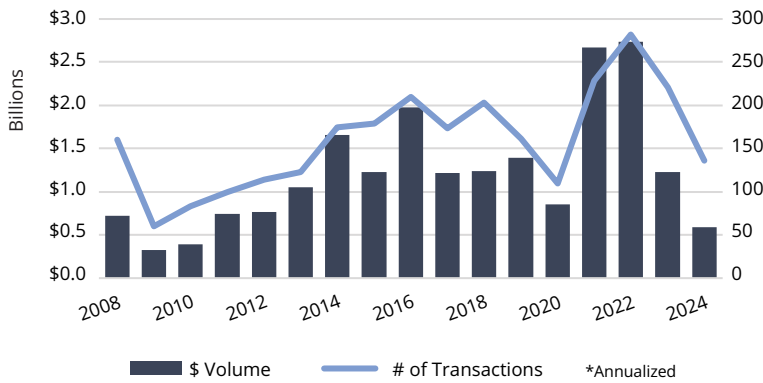




Fairfield County Property Sales by Year



Q2 2024: The elusive 'bottom'

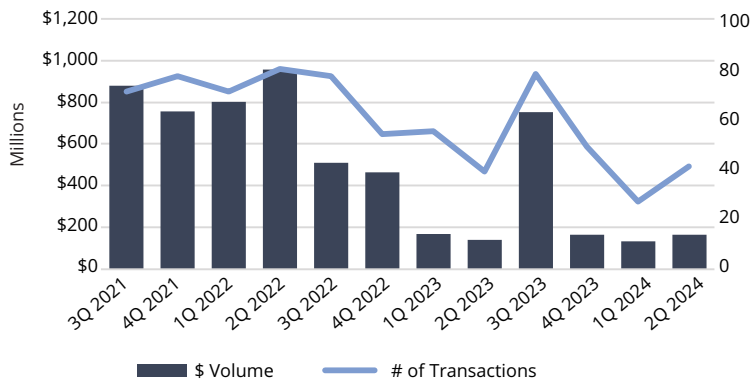
Dollar volume down -51.5%
Properties sold down -38.5%

Despite a respectable increase in sales activity during Q2 versus Q1 2024, with dollar volume up by +23.4% and transaction volume by +51.9%, the downward sales trend that began in Q1 2023 continues when annualized. Fairfield County investment property sales are on track to decrease by half (-51.5%) on a dollar volume basis and by more than one-third (-38.5%) in transaction activity versus 2023.

Meantime, the average deal size of \$4.37 million through first half 2024 is one-half the previous 5-year running average of \$8.66 million per transaction, which reflects the scarcity of institutional buyers or sellers in the market. The one exception in Q2 2024 was Regency Centers' \$45.5 million acquisition of Compo Retail Center on East Post Road, Westport.

While multifamily and retail sales activity remained flat or slightly down, industrial and office buildings enjoyed modest increases through first half 2024.

Fairfield County Property Sales by Quarter

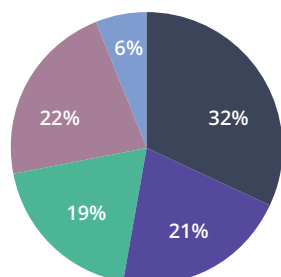
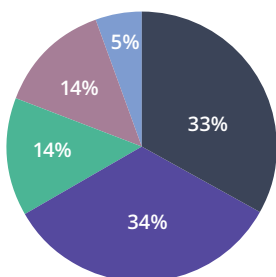


The Scoop in a nutshell

Since there's not much room left to reach the elusive 'bottom' we believe sales activity has stabilized and will begin trending upwards. Conventional wisdom expects one modest Fed rate cut this year. But regardless, today's 10-year Treasury rate is historically 'normal' and not likely to fluctuate meaningfully one way or the other any time soon. It's through this lens that investors on both sides of the trade ought to reengage the marketplace.

\$ Volume

Transactions



- Retail
- Multifamily
- Other
- Industrial
- Office

What's your building worth?
Lets find out together.

Please contact me today for a local market analysis and broker opinion of value (BOV).



