



**CITY OF
STAMFORD**
Innovating since 1641



2016

Q3 REPORT

Economic Development Activity

Q3 Overview

Stamford, CT's Engine for Economic Development

Stamford is the state's driving force for economic growth and serves as its largest business center. The city differentiates itself from neighboring municipalities as a pre-eminent location for corporate headquarters and allows residents to live, work, and learn in an affordable New York metropolitan area. Stamford's business friendly culture has allowed the city to foster a diverse league of employers across multiple industries, including insurance and reinsurance, office equipment, healthcare, consumer products, media information, technology, and retail.

New Companies

In the third quarter, WestMed Medical Group took a 33,465 SF (square foot) lease at 1281 East Main Street. Serendipity Labs opened a co-working location at 700 Canal Street, bringing in 30 people.¹ Three additional companies expanded their existing footholds in Stamford. Tradition Energy expanded to 22,000 SF of space at 9 W Broad, designed to accommodate 190 employees.² Stamford Hospital also continued to expand within the city, taking a 46,000-square-foot building at 292 Long Ridge Road; the hospital is expecting 25 doctors and 50 support staff members to be located there.³ Point72 Asset Management built another 20,000 SF of space at 43 Gatehouse Road, adding 75 employees on top of the 550 already there.⁴

Employment

Stamford maintains an unemployment rate of 3.8%, one of the lowest among the five most populous cities in the state of Connecticut. Stamford's continued development and affordability appeal to many, particularly millennials who look to build their lives in the New York Metropolitan area.



Stamford Hospital Opens

The new Stamford Hospital officially opened its doors in late September. Towering above its surroundings, the recently completed 650,000 SF building is outfitted with the latest in medical and patient care technology and is designed to maximize efficiency and quality of life for patients and visitors.

The additional space has allowed Stamford Hospital to reorganize some of its departments into their own designated areas, which will enable more patients to receive the specialized treatment they require. One such department is Heart and Vascular Care, which received its own 27,000 SF single-care wing with two labs dedicated to cardiovascular diagnosis and treatment. The hospital's emergency department has also doubled in size to 48,000 SF, and now has separate entrances for ambulances and walk-ins to allow for faster response time. A helipad on the roof of the hospital connects directly to the building's trauma center via elevator, allowing for quicker transportation of patients in need. Once admitted to the hospital, technology and equipment in each room minimizes the need to move patients for tests and imaging.



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 2011.⁵ 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.

Residential Real Estate

Along with maintaining the highest volume of home sales in Fairfield County, Stamford was one of three locations among the eight municipalities to see increases in single and multi-family homes in the third quarter. Single-family homes saw a 0.4% increase in median sales from \$575,000 this quarter, up from \$572,000 in quarter two. The median sales price for multi-family homes was \$495,000 this quarter, up 5.3% from \$470,000 in the previous quarter and 11% from \$440,000 in quarter one. Stamford has consistently outpaced the entire county in the number of condominiums sold in each quarter.

The new building includes 180 personal rooms for patients, with features such as private bathrooms and pull-out couches for overnight guests that provide comfort and are intended to make the hospital visit less stressful. Other parts of the building's design, including a focus on natural light, calming colors, works of art, and noise reduction all adhere to the hospital's "Planetree philosophy," a doctrine that states that care is dedicated to the physical and emotional well-being of the patient above all else. Even some of the major facilities in Stamford Hospital were created with this philosophy in mind, as the emergency department has been split into two separate departments – a standard area for adults, and one specifically for children that was designed to ease the tension of the hospital atmosphere.

All of these practices and new innovations promise to make Stamford Hospital an effective and successful healthcare center for not just the city, but the entire region.

City of Stamford

Economic Headlines

Stamford Advocate- UConn Called Key to Stamford's Business Future

"The University of Connecticut maintains its headquarters upstate, but its brand is quickly growing in the state's southwestern corner."

Stamford Advocate- Stamford Predicts Driverless Future in Stamford

"Most Stamford workers who commute in their cars still have to take the wheel to reach their destination. But perhaps not for much longer."

Stamford Advocate- Stamford Leads State in Business Growth - But Some Want More

"By most measures, Stamford stands out among Connecticut's cities for its economic growth. That profile also attracts intense scrutiny as to whether the city's economy is reaching its potential."

Hartford Business- Uber Introduces Another New Service in CT

"Known for its on-demand transit services, Uber is rolling out scheduled appointment rides in Hartford and select Connecticut cities."

