MARKETBEAT
Fairfield County
Office Q1 2019

CUSHMAN & WAKEFIELD

FAIRFIELD COUNTY OFFICE

Economic Indicators

	Q1 18	Q1 19	12-Month Forecast
Fairfield Employment	458.8k	472.5k	▲
Fairfield Unemployment	4.3%	3.4%	▼
U.S. Unemployment	4.1%	3.8%	▼

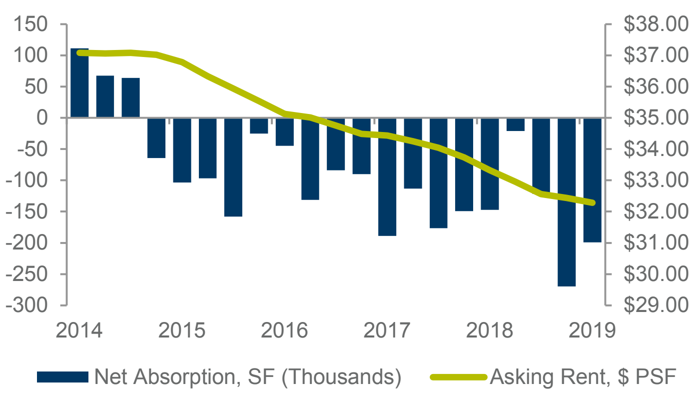
Market Indicators (Overall, All Classes)

	Q1 18	Q1 19	12-Month Forecast
Vacancy	24.2%	26.5%	▼
YTD Net Absorption (sf)	-444.1k	-162.0k	▲
YTD Leasing (sf)	654.0k	709.1k	▲
Average Asking Rent*	$32.55	$31.96	▼

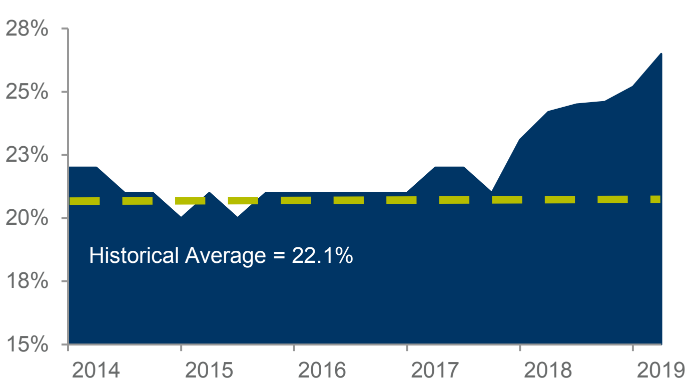
*Rental rates reflect gross asking $psf/year

Overall Net Absorption/Overall Asking Rent

4-QTR TRAILING AVERAGE



Overall Vacancy



Economy

Connecticut started 2019 on an upswing, with nonfarm employment increasing by 6,982 jobs over the last twelve months. Similarly, Fairfield County registered approximately 13,726 more jobs compared to one year ago. With more people working, the unemployment rate shrunk 90 basis points (bps) from the previous year to 3.4%—40 bps lower than the national average of 3.8%.

Market Overview

Demand in the first quarter led to some of the highest levels of leasing activity in nearly 10 years—outpacing the five-year historical average by 20.6%. WWE's relocation from 1241 East Main Street to 677 Washington Boulevard in downtown Stamford was the predominant driver of growth in the first quarter, as WWE more than doubled its existing footprint in the city by taking 415,266 sf.

Despite the surge in leasing activity, overall vacancy in the County increased 230 bps from the previous year to 26.5%; however, a notable drop in vacancy is anticipated once tenants like WWE and FactSet occupy their new office space in the next 12 to 36 months. Nonetheless, several large blocks of space in Stamford are keeping the overall vacancy rate elevated in the county, the most notable being Starwood Hotel's sublease for 272,802 sf at 333 Ludlow Street and 275,000 sf of the former GE Energy site at 800 Long Ridge Road.

Average asking rents across the county contracted $0.59 per square foot (psf) over the last 12 months to $31.96. The Greenwich and Central submarkets registered the largest year-over-year declines by $2.02 and $2.66 psf, respectively. Large sublease space additions in the downtown market of Greenwich contributed most substantially to the submarkets' year-over-year decline, while space additions in Westport with quoted rents below the market average contributed to the Central submarkets' decline from one year ago.

Outlook

Expect overall vacancy to drop as large corporate tenants begin to transition into new space over the course of the next 12 to 36 months. Similarly, an uptick in absorption should occur as vacancy throughout the county begins to fall. Transport-oriented submarkets are still expected to be the main drivers of growth for the county going forward.

