CBRE

Conversion and repurposing of obsolete office buildings reduces inventory

▲ 25.0%
Availability Rate

▼ (71,208)
SF Net Absorption

▶ 0
SF Construction Delivered

▶ 92,554
SF Under Construction

▲ $36.19
Overall Asking Rent

Note: Arrows indicate change from previous quarter.

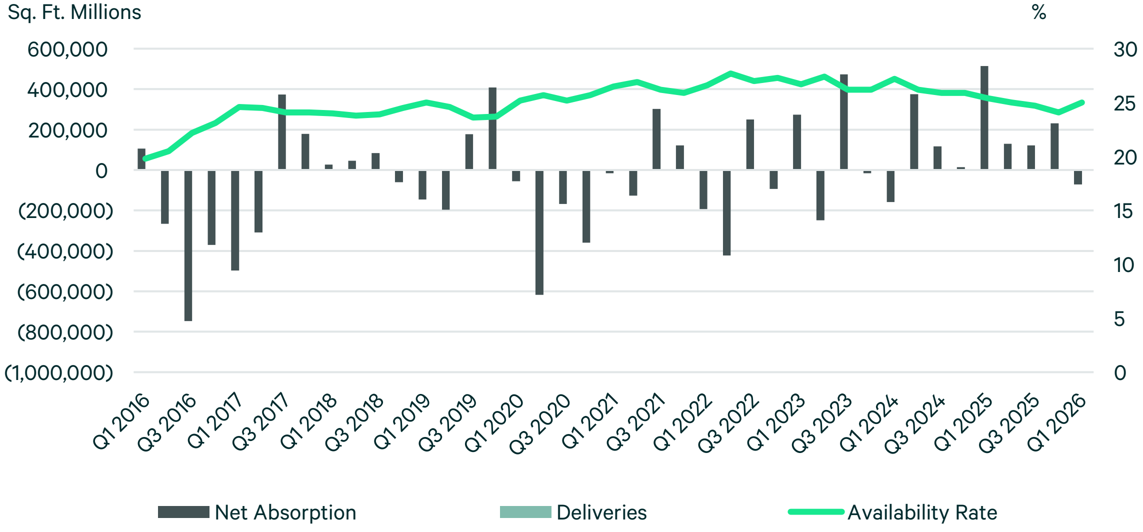
Market Overview

Fairfield County continued to remove obsolete office space as the market rebalances from the pandemic. In total, one million sq. ft. will be repurposed. Despite the removals, net absorption skewed to negative 71,000 sq. ft., raising the availability rate 90 bps quarter-over-quarter to 25.0%. Amid the changes to supply, average asking rent increased 1% from the prior quarter to $36.19 per sq. ft., but is stable from a year ago.

Leasing activity in Q1 totaled 367,000 sq. ft.—up 14% from the prior quarter but 12% below the five-year quarterly average. CBD submarkets remain the primary drivers of demand in Fairfield County due to their superior access to transportation and retail.

Collectively, Stamford and Greenwich—across both CBD and non-CBD submarkets—accounted for 77% of all leasing activity during the quarter. Stamford notched six of the county's ten largest transactions, while Greenwich CBD recorded ten new leases during Q1 2026.

Figure 1: Historical Net Absorption, Deliveries, and Availability



Source: CBRE Research, Q1 2026

Economic Overview

While the current business cycle is nearing its fifth year, U.S. economic growth remains resilient despite mounting risks. GDP growth is projected to average 2.1% in 2026, matching 2025 levels and outperforming peer economies. A key differentiator remains America's aggressive investment in AI infrastructure, with hyperscale capital expenditures approaching 3% of GDP—just below residential investment levels. Nonetheless, concerns around the sustainability of this growth and its broader economic implications have contributed to increased volatility across equity and credit markets.

Geopolitical developments surrounding Operation Epic Fury and elevated global energy prices present additional risks. Assuming the conflict is resolved quickly and oil prices remain near $80 per barrel, the impact on U.S. economic growth should be limited. However, the effect on headline inflation—forecast to average 3.2% this year, up from the mid-2% range in February—will be material. A prolonged escalation could further pressure inflation and long-term yields, with potential downstream impacts on the commercial real estate market.

Connecticut's labor market increased by 900 jobs quarter-over-quarter in Q4 (+0.1%) but declined by 2,200 positions year-over-year (-0.1%). Office-using employment showed similar trends, rising by 400 jobs quarter-over-quarter (+0.1%). Financial activities shed 400 positions (-0.3%), while information services cut 500 jobs (-1.6%). These losses were offset by professional and business services, which added 1,300 positions (+0.6%). On a year-over-year basis, office-using employment increased by 2,000 jobs (+0.5%) and now stands at 100.3% of its pre-pandemic level.

