CBRE

Renewals spike in Q2 as new leasing falls below average

▼ 24.4%
Availability Rate

▲ 224,138
SF Net Absorption

▶ 0
SF Construction Delivered

▶ 92,554
SF Under Construction

▲ $36.57
Overall Asking Rent

Note: Arrows indicate change from previous quarter.

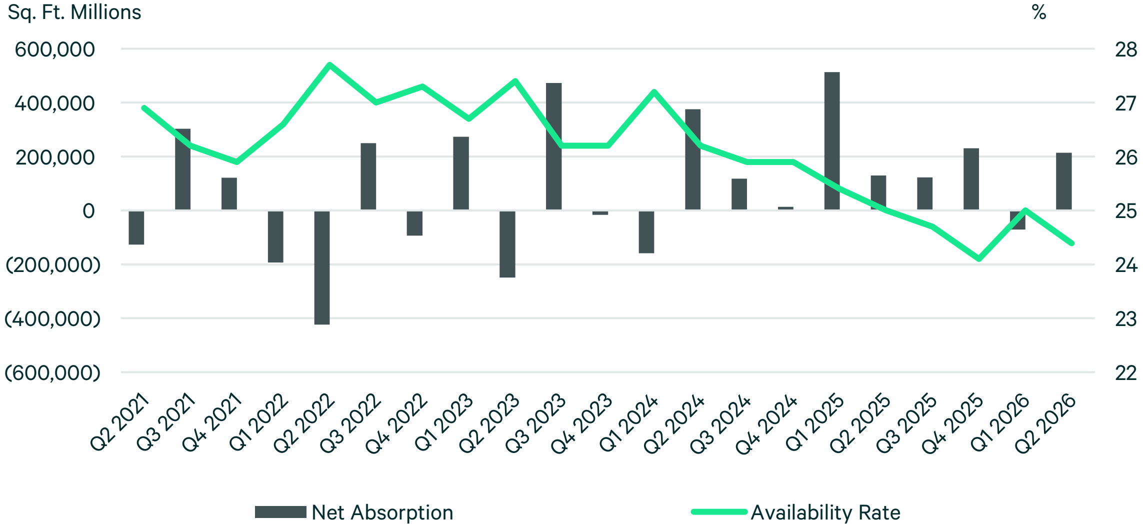
Market Overview

Fairfield County's leasing demand in the second quarter was headlined by renewals rather than new deals. Renewal volume totaled 535,000 sq. ft.—nearly double the average quarterly renewal figure—while new leasing demand was tepid at 239,000 sq. ft., 42% below the five-year average and down 35% from the prior quarter. Absorption totaled 224,000 sq. ft., dropping the availability rate to 24.4%, though the gain was driven primarily by the removal of 1600 Summer Street rather than organic demand growth.

Average asking rent increased 1% quarterly to $36.57 per sq. ft. Greenwich CBD remained an outlier, outperforming the broader Fairfield market on fundamentals thanks to strong transit access and a high concentration of financial services tenants. The submarket's 10.7% availability rate and record-high $126.24 per sq. ft. average asking rent were well ahead of every other area of the county.

Flight to quality remained a defining theme market-wide, with Class A space capturing 90% of Q2 leasing and 86% of year-to-date volume. Stamford CBD extended its run atop the county, leading leasing activity for a third consecutive quarter.

Figure 1: Historical Net Absorption, Deliveries, and Availability



Source: CBRE Research, Q2 2026

Economic Overview

The U.S. economy enters mid-2026 navigating crosscurrents but growing at a healthy pace, with CBRE projecting GDP growth averaging 2.2%, broadly in line with 2025. The AI investment boom is certainly a key driver of this expansion. Concerns surrounding the sustainability of this growth are valid, but we expect AI-related business investment to continue.

The more pressing concern in recent months has been the U.S./Iran conflict and its impact on world energy prices, which recently pushed U.S. inflation to 4.2%. Should the prospective peace deal announced in June come to fruition, inflation would fall to the upper 3% range by year-end as energy prices slowly decrease. Stickier inflation has pushed Treasury yields well above 4%, complicating real estate markets. On the upside, the prospect for peace and normal trade flows in the Persian Gulf could refresh the optimism the CRE market felt at the beginning of the year.

