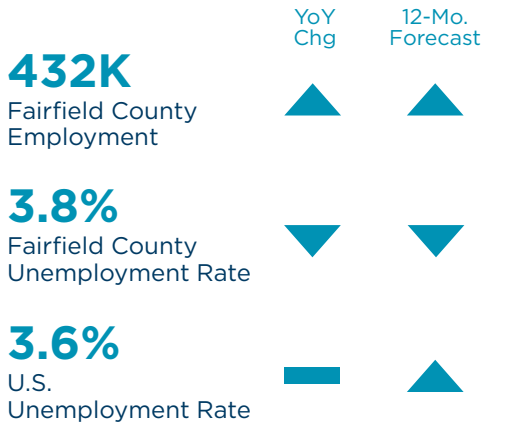


(Overall, All Property Classes)

ECONOMIC INDICATORS Q2 2023



Source: BLS

ECONOMY: Favorable Labor Market Conditions

During the past twelve months, the labor markets in the United States demonstrated stability, with the national unemployment remaining unchanged from the prior year at 3.6% by the end second quarter. In Fairfield County, while nonfarm payrolls grew 1.6% year-over-year (YOY), amounting to 432,400 jobs by mid-year 2023, the unemployment rate declined by 20 basis points (bps) YOY to 3.8%. These developments indicate encouraging local economic conditions despite prevailing global economic uncertainties.

DEMAND: Demand Flattens While Vacancy Pushes Upwards

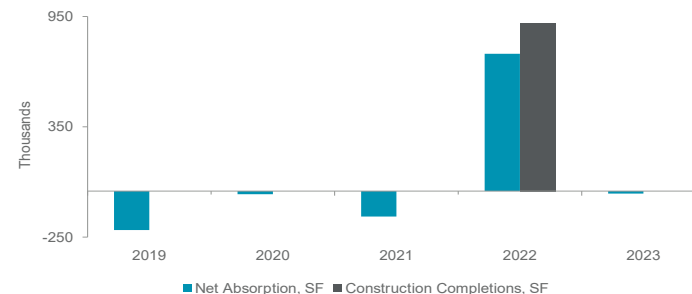
Tenant demand in the first half of 2023 fell short of expectations at 738,924 square feet (sf)—a contraction of 42.2% compared to the mid-year 2022 level. Additionally, leasing activity during this period was 29.2% below the five-year average of 1.04 million square feet (msf). However, there were notable YOY improvements, particularly in the South Central submarket. Due to heightened interest in properties along the Route 7 corridor, the submarket recorded a significant boost in leasing, up 71.6%. Similarly, downtown Stamford’s leasing activity rose 8.6% compared to last year, totaling 297,193 sf in the first half of 2023.

Despite the substantial reduction in tenant demand, overall vacancy levels remained unchanged from one year ago, hovering at 30.1% by the end of the second quarter. However, the overall vacancy rate in downtown Stamford dropped 180 bps YOY to 33.1%. Downtown Greenwich registered a nominal increase in overall vacancy from the previous year, up 60 bps to 7.5%. Overall occupancy levels in Fairfield County dropped a negligible 13,180 sf year-to-date (YTD), with the Greater Danbury and South Central submarkets posting negative absorption levels of 72,503 sf and 55,141 sf, respectively. In contrast, Stamford and Greenwich recorded occupancy growth translating to 112,791 sf and 13,217 sf of positive YTD absorption, respectively.

PRICING: Overall Average Asking Rents Show Nominal Gain

Overall average asking rents in Fairfield County increased by \$0.36 per square foot (psf) YOY to \$34.41. Most appreciation over the last twelve months occurred in Class A office space, rising by \$0.42 psf to \$37.17. More specifically, Greenwich showcased a \$15.11 psf YOY boost in the overall average from \$43.23 psf to \$58.34, resulting from higher-priced space additions in the downtown market. Conversely, Class B office space registered a \$0.06 psf YOY decline from \$25.14 to \$25.08 psf. Overall, rent escalation in downtown-centric markets appears to be growing faster rate than in more suburban office markets

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKETBEAT FAIRFIELD COUNTY

Office Q2 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	15,450	119,400	7.5%	-3,727	28,683	35,421	0	\$115.88	\$119.07
Greenwich Non-CBD	2,172,186	203,524	291,300	22.8%	-3,349	-15,466	51,612	0	\$43.67	\$44.03
GREENWICH	3,975,215	218,974	410,700	15.8%	-7,076	13,217	87,033	0	\$58.34	\$60.85
Stamford CBD	7,970,862	353,625	2,283,984	33.1%	75,700	79,263	297,193	0	\$46.84	\$47.53
Stamford Non-CBD	8,721,863	1,126,577	2,130,162	37.3%	-64,241	33,528	102,848	0	\$32.78	\$36.66
STAMFORD	16,692,725	1,480,202	4,414,146	35.3%	11,459	112,791	400,041	0	\$39.93	\$43.27
Darien/New Canaan	635,747	0	114,187	18.0%	9,717	17,413	29,545	0	\$32.28	\$32.60
Norwalk	5,670,603	480,416	1,878,312	41.6%	-65,118	-104,135	92,977	0	\$29.65	\$31.39
Wilton	1,010,836	4,842	360,070	36.1%	13,022	31,581	5,641	0	\$31.62	\$32.43
SOUTH CENTRAL	7,317,186	485,258	2,352,569	38.8%	-42,379	-55,141	128,163	0	\$30.09	\$31.66
Westport	1,264,528	60,277	137,472	15.6%	-7,413	-13,144	9,350	0	\$39.70	\$42.85
Fairfield/Southport	740,262	1,750	93,876	12.9%	8,232	13,756	14,592	0	\$34.92	\$36.25
CENTRAL	2,004,790	62,027	231,348	14.6%	819	612	23,942	0	\$37.78	\$40.25
Bridgeport	1,041,478	11,133	237,209	23.9%	4,010	5,536	10,787	0	\$22.23	\$25.39
Shelton/Stratford	3,817,520	234,789	661,456	23.5%	-32,796	-8,808	38,507	0	\$20.15	\$20.40
Trumbull	786,259	0	96,710	12.3%	-4,939	-8,884	9,347	0	\$17.63	\$20.92
EASTERN	5,645,257	245,922	995,375	22.0%	-33,725	-12,156	58,641	0	\$20.45	\$21.47
Greater Danbury	2,822,528	0	669,863	23.7%	-47,079	-72,503	41,104	0	\$21.20	\$21.81
FAIRFIELD COUNTY TOTALS	38,457,701	2,492,383	9,074,001	30.1%	-117,981	-13,180	738,924	0	\$34.41	\$37.17

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q2 2023

PROPERTY	SUBMARKET	TENANT	SF	TYPE
401 Merritt 7, Norwalk	South Central	Tenerity	27,211	New Lease
400 Atlantic Street, Stamford	Stamford CBD	Cara Therapeutics	26,374	New Lease
401 Merritt 7, Norwalk	South Central	Kantar Group	19,623	New Lease
263 Tresser Boulevard, Stamford	Stamford CBD	Regus	19,450	Renewal*
400 Atlantic Street, Stamford	Stamford CBD	AXA Investment Managers	18,656	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2023

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
100 Fairfield Avenue, Bridgeport	Eastern	Forstone Capital / MY Property Hold-ings LLC	100,000	\$7.05M / \$70.50

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