



**CITY OF
STAMFORD**
Innovating since 1641



2016

Q2 REPORT

Economic Development Activity

Q2 Overview

Business-Friendly

The City of Stamford is a business-friendly environment that has fostered an ecosystem of companies spanning a variety of industries. Industry sectors such as finance, insurance & reinsurance, digital Media, healthcare, real Estate, and consumer goods all play a key role in maintaining Stamford's position as the state's cornerstone of economic growth.

Growing Tech-Community

Stamford boasts an emerging tech sector that continues to aid its financial development. This quarter, Connecticut Innovations, the state's venture capital arm, recognized Stamford as a city that has the capabilities to develop innovation districts. Such districts would serve as hubs for entrepreneurs to establish companies that draw in investors.

Stamford is increasingly more appealing to those in the tech sector. Quarter two saw a rise in the activity of technology-based companies such as Indeed, which announced its plan to expand its downtown offices, adding 300 employees. Other additions include BlackStratus, a cybersecurity company which recently chose Stamford as the site for its new technology, CYBERShark, will bring 25 new employees to its 5,200 square

foot office space, which can accommodate up to 80 employees. Q2 also welcomed the expansion of Charter Communications, which took 73,564 square feet at 43 Gatehouse Road, moving roughly 350 employees from NYC to Stamford. Rhone Apparel also recently purchased its new headquarters at 482 Pacific Street, bringing 25 new employees to Stamford with expectations to grow by another 100 employees over the next year.

Population Growth & Real Estate

The growth of business in Stamford goes hand-in-hand with the increasing number of people who are moving into the city to live and work, particularly young people between the ages of 25 and 44 who represent nearly a third of the city's population.

With the influx of people coming into Stamford, the city's commercial and residential real estate markets have prospered. Leasing activity in the office market surged at 418,468 SF in Q2, up 52.5% from 198,797 SF last quarter. In the residential market, single family and multi-family homes, along with condos, have seen increases across the board in the number of homes sold and the median sales price of each unit.

Company Highlight

BLACKSTRATUS

Stamford welcomes BlackStratus, a Piscataway, N.J. company, which opened offices at 9 West Broad St in April to house its marketing, sales, and support staff to work on its new product, CYBERShark. CYBERShark is designed to specifically address the growing number of cybersecurity breaches plaguing small to midsize businesses. This cloud-based solution is both affordable and delivers the same level of protection that large customers receive, making it perfect for managed security services for enterprise protection as well.

CYBERShark empowers MSPs to build a sustainable security management services business without the need to invest in expensive infrastructure, buy expensive hardware appliances and recruit expensive security analysts. By simply sending their end-customer event log data to the advanced CYBERShark cloud, MSPs will receive a white-labeled portal view of their customers' compliance reports and security posture, complete with step-by-step remediation workflows designed to help resolve security incidents and halt malicious activity.

The presence of BlackStratus represents the City's, and the State's, commitment to attracting new business to Connecticut, and further fostering our thriving tech community, which is

playing a more and more of a role in Stamford's economy. The company was granted \$5.5 million from the State's Department of Economic and Community Development to finance its expansion. It is one of 3000 companies in the past five-and-a-half years to receive financial support from the State.

Connecticut's attractive tax incentives are supplemented by its educated workforce. Upon its move to Stamford, BlackStratus gained access to Stamford's tech-savvy talent at the Center for Excellence for Security Innovation at the University of Connecticut to draw on. BlackStratus forecasts to grow its staff in the Stamford office to at least 65 employees over the next three years.

In May of 2017, CYBERShark added several key ticketing systems that will allow seamless integration with systems being used by its channel partners and end-users. These systems include: Autotask, Connectwise, ServiceNow, Salesforce, Zendesk, JIRA, FreshService, and IssueCenter. This is a big step forward for the company in maximizing the management systems the SaaS-based SIEM now integrates with, allowing for as many possible MSPs to easily deploy it across the customer base and meet the demand CYBERShark is currently experiencing.

City of Stamford

Economic Headlines

Stamford Advocate- Stamford to Launch State's First Massive Energy-efficiency Plan

"The city will become the first in the state to launch a large-scale energy-efficiency plan that officials estimate could save as much as \$1 million a year."

