

FOURTH QUARTER 2025

NEWMARK

# Fairfield County Office Market Overview





# Market Observations



## Major Transactions

- Office investment sales activity rebounded in 2025. Total transaction volume reached 3.4 million SF, triple the 2024 levels and the highest annual total since 2018. Transactions totaled \$430 million, equating to an average price of \$201/SF. Prime assets outperformed, with investor demand concentrated in Class A and well-located value-add properties, particularly those near transit and urban amenities. While financing conditions remain selective, capital continues to favor assets with strong cash flow, stable occupancy, and a clear path to long-term viability. Looking ahead, the prospect of declining interest rates could bolster investment activity in 2026.
- Two trophy, transit-oriented office assets traded in 2025. The first, Stamford Towers (680 & 750 Washington Blvd.), sister Class A buildings totaling 326,468 SF, were acquired through a joint venture between Lamar Companies and Real Capital Solutions for \$65.35 million (\$197/SF), marking Lamar/RCS's first office acquisition in Connecticut. Metro Center (1 Station Place) also changed hands, selling to Greenwich-based HB Nitkin Company from Empire State Realty Trust for \$64 million, or (\$218/SF). Together, these transactions signal renewed investor confidence in well-positioned Class A assets that benefit from tenants' continued flight to quality and reflect growing investor belief that office valuations may have bottomed out.
- Fairfield County's total office inventory ended 2025 at 35.4 million SF, roughly 1.4 million SF below the prior year. The pipeline for potential conversions continues to grow, with buildings such as 177 Broad Street and 120 Long Ridge Road in Stamford on this watchlist. As the market readily adapts to more selective tenant demand, conversion efforts are becoming increasingly central to the current landscape.



## Leasing Market Fundamentals

- Leasing activity totaled just under 2.5 million SF in 2025, reflecting a more measured pace compared with 2024 and the 10-year historical average. This slowdown largely reflected a period of strategic pause rather than a market pullback, as many occupiers carefully assessed long-term space requirements amid broader economic uncertainty. Deal activity remained concentrated in smaller spaces, with leases between 5,000 SF and 10,000 SF representing 46% of total activity, 26% above the historical average, underscoring ongoing demand among small-to-mid-sized occupiers.
- Fairfield County's total vacancy ended 2025 at 24.2%, a new high relative to the pre-pandemic low of 16.3% in 2019. However, this figure overstates market weakness, as it does not yet account for 782,000 SF, including space at 120 Long Ridge Road and Merritt 7, expected to be removed from office inventory through residential conversion. Adjusting for this space lowers effective vacancy by 4.3 percentage points, to 20.3%.
- Pricing edged lower in 2025, averaging \$37.67/SF. This does not reflect broad-based rent compression but rather a shift in the composition of available space. Larger availabilities have an outsized impact on the weighted average, so when lower-priced or vacant space becomes more prominent, it pulls the average down. Significant leasing at 400 Atlantic Street in Stamford, where ~100,000 SF was absorbed in 2025 at average asking rents in the low \$60s per SF, removed a substantial portion of high-priced space from the inventory, lowering the weighted average. Similarly, in Greenwich, the absorption of premium space with asking rents in the \$60–\$100+ range further reduced the overall average, leaving a higher concentration of lower-priced availability that weighs more heavily on the year-end figure.



## Outlook

- Economic uncertainty weighed on both local and national markets in 2025. However, the local unemployment rate remained below the national average, highlighting ongoing improvements in job growth. Cautious optimism continues to define the Fairfield County office market, with the county's vacancy rate potentially nearing a bottom. A new wave of office redevelopments and conversions slated for 2026 is expected to further reduce supply and concentrate leasing activity among a smaller subset of buildings. This dynamic alone could have a long-overdue rebalancing effect on the market.
- The limited inventory of desirable buildings means any uptick in tenant demand may quickly tighten the market, creating heightened competition and even “sticker shock” for tenants, as has already occurred in Greenwich and a subset of Class A and trophy buildings in Stamford. Potentially lower interest rates may allow landlords of Class A- and B assets to make targeted improvements to their properties, opening additional options for tenants pushed out of Class A, higher-priced space and supporting further market stabilization.
- Heading into 2026, a sustained period of positive momentum would provide additional relief as the market works toward historically normalized conditions. For now, tenants are set to generally maintain the upper hand, though occupiers seeking top-tier space in prime submarkets are already facing greater competition, fewer options, and notable pricing sticker shock.

