



2016

Q4 REPORT

Economic Development Activity

Q4 Overview



Leadership

Stamford continues to prove itself as a leader in business, job growth, entrepreneurship, innovation, and overall quality of life within Fairfield County and the state. As the state's engine for economic growth and its largest business center, Stamford is a pre-eminent location for corporate headquarters and residents looking to live, work, learn, and play in an affordable New York Metropolitan Area.

Business

Stamford is a business friendly city, made up of an ecosystem containing many Fortune 500 & 1000 companies. Businesses have access to tax incentives and credits such as the Enterprise Zone, Entertainment District, Urban Jobs, Film Production and Digital Media, and Insurance Reinvestment, as well as the Small Business Express loans and grants program.

New Companies

In Q4, Henkel announced plans to relocate from Scottsdale, Arizona to Stamford and Wilton, CT, taking 135,000 square feet (SF) of space at the BLT Center, which will create up to 266 new jobs in the city. Octagon Sports & Entertainment Agency also leased 57,992 square feet of space at 290 Har-

bor Drive in Shippan Landing, moving at least 150 people to the site. Other companies like Charter Communications and Willis Towers Watson continued to expand their presence in the city with leases of at least 30,000 SF.

Population & Labor Force

The city continues to see improvements in its workforce, reporting a 3.4% unemployment rate in quarter four – down from 4.3% this time last year. Stamford's unemployment rate is consistently the lowest among the five most populous cities in Connecticut and the major cities of Westchester County. The city's labor force added 201 people this quarter.

As more and more people relocate to Stamford, its population continues to grow. Currently at 128,877, the city has seen a growth rate of 4.04%, an average of over 1,100 people per year since 2011. Its growth dwarfs that of all four other members of the state's largest five cities. Stamford is expected to surpass New Haven in the near future, as New Haven's population grew by a miniscule 0.02% this year, following years of stagnation and decline. Waterbury and Hartford also show lower growth rates, with Waterbury at -1.26% and Hartford showing -0.68% since 2011.



Incentives: Enterprise Zone

Stamford, in accordance with the state of Connecticut, offers a variety of tax incentives that encourage business investment, particularly the Enterprise Zone. Eligible businesses are primarily engaged in bioscience, clean technology, cybersecurity technology, pharmaceuticals, photonics research, development or production.

Benefits include a 5-year, 80% abatement of local property taxes, and a 10-year, 25% or 50% credit on any portion of Connecticut's corporate business tax that is directly attributable to business relocation, expansion, or renovation. Businesses are also eligible for exemption from conveyance taxes.

Newly formed corporations located within the zone qualify for a 100% corporate tax credit for their first three taxable years and a 50% tax credit for the next seven taxable years. The corporation must meet one of two requirements: It must (1) have at least 375 employees - at least 40% of which must be either zone residents or residents of the municipality, or (2) have less than 375 employees - at least 150 of which must be zone residents or residents of the municipality.¹

Innovation Districts

The Economic Development Department, in association with the Stamford Partnership, is working on a presentation for CTNext, the state's business development entity, to be considered for a grant that will allow the development of innovation districts in the city.

If successful, the city may be eligible for an annual \$5 million grant for five years to create innovation districts. The innovation districts will be a number of geographic locations where startups, modern manufacturing businesses, coworking spaces, and gathering places are clustered in a cohesive neighborhood.

Key features of the district will include incubators and coworking spaces, an autonomous vehicle program that will allow the industry to grow in Stamford, access to a gigabit-based WiFi network that will provide speeds of up to 1,000 megabits per second, and shared experiences such as Downtown Special Services District's Alive @ Five summer concert series. The innovation district will ultimately contribute to the creation of an environment that attracts innovators, startups, and tech-oriented people.

City of Stamford Economic Headlines

Stamford Advocate- Henkel announces downtown location for Stamford HQ

"Henkel Consumer Goods Inc. announced this week it would lease 135,000 square feet at 200 Elm St. for its new North American headquarters, representing a major addition to the downtown economy."

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."