Westfair- BlackStratus Opens Small Business Cybersecurity Office in Stamford

"Clouds are usually viewed as looming trouble in the business world, unless one is referring to cloud-based technology. Fortunately that's just what cybersecurity firm BlackStratus is all about. Even more fortunate is the fact that the company, headquartered in Piscataway, N.J., chose Stamford as the site for its new technology, CyberShark." (23 Employees)

Stamford Advocate- Indeed Continues to Grow and Hire in Stamford

"The online job search firm Indeed, one of Stamford's largest employers, is planning an expansion of its downtown offices that would allow the company to hire about 300 more employees."

Stamford Advocate- Charter to Move Some Time Warner Employees to Stamford

"Cable-provider Charter Communications will relocate some of its employees now based in Manhattan to its Stamford headquarters by the end of the year, as it aims to consolidate operations in Connecticut." (350 Employees)

Hartford Courant- Connecticut Innovations Board Reorganizes Its CTNext Program

"Hartford, New Haven, Stamford and Waterbury could develop innovation districts that serve as hubs for entrepreneurs establishing companies that draw in investors, followed by real estate developers who could build housing and commercial space."

Office Market

16.3M+

Total Inventory (SF)

73

A Class Buildings

+52%

Leasing Activity

23%

Availability

Office Market Overview

Leasing

Stamford's leasing saw a promising increase in quarter two after a quiet first quarter. Although lower than last year's averages, leasing activity was more than double what it was in quarter one. The second quarter ended with 418,468 SF of leasing activity, up from 198,797 SF last quarter. Leases in the city's Central Business District accounted for almost 60% of total leasing activity in Stamford this quarter; due to deals such as the expansion of Charter Communications at 400 Atlantic Street for 73,564 square

feet. Other major transactions included the Synapse Group's 57,135 square foot renewal of their 225 High Ridge Road location and Citibank's renewal of their 47,278 square foot lease at 750 Washington Boulevard.

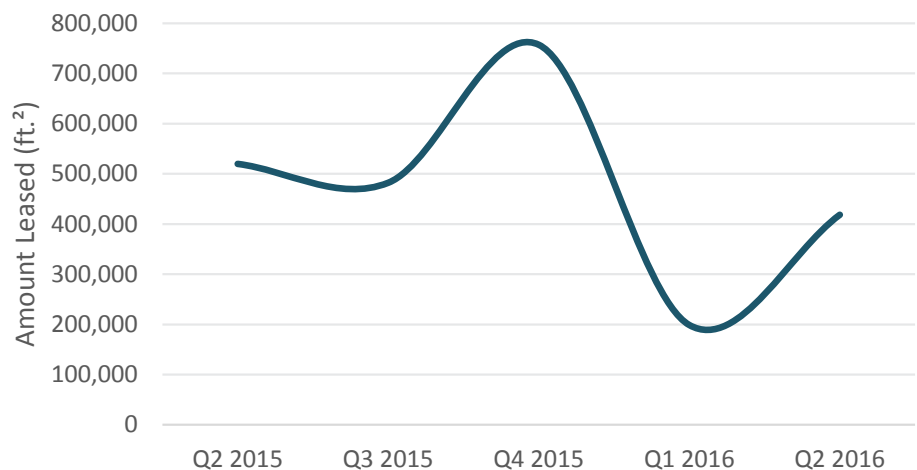
In addition to healthy levels of demand, Stamford saw positive gains in absorption. The market moved out of the negative from -53,203 SF in Q1 to 57,788 SF this quarter. The direct asking rent experienced a slight decline of \$0.43, moving from \$40.69 in quarter one to \$40.26 in quarter two.

Key New Lease Transactions

Tenant	Building	Type	Submarket	SF	Industry	Class
Charter Communications	400 Atlantic Street	Expansion	Stamford CBD	73,564	Media/Telecom	A
Synapse Group	225 High Ridge Road	Renewal	Stamford Non-CBD	57,135	Marketing	A
Citibank	750 Washington Boulevard		Stamford Non-CBD	47,278	Finance	A
Gartner, Inc.	700 Fairfield Avenue		Stamford Non-CBD	21,179	Professional & Business Services	B
Cine Magnetics, Inc.	9 West Broad Street		Stamford CBD	12,572	Wholesale Trade	A
Nestle Waters USA	225 High Ridge Road		Stamford Non-CBD	9,613	Wholesale Trade	A

Source: Newmark Knight Frank

Leasing Activity



Source: Newmark Knight Frank

Residential Real Estate

Single Family Homes

The market for single-family homes saw modest increases from Q1. The number of sales closed increased by 39.1%, moving from 128 to 178 homes sold. The surge in home sales was complemented by a small 3% increase in the median sales price from \$556,000 in quarter one to \$572,000 in quarter two. Three single family housing starts were filed this quarter; with two of the three homes located in North Stamford.

