

YoY
Chg 12-Mo.
Forecast**32.6%**

Vacancy Rate

**-1.2M**

Net Absorption YTD, SF

**\$33.59**

Asking Rent, PSF



(Overall, All Property Classes)

**ECONOMIC INDICATORS
Q2 2021**YoY
Chg 12-Mo.
Forecast**400K**Fairfield County
Employment**7.5%**Fairfield County
Unemployment Rate**5.9%**U.S.
Unemployment Rate

Source: BLS

ECONOMY: Healthier Labor Markets

The labor markets demonstrated considerable progress in the first half of 2021 after more than one year of significant economic volatility. The unemployment rate in Fairfield County decreased 290 basis points (bps) since this time last year to 7.5% while non-farm payrolls registered a 10.4% increase, adding 37,800 new jobs over the last twelve months. In comparison, the U.S. registered an 8.2% increase in non-farm payrolls and a 720-bp drop in the unemployment rate to 5.9% since the second quarter of 2020. Despite improving economic fundamentals, the commercial real estate market is slow to respond.

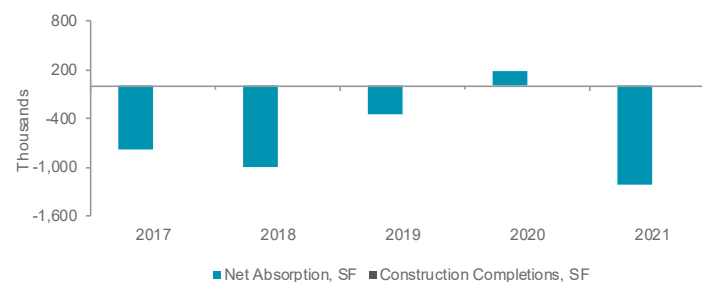
SUPPLY AND DEMAND: Vacancy Inches Higher

Nearly one-third of commercial office space in Fairfield County is vacant. Productivity trends that have emerged from the pandemic, such as telecommuting and E-commerce, have likely accelerated the upwards trajectory on the overall vacancy rate as companies economize and adapt to structural shifts in labor force and marketplace. At the end of the second quarter, 6.9% of the office inventory was available for sublease—210 bps higher than this time last year. Similarly, direct vacant space climbed 13.6% over the last twelve months to 9.8 million square feet (msf). Despite the high overall vacancy rate, there is approximately 1.2 msf of unoccupied leased space in the market. Adjusting the overall vacancy rate for future tenant occupancy would bring the overall vacancy rate down approximately 320 bps to 29.4%. Nonetheless, tenant activity has recorded a notable resurgence over the last twelve to eighteen months.

Year-to-date (YTD) new leasing activity increased 21.2% year-over-year (YOY) to 812,691 square feet (sf). Most notably, the Netflix production company, "The Good Nurse," leased 68,000 sf at 419 West Avenue in Stamford while Stamford Hospital expanded its operations by 45,800 sf at 3001-3003 Summer. Stamford also attracted tenants such as Biersdorf leasing 27,492 sf at 301 Tresser Boulevard and AMG Funds taking 20,217 sf at 680 Washington Boulevard. Nonetheless, YTD net absorption remained in the red as tenants continue to downsize and put more space on the market, ending the first half of the year with negative 1.2 msf of occupancy loss.

PRICING: Average Asking Increase

The overall average asking rent in Fairfield County increased \$1.70 per square foot (psf) over the last twelve months, ending the second quarter of 2021 at \$33.59. Stamford recorded the most notable surge in pricing, increasing \$2.06 psf YOY. Similarly, overall average asking rents in Greenwich climbed \$1.49 psf since this time last year to \$51.11 psf. The CBD components of Stamford and Greenwich are responsible for the overall submarket appreciation, with overall average asking rents increasing \$1.45 and \$6.22 psf, respectively.

SPACE DEMAND / DELIVERIES**OVERALL VACANCY & ASKING RENT**

MARKETBEAT FAIRFIELD COUNTY

Office Q2 2021



CUSHMAN &
WAKEFIELD

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	1,800,029	199,756	122,570	17.9%	19,873	-18,873	125,762	0	\$88.71	\$95.11
Greenwich Non-CBD	2,120,364	226,452	377,815	2850.0%	-53,502	-229,890	27,447	0	\$41.67	\$41.40
GREENWICH	3,920,393	426,208	500,385	23.6%	-33,629	-248,763	153,209	0	\$51.11	\$52.07
Stamford CBD	7,175,726	276,245	2,198,270	34.5%	-196,190	-224,830	178,901	532,258	\$46.87	\$47.55
Stamford Non-CBD	8,732,188	1,032,410	2,190,024	36.9%	-12,551	-3,837	268,619	0	\$31.89	\$35.54
STAMFORD	15,907,914	1,308,655	4,388,294	35.8%	-208,741	-228,667	447,520	532,258	\$39.67	\$43.22
Darien/New Canaan	635,747	15,774	184,869	31.6%	-2,918	-26,127	16,563	0	\$34.04	\$34.52
Norwalk	5,670,603	410,986	1,791,896	38.9%	-135,698	-226,398	57,559	0	\$29.48	\$31.95
Wilton	1,545,836	80,057	715,298	51.5%	-295,819	-323,016	14,555	0	\$33.03	\$33.64
SOUTH CENTRAL	7,852,186	506,817	2,692,063	40.7%	-434,435	-575,541	88,677	0	\$30.74	\$32.73
Westport	1,261,364	24,950	196,278	17.5%	23,800	-19,934	25,441	0	\$38.93	\$41.26
Fairfield/Southport	740,262	26,900	107,130	18.1%	-3,061	-48,403	18,906	0	\$32.37	\$33.25
CENTRAL	2,001,626	51,850	303,408	17.8%	20,739	-67,977	44,347	0	\$36.68	\$39.12
Bridgeport	1,041,478	19,337	250,912	26.0%	4,193	-5,481	5,286	0	\$20.86	\$25.12
Shelton/Stratford	3,567,520	89,358	524,866	17.2%	-46,691	-28,683	55,072	0	\$18.68	\$19.23
Trumbull	856,239	12,015	218,070	26.9%	-7,759	-8,111	5,144	0	\$15.38	\$18.42
EASTERN	5,465,237	120,710	993,848	20.4%	-50,257	-42,275	65,502	0	\$18.74	\$20.38
Greater Danbury	3,081,504	250,868	909,639	37.7%	-15,777	-43,102	13,436	0	\$21.94	\$22.36
FAIRFIELD COUNTY TOTALS	38,228,860	2,665,108	9,787,637	32.6%	-722,100	-1,206,325	812,691	532,258	\$33.59	\$36.46

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
250 Harbor Drive, Stamford	Stamford Non-CBD	Encompass Digital Media	136,636	Renewal*
419 West Avenue, Stamford	Stamford Non-CBD	Good Nurse Productions	68,300	New Lease
3001-3003 Summer Street, Stamford	Stamford Non-CBD	Stamford Hospital	44,597	New Lease
680 Washington Boulevard, Stamford	Stamford CBD	AMG Funds	20,217	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
44 Old Ridgebury Road, Danbury	Greater Danbury	Allegiance Realty Corp / MSM Equities LLC	121,779	\$11,500,000 / \$94
305 Black Rock Turnpike, Fairfield	Central	Commerce Dr. Holdings LLC / Montecito Medical	32,178	\$9,374,316 / \$291

LORI ALBERT

Research Director

lori.albert@cushwake.com

STEVEN FIORE

Senior Research Analyst

steven.fiore@cushwake.com

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