Stamford Advocate- Stamford Harbor Point apartment buildings sell for almost \$400 million

"A Manhattan real estate firm has acquired five apartment buildings in the Harbor Point development in the city's South End for approximately \$395 million, in Stamford's largest real estate deal since the last recession."

Westfair- RSM joining Henkel at Stamford's 200 Elm St.

"RSM, a global provider of audit, tax and consulting services, has signed a new 27,800-square-foot lease at 200 Elm St. in Stamford - the same building in which global detergent and home goods company Henkel recently announced it would relocate its North American headquarters."

Stamford Advocate- Synchrony, UConn teams up to fight cybercrime

"Consumer financial services firm Synchrony Financial and the University of Connecticut's School of Engineering announced Tuesday the launch of a Synchrony-funded Center of Excellence in Cybersecurity at the university, an initiative intended to support education and research in the field."

Office Market

470K+

Leasing
Activity (SF)

73

A Class
Buildings

66

B Class
Buildings

\$43.40

Direct Asking
Rents (\$/SF)

Office Market Overview

Leasing

While leasing activity slowed in Fairfield County, activity in Stamford surged to 470,333 square feet in the fourth quarter, up from 246,334 square feet leased in Q3, with a majority of the increased demand happening in the Stamford Central Business District (CBD) submarket.² Demand cooled in the Non-CBD submarket from 160,733 SF in Q3 to 144,104 SF. The volume of Stamford's leasing activity is indicative of the city's appeal to out-of-state tenants who have decided to make Stamford their home for business.

Stamford also saw a 4.3% increase from 22.9% to 27.2% in total availability rate. This spike in availability is potentially due to two major blocks coming online: GE Capital's 200,000-square-foot space at 201 High Ridge Road and Daymon Worldwide's 90,000-square-foot space at 700 Fairfield Avenue both opened up this

quarter. Absorption dropped from a value of 20,041 SF in Q3 to -698,951 SF this quarter, likely as a result of this new space becoming available. Despite increased availability rates, however, the demand for office space in Stamford remains high. This quarter saw a \$3.02 per square foot increase in direct asking rent for Class A and Class B office buildings in both Stamford's CBD and Non-CBD submarkets. Of the cities in Fairfield County, Stamford remained one of the highest in direct asking rent rates this quarter, second only to Greenwich.³

Sales

Two major sales took place in the Stamford Central Business District this quarter, the first of which was the acquisition of 1 Atlantic Street by Stone Harbour Investment Management from Citizen's Bank. The other was the purchase of the trio of buildings at 777 Summer Street, 733 Summer Street, and 612 Bedford Street for \$12.5 million.

New Lease Transactions

Tenant	Building	Type	Submarket	SF	Industry	Class
Henkel of America	200 Elm Street	New Lease	Stamford CBD	134,416	Consumer Products	A
Octagon Marketing	290 Harbor Drive	New Lease	Stamford Non-CBD	61,578	Professional & Business Services	A
A&E Television Network	208 Harbor Drive	New Lease	Stamford Non-CBD	49,624	Media/ Telecom	A
Charter Communications	400 Atlantic Street	Expansion	Stamford CBD	36,782	Media/ Telecom	A
Willis Tower Watson	3001-3003 Summer St.		Stamford Non-CBD	33,773	Finance/ Insurance	A
RSM McGladrey	200 Elm St.		Stamford CBD	27,800	Professional & Business Services	A
Harvest Hill Beverage Company	One High Ridge Park		Stamford Non-CBD	15,405	Wholesale Trade	A

Key Sales Transactions

Building	Submarket	Sale Price	Price/SF	SF
Summer & Bedford Street Portfolio	Stamford CBO	\$12,500,000	\$278	92,000
1 Atlantic Street, Stamford	Stamford CBO	\$2,900,000	\$117	83,000

Source: Cushman & Wakefield, Newmark Knight Frank

Residential Real Estate

Single Family Homes

Both Stamford and Fairfield County as a whole experienced declines in the single family home market in quarter four. Stamford saw a 5.9% decline in median sales price, moving from \$575,750 in quarter three to \$541,000 this quarter. The county witnessed a quarter-to-quarter drop of 9.8%, falling from a median sales price of \$467,750 in quarter three to \$422,000 this quarter. In spite of this drop, Stamford continues to lead the Fairfield County market in affordability and number of single family home sales closed. Three single family homes were started this quarter. Median sales price was \$541,000 and there were 176 total sales. Seven new homes were constructed last quarter.⁴

Multi-family Homes

Multi-family homes saw a modest increase in sales, moving from 22 homes sold last year and 20 in the previous

quarter to 25 sold this quarter. The median sales price was \$518,000, up 4.6% from \$495,000 last quarter.