Multi-family Homes

The number of multi-family homes sold in Stamford saw significant quarter-to-quarter and year-over year increases. This quarter ended with 25 homes sold, up from 15 last quarter and 11 this time last year. The median sales price also saw a modest 6.8% increase, moving from \$440,000 in quarter one to \$470,000 this quarter.

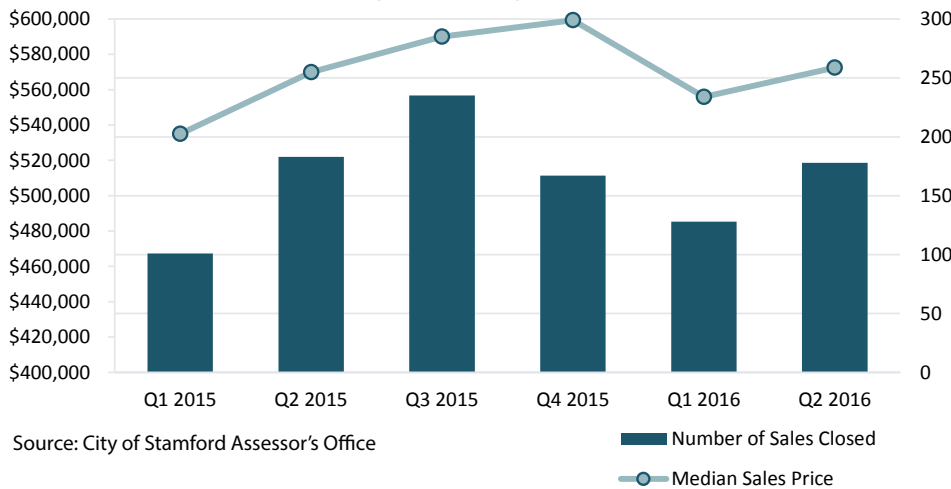
Foreclosures

The City of Stamford has a foreclosure rate of 1 in every 1,603 homes. Within Stamford, the 06902 zip code holds the lowest foreclosure ratio (1 in 2089), while the 06906 zip code holds the highest (1 in 890). Fairfield County holds the third-lowest foreclosure ratio in Connecticut, with one in every 1,363 homes facing foreclosure, while the state average is currently 1 in 1,189.

Condominiums

Condominiums saw similar increases in median sales price and number of sales closed. Stamford saw a 95.9% increase in the number of sales closed in quarter one. The median sales price of condominiums saw a 4% increase since last quarter.

Single Family Sales



Apartment Market

Stamford's apartment market is constantly under development and in high demand. This quarter an average of 92% of the 11,033 units in Stamford were occupied. To match the influx of people moving into the city for work, 1,608 apartments are currently under construction and 2000 more have land use approvals within the city. Of the 11,033 units open, 2,411 are in the Harbor Point/South End area, 5,387 are in the Downtown area, and 824 others are in the Waterside area.

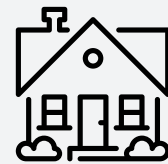
Average Cost

- Studio: \$1,631
- Small 1 Bedroom: \$2,095
- Large 1 Bedroom: \$2,094
- Small 2 Bedroom: \$2,550
- Large 2 Bedroom: \$2,972
- 3 Bedroom: \$3,009

Stamford by the NUMBERS



36
Median Age



51,165
Housing Units



\$6 billion
Assessed Value of Commercial Property



\$10 billion
Assessed Value of Residential Property



AAA/Aa1
S&P and Moody's

Source: US Census Bureau, City of Stamford

Residential Construction

Residential building permits in Stamford increased 36.7 percent between Q1 and Q2 of 2016. Single family permits numbered 306 this quarter – including 3 new housing starts – and accounted for nearly 90% of the total residential permits issued during Q2 2016. There was a 41.7% increase in single

family housing permits issued between quarters, which is to be expected with construction no longer slowed by winter weather. Multi-family permits, however, dropped by 34.2% from the previous quarter, from 38 to 25 permits.