Stamford- Point72 to Expand Stamford Headquarters

"After announcing last month the move of its Manhattan operations, the family office that manages the assets of billionaire hedge fund manager Steven A. Cohen is planning to expand its Stamford headquarters." (550 Employees)

Stamford Advocate- Region Plays Large Role in State's Bet on Bioscience Jobs

"Known for its on-demand transit services, Uber is rolling out scheduled appointment rides in Hartford and select Connecticut cities."

Office Market

246K +

Leasing Activity (SF)

73

A Class Buildings

66

B Class Buildings

\$40.38

Direct Asking Rent (\$/SF)

Office Market Overview Leasing

Stamford was on track with Fairfield County during Q3 in leasing activity. The prevalence of smaller-sized deals, coupled with a lack of transactions of more than 100,000 square feet kept leasing activity below average. Leasing activity in Stamford was 246,334 SF, down from 418,468 in quarter four. The Non-Central Business District (CBD) submarket captured a majority of leasing activity, jumping more than 73,000 SF from last year. In contrast, Stamford's CBD saw a decline of 309,424 SF from last quarter, with Johnston Asset Management's 12,467 SF deal at 300 Atlantic Street being its largest transaction for the quarter.

A significant amount of leasing and sales activity in Stamford was in the medical sector. WestMed Medical Group took a new lease and Stamford Integrated Health Practices traded for \$17.5 million

to Anchor Health Properties, a company devoted to the development of medical facilities.

Availability declined slightly from 23.85% in Q2 to 23.65% this quarter, however, absorption still fell 37,747 SF during the third quarter due to large blocks of empty spaces.

Sales

Two key sales transactions took place this quarter. First was the acquisition of 1 Atlantic Street by Stone Harbour Investment Management from Citizen's Bank on August 9th. The 83,000 SF⁶ building was 94%⁷ occupied at the time of the sales. The second transaction was the acquisition of the 292 Long Ridge Road property by Anchor Health Properties, a Charlottesville, Virginia-based firm. The firm plans to own and maintain the 46,392 SF building long-term to a class-A status.⁸

Key New Lease Transactions

Tenant	Building	Type	Submarket	SF	Industry	Class
AON Corporation	1600 Summer St.	Renewal	Stamford Non-CBD	47,140	Finance/ Insurance	A
Bobby Valentine Sports Academy	4 Riverbend Dr.		Stamford Non-CBD	35,500	Sports & Entertainment	B
WestMed Medical Group	1281 East Main St.	New Lease	Stamford Non-CBD	33,465	Healthcare	B
Dano Enterprises Inc.	4 Riverbend Dr.		Stamford Non-CBD	22,968	Wholesale Trade	B
Get Air	11 Riverbend Dr.		Stamford Non-CBD	20,312	Sport & Entertainment	B
Johnston Asset Management	300 Atlantic St.		Stamford CBD	12,467	Finance/ Insurance	A

Key Sales Transactions

Building	Submarket	Sale Price	Price/SF	SF
1 Atlantic Street, Stamford	Stamford CBD	2,900,000	\$117	83,000
292 Long Ridge Rd.	Stamford Non-CBD	\$17,750,000	\$383	46,392

Source: Cushman & Wakefield, Newmark Knight Frank

Residential Real Estate

Single-Family Homes

Stamford single-family home sales surged in quarter three. There were 203 sales, up 12.3 percent from 178 sold in quarter two. Seven single-family homes were started this quarter; up from three starts in the previous quarter. Stamford was one of three locations among the eight municipalities that experienced an increase in sales in quarter three. In addition to the surge in the number of sales closed, the median sales price increased by 0.4%. Median sales price was 575,000 this quarter; up from \$572,000 in quarter two.⁹ In relation to the county, Stamford outpaced most towns in sales, but didn't see the same average and median sales price increases. In Q3, Fairfield County saw an average sales price of \$721,709, up 9.5% from Q2.

Multi-family Homes

Multi-family homes have experienced consistent increases in median sales price over the past three quarters. The quarter ended at \$495,000, up 5.3% from \$470,000

in quarter two and 11% from \$440,000 in quarter one.

