

FAIRFIELD COUNTY

Office Q1 2022

	YoY Chg	12-Mo. Forecast
30.8% Vacancy Rate	▲	▼
-77K Net Absorption YTD, SF	▼	▲
\$34.32 Asking Rent, PSF	▲	▼

(Overall, All Property Classes)

ECONOMIC INDICATORS Q1 2022

	YoY Chg	12-Mo. Forecast
419K Fairfield County Employment	▲	▲
5.2% Fairfield County Unemployment Rate	▼	▼
3.6% U.S. Unemployment Rate	▼	▼

Source: BLS

ECONOMY: Strong Employment Growth

Fairfield County displayed continued job growth throughout the first quarter, as nonfarm payrolls increased 4.2% over the last twelve months, adding 17,000 new jobs. Since the pandemic low in February of 2021, Fairfield County has restored 35,000 jobs, pushing total employment to 452,000—just 14,000 jobs short of the pre-pandemic peak. As a result, the unemployment rate fell 310 basis points (bps) year-over-year (YOY), dropping from 8.3% to 5.2%.

SUPPLY AND DEMAND: Significant Tenant Demand

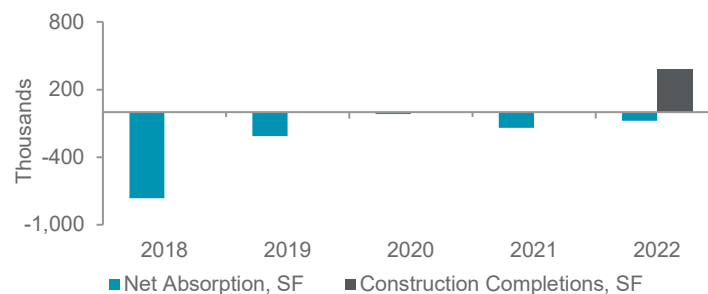
New leasing activity nearly doubled from the first quarter of 2021, totaling 819,590 square feet (sf). Total demand in the first three months of 2022 outpaced the five-year average of 584,231 sf by 40.3%. Moreover, the total square footage leased in the first quarter was 7.2% higher than the average of the first two quarters from the prior two years combined. The boost in activity was fueled by Pitney Bowe's sale-leaseback at 27 Waterview Drive in Shelton, totaling 310,000 sf, or more concretely, 40.0% of the new leasing total. Greenwich continued to show interest from existing tenants, with total new leasing reaching 120,135 sf—outpacing the five-year average by 74.6%. However, tenant demand in Stamford slowed in the first quarter, falling to 210,233 sf—23.2% lower than the five-year average of 273,836 sf.

Overall vacancy throughout the county remained relatively flat over the last twelve months, dipping 10 bps to 30.8%. However, the overall vacancy rate in Downtown Greenwich dropped a notable 965 bps to 7.6%. Conversely, the Stamford Central Business District (CBD) registered a 530-bp YOY uptick to 35.0%. The rise in downtown Stamford's overall vacancy rate was predominantly attributed to Purdue Pharma listing three additional floors on the market at 201 Tresser Boulevard and PwC putting their space on the market at 300 Atlantic Street. Nonetheless, overall net absorption remained in the red during the first quarter of 2022, recording negative 77,260 sf.

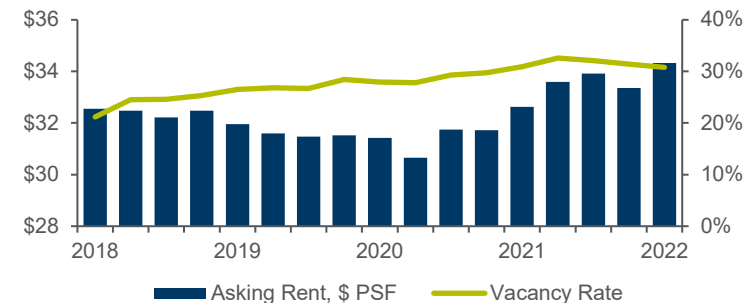
PRICING: Asking Rents Continue to Rise

Overall average asking rents throughout the county increased by \$1.04 per square foot (psf) over the last twelve months, ending the first quarter at \$34.32 psf. The growth in the county's overall average was mainly due to the escalation of asking rents in downtown Stamford, which recorded a \$1.90 psf YOY increase to \$47.84 psf. Conversely, the overall average asking rents in downtown Greenwich fell by \$14.28 psf from the first quarter of 2021 to \$74.14 psf, which was initiated by the occupancy of large blocks of space primed at a premium.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKETBEAT FAIRFIELD COUNTY

