

## Office Market Report

### Fairfield County

Q1 2025

The Fairfield County commercial real estate market showed glimpses of positive momentum in the first quarter, marked by a lower availability rate of 26% (down 1.5%), a higher average rental rate of \$35.50 (up \$1.40 per square foot), and positive net absorption of 280,000 square feet. These positive trends are supported by the ongoing repurposing of office properties into residential developments, which reduces the overall office supply and thereby reduces the availability rate, boosts the average rental rate and increases the overall absorption of office space.

It's unlikely the market would register these positive trends without the slow but steady removal of office space from the statistical inventory base. This self-correcting mechanism seems to anticipate the ongoing economic challenges on the larger national stage. The work from home trend and the recent uncertainty created with trade tariffs coupled with the cutting of various federal programs has made office and non-office commercial usage difficult to plan for. All these factors have led to a negative sentiment in smaller real estate markets.

Unemployment, inflation and interest rates continue to be monitored closely on a national basis for their knock-on effect at the local level. The national unemployment rate stands at 4.2%, while the Fairfield County unemployment rate is 3.1% - indicating a more resilient local economy. Despite this resilience, there are examples of investors both selling at a loss and buying at the top. The recent sale of 1266 East Main Street for \$6.5 million (\$34 per square foot) is extremely low compared to the \$15.15 million (\$80 per square foot) when it last traded in 2019, indicating a lack of confidence in the local office market. On the flip side, One Gorham Island in Westport recently traded for \$22.4 million (\$547 per square foot), a great price for the seller despite taking a \$1 million loss on the sale.

### Market Snapshot

38 MSF

office market size

26.0%

vacancy rate

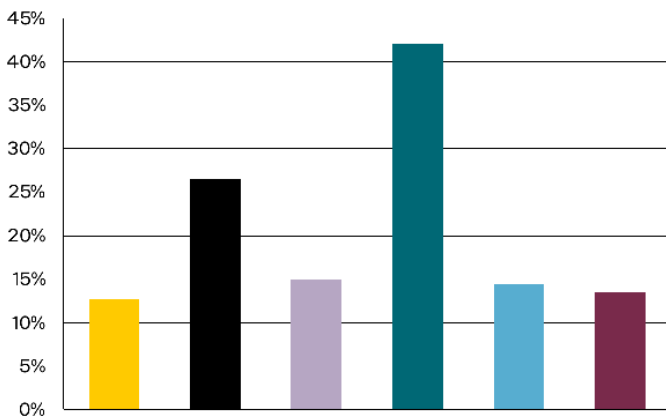
\$35.50

average asking rent

280,000

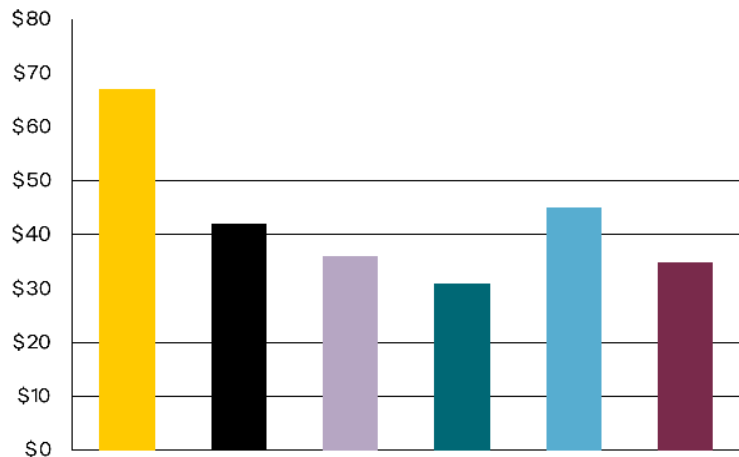
absorption (SF)

### Vacancy Rates



Submarket	Vacancy Rate	Total Inventory
Greenwich	12.7%	4,100,000
Stamford	26.5%	15,700,000
Darien/New Canaan	15.0%	581,000
Norwalk	42.0%	5,285,940
Westport	14.4%	1,400,000
Fairfield/Southport	13.5%	720,000

## Average PSF Asking Rate



Submarket	Avg PSF Asking Rate
Greenwich	\$67.00
Stamford	\$42.00
Darien/ New Canaan	\$36.00
Norwalk	\$31.00
Westport	\$45.00
Fairfield/ Southport	\$35.00

## Key Leases Q1 2025

Tenant	Deal Type	Size (SF)	Address	City
Common Fund	New Lease	39,700	601 Merritt 7	Norwalk
Merrill Lynch & Co.	Renewal	32,600	2 Pickwick Plz.	Greenwich
Newell Brands	Renewal	31,200	301 Merritt 7	Norwalk
North Mill Equipment	Renewal	25,000	601 Merritt 7	Norwalk

## Key Sales Q1 2025

Property	City	Size (SF)	Price	PSF
1 Gorham Island	Westport	41,000	\$22,400,000	\$547
1266 East Main Street	Stamford	190,000	\$6,500,000	\$34

\* Data derived from Costar and other sources deemed to be reliable

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