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Choyce Peterson, Inc. releases semi-annual Lower Fairfield County Office market survey

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Norwalk, CT Choyce Peterson, Inc., a full service commercial real estate brokerage firm with a specialization in tenant representation, has released its 29th semi-annual Lower Fairfield County Office market survey. The survey depicts silhouettes of 97 buildings with a total inventory of 17.9 million s/f and tracks changes in office space availability from year-end 2023 to mid-year 2024 in larger, primarily multi-tenanted class A office buildings in Stamford, Norwalk, Greenwich and Westport. The survey illustrates, for both direct and subleases, the absorption of leased space, the addition of available space, and overall availability statistics.

The survey shows there was a 0.1% point decrease in total availability during the first half of 2024 from 29.8% at year-end 2023 to 29.7% at mid-year 2024. Of the 5,310,473 s/f of available space at mid-year 2024, 77.4% is available on a direct basis (4,111,427 s/f) while 22.6% is sublease space (1,199,046 s/f).

Market by Market Availability Analysis

- Stamford increased from 30.9% to 32.5%. Of the 31 buildings surveyed, 9 experienced a decrease in available square footage, 13 had an increase and nine were unchanged. The largest absorption of space was at 333 Ludlow St., 677 Washington St. and 1 Station Pl. for a combined total of 107,383 s/f of leased space. Almost half of the overall increase in space was in one building: 6 High Ridge Park with 125,205 s/f of additional available space.

All of the buildings surveyed have space available, as no building is at 100% occupancy. Surprisingly, the portion of available sublease space in Stamford (16.9%) is the lowest of the four markets surveyed.

- Norwalk decreased significantly from 42.7% to 38.2%. Of the 20 buildings surveyed, 9 experienced a decrease in available square footage, 7 had an increase and 4 were unchanged. Almost half of the decrease in space came from two buildings: 45 Glover Avenue and 901 Main Avenue for a total of 115,597 s/f. Most of the increase in available space was at 401 Merritt 7 and 50 Washington St. for a combined 22,061 s/f. Only 1 of the 20 buildings surveyed has no space available, and 10 buildings have more than 50,000 s/f of available space.

- Greenwich once again is the strongest of the four markets, however its availability increased from 13.8% to 15.0%. Of the 25 buildings surveyed, 3 experienced a decrease in available square

footage, 6 had an increase and 16 were unchanged. 411 W Putnam Ave. and 55 Railroad Ave. combined leased over 29,428 s/f of available space. 1 American Lane, 33 Benedict Place, and 500 W Putnam Ave. combined added 56,065 s/f of available space. Currently, 11 of the 25 buildings surveyed have no space available, and only 2 have more than 20,000 s/f available.

- Westport increased slightly from 14.1% to 14.9%. Of the 21 buildings surveyed, 2 experienced a decrease in available square footage, 4 had an increase and 15 were unchanged. Over 8,000 s/f combined was leased at 57 Greens Farms Road and 315 Post Road West. Most of the added space (11,888 s/f) was at 8 Wright Street. Continuing the trend we've seen in Westport, 12 of the 21 buildings surveyed have no space available, and only 4 have more than 25,000 s/f available. Interestingly, Westport is the only submarket that has more sublease space available than direct space.

John Hannigan, co-founder and a principal at Choyce Peterson said, "It's encouraging to see that Norwalk showed such a significant drop in availability over the last six months. In contrast, Stamford had an increase in availability, as did the two smaller markets of Greenwich and Westport."

Hannigan said, "The trend of office buildings in Fairfield County being converted to other uses, such as multi-family housing and assisted living, is accelerating in 2024. In Stamford, for example, in addition to 100 Elmcroft Rd. (550,000 s/f former Pitney Bowes HQ) being converted to residential, at least another 650,000 s/f of office space will potentially come off the market. 800 Long Ridge Rd. (275,000 s/f former Xerox HQ) and 900 Long Ridge Road (224,000 s/f former Nestle Waters HQ) are proposed for residential housing complexes, and 300 Main Street (101,000 s/f) has been recently sold with the new owner announcing a proposed future conversion to a boutique hotel. The resulting impact will be a reduction in the inventory of office space, and the overall availability rate both in Stamford and in Fairfield County. Furthermore, we expect future announcements of these types of conversions in the Norwalk market."

Charlene O'Connell, vice president at Choyce Peterson said, "There has been much focus in the media about 'flight to quality,' and we are definitely experiencing this with our clients who are relocating to or renewing at high-end buildings and office complexes with premium amenities. In addition, the majority of companies throughout Fairfield County have now called back their employees to the office and are maintaining a hybrid work schedule. As old, pre-COVID office leases expire, we are consulting with and representing many area companies who are looking to right-size their office footprint and find an optimal space in a prominent building."

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