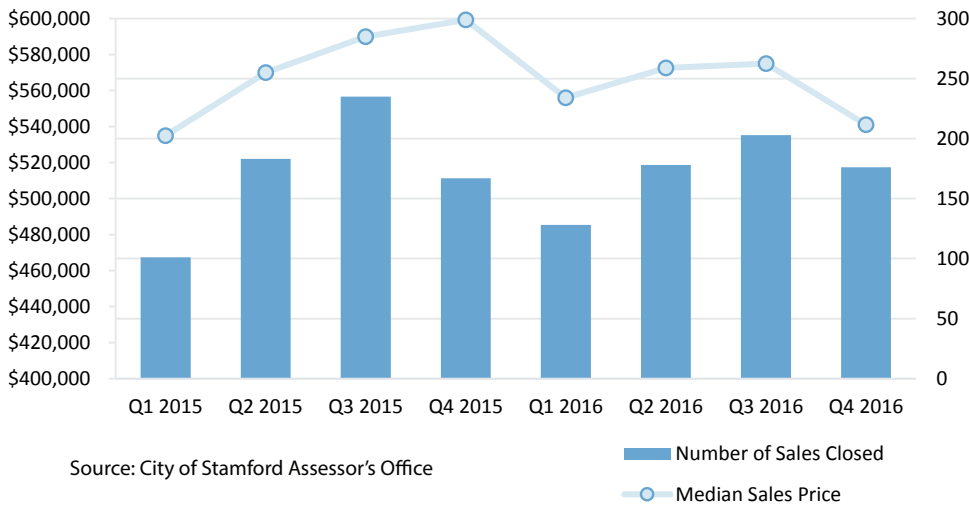
Foreclosures

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 1363 homes facing foreclosure, while the state average is currently 1 in 1189.⁵

Condominiums

The market for condominiums experienced a 4.6% decline in median sales price from the previous year. Despite this decline in prices, the number of condos sold saw a year-over-year surge at 168 units, up 20.23% from 134 sold in Q4 of 2015.

Single Family Sales



Apartment Market

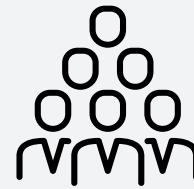
Stamford's apartment market is constantly under development and in high demand. This quarter an average of 92% of the 11,033 units in Stamford were occupied. To match the influx of people moving into the city for work, 1,608 apartments are currently under construction and 2000 more have land use approvals 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.

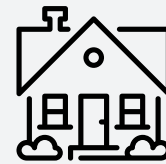
Average Cost

- 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



4.01%
Population Growth
(5 year Estimate)



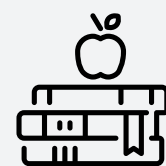
51,165
Housing Units



\$6 billion
Assessed Value
of Commercial
Property



\$11 billion
Assessed Value
of Residential
Property



\$345.7 million
Government
Expenses Toward
Education

Source: US Census Bureau, City of Stamford

Residential Construction

Residential building permits in Stamford decreased 28.5 percent between the Q3 and Q4 of 2016, as is typical for this time of year. Single family permits numbered 230 this quarter– including 3 new housing starts (most were renovations/additions to existing properties)– and accounted for over 90% of the total residential

permits issued during Q4 2016. There was a 26.8% decrease in single family housing permits issued between quarters. (... although single family accounted for a higher percentage of total residential permits this quarter) Multi-family permits dropped by 35.1% from the previous quarter, from 37 to 24 permits.⁶



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.