Will Suarez | Principal, Investment Sales
o 203 658 6598 | m 203 273 2036
will.suarez@avisonyoung.com
Where there's Will there's a Way

Source: AVANT by Avison Young, Real Capital Analytics, CoStar
Note: Data shows CRE sales of \$2M and above

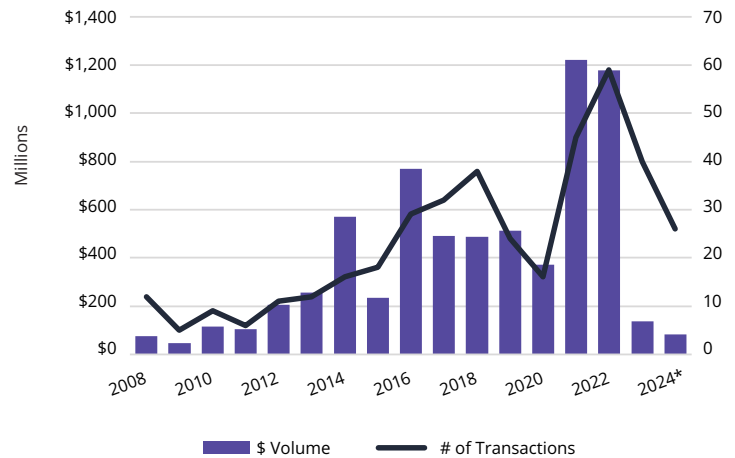
Commercial Property Sales Report

Multifamily

Multifamily sales volume stagnated further through first half 2024 after a steep falloff in 2023 following record sales volume during 2021 and 2022. On an annualized basis, full year 2024 sales are projected to reach just \$83.8 million in dollar volume, a decrease of -38.2% versus full year 2023, and -35.0% in transactions. Low dollar volume resulted in an average sale price per transaction of just \$3.22 million.

The average price-per-unit of \$288K suggests a substantial improvement versus 2023 but upon closer examination the average drops to \$138.6K, which is on par with 2023, when three Greenwich properties with an average price per-unit of \$786.1K are removed from the data. We are starting to see early signs of somewhat larger properties trading hands and expect to see improvement on sales activity and price-per-unit during the second half 2024.

Fairfield County Multifamily Sales



Market Snapshot

Year	Total Dollar Volume	Number of Sales	Average Price Per Unit
2022	\$1.18 Billion	59	\$271,730
2023	\$135.5 Million	40	\$150,258
2024*	\$83.8 Million	26	\$288,011

*Annualized

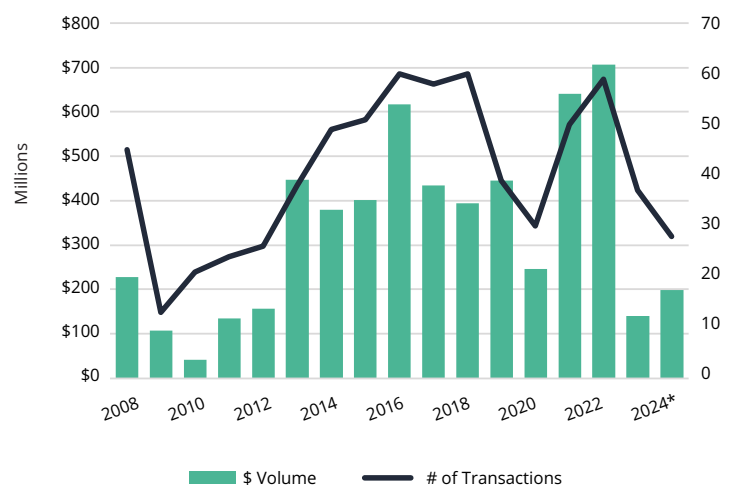
Office

The modest increase in 2024 annualized dollar volume sales can be attributed to two Class A office trades: a.) 8 Wright Street, Westport that sold for \$33.95 million, and b.) 537 and 545 Steamboat Road, Greenwich that traded for \$28.8 million. These transactions also drove up the average price-per-square-foot to \$335, which otherwise would have reflected a decrease to \$261. Transaction volume is on track to decrease this year by -24.3% from 37 trades in 2023 to 28.

The down cycle investment sales office market reflects headwinds in the leasing market. Total Fairfield County office space availability rate is 24.7% in Q2 2024 and has remained flat over the past five years. The largest availability is in Class A buildings, which accounts for 67% of the total market availability of 40.7 million square feet.

The opportunity for tenants and investors alike appears to be in Class B office assets that have the lowest availability rates and very competitive rents relative to Class A and trophy buildings.

