

YoY Chg 12-Mo. Forecast

29.0%
Vacancy Rate



501K
Net Absorption YTD, SF



\$34.27
Asking Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS Q4 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 Show Persistent Strength

Despite heightened economic concerns, the U.S. labor market surpassed expectations, adding over 2.7 million non-farm payrolls since the end of the fourth quarter of 2022. During this period, the U.S. unemployment rate rose slightly from 3.6% to 3.7%, likely due to increased labor force participation. Similarly, Fairfield County gained five thousand new jobs over the last 12 months, reflecting a 1.2% rise in total non-farm payrolls. Subsequently, the unemployment rate in Fairfield County fell 30 basis points (bps) to 3.7%, year-over-year (YOY). Overall, labor market conditions remained favorable throughout 2023, despite the backdrop of escalated economic concerns.

DEMAND: Vacancy Rates Decrease Despite Significantly Lower Demand

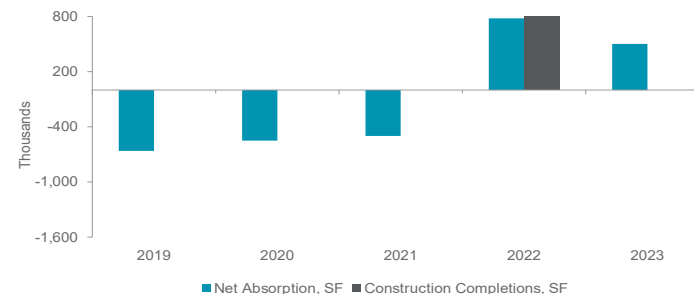
Fairfield County's commercial real estate market exhibited contrasting trends in 2023—diminished demand coupled with falling vacancy. Although leasing activity and overall vacancy typically display an inverse relationship, the opposite occurred in 2023. County-wide leasing activity dropped notably by 31.4% compared to the year prior to 1.4 million square feet (msf) and contracted by 34.2% from the five-year average of 2.2 msf. Overall vacancy in the County decreased by 70 bps over the last 12 months, from 29.7% to 29.0%. The deviation from market expectations was largely fueled by the removal of significant office product from the inventory, which caused downward pressure on overall vacancy levels despite substantially lower demand.

The Stamford market, which accounted for 45.8% of county-wide leasing activity in 2023 with 660,701 square feet (sf) transacted, registered a 37.6% decrease from the five-year average of 1.1 msf, while posting a 310 bps YOY drop in overall vacancy from 35.4% to 32.3%. The removal of 100 Elmcroft Road, 70 Seaview Avenue and 3 Landmark Square, constituting more than half a million square feet of vacancy, were removed from the office inventory after the city's approval to reposition them for multifamily use. Ultimately, Stamford registered 746,141 sf of positive net absorption in 2023, predominantly linked to the removal of these properties. Nevertheless, the County overall recorded 501,044 sf of occupancy growth in 2023, despite a substantial decline in overall demand.

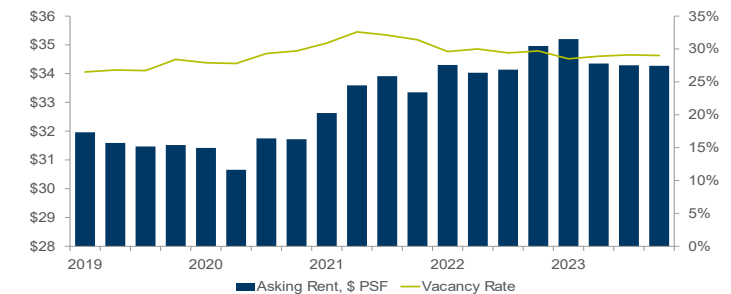
PRICING: Nominal Uptick In Pricing

Overall average asking rents in Fairfield County decreased by \$0.70 per square foot (psf) over the last 12 months to \$34.27. Conversely, the overall average asking rent in Greenwich exhibited a 8.5% YOY increase, reaching \$62.75 psf. Stamford, however, posted a 2.1% YOY decline, falling to \$39.84 psf. The average effective rent in the County contracted by \$1.63 psf over the last 12 months to \$44.51 psf, primarily due to landlords offering an additional two months of free rent to tenants in 2023 compared to 2022, on average.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKETBEAT FAIRFIELD COUNTY

Office Q4 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	14,150	109,928	6.9%	10,882	39,455	79,606	0	\$110.57	\$110.97
Greenwich Non-CBD	2,173,325	196,571	227,006	19.5%	22,172	55,781	107,967	0	\$43.21	\$43.74
GREENWICH	3,976,354	210,721	336,934	13.8%	33,054	95,236	187,573	0	\$62.75	\$66.08
Stamford CBD	7,970,862	257,327	2,003,347	28.4%	155,576	439,083	427,998	0	\$47.24	\$47.92
Stamford Non-CBD	8,265,258	994,927	1,988,282	36.1%	-127,218	307,058	232,703	0	\$32.38	\$35.94
STAMFORD	16,236,120	1,252,254	3,991,629	32.3%	28,358	746,141	660,701	0	\$39.84	\$43.20
Darien/New Canaan	635,747	19,607	105,731	19.7%	0	6,262	33,626	0	\$33.68	\$33.91
Norwalk	5,670,603	423,350	1,967,959	42.2%	17,389	-136,716	239,533	0	\$29.67	\$31.20
Wilton	1,010,836	18,174	353,210	36.7%	5,629	25,109	13,530	0	\$31.62	\$32.45
SOUTH CENTRAL	7,317,186	461,131	2,426,900	39.5%	23,018	-105,345	286,689	0	\$30.16	\$31.58
Westport	1,313,569	66,277	150,413	16.5%	-24,608	-32,085	55,679	0	\$42.77	\$46.39
Fairfield/Southport	740,262	0	78,547	10.6%	12,231	30,835	47,702	0	\$35.49	\$36.88
CENTRAL	2,053,831	66,277	228,960	14.4%	-12,377	-1,250	103,381	0	\$40.31	\$43.14
Bridgeport	1,041,478	11,133	241,534	24.3%	-11,135	1,211	12,843	0	\$21.84	\$25.38
Shelton/Stratford	3,817,520	277,959	726,732	26.3%	-47,750	-117,254	113,334	0	\$19.92	\$20.13
Trumbull	786,259	0	98,265	12.5%	5,500	-10,439	17,047	0	\$17.49	\$19.75
EASTERN	5,645,257	289,092	1,066,531	24.0%	-53,385	-126,482	143,224	0	\$20.18	\$21.12
Greater Danbury	2,822,528	8,492	696,124	25.0%	16,500	-107,256	60,632	0	\$21.19	\$21.84
FAIRFIELD COUNTY TOTALS	38,051,276	2,287,967	8,747,078	29.0%	35,168	501,044	1,442,200	0	\$34.27	\$36.97

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	TENANT	SF	TYPE
800 Connecticut Avenue, Norwalk	South Central	Aon	40,013	New Lease
301 Merritt 7, Norwalk	South Central	Terex Corporation	24,757	New Lease
2 Armstrong Road, Shelton	Eastern	Lanxess	22,449	Renewal*
1266 East Main Street, Stamford	Stamford Non-CBD	Regus	19,190	Renewal*
100 West Putnam Avenue, Greenwich	Greenwich CBD	JPMorgan Chase	16,319	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
470 West Avenue, Stamford	Stamford Non-CBD	West Ave Real Estate / 470 West Ave LLC	60,000	\$7.3M / \$122

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