Office Q1 2022



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	48,589	88,375	7.6%	54,108	54,108	51,945	0	\$74.15	\$80.52
Greenwich Non-CBD	2,171,920	207,147	336,680	25.0%	43,761	43,761	68,190	0	\$41.51	\$41.45
GREENWICH	3,971,949	255,736	425,055	17.1%	97,869	97,869	120,135	0	\$44.14	\$43.41
Stamford CBD	7,557,605	289,213	2,540,017	37.4%	52,525	52,525	133,281	532,258	\$47.85	\$48.01
Stamford Non-CBD	8,732,188	1,214,287	2,086,738	37.8%	-26,384	-26,384	76,952	0	\$31.85	\$35.89
STAMFORD	16,289,793	1,503,500	4,626,755	37.6%	26,141	26,141	210,233	532,258	\$41.05	\$44.34
Darien/New Canaan	635,747	10,016	148,642	25.0%	19,509	19,509	20,547	0	\$33.12	\$33.74
Norwalk	5,670,603	497,321	1,795,865	40.4%	-82,025	-82,025	15,773	0	\$29.53	\$31.51
Wilton	1,545,836	4,850	734,473	47.8%	-5,005	-5,005	0	0	\$32.46	\$32.87
SOUTH CENTRAL	7,852,186	512,187	2,678,980	40.6%	-67,521	-67,521	36,320	0	\$30.57	\$32.14
Westport	1,261,364	59,458	174,601	18.6%	7,930	7,930	13,445	0	\$39.65	\$41.03
Fairfield/Southport	740,262	27,175	110,466	18.6%	-2,089	-2,089	19,649	0	\$32.87	\$35.39
CENTRAL	2,001,626	86,633	285,067	18.6%	5,841	5,841	33,094	0	\$37.09	\$39.43
Bridgeport	1,041,478	19,337	236,319	24.6%	-2,278	-2,278	20,509	0	\$21.97	\$25.18
Shelton/Stratford	3,817,520	147,750	579,304	19.1%	-152,027	-152,027	393,655	0	\$19.67	\$20.21
Trumbull	791,139	0	76,456	9.7%	10,561	10,561	0	0	\$18.41	\$19.22
EASTERN	5,650,137	167,087	892,079	18.8%	-143,744	-143,744	414,164	0	\$20.19	\$21.09
Greater Danbury	2,822,528	0	452,909	16.1%	4,154	4,154	5,644	0	\$21.56	\$22.54
FAIRFIELD COUNTY TOTALS	38,588,219	2,525,143	9,360,845	30.8%	-77,260	-77,260	819,590	532,258	\$34.32	\$36.85

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	SF	TYPE
27 Waterview, Shelton	Eastern	Pitney Bowes	310,000	Sale-Leaseback
177 Broad Street, Stamford	Stamford CBD	Indeed	109,733	Renewal*
600 Steamboat Road, Greenwich	Greenwich CBD	Eldridge	60,793	Renewal*
100 First Stamford Place, Stamford	Stamford CBD	United Rentals	51,194	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
100 West Putnam Avenue, Greenwich	Greenwich CBD	Rockpoint / Apollo Global Management	155,000	\$200M / \$1,290
285-355 Riverside Avenue, Westport	Central	Baywater Properties / The Feil Organization	51,426	\$43M / \$455
258 Elm Street, New Canaan	South Central	Targeted Real Estate Equities / Urbana Partners	29,000	\$13M / \$466

LORI ALBERT

Research Director

lori.albert@cushwake.com

STEVEN FIORE

Senior Research Analyst

steven.fiore@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

©2022 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.

cushmanwakefield.com