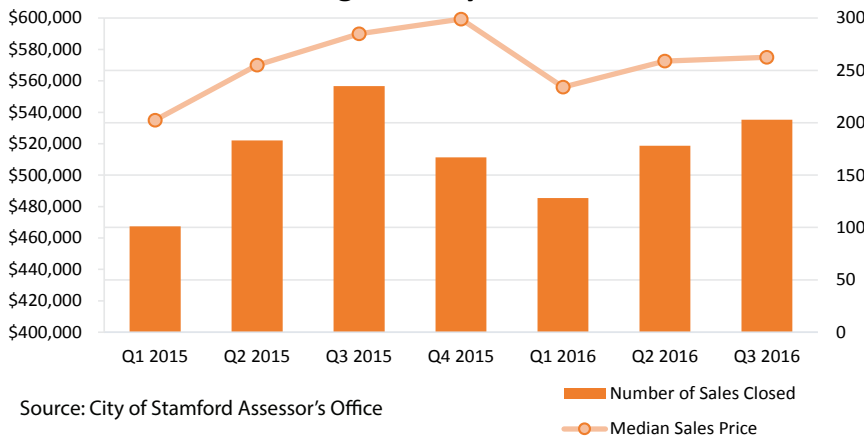
Foreclosures

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 1363 homes facing foreclosure, while the state average is currently 1 in 1189.¹⁰

Condominiums

Stamford condominiums experienced declines in the median sales price of each condo unit moving from \$326,000 in quarter two, to 319,000 this quarter. Fairfield County saw similar year-over-year declines from \$359,964 in Q3 of 2015 to \$339,636 in this quarter. Despite this decline, Stamford held the most condo sales in the county and experienced a year-over-year increase of 10% in quarter two.

Single Family Sales



Apartments Market

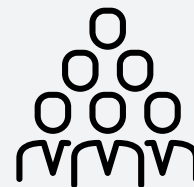
Demand for apartments in both Fairfield and New Haven counties is high this quarter, as both locations are rushing to provide housing for the influx of recently hired employees looking to relocate closer to their new workplaces. These apartments are also highly sought after by those wishing to take advantage of their close proximity to the New York City area and its job market. Connecticut rentals are preferred over those in New York, even with the price of commuting factored into the cost, as the average rent in Fairfield and New Haven remains approximately \$2,000 less per month than that in New York City.

Due to the increased demand for housing this quarter, average effective rent is expected to increase by 1.6 percent to \$1,635 per month. By comparison, rent was \$1,609 per month at the end of 2015; a growth of 18.3% since 2011. An estimated 2,100 apartments – falling below last year's total of 3,550 – were built in Fairfield and New Haven counties, with development focusing on the Stamford area. Demand is expected to outpace the increase in supply, lowering vacancy rates as average effective rent increases. Vacancy will be at 3.4% this year, about where it was at the end of last year.¹¹

Stamford by the NUMBERS



36
Median Age



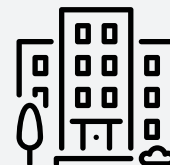
129,113
Population



\$79,359
Median HH Income



AAA/Aa1
S&P and Moody's



3,608
Apartments in development

Source: US Census Bureau, City of Stamford

Residential Construction

Residential building permits in Stamford increased by 3.2 percent between the Q2 and Q3 of 2016. Single family permits numbered 314 this quarter– including seven new housing starts– and accounted for just under 90% of the total resi-

dential permits issued during Q3 2016. There was a 2.6% decrease in single family housing permits issued between quarters. Multi-family permits rose by 48% from the previous quarter, from 25 to 37 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.



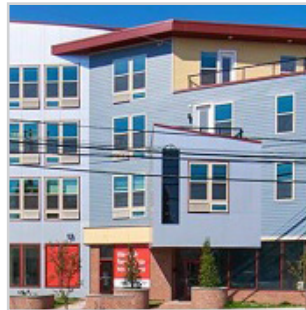
West Gate Townhomes

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.



Stamford Hospital (Completed)

The Stamford Hospital, located on 1 Hospital Plaza, underwent an expansion project which was completed on September of 2016. The 640,000-square-foot medical center cost an estimated \$450 million. The project was completed in a single phase to expedite the process.



1032 Hope Street (Completed)

1032 Hope Street, located in the neighborhood of Springdale, was completed on July 2016. The 88-unit apartment building also houses 2,200 square feet of retail space.

Consumer Activity

Consumer Confidence

Consumer Confidence hit 104.1 in September, pushing beyond its expected value of 99 for the month and higher than August's reading of 101.8. Economists expected Consumer Sentiment to hit 90, but it instead rose to a level of 91.2 – still above its value of 89.8 in August. This growth in consumer optimism is surmised to be the result of a few different factors, primarily due to upper income households

expecting a decline in inflation and more consumers believing that jobs have been more available and easier to get in the past month.¹²

The New England Region, which includes Connecticut, reported a Consumer Price Index for All Urban Cities (CPI-U) of 262.606. The index has been on the rise since its reported value of 257.215 in January 2016.¹³