Connecticut's unemployment rate rose to 4.2% in December 2025, up from 3.8% at the end of Q3, while the national unemployment rate stood slightly higher at 4.4%.

Asking Rent

Fairfield County's average asking rent increased 1% quarter-over-quarter to $36.19 per sq. ft., supported in part by the removal of low-priced inventory from the market.

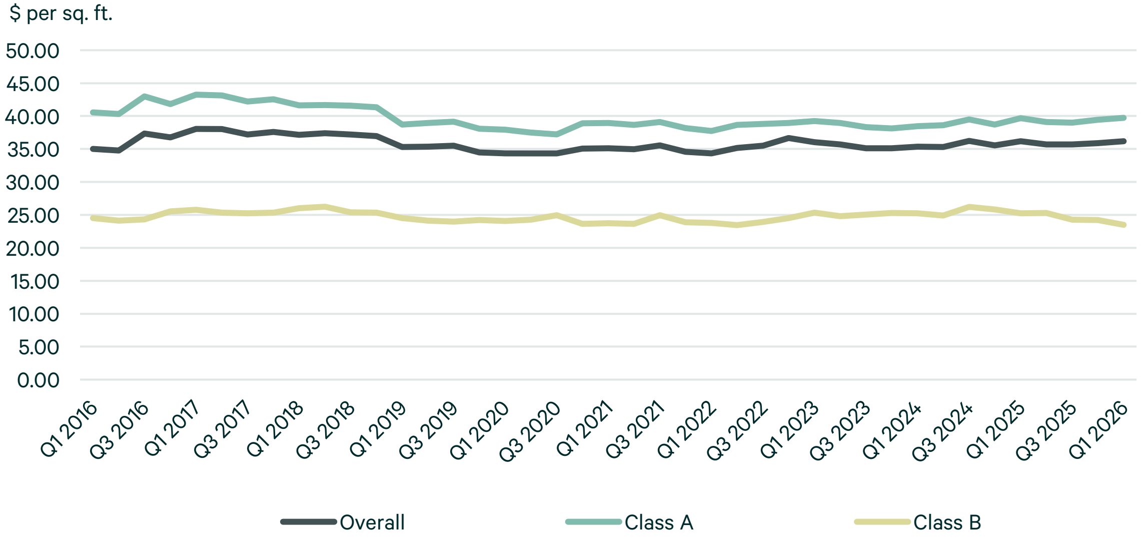
Greenwich CBD posted a 4% quarterly increase in asking rents to $115.94 per sq. ft., marking its highest level since just before the 2008 financial crisis. Greenwich Non-CBD's rent rose 5%, reflecting the removal of below-average, Class B space.

Asking rents across the remaining Fairfield County submarkets were essentially flat quarter-over-quarter.

Figure 2: Availability Rates by Class

Source: CBRE Research, Q1 2026

Figure 3: Overall Average Asking Rate by Class



Source: CBRE Research, Q1 2026

Net Absorption

For the first time in seven quarters, Fairfield County recorded negative net absorption. The 71,000 sq. ft. of negative absorption increased the availability rate by 90 bps from the prior quarter to 25.0%—its highest level in a year.

While below-average leasing demand contributed to the decline, a significant factor that softened the impact was the announcement of one million sq. ft. of office space slated for conversion to alternative uses. The nine office properties undergoing repurposing include seven residential conversions—four occurring in the city of Stamford, one industrial conversion in Fairfield East, and one demolition in Central Fairfield.

Stamford CBD recorded negative absorption of 12,000 sq. ft., pushing availability up 110 basis points to 22.4%. This increase was largely attributable to the new listings of former Marriot offices amounting to 40,000 sq. ft. at 333 Ludlow Street North.

Greenwich CBD experienced an increase in availability for the first time in six quarters. Despite the quarterly increase of 130 bps to 8.7%, the submarket has a very limited supply of available space. The notable supply additions in Q1 were two large sublease offerings totaling 30,000 sq. ft. at 600 Steamboat Road.

All suburban submarkets recorded negative absorption during Q1. Central Fairfield accumulated the highest level of negative absorption among all submarkets with negative 56,000 sq. ft. The decline was driven by the listing of two 20,000 sq. ft. full floors at 40 Richards Avenue in Norwalk. The entire 135,000 sq. ft. office building is now fully listed and available for lease or sale.

Leasing Activity

Leasing activity in Fairfield County totaled 367,000 sq. ft. in Q1, representing a 14% increase from the prior quarter, but remained 12% below the five-year quarterly average. Demand was concentrated in the county's primary metro centers, with Stamford and Greenwich—across both CBD and non-CBD submarkets—accounting for 77% of total leasing volume.