Park Square West Phase IV

Park Square West, located on 1011 Washington Boulevard is set to complete in the summer of 2018. The high-rise apartment building will be 15 stories high with 209 units and 156,100 square feet of luxury residential space.



Rippowam Place

Rippowam Place, located on 900 Washington Boulevard, is set to complete in the summer of 2017. The luxury dormitory building will bring 118 residential units, 1,500 square feet of retail space, and 4,200 square feet of restaurant space to Downtown Stamford.



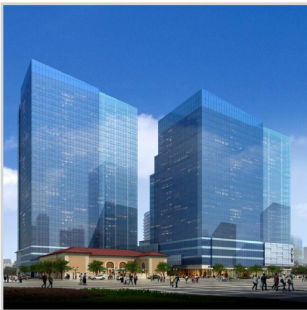
Metro Green Phase III

Metro Green, located on 717 Atlantic Street, is set to complete in the fall of 2017. The 231-unit apartment building is a mixed-income housing project that will have ranging house affordability. Metro Green strives to provide environmentally-friendly housing to the City of Stamford.



Midtown Estates

Midtown Estates, located on 20 Third Street, is set to complete in the summer of 2017. The 23-unit luxury townhouse will bring 47,300 square feet of residential space to the Ridgeway neighborhood of Stamford.



Atlantic Station

Atlantic Station, located on 421 Atlantic Street, is set to complete in the spring of 2018. With 650 rental apartments, and 50,000 square feet for retail and restaurants, the two Atlantic Station buildings will be a mixed-use development for both luxury residential living and dynamic retail.



West Gate Townhomes

West Gate Townhomes, located on 220 West Avenue, is set to complete in the spring of 2018. The 32-unit luxury townhouse community will have 50,000 square feet of space for residential living.



1000 Commons Park N

1000 Commons Park N, located next to Commons Park in Harbor Point, is set to complete in the spring of 2018. With 16 stories and 365,000 square feet of space, the residential building will house 258 one-bedroom apartments, 125 two-bedroom apartments, and eight studios.



Bedford Hall (Completed)

Bedford Hall, located on 545 Bedford Street, was completed in June 2016. The 82-unit apartment complex is mainly comprised of one-bedrooms and two-bedrooms, all with private terraces.

Consumer Activity

Consumer Confidence

Consumer Confidence hit 98 in June, pushing beyond its expected value of 93.7 for the month and higher than May's revised figure of 92.4. Economists expected Consumer Sentiment to hit 94 this month – preliminary readings showed 94.3, but final readings for the month dropped to 93.5. Both of these values are lower than May's final reading of 94.7, and the sudden mid-month drop is likely tied to fluctuations in the global economy due to Britain's

recent decision to leave the European Union. This change in both statistics indicates that consumers are optimistic about the present, but show concern for the long-term economy.

The New England Region, which includes Connecticut, reported a Consumer Price Index for All Urban Cities (CPI-U) of 260.809. The index has been on the rise since its reported value of 257.215 in January 2016.

Employment Activity

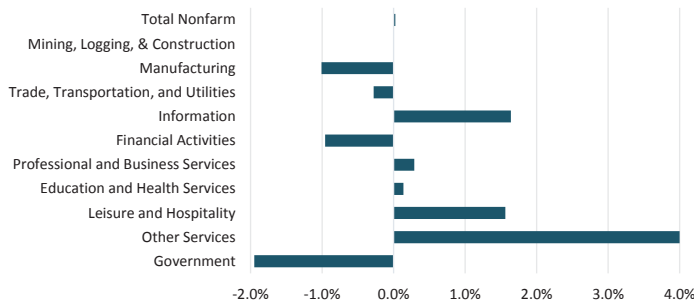
The mean hourly wage for an employee in the Bridgeport-Stamford Labor Market Area (LMA) is \$30.64, compared to an average of \$27.54 for the state of Connecticut.