1. Economy
2. Leasing Market Fundamentals



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# Economy

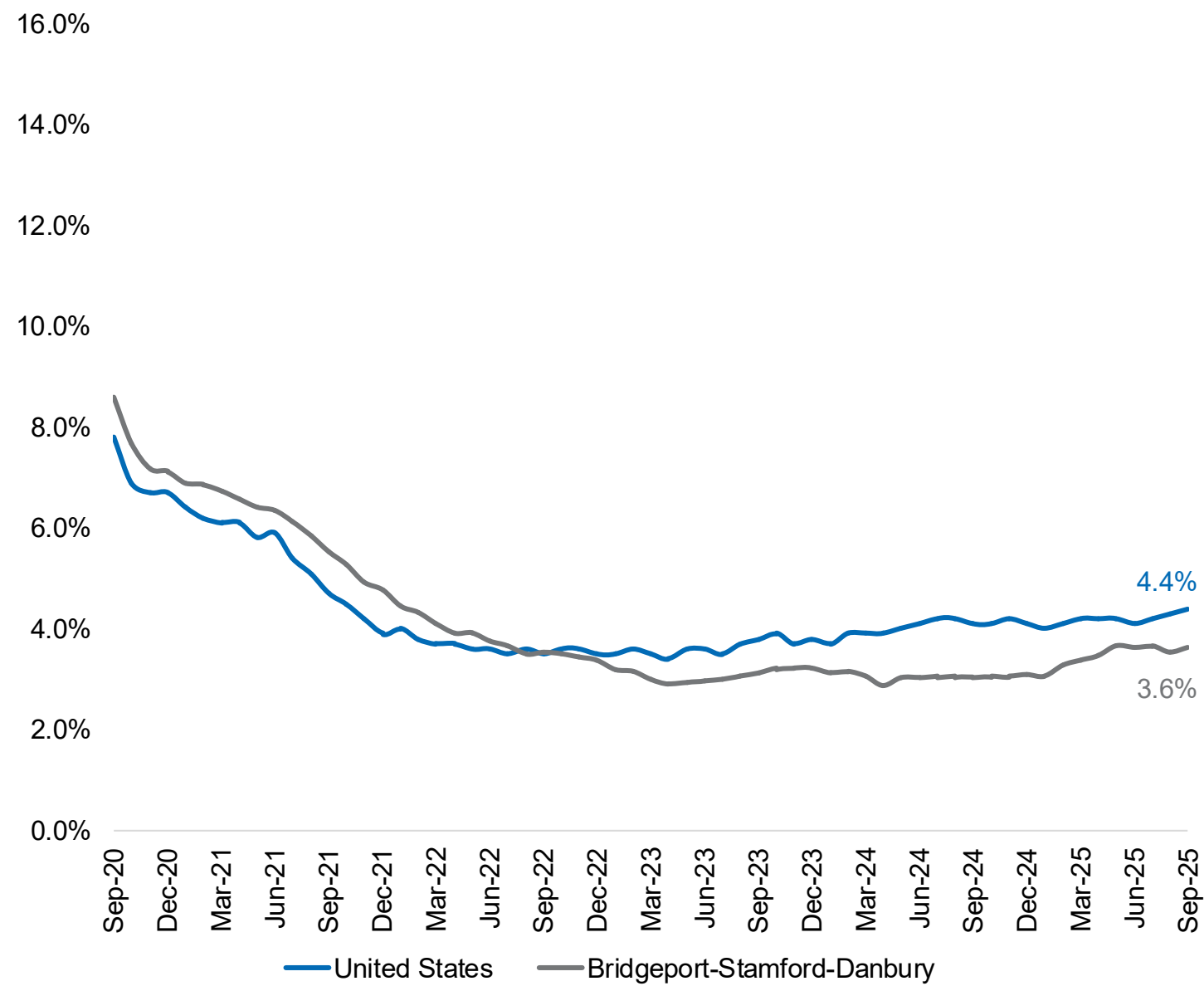




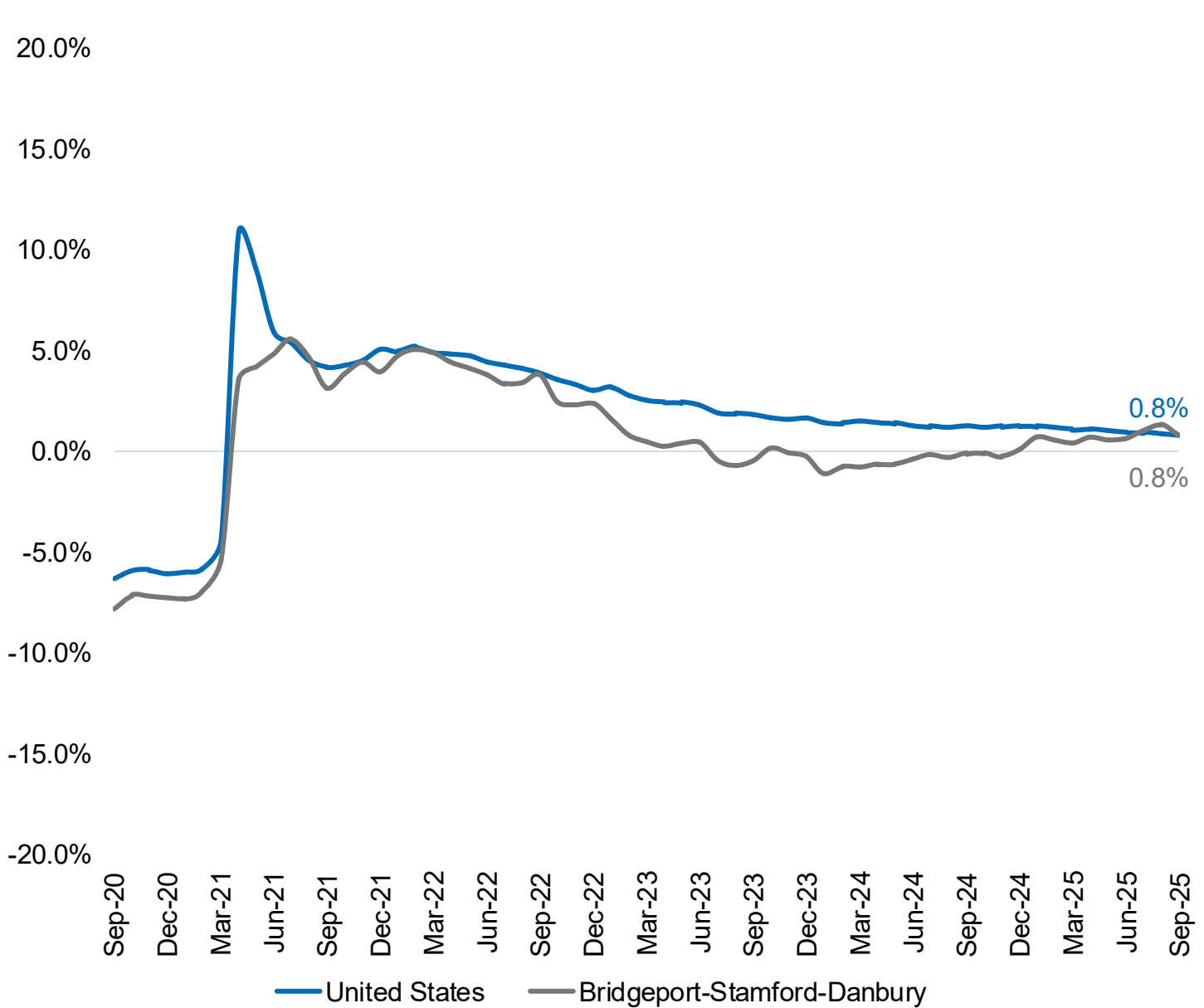
# Metro Employment Trends in Fairfield County

September 2025 unemployment rates ended at 4.4% in the U.S., 3.6% in the state of Connecticut and 3.5% in the Bridgeport-Stamford-Danbury area. Although reflecting a 0.5 percentage point increase from a year ago, the unemployment rate in the County remains well below that of the state and the U.S. As of September 2025, nonfarm payroll employment for the Bridgeport-Stamford-Danbury area reflected an increase of 0.8% year-over-year, matching the national rate of employment growth over the same period.