Stamford CBD led countywide activity for the second consecutive quarter, posting 134,000 sq. ft. of new leasing—up 100% quarter-over-quarter. One Station Place served as the epicenter of Stamford's Q1 activity, capturing two of three largest new leases countywide. Robinson & Cole signed a 22,000 sq. ft. lease, while Finario executed a 17,000 sq. ft. sublease, marking the building's first transactions since its sale to HB Nitkin in December 2025.

Figure 4: Net Absorption Trend

Source: CBRE Research, Q1 2026

Greenwich CBD recorded 44,000 sq. ft. of leasing activity in Q1, down 26% from the prior quarter but 12% above its five-year quarterly average. Leasing volume remained resilient despite constrained availability, which has held below 9% for the fifth consecutive quarter.

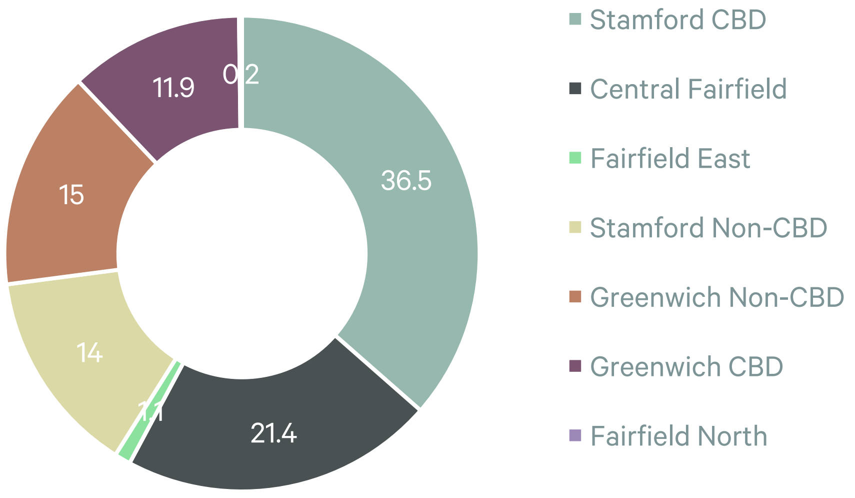
Leasing in Greenwich Non-CBD surged to 55,000 sq. ft., up 492% quarter-over-quarter and 104% above its five-year quarterly average.

Leasing activity across Fairfield County's suburban submarkets remained muted, with Central Fairfield being the only area with notable movement. The submarket recorded 79,000 sq. ft. of leasing—28% below its five-year quarterly average. Notable transactions included Slides' 19,000-sq.-ft. lease at 57 Greens Farms Road in Westport and Bitmine Immersion Technology's 7,000-sq.-ft. lease at 800 Connecticut Avenue in Norwalk.

Figure 6: Leasing Activity Trend

Source: CBRE Research, Q1 2026

Figure 7: Leasing by Submarket (% of Total Activity)



Source: CBRE Research, Q1 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Edgewell Personal Care	53,000	Renewal	6 Research Drive	Fairfield East
Primo Brands	45,000	New Lease	3001 Summer Street	Stamford Non-CBD
Deutsch Family Wine & Spirits	44,000	Renewal	201 Tresser Boulevard	Stamford CBD
Hexcel	24,000	Renewal	281 Tresser Boulevard	Stamford CBD
Robinson & Cole	22,000	New Lease	1 Station Place	Stamford CBD

Source: CBRE Research, Q1 2026

Market Statistics

Figure 9: Metro Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Asking Rate ($/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	28.51	24.5%	25.5%	23.0%	2.6%	$39.74	(142,461)	(142,461)	-	93,000
Class B	8.75	21.9%	23.2%	20.4%	2.8%	$23.50	71,253	71,253	-	-