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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 AVERAGE ASKING RENT (ALL CLASSES)*	OVERALL AVERAGE ASKING RENT (CLASS A)*
Stamford CBD	7,258,726	226,494	2,002,808	30.7%	-48,548	-48,548	476,507	532,258	$45.52	$46.82
Greenwich CBD	1,798,516	60,972	137,595	11.0%	-45,298	-45,298	27,501	0	$96.54	$99.01
CBD TOTALS	**9,057,242**	**287,466**	**597,429**	**26.8%**	**-93,846**	**-93,846**	**504,008**	**532,258**	**$50.00**	**$51.33**
Greenwich Non-CBD	2,232,586	16,957	459,834	21.4%	45,436	45,436	20,086	0	$41.74	$41.48
Stamford Non-CBD	8,903,096	725,746	2,188,161	32.7%	78,378	78,378	28,463	0	$30.11	$34.38
NON-CBD TOTALS	**11,135,682**	**742,703**	**2,647,995**	**30.4%**	**123,814**	**123,814**	**48,549**	**0**	**$32.13**	**$35.85**
Darien/New Canaan	635,747	0	176,395	27.7%	-11,719	-11,719	12,516	0	$34.22	$34.30
Norwalk	5,820,074	242,022	1,517,329	30.2%	-137,464	-137,464	27,393	0	$27.64	$32.87
Wilton	1,628,687	43,345	373,787	25.6%	-13,435	-13,435	8,486	0	$33.78	$34.62
SOUTH CENTRAL TOTALS	**8,084,508**	**285,367**	**2,067,511**	**29.1%**	**-162,618**	**-162,618**	**48,395**	**0**	**$29.57**	**$33.68**
Westport	1,261,364	27,749	210,704	18.9%	4,662	4,662	38,682	0	$39.53	$41.55
Fairfield/Southport	740,262	2,477	73,409	10.3%	-14,637	-14,637	9,847	0	$31.05	$31.15
CENTRAL TOTALS	**2,001,626**	**30,226**	**284,113**	**15.7%**	**-9,975**	**-9,975**	**48,529**	**0**	**$37.12**	**$39.09**
Bridgeport	1,041,478	9,554	237,805	23.8%	-31,540	-31,540	0	0	$21.00	$24.16
Shelton/Stratford	3,569,520	3,329	331,047	9.4%	21,625	21,625	36,290	0	$18.59	$20.27
Trumbull	856,239	83,670	192,981	32.3%	10,914	10,914	6,145	0	$14.98	$18.44
EASTERN TOTALS	**5,467,237**	**96,553**	**761,833**	**15.7%**	**999**	**999**	**42,435**	**0**	**$18.74**	**$21.56**
Greater Danbury	3,082,016	0	960,385	31.2%	-20,380	-20,380	17,152	0	$19.40	$19.18
FAIRFIELD TOTALS	**38,828,311**	**1,442,315**	**8,862,240**	**26.5%**	**-162,006**	**-162,006**	**709,068**	**532,258**	**$31.96**	**$35.43**

BUILDING CLASS	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 AVERAGE ASKING RENT (DIRECT)*	OVERALL AVERAGE ASKING RENT*
Class A	30,072,187	1,389,922	6,681,917	26.8%	-188,768	-188,768	654,556	532,258	$35.43	$35.43
Class B	8,756,124	52,393	2,180,323	25.5%	26,762	26,762	54,512	0	$24.60	$24.60

*Rental rates reflect gross asking $psf/year
**Does not include renewals

Key Lease Transactions Q1 2019

PROPERTY	SF	TENANT	TRANSACTION TYPE	SUBMARKET
677 Washington Boulevard, Stamford	415,266	WWE	New Lease	Stamford CBD
400 Atlantic Street, Stamford	18,391	Charter Communications	New Lease	Stamford CBD
263 Tresser Boulevard, Stamford	16,032	Finacity Corporation	New Lease	Stamford CBD
355 Riverside Avenue, Westport	9,803	IXM Trading	New Lease	Central
355 Riverside Avenue, Westport	9,121	NRT New England	New Lease	Central
1 Lafayette Place, Greenwich	8,362	Amulet Capital	New Lease	Greenwich CBD

Key Sales Transactions Q1 2019

PROPERTY	SF	SELLER / BUYER	PRICE / $PSF	SUBMARKET
55-57 Greens Farms, Westport	122,600	The Silverman Group / JEM Holdings, LLC	$31,739,914 / $258.89	Central
325 Riverside Avenue, Westport	38,000	The Davis Companies / Healthcare Trust of America	$18,750,000 / $493.42	Central

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