Fairfield County Office Sales



Market Snapshot

Year	Total Dollar Volume	Number of Sales	Average PSF
2022	\$707.3 Million	59	\$331
2023	\$139.9 Million	37	\$303
2024*	\$199.6 Million	28	\$335

*Annualized

Source: AVANT by Avison Young, Real Capital Analytics, CoStar

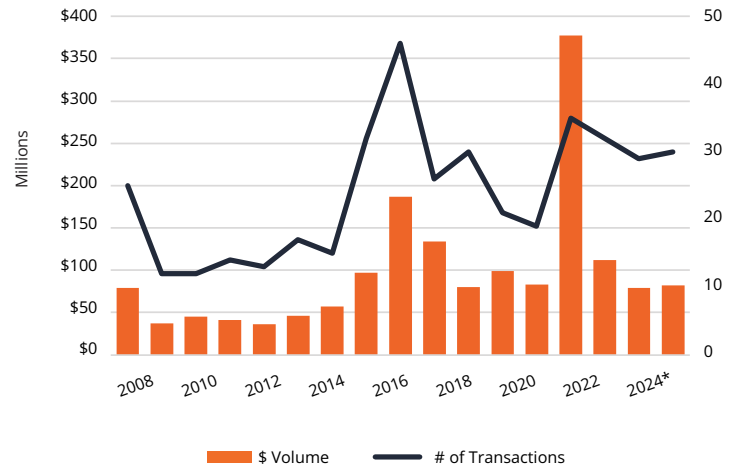
Industrial

Fairfield County industrial property sales remained flat over the past three years following a record year of activity in 2021 on both a dollar volume and number of transactions basis. Total 2024 YTD sales of \$41.0 million across 15 trades equates to an average \$2.73 million per transaction.

Meantime, the weighted average price-per-square-foot of \$108 is reflective of Fairfield County’s comparatively small industrial sector with most properties being 25K square feet and below.

On the leasing front, weakening demand that began during 3Q 2023 continued into 2024 with 12-month net absorption reaching -458K square feet. Historically limited new construction of industrial buildings in Fairfield County holds negative absorption in check.

Fairfield County Industrial Sales



Market Snapshot

Year	Total Dollar Volume	Number of Sales	Average PSF
2022	\$112.4 Million	32	\$133
2023	\$79.1 Million	29	\$147
2024*	\$82.1 Million	30	\$164

*Annualized

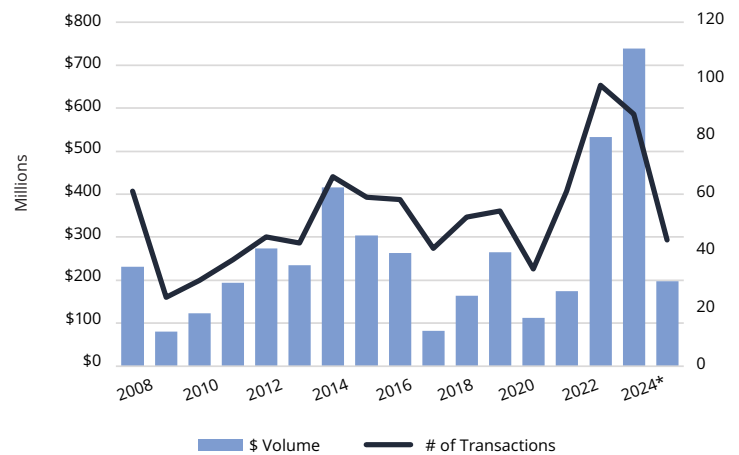
Retail

The Fairfield County retail sector has been more volatile than others, with 2024 showing signs of steep sales activity declines compared to 2022 and 2023, which were historically significant. However, over the long term projected full year 2024 sales of \$197.6 million on 44 transactions are closely aligned with the previous 15-year averages of \$264.0 million on 52 trades, respectively.

Most sales activity during the mid-2000 teens and post pandemic years reflect consolidation via mergers and acquisitions of major retail portfolios. Grocery-anchored centers with national and regional credit tenancy are in high demand.

Fairfield County’s affluent consumer base, with a median HHI over \$111,000 that grew by 2.7% through Q2 2024, has kept retail fundamentals strong. The current availability rate is just 5.2%, below the 10-year average of 6.1%, while rent growth is above-average.

