

# Fairfield County, CT

Tenant's Guide ■ North American Markets ■ Second Quarter 2010

## Overview

The Fairfield County market experienced healthy leasing activity for a second consecutive quarter as the economic climate both regionally and nationally has improved (compared to Q2 2009). The countywide vacancy rate rose from approximately 3.8% in the previous quarter to 22.9% while overall asking rental rates remained flat from the previous quarter. While there was only one significant lease signed in the second quarter, there are five major requirements of over 40,000 SF that should close in 2010, altering the space availability in downtown Stamford appreciably by year end. Landlords continue to offer aggressive concession packages in all submarkets on significant deals (over 20,000 SF) for good credit tenants.

## Market Trends

- The class B vacancy rate is over 30% in both Stamford and Central Fairfield County which continues to bring down effective rental rates.
- Central Fairfield County experienced very little activity for the quarter and average rental rates are now 10% less than Q2 2009.
- Average rents in Stamford have declined for the fifth straight quarter.
- Eastern Fairfield County experienced the lowest increase in their vacancy rate as compared to the rest of the county.

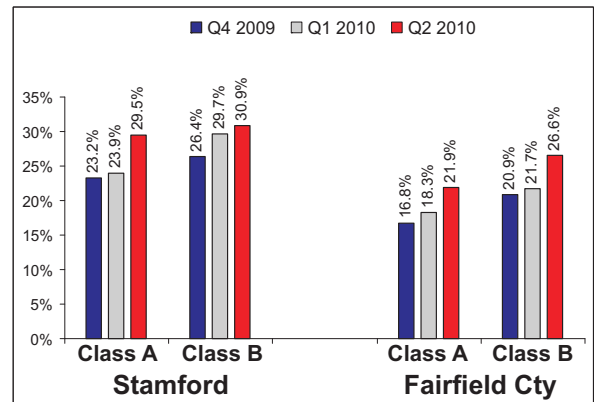
## Tenant's Perspective

Tenants with good credit seeking lease commitments of at least seven years can now obtain concession packages in class A buildings that can provide a turnkey solution for a typical office build out. Central Fairfield County, particularly Norwalk, contains the most opportunity for aggressive landlord pricing for class A product because of the significant vacancy in a wide variety of buildings right now. Tenants seeking to renew must be sure to test the market for alternatives and force their landlord to provide market concessions as if they were a new tenant in the building.

## Major Transactions

Tenant/Buyer	Size	Type	Lease/Sale
Starwood Hotels	250,000	Office	Lease
AC Nielsen	45,000	Office	Lease
Morgan Stanley	22,000	Office	Lease
Touchpoint	14,500	Office	Lease

## Vacancy Rate



## Average Rental Rates

	Q4 2009	Q1 2010	Q2 2010
<b>Stamford</b>			
Class A Office	\$46.73	\$44.01	\$43.55
Class B Office	\$26.33	\$26.62	\$26.54
<b>Fairfield City</b>			
Class A Office	\$38.50	\$38.25	\$37.95
Class B Office	\$27.32	\$27.01	\$26.56

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