Employment in the City of Stamford has grown at a rate of 1.1% since Q2 2015, beating a 0.5% increase across the state while falling short of the 1.7% increase in employment across the nation. The Leisure & Hospitality and Information industries reported the second-largest job growth in the LMA, with increases of 1.6% from 44,800 to 45,500 jobs and from 12,200 to 12,400 respectively. Other Services saw the greatest increase at 4.0%. The largest drop in employment was seen in the Government supersector, which fell 1.9% from the previous year, losing 900 jobs. Manufacturing (-1.0%), Financial Activities (-1.0%), and Trade, Transportation, and Utilities (-0.3%) also saw their numbers drop. Other Services had the greatest increase in jobs statewide, adding 1,100 jobs for an increase of 1.7%.

Connecticut has added 700 non-farm jobs since last year and lost a total of 1,200 government positions. This drop, while consistent with previous years, is noticeably lower than in the past—only half as many government jobs were lost this year compared to the 2,400 positions lost last year.

Employment Growth by Industry Q2 2016

Bridgeport-Stamford-Norwalk 12-Month % Change, Seasonally Adjusted



Source: US Bureau of Labor Statistics

Industry Cohorts

FINANCE, INSURANCE, & REINSURANCE



DIGITAL MEDIA



HEALTHCARE



REAL-ESTATE



CONSUMER GOODS



Unemployment

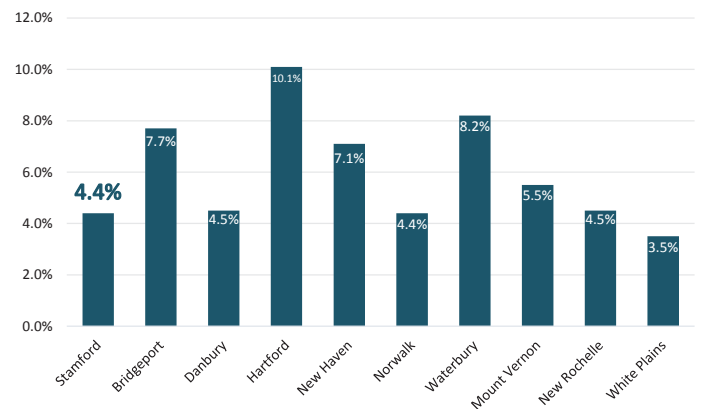
Stamford possesses the lowest unemployment rate out of the five most populous cities in Connecticut. The city's unemployment rate saw a slight year-over-year decrease from 4.6% in Q2 of 2015 to 4.4% in Q2 of 2016. Unemployment decreased by 0.6% from the previous quarter, matching the quarterly changes that have happened between Q1 and Q2 in the past two years. State unemployment followed a similar trend, falling 0.3% from where it was last year and half a percent from the previous quarter. The national unemployment rate experienced a 0.4% drop from last year and remained unchanged from the previous quarter, currently standing at 5.1%. Stamford's labor force exceeded 71,000 people for the first time this year, with nearly 68,000 of those people currently employed.

Labor Statistics

	Labor Force	Employed	Unemployed	Unemployment Rate
Q2 2015	70,448	67,207	3,241	4.6%
Q2 2016	71,046	67,921	3,125	4.4%

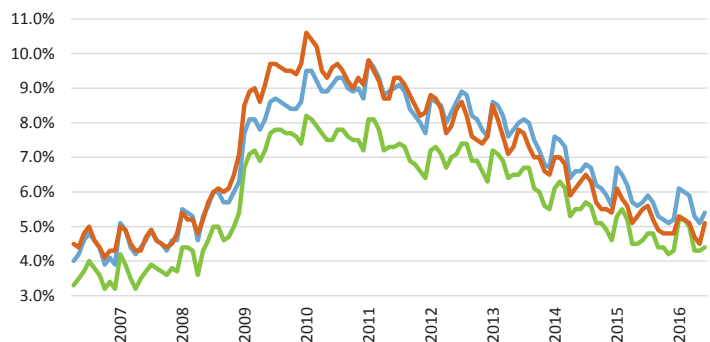
Source: CT Department of Labor

Unemployment Rate Q2 2016



Source: CT Department of Labor, NYS Department of Labor

Historical Unemployment



(not seasonally adjusted) — Stamford — Connecticut — US

Source: CT Department of Labor, US Bureau of Labor Statistics

FORTUNE 500 & 1000 COMPANIES

Stamford represents Connecticut's engine for economic development because of its diverse cluster of corporations. The city is home to four Fortune 500 and five Fortune 1000 companies, as well as numerous other internationally established corporations, making it one of the largest financial centers in the New York Metropolitan Area outside of New York City itself. This concentration of businesses in Stamford and its continuous development of apartments add to its appeal for new business and young talent.