Fairfield County Retail Sales

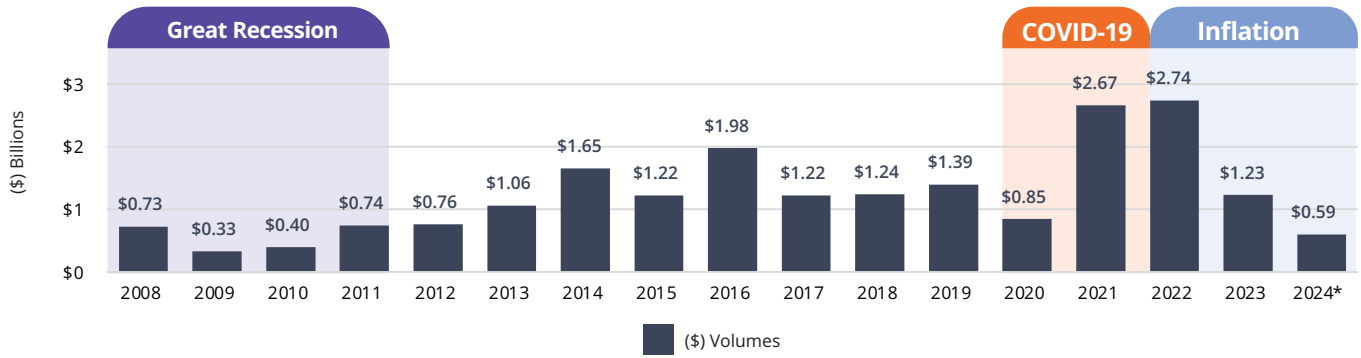


Market Snapshot

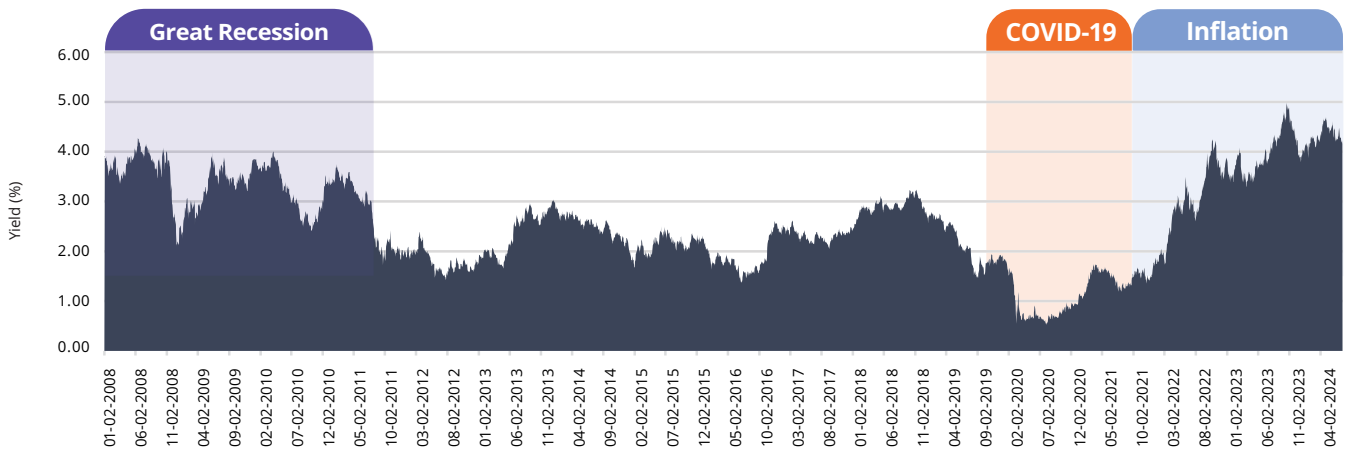
Year	Total Dollar Volume	Number of Sales	Average PSF
2022	\$532.8 Million	98	\$532
2023	\$738.4 Million	88	\$415
2024*	\$197.6 Million	44	\$369

*Annualized

Fairfield County Sales by Year



Market Yield on 10-Year U.S. Treasury Securities



* Source: Macrotrends.net / Board of Governors of the Federal Reserve System. Market Yield on U.S. Treasury Securities 10-Year Constant Maturity, Quoted on an Investment Basis.

Trends to Watch



Sales volume remains stubbornly low and by all appearances has hit bottom. This leaves one of two possible paths forward: stagnation or improvement.



Will the anticipated Fed rate cut(s) have an immediate and sustained positive impact on sales velocity and deal size? Or will other socio-economic factors stand in the way?



Which property types will rebound first and fastest during second half 2024 and 2025? Any or all the above where there's a highly motivated seller involved.

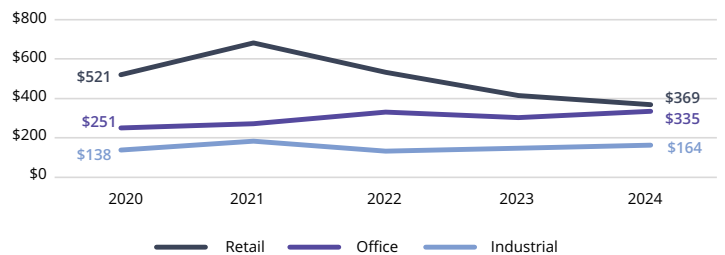
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Where there's Will there's a Way

Average Price Per Square Foot by Property Type



Fairfield County Multifamily Average Price Per Unit

