

FAIRFIELD COUNTY

Office Q4 2021

	YoY Chg	12-Mo. Forecast
31.4% Vacancy Rate	▲	▼
-777K Net Absorption YTD, SF	▼	▲
\$33.35 Asking Rent, PSF	▲	▼

(Overall, All Property Classes)

ECONOMIC INDICATORS Q4 2021

	YoY Chg	12-Mo. Forecast
408K Fairfield County Employment	▲	▲
6.1% Fairfield County Unemployment Rate	▼	▼
4.2% U.S. Unemployment Rate	▼	▼

Source: BLS

ECONOMY: Gradual Improvement

Fairfield continued to record improvements in its economy, adding 44,390 jobs since February 2021. This marks a 57.3% recovery from the initial loss of 77,340 jobs that occurred from 2020 to early 2021. The education services sector displayed the largest annual increase in employment growth, climbing 6.6% from 2020. Conversely, information services declined 3.8% from 2020, losing 442 positions. Nonetheless, the unemployment rate fell 220 basis points (bps) over the last twelve months to 6.1%—190 bps higher than the national average of 4.2%.

SUPPLY AND DEMAND: Influx In Leasing Activity

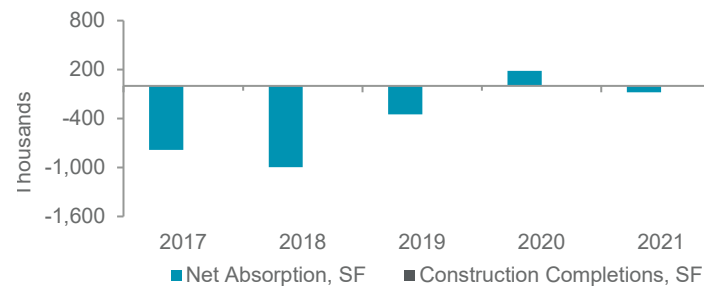
There was a significant surge in new leasing activity in the fourth quarter of 2021, outpacing the prior three-quarter average by 25.5% with 581,134 square feet (sf) in transactional volume. The Stamford Central Business District (CBD) recorded 53.3% of county-wide demand in 2021, which was 134 bps higher than the ten-year historical average for the submarket. Likewise, Greenwich leasing totaled 497,709 sf—the highest on record since 2007. Although Stamford and Greenwich showcased significant growth in new leasing activity, county-wide demand fell 6.4% short from the five-year annual average of 2.1 million square feet (msf).

Despite the strong leasing momentum, the overall vacancy rate in Fairfield County increased 208 bps over the last twelve months to 31.4%. The South Central submarket recorded the largest annual increase in vacant supply, rising 640 bps, year-over-year (YOY) to 40.4%. The drastic increase was mainly the result of significant large blocks of space entering the market at 20 Westport Road in Wilton and at Merritt 7 Office Park in Norwalk. Conversely, the overall vacancy rate in downtown Greenwich declined 610 bps to 10.8%—the second largest annual drop on record since 2007. Furthermore, direct space in downtown Greenwich is even more limited—recording the lowest direct vacancy rate in over a decade at 5.2%.

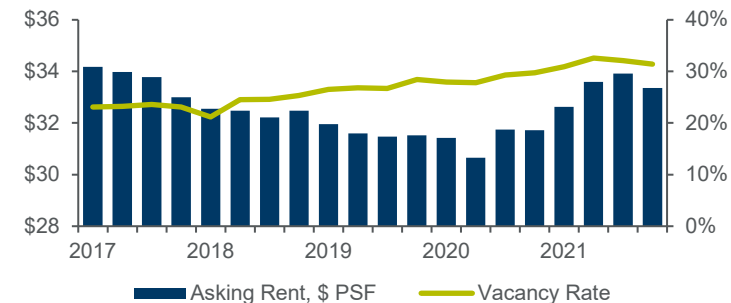
PRICING: Asking Rents Continue to Rise

The overall average asking rent in Fairfield County continued to trend upwards in the fourth quarter, increasing \$1.21 per square foot (psf) YOY to \$33.35. The escalation in the county's overall average was predominantly the result of a \$1.48-psf annual increase in Stamford's overall average asking rent to \$39.37. Greenwich, however, registered a decline of \$3.69 psf over the last twelve months, resulting from higher-priced large blocks coming off the market in the CBD.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKETBEAT FAIRFIELD COUNTY