Employment Activity

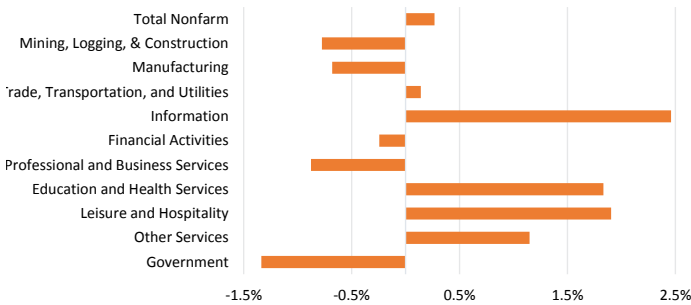
The mean hourly wage for an employee in the Bridgeport-Stamford Labor Market Area is \$30.64 compared to an average of \$27.54 for the state of Connecticut.¹⁴

Employment in Stamford grew at a rate of 1.3% since Q3 2015, beating a 1% increase across the state while falling short of the 2% increase in employment across the nation.¹⁵ The Leisure & Hospitality industry reported the second-largest job growth in the LMA, with an increase of 1.9% from 42,000 to 42,800 jobs; Information saw the greatest increase at 2.5%. The largest drop in employment was seen in the Government supersector, which fell 1.3% from the previous year, losing 600 jobs. Professional and Business Services (-0.9%), Construction, Mining, and Logging (-0.8%), Manufacturing (-0.7%), and Financial Activities (-0.2%) also saw their numbers lower. Leisure & Hospitality had the greatest increase in jobs statewide, adding 3,700 jobs for an increase of 2.5%.

Connecticut has added 7,900 non-farm jobs since last year and lost a total of 3,700 government positions, its largest Q3 decline in government employment since 6,200 positions were lost between 2008 and 2009. This drop in employment has been consistent with a decrease in government spending.¹⁶

Employment Growth by Industry Q3 2016

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



Source: US Bureau of Labor Statistics

Major Employers

EMPLOYERS	EMPLOYEES	RANK
City of Stamford	3,174	1
Stamford Hospital Systems	2,700	2
Stamford Town Center	1,850	3
Gartner	1,300	4
Charter Communications	1,000	5
Deloitte	971	6
UBS AG	800	7
Indeed	750	8
NBC Sports	700	9
WWE	700	9
Total	13,945	

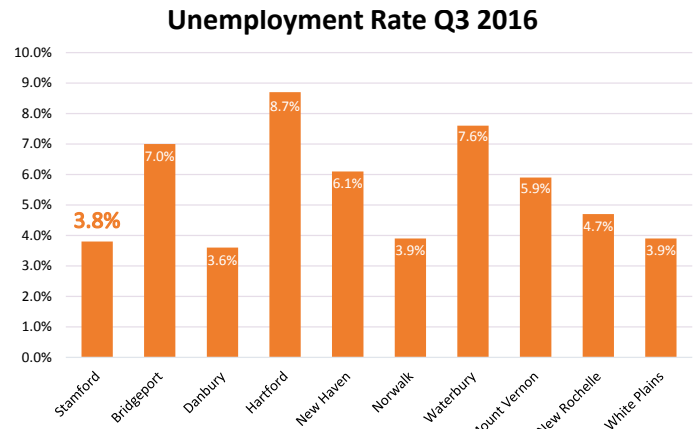
Unemployment

Stamford continues to hold the lowest unemployment rate out of the five most populous cities in Connecticut. The city also boasts the highest number of employees in the state at 66,777 people, with comparable cities such as Bridgeport and New Haven trailing behind by over 1,300 employees. Unemployment in Stamford decreased by 0.6% – from 4.4% in Q3 of 2015 to 3.8% in Q3 of 2016 – its lowest recorded value and first drop below four percent since 2008. The state of Connecticut likewise reached its lowest value in the past eight years this quarter at 4.6%, also its first drop below five percent in that time. Hartford, Norwalk, New Haven and other Connecticut cities saw similar declines of 0.6% or higher, consistent with a 0.6% drop for Fairfield County and a 0.7% decrease in unemployment rate for the entire state. Cities in Westchester County on the other hand saw only minor decreases at best, with Mount Vernon experiencing the largest decline at 0.3%. New Rochelle only saw a minor drop of 0.1%, while unemployment in White Plains actually increased by 0.2%. The country as a whole saw a minimal decline of only 0.1%, dropping the national unemployment rate to 4.8%. This marks the first time that Connecticut's unemployment rate has fallen below the national level since February 2012.¹⁷