Unemployment Rate, Non-Seasonally Adjusted



Nonfarm Payroll Employment, Seasonally Adjusted, 12-Month % Change

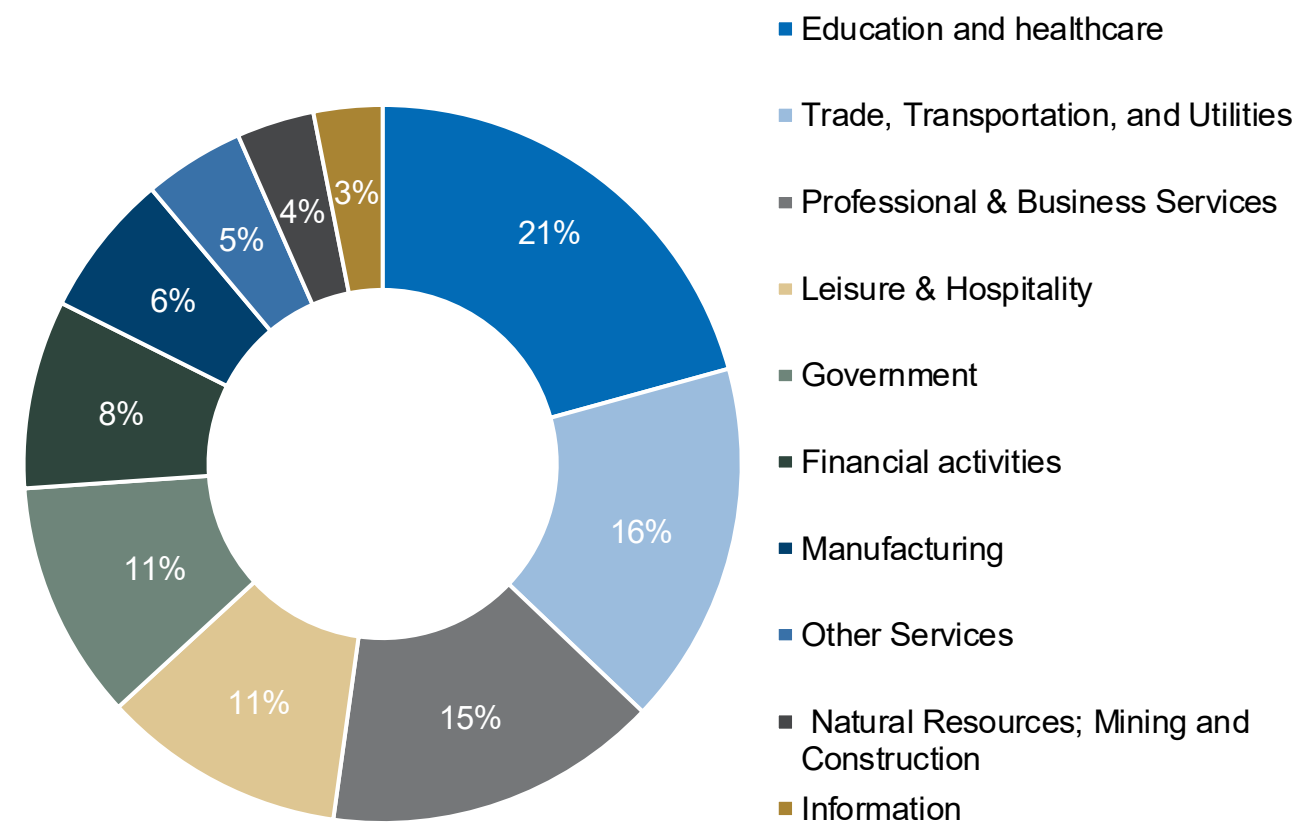


Source: U.S. Bureau of Labor Statistics, Bridgeport-Stamford-Danbury Area

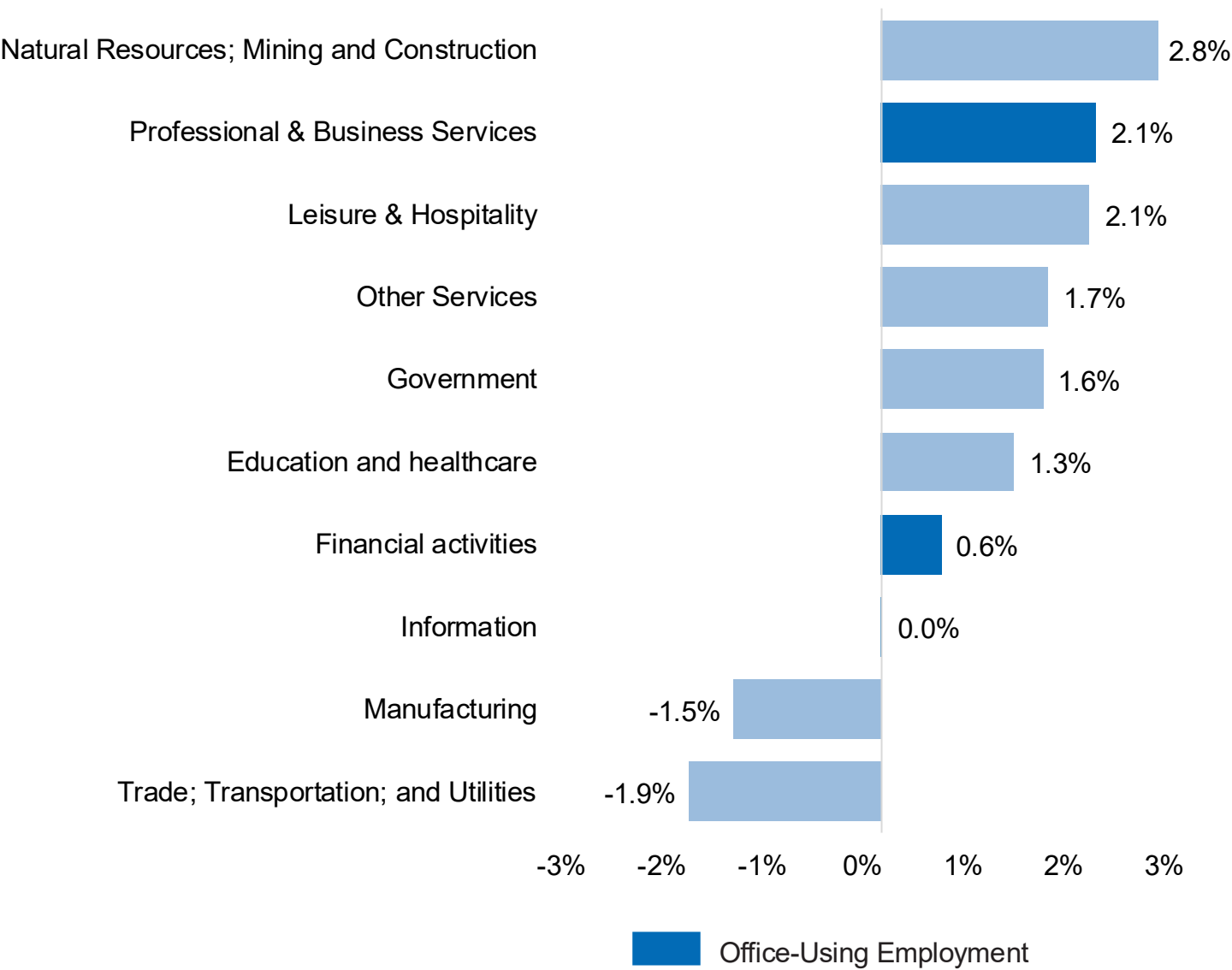
# Employment Growth Remains Modest Amid Mixed Sector Performance

The Bridgeport-Stamford-Danbury labor market finished Q4 on solid footing, with sectors including construction and professional services driving growth. Professional and business services accelerated, from 1.5 percent growth in August to roughly 2.1 percent as of September 2025. Education and healthcare, along with leisure and hospitality, continue its job gain trajectory. Construction showed the fastest expansion, near 2.8 percent year over year, hinting at a strengthening pipeline of development. While goods-producing and legacy sectors such as manufacturing and trade remain mixed, gains in professional services and construction point to a resilient, gradually evolving Q4 employment landscape.