Office Q4 2021



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	101,844	93,166	10.8%	62,192	108,443	306,566	0	\$81.54	\$90.08
Greenwich Non-CBD	2,171,790	232,803	361,496	27.4%	-20,670	-212,219	191,143	0	\$41.36	\$41.09
GREENWICH	3,971,819	334,647	454,662	19.9%	41,522	-103,776	497,709	0	\$45.05	\$44.78
Stamford CBD	7,175,726	231,039	2,309,926	35.4%	-101,391	-291,280	494,125	914,137	\$45.80	\$46.43
Stamford Non-CBD	8,732,188	1,147,877	2,208,329	38.4%	14,307	-142,095	554,124	0	\$32.01	\$35.68
STAMFORD	15,907,914	1,378,916	4,518,255	37.1%	-87,084	-433,375	1,048,249	914,137	\$39.37	\$42.70
Darien/New Canaan	635,747	25,790	183,898	33.0%	-11,229	-35,172	45,995	0	\$33.92	\$34.42
Norwalk	5,670,603	418,275	1,852,566	40.1%	-82,728	-294,357	95,879	0	\$29.53	\$31.61
Wilton	1,545,836	7,648	686,552	44.9%	67,225	-221,861	20,780	0	\$33.11	\$33.61
SOUTH CENTRAL	7,852,186	451,713	2,723,016	40.4%	-26,732	-551,390	162,654	0	\$30.75	\$32.49
Westport	1,261,364	25,150	110,402	18.3%	-2,023	-49,565	36,847	0	\$33.54	\$35.33
Fairfield/Southport	740,262	50,253	195,424	19.5%	-20,802	-44,383	64,611	0	\$39.01	\$41.02
CENTRAL	2,001,626	75,403	305,826	19.1%	-22,825	-93,948	101,458	0	\$37.07	\$39.30
Bridgeport	1,041,478	19,337	234,144	24.3%	-2,040	11,287	6,494	0	\$21.59	\$25.15
Shelton/Stratford	3,567,520	94,983	527,097	17.4%	10,280	-43,289	97,876	0	\$18.87	\$19.44
Trumbull	856,239	0	204,114	23.8%	7,796	17,860	25,917	0	\$15.01	\$19.22
EASTERN	5,465,237	114,320	965,355	19.8%	16,036	-14,142	130,287	0	\$19.03	\$20.61
Greater Danbury	3,081,504	244,804	453,909	22.7%	229,898	418,692	30,055	0	\$21.66	\$22.73
FAIRFIELD COUNTY TOTALS	38,280,286	2,599,803	9,421,023	31.4%	150,815	-777,939	1,970,412	914,137	\$33.35	\$36.11

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
677 Washington Boulevard, Stamford	Stamford CBD	Philip Morris International	71,484	Relocation
599 West Putnam Avenue, Greenwich	Greenwich Non-CBD	L Catterton	51,426	Sale-Leaseback
600 Washington Boulevard, Stamford	Stamford CBD	Equinor	34,074	New Lease
677 Washington Boulevard, Stamford	Stamford CBD	XL Global Services	24,258	New Lease

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KEY SALES TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
695 East Main Street, Stamford	Stamford CBD	Building & Land Technology / AM Property Holding Corp.	557,581	\$235,000,000 / \$421
599 West Putnam Avenue, Greenwich	Greenwich Non-CBD	L Catterton / KKR	51,426	\$56,500,000 / \$1,077
450 Post Road East, Westport	Central	Earle Kazis Associates / Waterway Capital LLC	35,777	\$15,000,000 / \$419

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