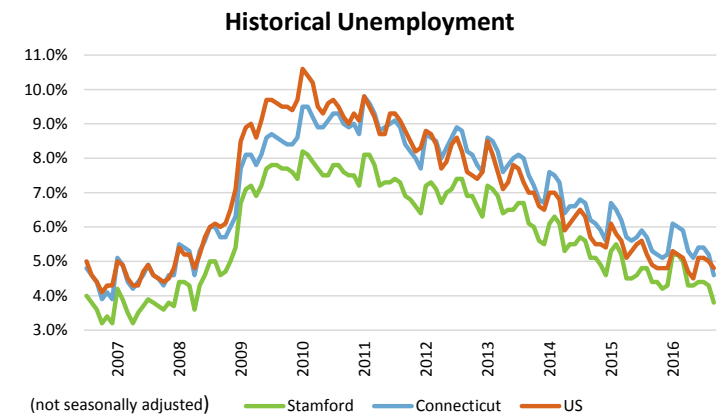
Labor Statistics

	Labor Force	Employed	Unemployed	Unemployment Rate
Q3 2015	68,923	65,902	3,021	4.4%
Q3 2016	69,401	66,777	2,624	3.8%

Source: CT Department of Labor



Source: CT Department of Labor, NYS Department of Labor



(not seasonally adjusted) — Stamford — Connecticut — US
Source: CT Department of Labor, US Bureau of Labor Statistics

Budget Report Highlights

The city's net position (including government and business type activities) increased by \$15.9 million, to \$332.5 million in 2016, meaning its total assets and deferred outflows were greater than its total liabilities and deferred inflows. The increasing level of the city's net position reflects its overall financial strength.

Governmental activities, which includes the city's expenditures on education, health and welfare, public safety, and community services ended with a balance of \$252.3 million, an \$11.3 million increase from \$240.9 million in 2015. Governmental activities makes up 96% of all expenditures. Of those expenditures, education accounted for 53.5%, health and welfare accounted for 5%, public safety accounted for 22%, and community services for 1.6%. The remainder was allocated to operations, legal affairs, administration, and interest.

The city's long-term debt increased by \$40.8 million to \$559.3 million in 2016. However, the city's debt is considered "low" by Standard & Poor's and "manageable" by Moody's Investors Service, who currently rate the city's outstanding debt AAA and Aa1, respectively with a "stable" outlook from booth rating agencies.

Revenues totaled \$656.9 million. Approximately 73% of revenues derived from property taxes, while about 17.3% of revenues were derived from operating and capital grants and contributions, and the remainder, about 9.7%, came from charges for services, investment earnings, and other sources.¹⁸

Net Position

	2014	2015	2016
Total Net Position	\$299.9 million	\$316.6 million	\$332.5 million
Change in Net Position	+\$21.6 million	+16.7 million	+15.9 million

Revenues

	2014	2015	2016
Property Taxes	\$447 million	\$460.2 million	\$479.5 million
Operating Grants & Contributions	\$94.2 million	\$86.1 million	\$91.6 million
Charges for Services	\$51.1 million	\$55.7 million	\$53.2 million
Capital Grants & Contributions	\$25.2 million	\$14.7 million	\$22.2 million

Source: City of Stamford Audit (Fiscal Year End June 2014-2016)

1. Stamford Advocate, "Serendipity Labs Offers Latest Shared Workspace in Stamford"
2. Stamford Advocate, "Tradition Energy in New Stamford Office Space"
3. Business Wire, "New Stamford Hospital Opens, Bringing New Era of Care to the Region"
4. Stamford Advocate, Point72 to Expand Stamford Headquarters
5. US Census Bureau, American Community Survey 1-Year Estimates
6. Newmark Knight Frank
7. Stamford Advocate, "Citizens flips 1Atlantic to Stamford investor"
8. Stamford Advocate, "Sale of Stamford Health office building among largest this year"
9. City of Stamford

10. RealtyTrac.com
11. All data from ReBusiness article
12. CNBC, "Consumer Confidence Index surges to 104.1 in September vs. estimate of 99" & "Consumer sentiment hits 91.2 in September vs. 89.8 estimate"
13. CT Department of Labor Occupational Employment and Wages
14. National Stats from BOLS, Rates not seasonally adjusted
15. US Bureau of Labor Statistics. LMA stats not seasonally adjusted, CT stats seasonally adjusted
16. CT Department of Labor LAUS, not seasonally adjusted
17. City of Stamford Audit (Fiscal Year End June 2014 - 2016)

TOP CITY EXPENSES

Education:

\$345.7 million

Public Safety:

\$141.8 million

Health and Welfare:

\$32.3 million

Community Services:

\$10.6 million

TOTAL EXPENSES: \$670.8 million



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