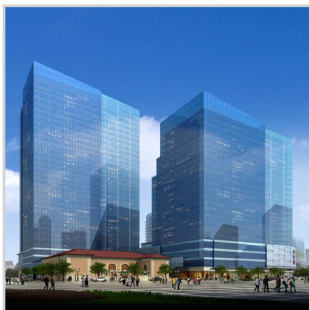
Metro Green Phase III

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.



Element One (Completed)

Element One, located on 111 Morgan Street, was completed in the fall of 2016. The 172-unit and 20,000-square-foot apartment complex is located in Downtown Stamford.

Consumer Activity

Consumer Confidence

Consumer Confidence in the US hit 113.7, pushing beyond its expected value of 109 for the month and reaching its highest level since August 2001. Economists expected Consumer Sentiment to hit 94.5, but it instead rose to a level of 98 – up from 93.8 in November. This surge in consumer optimism is suspected to be heavily due to the results of the recent presidential election, which is expected to have a big impact in the indices for the

upcoming months as well. This means most consumers look favorably on the U.S. economy.⁷

The New England Region, which includes Connecticut, reported a Consumer Price Index for All Urban Cities (CPI-U) of 261.675. The index has steadily increased since its reported 257.215 in January 2016, with the exception of a slight drop from its peak of 262.606 in September.

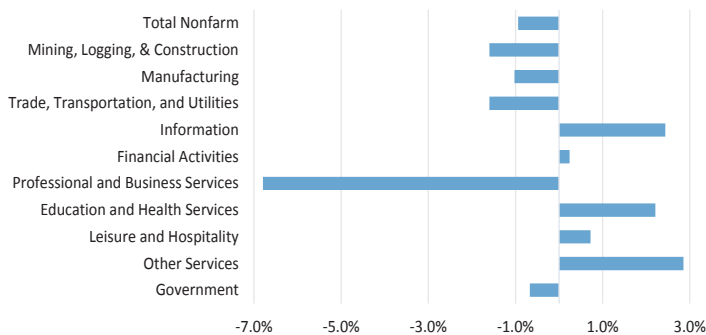
Employment Activity

Employment in Stamford grew at a rate of 1.3% since Q4 2015, above a near 1% increase across the state and just below the national increase of 1.5%.⁸ The Information industry reported the second-largest job growth in the Bridgeport-Stamford Labor Market Area, with an increase of 2.4% from 12,300 to 12,600 jobs; Other Services saw the greatest increase at 2.9%. The largest drop in employment was seen in the Professional and Business Services supersector, which fell 6.8% from the previous year, losing 4,700 jobs. Construction, Mining, and Logging (-1.6%), Trade, Transportation, and Utilities (-1.6%), and Manufacturing (-1.0%) also saw their numbers lower. Leisure & Hospitality had the greatest increase in jobs statewide, adding 1,100 jobs for an increase of 2.3%.

Connecticut has lost 200 non-farm jobs since last year and lost a total of 4,300 government positions, its largest Q4 decline in government employment since 6,500 positions were lost between 2008 and 2009.⁹

Employment Growth by Industry Q4 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

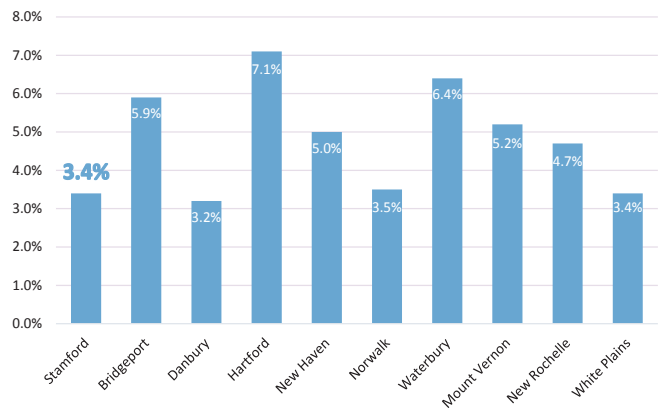
Stamford maintains the lowest unemployment rate among the five most populous cities in Connecticut, reporting numbers even lower than some of the major cities in the neighboring county of Westchester, New York. Unemployment rates in Stamford decreased by nearly 1% – from 4.3% in Q4 of 2015 to 3.4% in Q4 of 2016, reaching its lowest end-of-quarter value in the past decade. The city continues to outperform the areas that contain it– from Fairfield County up to the national level, Stamford has consistently held the lowest unemployment rate for over a decade: Fairfield hit an unemployment rate of 3.8% this quarter, while the state of Connecticut came in just above at 3.9% and the national unemployment rate reached a record low of 4.5%. While the unemployment rate is likely to see a small jump next quarter as it tends to do at the start of every year, the introduction of new companies such as Henkel, Octagon, and others promises a greater overall decline in unemployment by this time next year. The city's labor force has continued to grow, adding 201 more people since Q4 of 2015 and reaching a total of 69,525 people.¹⁰