Employment by Industry, September 2025



Employment Growth by Industry, 12-Month % Change, September 2025

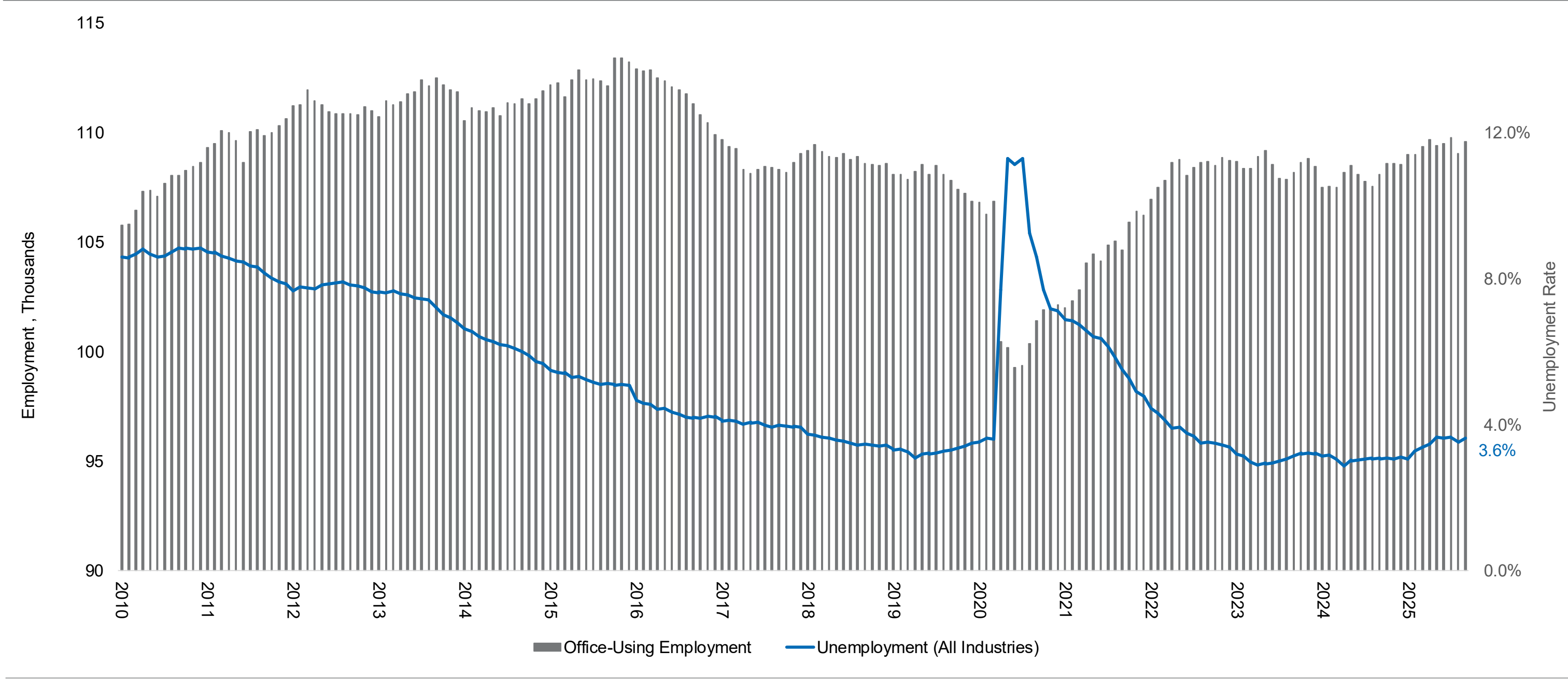


Source: U.S. Bureau of Labor Statistics, Bridgeport-Stamford-Danbury Area

# Overall Office-Using Employment

Connecticut's office-using employment has stabilized, with both headcount and unemployment pointing to a late-cycle expansion rather than a fragile recovery. Since the 2020 decrease, from ~106,000 to under 99,000 jobs, the state has steadily added office positions, reaching about 109,600 jobs as of September 2025. Unemployment, which peaked near 11.3 percent during the pandemic, has leveled off at 3.6 percent since midyear, signaling tighter labor conditions and solid job retention across office-using sectors.

Office-Using Employment\* and Unemployment Across All Industries



Source: U.S. Bureau of Labor Statistics, Bridgeport-Stamford-Danbury Area  
\*Office-using employment includes employment in the following industry sectors: Professional & Business Services, Financial Activities and Information.



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# Leasing Market Fundamentals

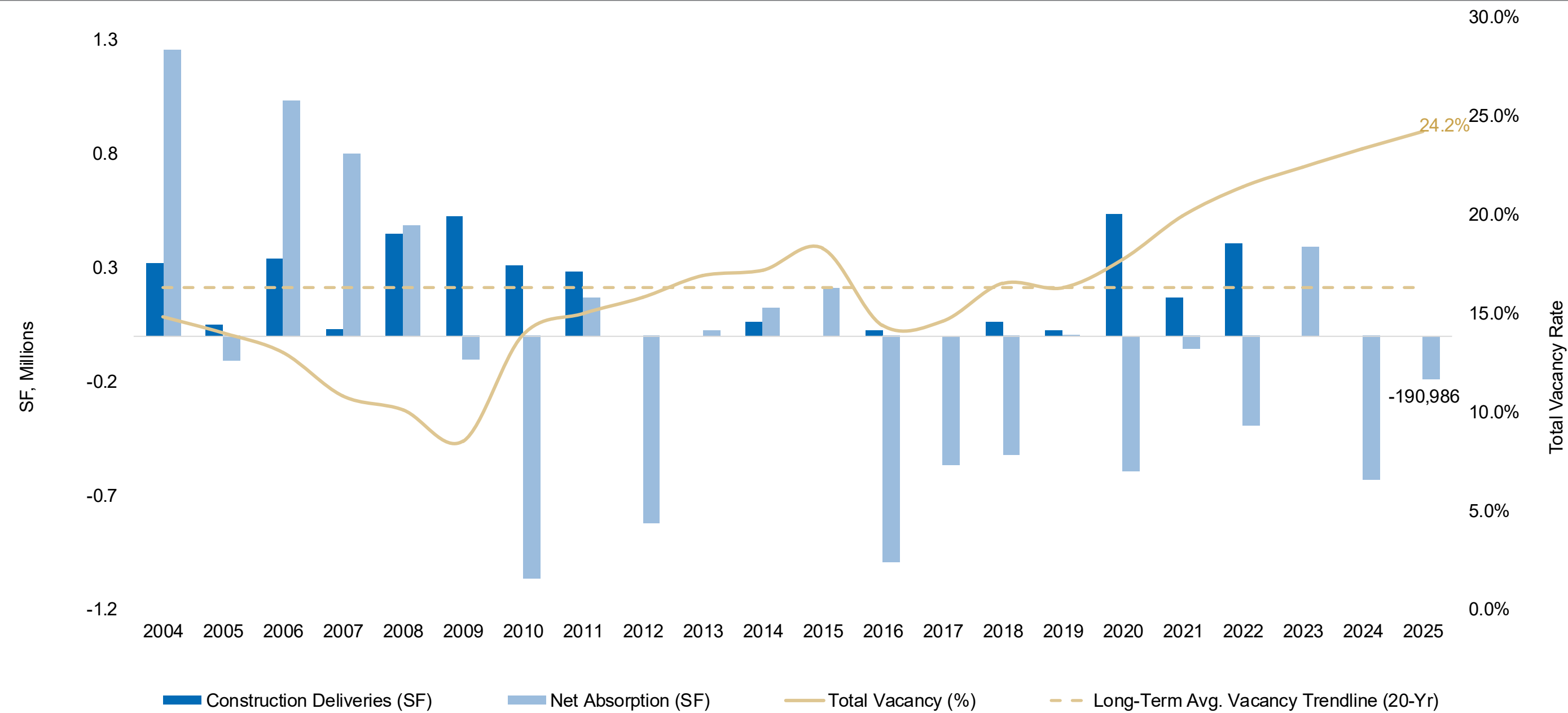




# Vacancy Peaks, but Conversion Pipeline Masks Underlying Improvement

Fairfield County’s total vacancy rate ended the year at 24.2%, a new high compared with the pre-pandemic low of 16.3% in 2019 and the steady upward trajectory since then. However, current statistics do not yet reflect the 782,000 SF of vacancy, including recently added blocks from GenRe at 120 Long Ridge Road and Datto at Merritt 7 in Norwalk, hat are expected to be removed from the office inventory due to impending residential conversions. Adjusting for this space effectively reduces the vacancy rate by 4.3 percentage points, to 20.3%.