Connecticut's labor market increased by 4,800 jobs compared to Q1 (+0.3%), up 6,400 annually (+0.4%); however, those gains were mostly in non-office using jobs. Office-using employment showed declines, shedding 800 jobs since Q1 (-0.2%). Financial activities shed 700 positions (-0.6%), while information services cut 700 jobs (-2.9%). These losses were offset slightly by professional and business services, which added 600 positions (+0.3%). On a year-over-year basis, office-using employment declined by 1,300 jobs (-0.4%).

Connecticut's unemployment rate rose to 5.1% in May 2026, up from 4.8% at the end of Q1, while the national unemployment rate stood at 4.3%.

Figure 2: Leasing Activity Trend

Leasing Activity

Leasing activity in Fairfield County totaled 239,000 sq. ft. in the second quarter, a 35% drop from Q1 and 42% below the five-year quarterly average. Class A space accounted for 90% of Q2 leasing activity and 86% of year-to-date activity. The county's primary metro centers, Stamford and Greenwich—across both CBD and non-CBD submarkets—accounted for 50% of total leasing as demand remained focused on ease of commuting for tenants' workforces.

Stamford CBD led countywide activity for the third consecutive quarter, posting 102,000 sq. ft. of new leasing—43% of the quarter's total, though still 22% below the submarket's five-year quarterly average. The submarket's largest new lease of the quarter was Future Standard's 39,000 sq. ft. commitment at 400 Atlantic Street.

Figure 3: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	District
Gartner Group	108,642	Renewal	56 Top Gallant Road	Stamford Non-CBD
Booking Holdings	89,148	Renewal	800 Connecticut Avenue	Central
Gartner Group	62,613	Renewal	88 Gatehouse Road	Stamford Non-CBD
Castleton Commodities International	55,199	Renewal	1 Harbor Point Road	Stamford CBD
Confidential Financial Tenant	47,915	Renewal	83 Wooster Heights Road	North

Source: CBRE Research, Q2 2026

The Central submarket was the only other submarket to register more than 50,000 sq. ft. of new leasing activity, posting 67,000 sq. ft. for the quarter.

Renewal activity spiked in Q2, offsetting the below-average pace of new leasing. Renewal volume totaled 535,000 sq. ft.—nearly triple the Q1 total and 95% above the five-year quarterly average—and nine of the ten largest deals of the quarter were renewals. Only 9% of Q2 renewals involved confirmed contractions, an encouraging sign that the market's “rightsizing” trend may be tapering off. Stamford, across both CBD and non-CBD submarkets, drove the majority of renewal volume with more than 200,000 sq. ft. of leasing in each submarket, led by three renewals by Gartner totaling 218,000 sq. ft. across three separate buildings, Castleton Commodities' 55,000 sq. ft. renewal at 1 Harbor Point Road and PartnerRe US's 47,000 sq. ft. renewal at 200 First Stamford Place.

Availability & Net Absorption

After negative absorption in Q1, Fairfield County posted positive absorption of 224,000 sq. ft. in Q2, pushing year-to-date absorption to 153,000 sq. ft. and pulling availability down 60 bps both quarterly and annually to 24.4%. The removal of 1600 Summer Street—an office building being marketed for sale for conversion to an alternative use—drove the bulk of the quarter's absorption. Sublease supply also declined for a fourth consecutive quarter, down 2% in Q2.

Stamford Non-CBD recorded the largest amount of absorption, totaling 337,000 sq. ft. and driving availability down 590 bps to 28.1%, largely reflecting the removal of 1600 Summer Street from the market.

Greenwich CBD experienced its second consecutive quarterly increase in availability after a long run of supply reduction. Negative absorption of 44,000 sq. ft. pushed availability up 200 bps to 10.7%, though only 236,000 sq. ft. remained available in this small, in-demand market. Additional sublease space at premium rents drove the uptick—sublease supply accounted for 45% of the submarket's available space, versus just 11% countywide, underscoring how tight and landlord-favorable conditions in Greenwich CBD remained.