- #292
Charter Communication
 Revenues (\$M) - \$9,754
 Telecommunications
- #419
Harman International Industries
 Revenues (\$M) - \$6,155
 Electronics, Electrical Equipment
- #440
United Rentals
 Revenues (\$M) - \$5,817
 Miscellaneous
- #444
Starwood Hotels & Resorts
 Revenues (\$M) - \$5,763
 Miscellaneous
- #617
Silgan Holdings
 Revenues (\$M) - \$3,764
 Packaging, Containers
- #634
Pitney Bowes
 Revenues (\$M) - \$3,578
 Computers, Office Equipment
- #782
Crane
 Revenues (\$M) - \$2,741
 Industrial Machinery
- #927
Gartner
 Revenues (\$M) - \$2,163
 Information Technology Services
- #989
Cenveo
 Revenues (\$M) - \$1,921
 Publishing, Printing

Bond Rating

The city has consistently been awarded a AAA and Aa1 rating, the highest possible bond rating from credit rating agencies Standard and Poor's and Moody's. The ratings indicate that Stamford's debt level is considered low and manageable, with a stable outlook. These ratings are only given out to the highest-qualified municipalities and states, and indicates that city's financial status is a strong one. Stamford will be allowed to borrow funds at a lower rate than municipalities with lower ratings.

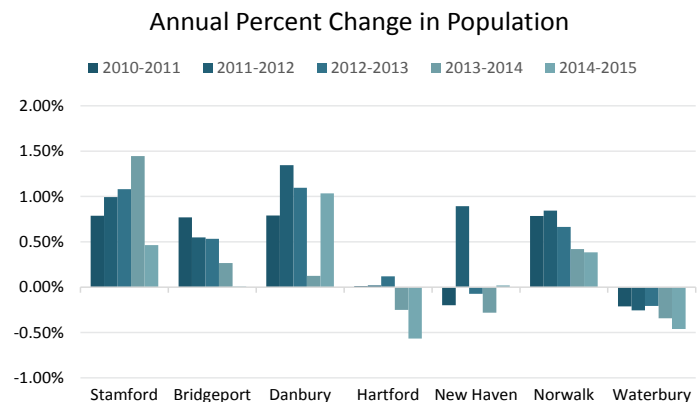
Municipal Bond Rating

	Standard & Poor's	Moody's
Stamford	AAA	Aa1
Norwalk	AAA	Aaa
Bridgeport	A	A2
New Haven	A-	Baa1
Hartford	BBB	Ba2
Waterbury	AA-	A1

Source: OPM Municipal Fiscal Indicators, Bond Ratings (November 2016)

Population

The city's appeal has played a considerable role in the continued growth of its population. Stamford has experienced 0.46% growth in population since last year and 4.04% in the last five years, reaching a current total estimate of 128,877 people. With an average increase of over 1,100 people per year for the last five years and a 9.19% increase in population over the last decade, Stamford's growth surpasses that of all other cities in the surrounding LMA. Stamford's population is expected to surpass New Haven in the near future, as New Haven's numbers have continued to stagnate and decline this year. New Haven fell to a four-year low of 130,310 – only crawling 0.02% above where it was last quarter and 0.55% above its total population in 2011. Hartford and Waterbury also show a decline in population, with Hartford at -0.68% and Waterbury showing a -1.26% change since 2011. Of these four, Stamford is the only city to experience a significant positive change this quarter, as well as the only city with a net positive change of more than 0.6% from its numbers in 2011.



Source: US Census Bureau, American Community Survey 1-Year Estimates



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City of Stamford – Department of Economic Development

888 Washington Boulevard Stamford, CT 06901

Contact: John Varamo

Economic Development Analyst

Phone: (203) - 977 - 4693

Email: jvaramo@stamfordct.gov