Historical Construction Deliveries, Net Absorption, and Vacancy

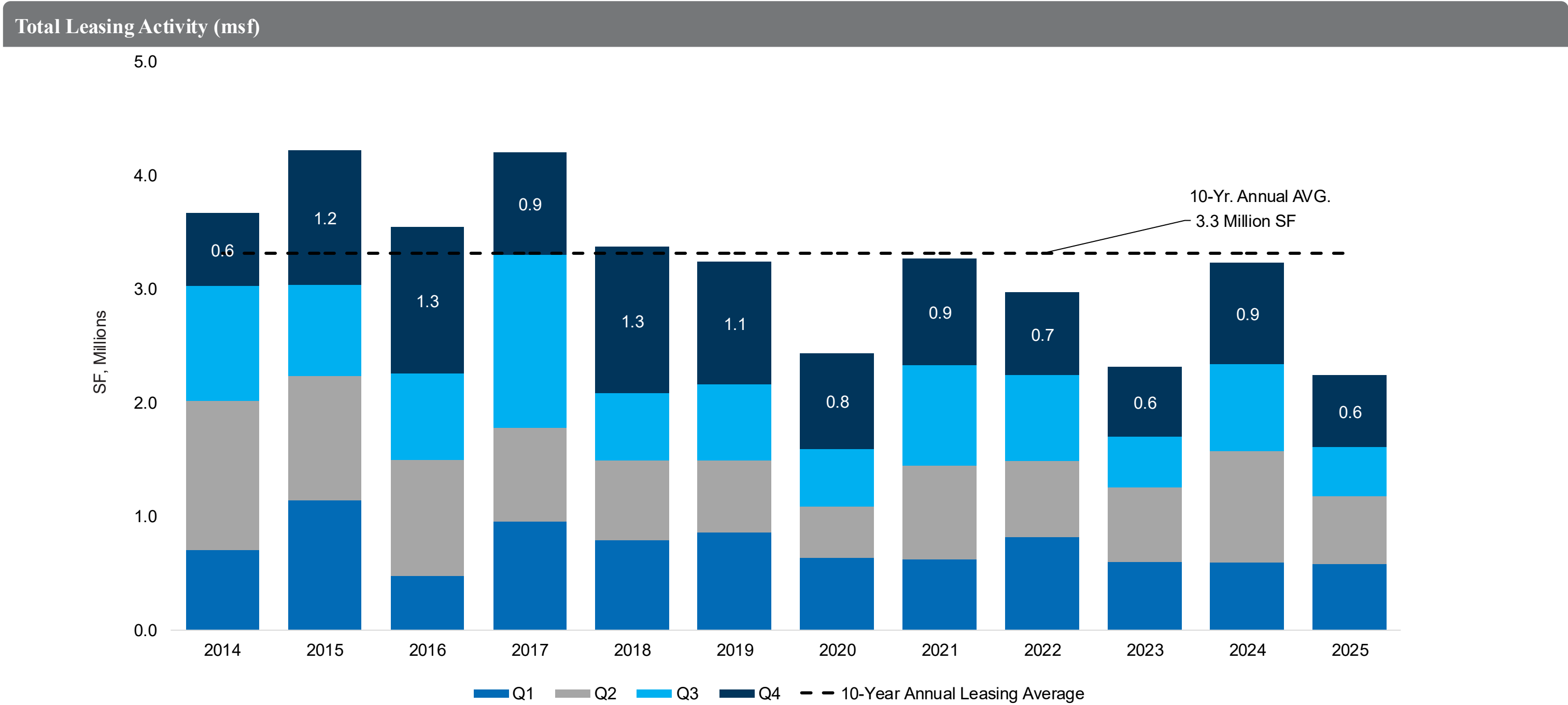


Source: Newmark Research



# 2025 Leasing Slowdown: A Transition Toward Higher-Quality Space

Total transaction volume finished just below 2.5 million SF in 2025, a 30.7% decline from 2024 and 33.8% below the historical annual average. At 354, the number of deals was 40 fewer than the 10-year average, as many occupiers took additional time to recalibrate space needs in light of ongoing portfolio rationalization. While firms postponed some leasing decisions, this period of reassessment, combined with strong preference for high-quality, amenitized Class A product over outdated inventory, is likely positioning the market for healthier, better-aligned demand going forward.