Figure 4: Availability Rates by Class

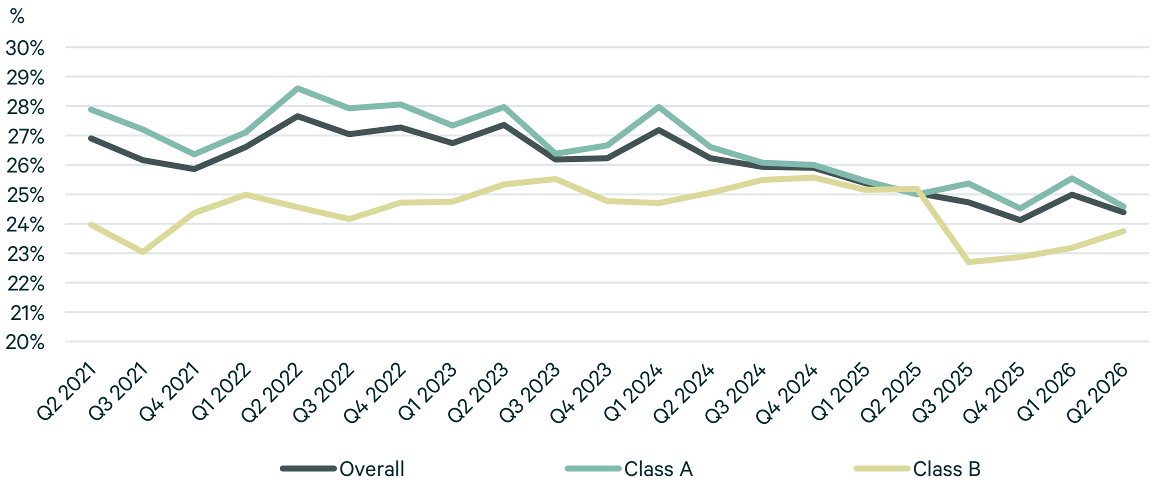


Figure 5: Net Absorption Trend

Source: CBRE Research, Q2 2026

All other submarkets saw availability shifts of less than 100 bps amid a mild quarter for leasing and space additions. The suburban submarkets of Central, North, and East Fairfield all remained above their 2019 availability rates, reflecting demand that has centralized around the region's larger metro centers.

Asking Rent

Fairfield County's average asking rent increased for the third consecutive quarter. The 1% quarterly improvement brought average asking rent to $36.57 per sq. ft.

Greenwich CBD set a new record asking rent, up 9% quarterly to $126.24 per sq. ft., as the supply-constrained market gave owners and subletting tenants greater pricing power. Greenwich Non-CBD asking rents declined 9%, following a stretch in which several spaces leased above the submarket average.

Asking rents across the remaining Fairfield County submarkets saw negligible change.

Figure 6: Average Direct Asking Rate by Class

Source: CBRE Research, Q2 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	23.13%	24.59%	22.05%	2.54%	$40.23	273,128	130,667	-	93,000
Class B	8.75	22.22%	23.75%	20.90%	2.85%	$23.83	-48,990	22,263	-	-