Labor Statistics

	Labor Force	Employed	Unemployed	Unemployment Rate
Q4 2015	69,324	66,359	2,965	4.3%
Q4 2016	69,525	67,189	2,336	3.4%

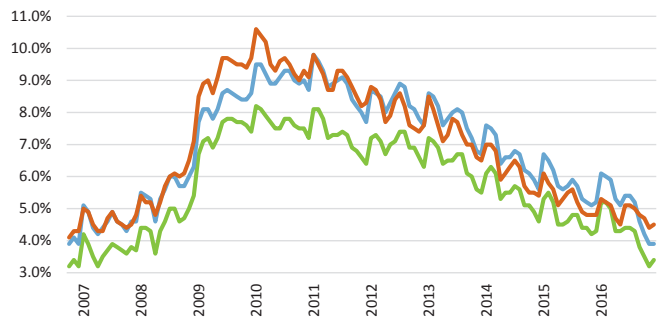
Source: CT Department of Labor

Unemployment Rate Q4 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

Safest City in the Northeast

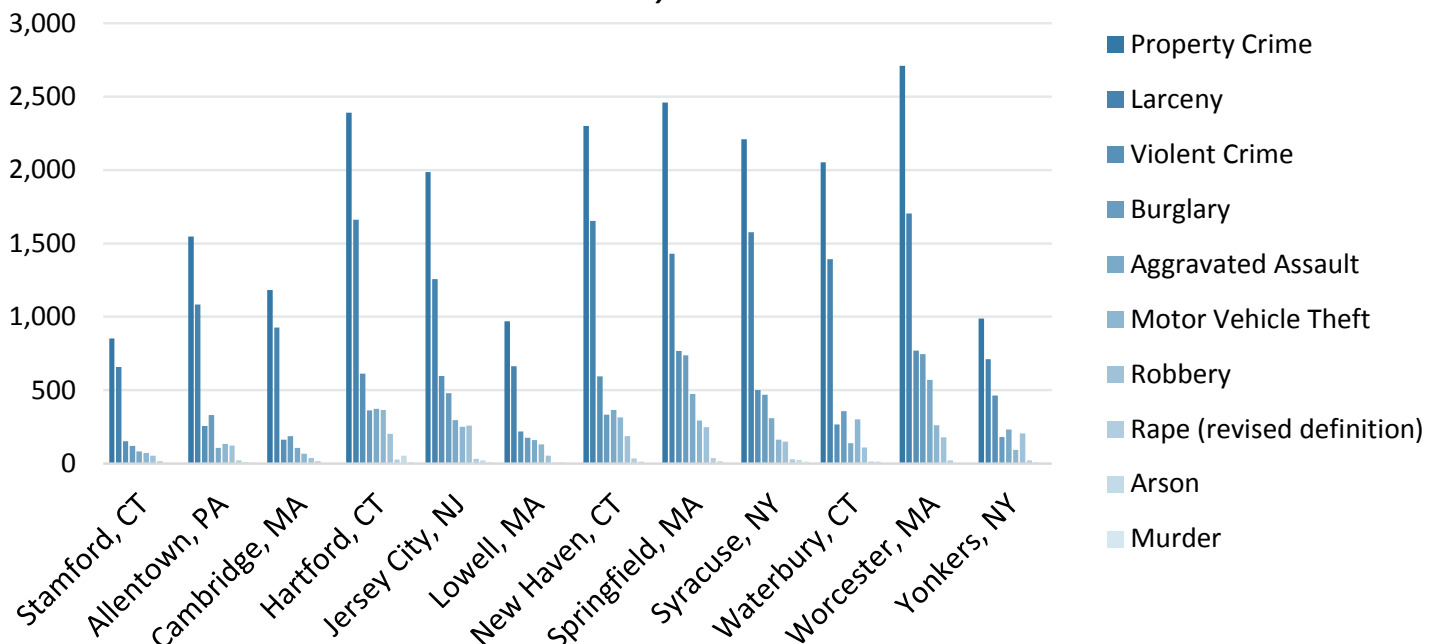
Stamford's population is on continually on the rise, showing a growth rate of 4.01% over the last 5 years in particular. This jump in size has caused a minor increase in crime rates, but the city remains the safest among other municipalities in Fairfield County. Out of violent crime, murder, rape, robbery, aggravated assault, property crime, burglary, larceny, motor vehicle theft, and arson, only murder and the latter two crimes reported numbers less than or equal to last year. Compared to last year, there were 25 more reported incidents of violent crime (for a total of 153 this year), 9 more incidents of rape (17 this year), 15 more robberies (54 total), 3 more cases of aggravated assault (82 total), 53 more case of property crime (851), 25 more burglaries (121), and 33 more cases of larceny (657). On the other hand, motor vehicle thefts dropped by 5 from last year (73 this year), while only one case of arson and no murders were reported this year.¹¹ The Stamford Police Department is also working on several initiatives to keep the city and its residents safe.