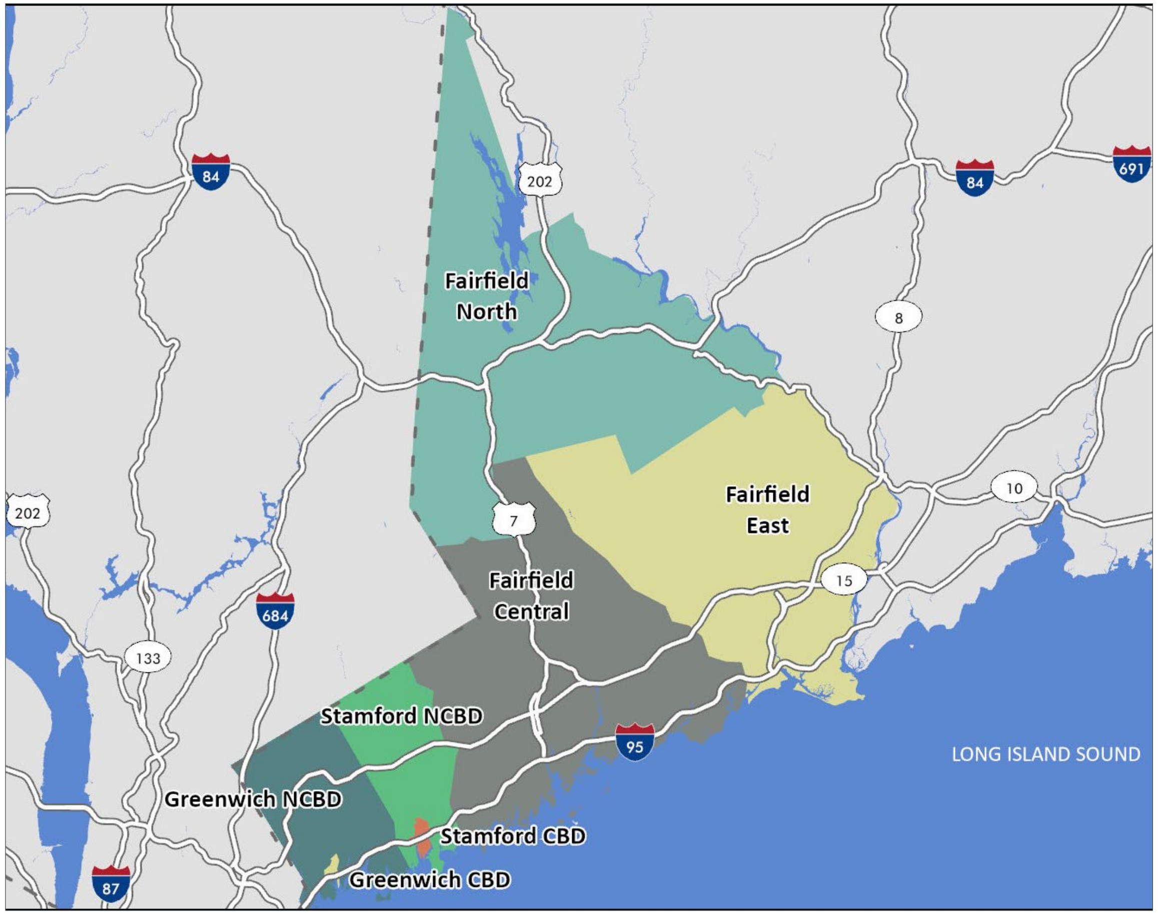
Market Statistics by Submarket

Figure 10

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Asking Rate ($/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Central Fairfield	8.68	27.0%	28.8%	27.4%	1.4%	$34.97	(56,446)	(56,446)	-	93,000
Fairfield East	6.74	23.0%	24.4%	21.7%	2.7%	$20.35	(30,939)	(30,939)	-	-
Fairfield North	3.14	24.4%	24.5%	22.6%	1.9%	$20.76	(13,969)	(13,969)	-	-
Greenwich CBD	2.19	8.7%	8.7%	5.5%	3.2%	$115.94	(30,699)	(30,699)	-	-
Greenwich Non-CBD	2.04	17.9%	19.5%	18.7%	0.7%	$56.76	26,524	26,524	-	-
Stamford CBD	9.54	21.2%	22.4%	19.3%	3.1%	$46.74	(12,257)	(12,257)	-	-
Stamford Non-CBD	4.92	33.7%	34.0%	29.0%	5.0%	$34.18	46,578	46,578	-	-
Total	**37.25**	**23.9%**	**25.0%**	**22.3%**	**2.7%**	**$36.19**	**(71,208)**	**(71,208)**	**-**	**93,000**

Source: CBRE Research, Q1 2026

Market Area Overview



Definitions

Availability: Space that is being actively marketed and is available for tenant build-out within 12 months. Includes space available for sublease as well as space in buildings under construction. Asking Rent: Weighted average asking rent. Leasing Activity: Total amount of sq. ft. leased within a specified period of time, including new deals, expansions, and pre-leasing, but excluding renewals. Leasing Velocity: Total amount of sq. ft. leased within a specified period of time, including new deals, expansions, and pre-leasing and renewals. Net Absorption: The change in the amount of committed sq. ft. within a specified period of time, as measured by the change in available sq. ft. Vacancy: Unoccupied space available for lease.

Survey Criteria

CBRE's market report analyzes Fairfield County's fully modernized office buildings that total 20,000 SF or larger, Class A and B only, multi-storied, conventionally modernized, and not owned and occupied by a government or medical institution. New construction must be available for tenant build-out within 12 months. CBRE assembles all information through telephone canvassing and listings received from owners, tenants and members of the commercial real estate brokerage community.

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