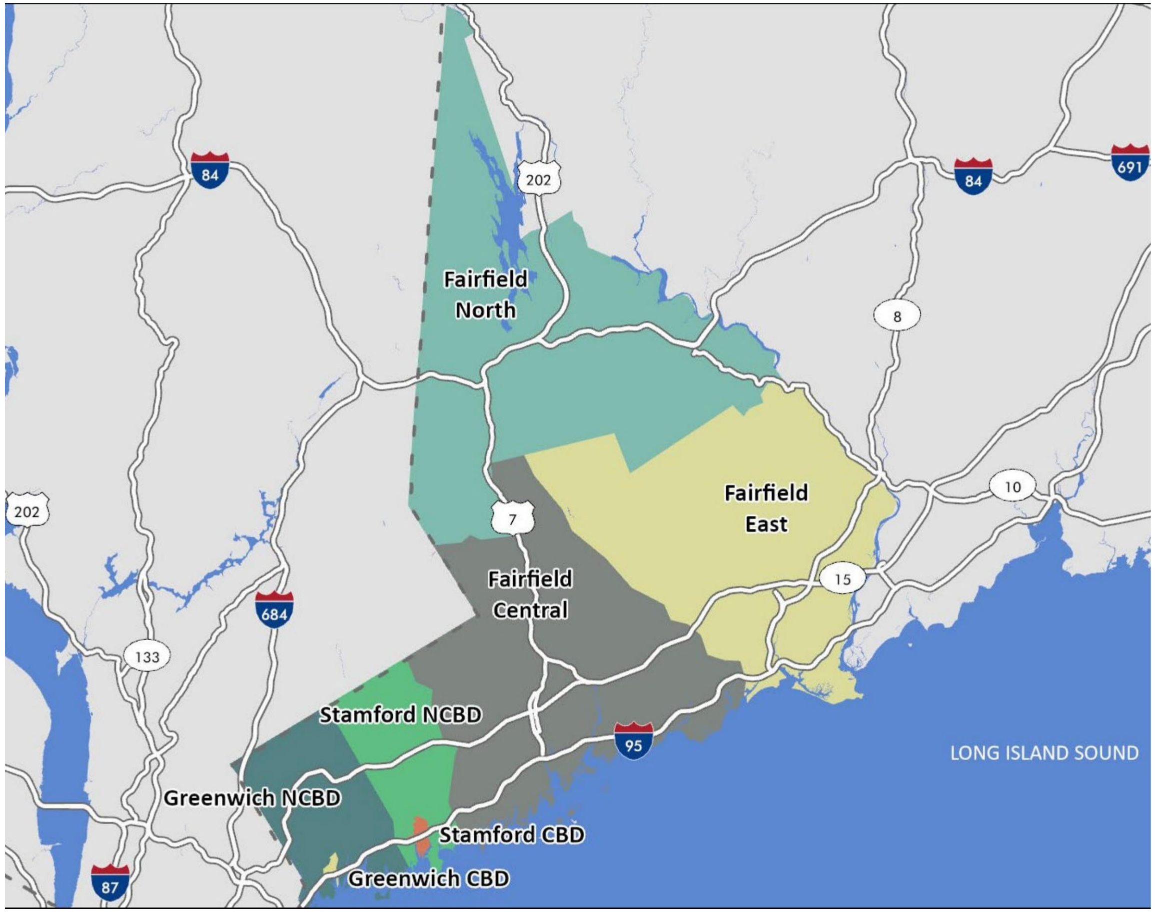
Market Statistics by Submarket

Figure 10

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Asking Rate ($/SF FSG/yr)	Class A Asking Rent ($/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Central Fairfield	8.68	26.21%	28.44%	27.02%	1.42%	$34.72	$35.95	33,173	-23,273	-	93,000
Fairfield East	6.74	22.61%	23.91%	21.20%	2.71%	$19.99	$23.07	30,606	-333	-	-
Fairfield North	3.14	24.01%	24.96%	23.02%	1.94%	$20.90	$21.96	-14,092	-28,061	-	-
Greenwich CBD	2.19	9.38%	10.73%	5.87%	4.86%	$126.24	$127.29	-43,746	-74,445	-	-
Greenwich Non-CBD	2.04	18.39%	18.71%	18.44%	0.28%	$51.76	$50.73	15,530	42,054	-	-
Stamford CBD	9.55	21.30%	23.30%	20.21%	3.10%	$46.34	$47.12	-87,286	-99,543	-	-
Stamford Non-CBD	4.92	27.83%	28.09%	24.06%	4.03%	$32.76	$35.54	289,953	336,531	-	-
Total	**37.26**	**22.91%**	**24.39%**	**21.78%**	**2.61%**	**$36.57**	**$40.23**	**224,138**	**152,930**	**-**	**93,000**

Source: CBRE Research, Q2 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.

Contacts

Michael Slattery
Tri-State Research Director
+1 2126560583
michael.slattery@cbre.com

Carson Kelley
Research Analyst
+1 2129847161
carson.kelley@cbre.com