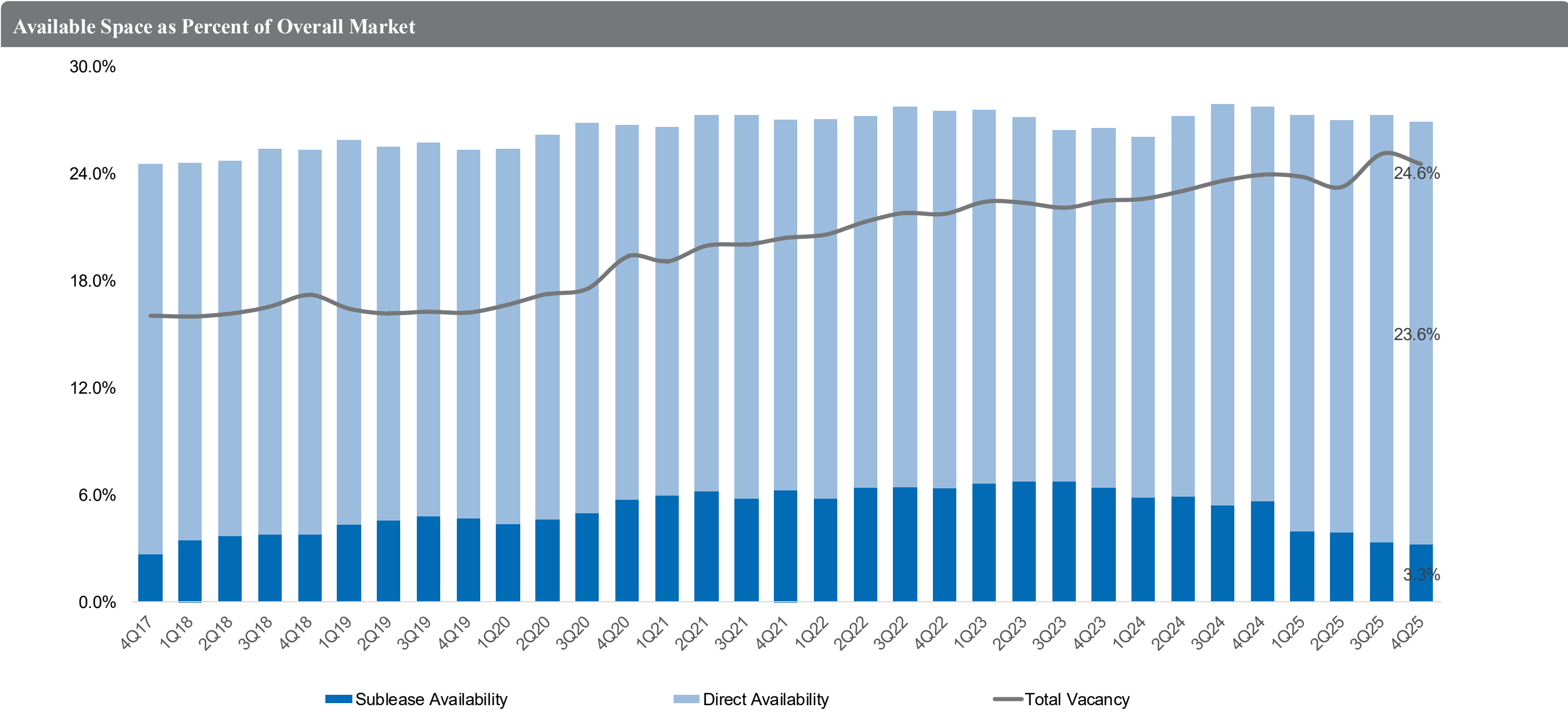


Source: Newmark Research



# Vacancy Remains Elevated as Market Shows Early Signs of Stabilization

Total vacancy has remained in the mid-20% range since 2023 and ended Q4 2025 at 24.6%, reflecting a softer demand environment following several years of gradual increases. Notably, sublease availability, which rose meaningfully during 2022–2023, has steadily compressed and finished at 3.3%, suggesting that much of the excess short-term space has been absorbed or withdrawn. Although availability and vacancy remain elevated, the market is showing signs of stabilization, with recovery focused on higher-quality assets.



