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Bankers Sick of NYC Commute Are Fueling Boom in a Mini Greenwich

Sleepy Darien is expanding its downtown to accommodate more offices for people looking to stay close to home.

By Nacha Cattan and Katia Porzecanski

(Bloomberg) -- Darien is a postage stamp of a little town. The richest in all of Connecticut's Gold Coast, it's packed densely with multimillion-dollar homes and is an unlikely spot for an office-construction boom.

On a recent weekday morning, though, the rumble of excavators piling dirt high into mounds rang out across the downtown. They were making room for new shops, restaurants, and, critically, offices for finance workers who got a taste of life without the commute during the pandemic – and realized they no longer want or need to make the hour-long train ride into Manhattan each day.

Eager to keep top talent happy, several firms are setting up shop or expanding in the town. The insurance giant Aon Plc, investment firm Crestwood Advisors and financial-services company Janney Montgomery Scott are taking new office space. Bond-trading powerhouse Cantor Fitzgerald has more than doubled the headcount at its Darien outpost since before the pandemic.

At a time when falling office values are creating turmoil for banks, landlords and cities around the world, Darien is emblematic of another side of the post-Covid shift: demand for space in areas closer to where people live and away from urban cores. That's taken on particular resonance in the New York region, where many financial firms have been strict about demanding staff get back to offices.

"The grind of going to New York City is real, and people are getting frustrated with it," said Benno Green, a senior sales trader who quit his job at JPMorgan Chase & Co., which requires many employees to be at its Manhattan headquarters full time. He now works at Cantor Fitzgerald's office in Darien, where he lives. "There's a lot of jealousy from my friends," he said.

Darien's office growth has fueled comparisons to nearby Greenwich, long home to some of the world's most powerful hedge funds. That's a stretch. The town of 22,000 simply doesn't have enough available square footage to truly compete with Greenwich or, for that matter, even account for more than a rounding error in the number of finance jobs that Manhattan could lose in a given year.

But Greenwich is perennially short on office space. Stamford, Connecticut's main urban hub near New York, is lacking in new, upscale buildings within walking distance of the train. Office leasing in Stamford's business district fell 9% last year from 2022 while rising by the same amount for Greenwich – and surging 164% for Darien, according to real estate brokerage CBRE Group Inc.



Darien's main street, Boston Post Road

Darien's expansion says a lot about shifting work habits, where companies are emphasizing the need to lure workers with state-of-the-art buildings that are easy to get to, said Tom Pajolek, an executive vice president for CBRE in Stamford.

"Employers are trying to get every advantage to create a new environment for their employees to incentivize them to come back," Pajolek said. "In many instances it's about where the executive team is and where they are coming from."

Wealthy Small Town

With a median household income of \$353,000, Darien ranked as the wealthiest town in Connecticut and the 10th richest in the country in a 2020 analysis by Bloomberg. It has about one-fifth of the office space as Greenwich, but its tiny size might just be its charm.

The Metro-North station is a short walk to downtown, where early-New England-style buildings with dormer roofs and shutters on windows invite pedestrians to cafes and restaurants through meandering side streets. By contrast, the train stations in Greenwich and Stamford are further afield.

Darien is the only town in Fairfield County to have built new office space for lease since the pandemic, according to CBRE. Much of the building centers around an area called the Corbin District, which involves construction of two square blocks of downtown and will add a street running parallel to the main one, Boston Post Road.

"Office is a four-letter word right now, but new office in a well-amenitized area is in high demand," said David Genovese, the mastermind behind the Corbin development. People want "a downtown, what they have in New York – but outside of New York."



David Genovese in front of the development of Corbin's second phase.

The project has been in the works since shortly after Genovese, a former co-head of real estate investment banking for Credit Suisse First Boston, moved back to his hometown about two decades ago. He was the most enthusiastic of the town's property owners to participate in a plan to turn the downtown into more of a destination, said Evonne Klein, who served as the equivalent of Darien's mayor from 2003 to 2009.

"To shop we had to go out of town. Restaurants, went out of town," she said. "Why not provide great restaurants, or more restaurants and more places for folks to shop rather than having to go to a neighboring community?"

Now, the downtown has significantly grown. Genovese aims to offer a village vibe with a mix of new tenants, such as Barry's Bootcamp, and old; Barrett Bookstore's local roots date back to 1939. The project's first phase, which was fully leased upon completion, finished last year. The second phase, set to be done in 2026, is almost 60% leased and will add just over 100,000 square feet of office space to the downtown.



A rendering of the second phase of the Corbin project

That will bring Darien's office space to around 915,000 square feet, according to CBRE, a pittance compared with the 17 million square feet in Stamford. "You can't compare them," said Tom Torelli, managing partner at Allied Property Group in Greenwich.

Larger towns such as Westport and Fairfield, further north along the train line, have been attracting companies as well. And Darien lacks diversity: About 81% of its residents are White and of non-Hispanic descent, compared with 64% for all of Connecticut.

Still, Darien is more affordable than downtown Greenwich, where office space averages \$96 a square foot, the highest of any business center in the US, according to data from Jones Lang LaSalle Inc. Rents for Genovese's buildings are approaching \$80 a square foot, close to midtown Manhattan's average of \$85.



An upscale children's boutique in Darien's Corbin District.

"It's expensive, but we decided to step up because it's an up-and-coming location," said George Keith, who oversees seven Connecticut offices for Janney, which is moving into a new building in the Corbin project. He has been sending postcards of the planned offices to employees based in Fairfield County, as well as the ones who live there and commute to the city, and says the response has been enthusiastic.

For the most part, the expansion is getting positive feedback from residents who are excited about the new restaurants and upgrades to areas "in need of TLC," although some worry about traffic, parking and drainage, said Jeremy Ginsberg, director of land use at the town's planning and zoning office.

Rob Williamson, owner of Uncle's Deli, a small wood-siding eatery that's towered by new brick buildings that cropped up around it along Post Road, says the downtown project is being done with "taste." But he's conflicted about the changes and is debating whether he'd sell his property if given an offer.

"When I got here in 1987, the joke was you could shoot a gun across Post Road and not hit anybody," he said.



Carronade Capital Management in Darien.

Dan Gropper opened hedge fund Carronade Capital Management in Darien three years ago to avoid the commute to Manhattan from his home in nearby New Canaan, and because it was less expensive than Greenwich. He described a thriving ecosystem of bankers and lawyers nearby to grab lunch with, and said it has helped recruit senior people.

That includes Ryan Eckert, who left his job last year as a managing director at Citigroup Inc. in part to work 18 minutes from his house. It was a relief after he spent years waking up at 4:30 a.m. every day and getting home after 7 p.m., giving him little time with his three young children.

"Now we get to find out if my family really likes me," he joked.

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