Under the guidance of Mayor David Martin, the Stamford Police have launched a number of programs to reduce the amount of crime in the city. Key initiatives in crime deterrence include the recently announced Crime & Gun Stoppers program and the

Blue Light Emergency Phone and Video Security Camera program introduced last quarter. The Blue Light program is a pilot program designed to take advantage of technology to ensure the safety of children, families, and adults in the City's parks and other public gathering places. With the completion of the program, security poles – equipped with emergency phones, cameras, and flashing blue lights – will be installed in key city parks recommended by the Parks and Recreation Commission.¹² The Crime & Gun Stoppers program allows members of the public to anonymously report possession of illegal firearms, with a cash incentive for every report that leads to an arrest. The program, supported by the Stamford Police Foundation, focuses on solving high priority violent crimes.¹³ As both of these initiatives were only implemented recently, they are not yet reflected in the given crime statistics – it remains to be seen what impact they will have on city crime rates.

While the number of reported crimes in the city is up from last year, the percentage of each offense (out of all total crimes reported) remains relatively stable.¹⁴ Violent crimes account for no more than a fourth of all offenses in the city, as larceny and property crime make up about 75% of the crimes committed in Stamford.

Offenses Reported to Law Enforcement January to June 2015-2016



Source: FBI Preliminary Semiannual Uniform

1. Department of Economic and Community Development.
2. Newmark Knight Frank, Fairfield County Office Market Q1 2017.
3. Ibid.
4. Ibid.
5. City of Stamford Building Department (stats from spreadsheets).
6. RealtyTrac.com.
7. CNBC, <http://www.cnbc.com/2016/12/27/consumer-confidence-for-december-2016.html> and <http://www.cnbc.com/2016/12/09/consumer-sentiment-for-december-2016.html>.
8. National Stats from BOLS, Rates not seasonally adjusted.
9. US Bureau of Labor Statistics, Stamford-Bridgeport LMA.
10. All city data from CT Department of Labor LAUS by Town.
11. FBI Preliminary Semiannual Uniform Crime Report, 2015 & 2016.
12. City of Stamford website.
13. Ibid.
14. FBI Preliminary Semiannual Uniform Crime Report, 2015 & 2016.



City of Stamford - Department of Economic Development

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