

Fairfield County, CT

Tenant's Guide ■ North American Markets ■ Fourth Quarter 2009

Overview

The word from the street suggests that activity in Fairfield County is improving slightly. There is caution that the increased activity is a result of pent up demand from transactions that have been stalled and were just completed as opposed to growth from the business sector's confidence in the economy. Transaction velocity for the year, which in healthy times averaged about 3,500,000 SF, was down about 40% for the year. Because it is difficult to track short-term renewals, this decline may be understated. Average asking rents are on the rise, but this is a result of more of the premium space remaining available as tenants lease the aggressively priced product first. Transactions continue to be completed at significant discounts as landlords offset high coupon rates with large concession packages of free rent and landlord funded work.

Market Trends

- Vacancy rates continue to rise countywide.
- Asking prices are not dropping significantly as vacancy goes up.
- Transaction velocity is recovering but slowly.
- Sublease space is playing a significant role in driving effective rates down.

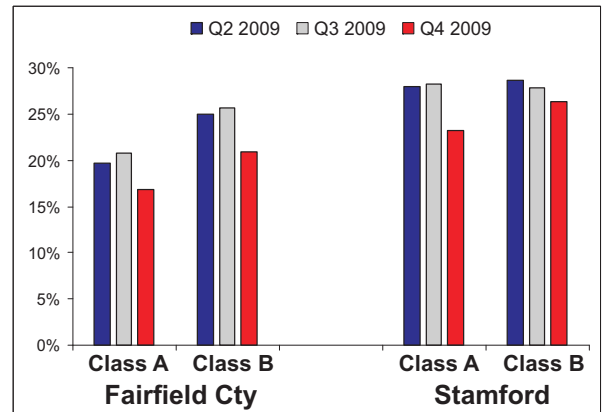
Tenant's Perspective

Current market conditions favor long-term lease commitments by tenants. In exchange for the longer-term commitment, landlords are offering very competitive incentive packages. Tenants therefore need to exercise caution with landlords that may have short-term debt maturing and find themselves unable to secure replacement financing. This cash shortage will impact the ability of some landlords to deliver on their financial commitments to fund work letters and other concessions. In today's market, an unrepresented tenant may pay a premium over a well represented tenant as the dynamics of the market continue to change quickly.

Major Transactions

Tenant/Buyer	Size	Type	Lease/Sale
Affinion Group	140,395	Office	Lease
SSARIS Advisors, LLC	16,629	Office	Lease
Mallory, Jones	17,656	Office	Sublease
Gerald Metals	23,254	Offices	Lease
Shumway	28,495	Office	Lease
Noble Americas	33,364	Office	Lease

Vacancy Rate



Average Rental Rates

Location	Q2 2009	Q3 2009	Q4 2009
Fairfield Cty			
Class A Office	\$40.18	\$38.84	\$38.50
Class B Office	\$27.68	\$27.93	\$27.32
Stamford			
Class A Office	\$43.96	\$43.46	\$46.73
Class B Office	\$24.94	\$24.66	\$26.33

Prepared By CresaPartners
200 Connecticut Avenue, 4th Floor, Norwalk, CT 06854
203.899.7700 ■ www.cresapartners.com