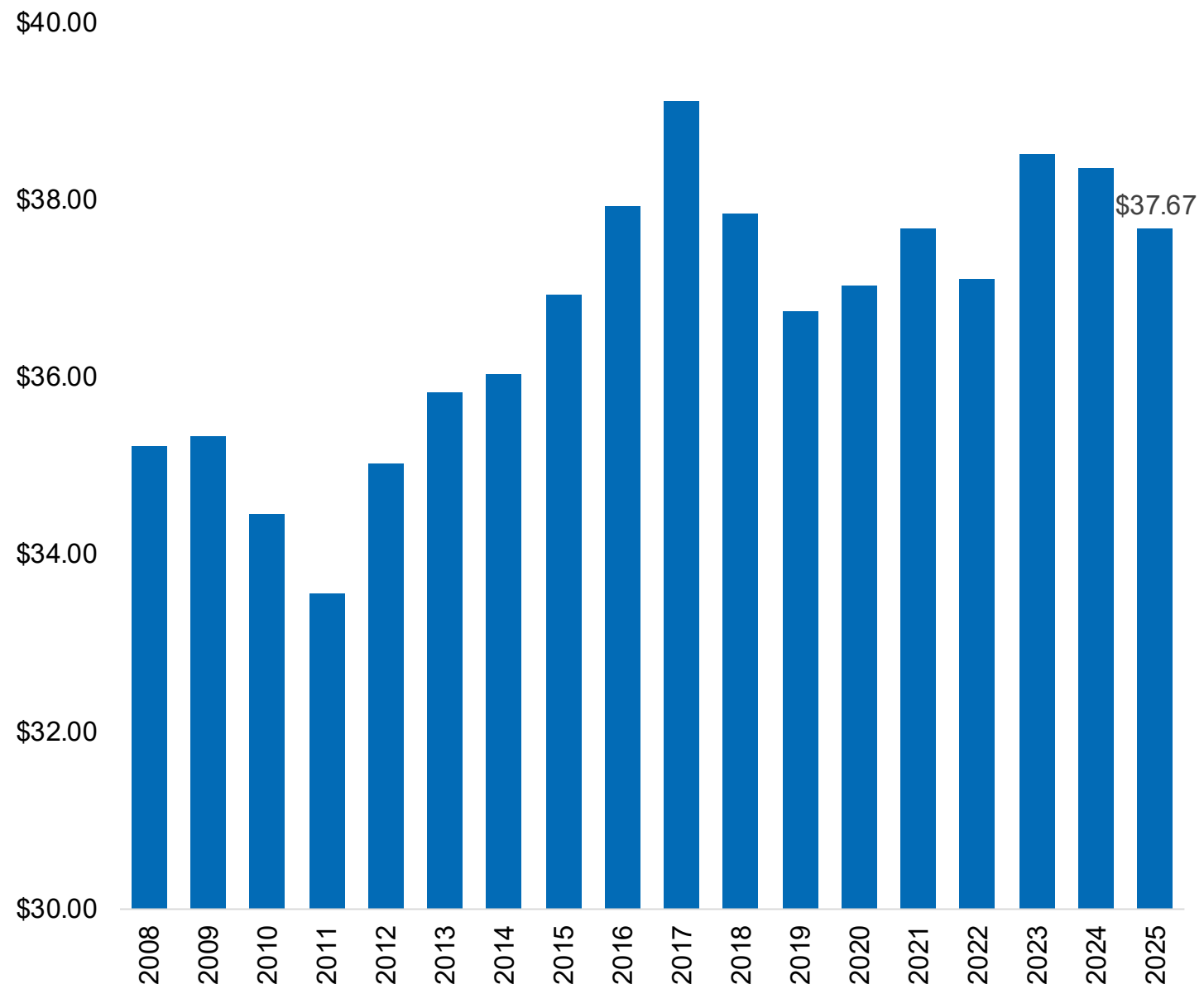
Source: Newmark Research



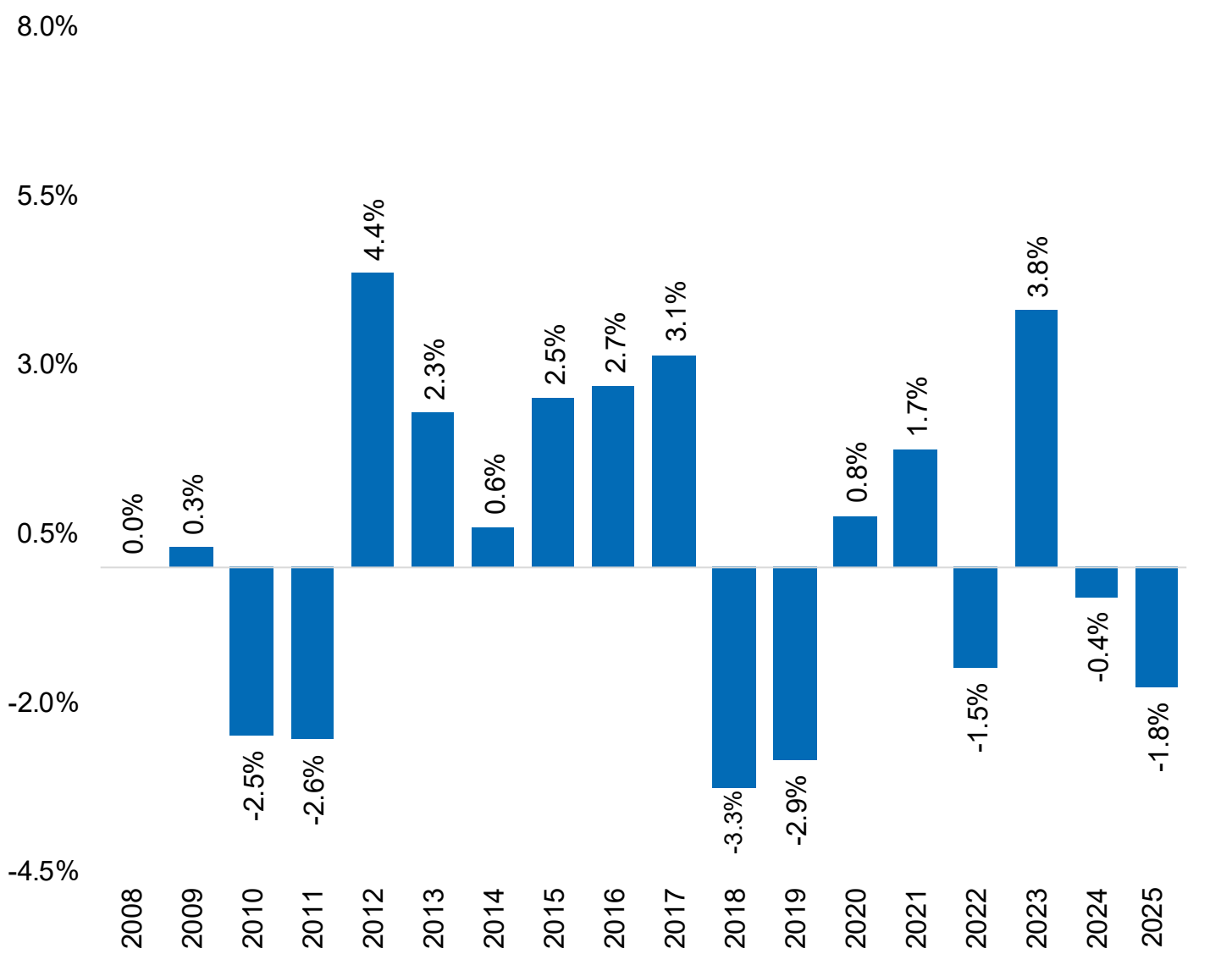
# Average Asking Rents Ease as High-Priced Inventory Is Absorbed

Following the post-pandemic peak in 2023, when average asking rents reached \$38.83/SF (and \$38.35/SF in 2024), the countywide average asking rent declined to \$37.67/SF in 2025. This reflects a shift in available inventory rather than broad rent softening, as significant leasing at 400 Atlantic Street in Stamford and the removal of premium Greenwich space, both priced in the \$60s to \$100+ range, respectively, reduced high-priced availability and pulled down the weighted average.

Office Average Asking Rent, \$/SF/Month, FS



Year-over-Year Asking Rent Growth Rate

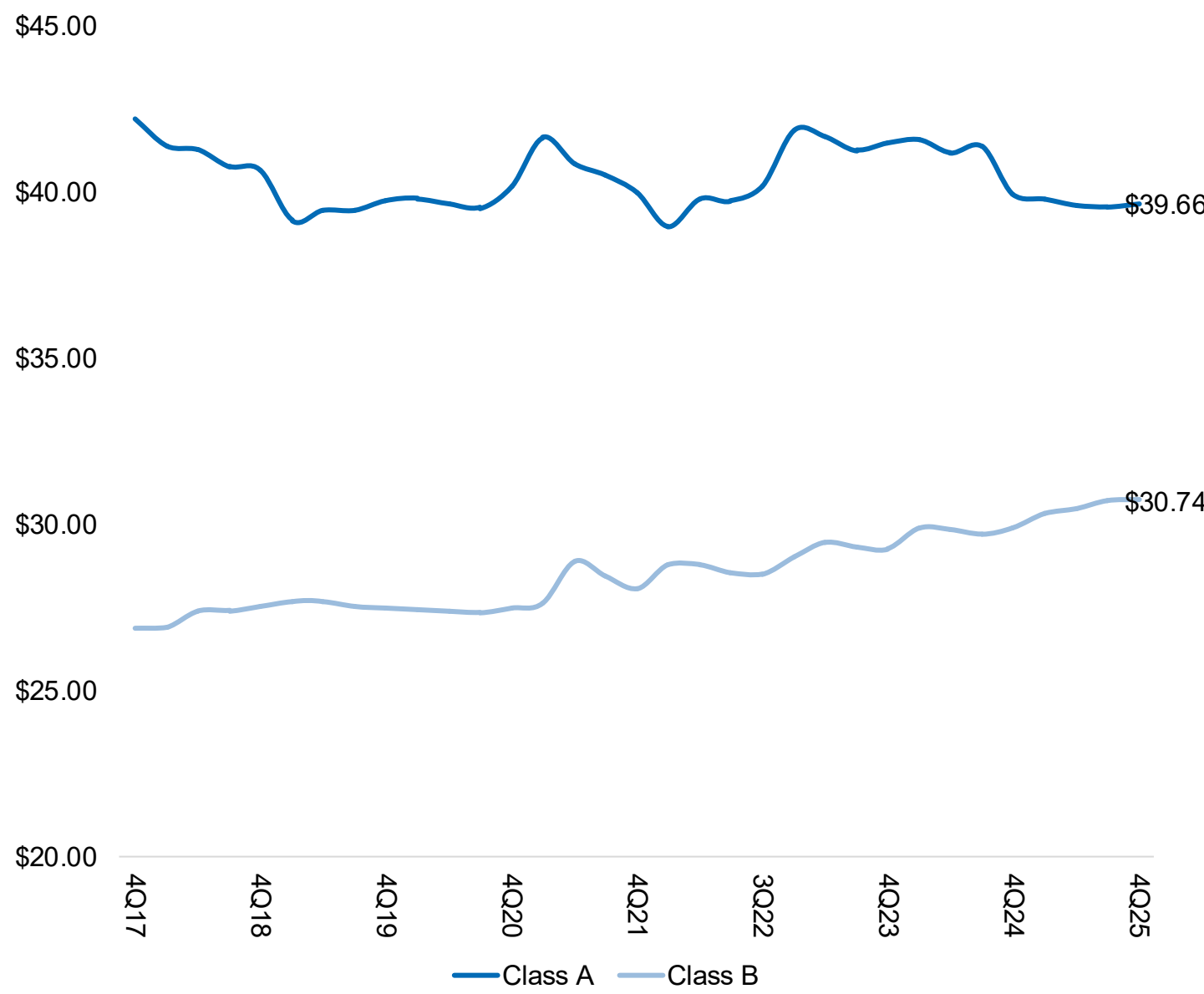


Source: Newmark Research

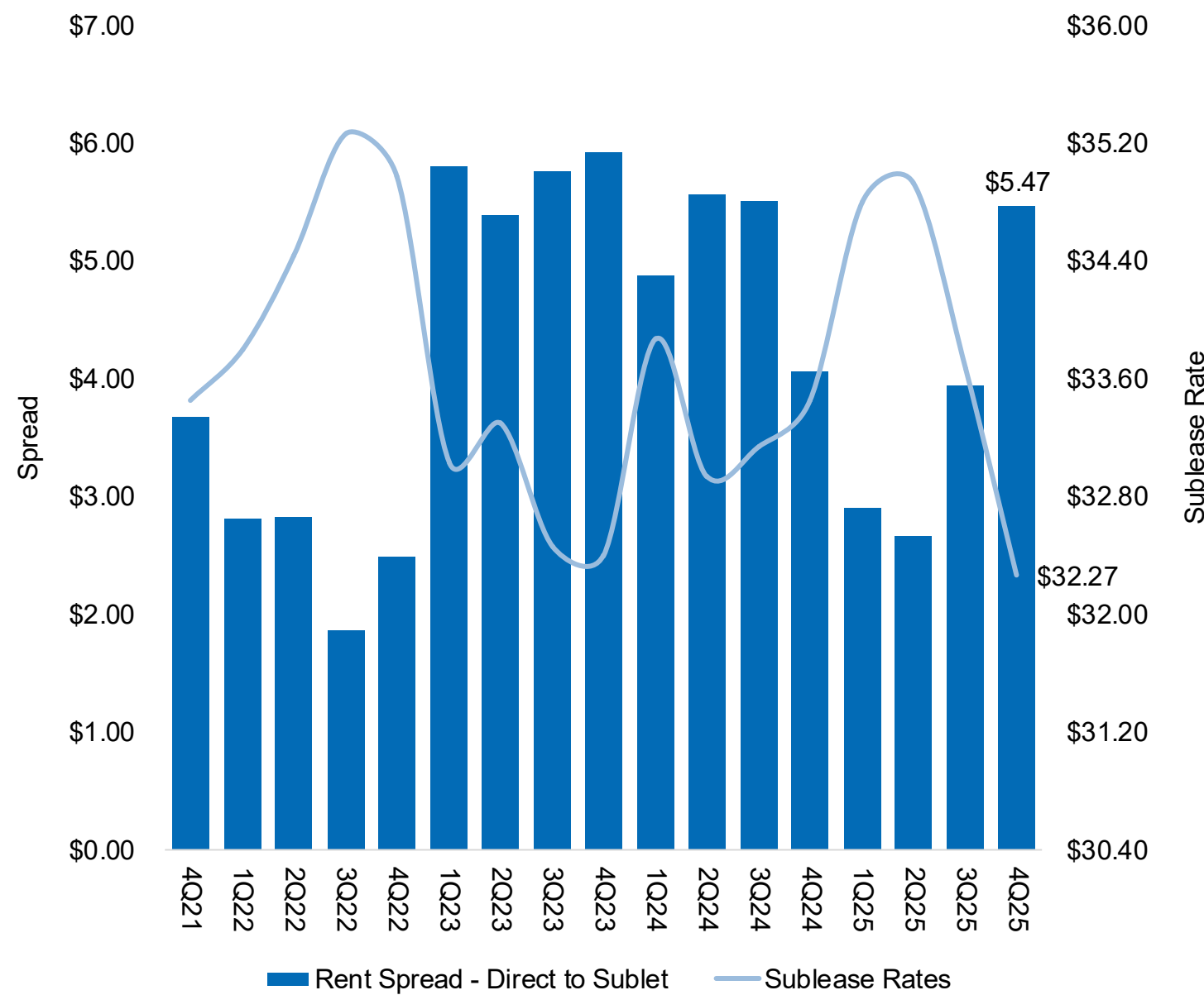
# Narrowing Rent Gap Driven by Leasing Trends

With higher-priced Class A spaces being leased quickly, the average direct asking rate declined to \$39.66/SF, leaving lower-priced listings behind. Meanwhile, Class B rents continued a gradual climb, reaching \$30.71/SF. The gap between direct and sublease rates widened this quarter to \$5.47/SF, breaking the previous trend. As high-priced direct space is absorbed, the overall average drops, while limited sublease availability keeps sublease rates relatively steady, widening the spread even without increases in sublease pricing.

Class A and Class B Asking Rents



Sublease Rates



Source: Newmark Research



# Fairfield County Large-Scale Leasing Pulls Back in 2025 as Smaller Leases Dominate

Leasing activity totaled just under 2.5M SF in 2025, reflecting a pause as occupiers assess long-term needs. Of the top 10 deals recorded, only two, Curaleaf and Versant Media, reflected actual positive absorption. Furthermore, smaller leases (5,000 SF-10,000 SF), accounted for 46% of activity, 26% above the historical average, while no leases exceeded 100,000SF.

Top 10 Notable Lease Transactions   2025				
Tenant	Building(s)	Submarket	Type	Square Feet
UBS	600 Washington Boulevard	Stamford CBD/Train	Renewal	59,729
Cummings & Lockwood	6 Landmark Square	Stamford CBD/Train	Renewal	55,643
Stamford Health Integrated Practices	292 Long Ridge Road	Stamford Non-CBD/North Merritt Parkway	Renewal	46,392
Primo Brands Corporation (f/k/a Blue Triton)	3001 Summer Street	Stamford Non-CBD/North Merritt Parkway	New Lease	44,597
Commonfund	601 Merritt 7	Norwalk/Route 7	New Lease	39,730
iCapital	850 Canal Street	Stamford Non-CBD/Waterfront	Renewal/Expansion	33,546
Newell Brands	301 Merritt 7	Norwalk/Route 7	Renewal	31,217
Versant Media	333 Ludlow Street	Stamford Non-CBD/Waterfront	Sub-sublease	29,234
Datto	501 Merritt 7	Norwalk/Route 7	New Lease	27,500
Curaleaf	250 Harbor Drive	Stamford Non-CBD/Waterfront	New Lease	24,600

Notable 2025 Sale Transactions				
Building	Market	Sale Price	Price/SF	Square Feet
Stamford Towers (680 & 750 Washington Boulevard)	Stamford CBD/Train	\$65,350,000	\$196/SF	333,820
Metro Center (1 Station Place)	Stamford CBD/Train	\$64,000,000	\$218/SF	293,656
301-601 Merritt 7	Norwalk/Route 7	\$58,500,000	\$62/SF	945,000
50 Danbury Road	Wilton/South Central	\$24,750,080	\$112/SF	221,070
1 Gorham Island	88 Danbury Road	\$22,350,000	\$503/SF	44,438

Source: Newmark Research

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## Fairfield County Office Submarket Overview (Page 1 of 3)



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## Fairfield County Office Submarket Overview (Page 2 of 3)



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## Fairfield County Office Submarket Overview (Page 3 of 3)



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## Fairfield County Office Submarket Map



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*For more information:*

**Karolina Alexandre**  
*Research Manager*  
*Connecticut / Westchester County, NY Research*  
Karolina.Alexandre@nmrk.com

**Fairfield County, CT Market**  
680 Washington Boulevard - 8<sup>th</sup> Floor  
Stamford, CT 06901  
t 203.531.3600

**[nmrk.com](http://nmrk.com)**

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