



**CITY OF  
STAMFORD**  
*Innovating since 1641*



2017

# Q2 REPORT

Economic Development Activity

# Q2 Overview

The City of Stamford emerged from Q2 as a leader for its business friendly environment, affordable residential and commercial real estate market, highly educated labor force, and financial performance.

## Business Environment

Stamford maintains a diverse ecosystem of businesses, including nine Fortune 500 and 1000 companies, spanning industries such as finance, insurance & reinsurance, digital media, healthcare, real estate, as well as consumer goods. These key industry sectors help maintain its position as the state's cornerstone of economic growth. In Q2 Stamford made headlines as an "American City of the Future," according to the Financial Times FDI unit, and as a prime location for financial technology by business leaders, as reported by the Stamford Advocate. In the last few months, a number of companies including Henkel, Octagon Sports and PartnerRe have announced plans to open major offices in Stamford. As the largest relocation in that group, Henkel intends to start with 266 employees this year at 200 Elm St. and expand to about 500 by 2018.

## Commercial Real Estate

The city's business friendly environment is complemented by its inventory of 16.2 million square feet of Class A and Class B corporate office space, more than any other municipality within Fairfield County and neighboring Westchester County. In Q2, Stamford experienced a 33.8% increase in leasing activity in part by Daymon Worldwide's new 41,464 square foot lease at 333 Ludlow Street and Indeed's 38,132 square foot expansion of its

177 Broad Street office. Significant activity was also seen from companies within the entertainment industry. World Wrestling Wrestling Entertainment, Inc. renewed its 24,547 square foot lease 1266 East Main Street, Yankee Entertainment & Sports Network renewed its 19,909 square foot space at 250 Harbor Drive, and The People's Court (Ralph Edwards/Stu Billett Productions) took a new 18,739 square foot lease at 470 West Avenue.

## Residential Real Estate

The strength of its residential real estate market is also an indicator of Stamford as a preeminent location for families and individuals who hope to build their lives affordably within the New York Metropolitan Area. Stamford consistently outperforms other municipalities within Fairfield County in the volume of homes and condominiums sold. In Q2, 203 homes were sold, up from 115 last quarter, and 178 last year this time. For condominiums, 186 were sold, up from 111 last quarter.

## Financial Stability

The health of Stamford's business ecosystem, its real estate market, and the quality of life of each resident is supported by its strong financial performance. The city has consistently been awarded a AAA bond rating from rating services Standard & Poor's and Fitch.

## Stamford - Recognized as City of the Future

Stamford was ranked seventh among 209 locations as an "American City of the Future" for its overall economic growth by FDi Intelligence, a division of the Financial Times that studies foreign direct investment. FDi ranks cities based on economic potential, human capital and lifestyle, cost effectiveness, connectivity, and business friendliness. In addition to its overall No. 7 ranking, Stamford placed second for its level of connectivity and ninth for economic potential among cities with populations between 100,000 and 350,000.

According to FDi, a highly connected city is one that has a significant number of airports within 80 miles of the city, ports of various sizes with large cargo and container traffic moving through them. They also boast a high number of mobile phone subscribers per 100 people, fast download/upload speeds, various products and services delivered to international destinations, and a high quality of overall infrastructure.

Economic potential was measured by the location's unemployment rate, population, annual population growth, gross domestic product (GDP), and annual GDP growth. In these areas, Stamford is exceptional among neighboring municipalities within the Bridgeport-Stamford Labor Market Area (LMA) and the third most populous city in Connecticut. The city's population currently stands at 129,311, with an annual growth rate of 5.3% since 2010. Seeing a 9.23% increase in population over the last decade, Stamford's growth surpasses that of all other cities in the surrounding LMA.

## Update on Innovation Places Grant

Stamford was officially designated an "Innovation Place" by CTNext, the State of Connecticut's venture capital arm. The city received a \$2 million implementation grant that will allow for the creation of an innovation district: a five-square-mile area encompassing the Downtown, and South End neighborhoods. This district will begin with the rebuilding of Veteran's Memorial Park, a \$5.8 million project primarily funded by the Downtown Special Services District, and will be supplemented by the CTNext grant. Over time, new districts will include the entire South End, parts of the West & East Side, as well as the Bedford and Summer Street corridor.

Innovate Stamford is an association comprised of the City of Stamford, the Stamford Partnership, Ferguson Library, Business Council of Fairfield County, Building and Land Technology, Downtown Special Services District (DSSD), and a number of other public and private partners. The members all share a vision to create a city that is collaborative, walkable, digitally enabled, and connected to New York and other Connecticut cities via the Stamford Transportation Center.

Some key initiatives that will be supplemented by CTNext's grant include building an innovation community through wayfinding and delivering public access to high-speed 1GB+ public WiFi. Priority will also be given to accelerating innovation capacity by providing young companies with access to mentoring by organizations like RBS's Natwest Markets.

## City of Stamford

# Economic Headlines

### Stamford Advocate – Business leaders see Stamford as future financial-tech hub

“Technology is transforming Stamford’s most important industries and local business and community leaders want the city to lead the changes.”

### Stamford Advocate – Stamford, New Haven among ‘Innovation Places’ grant winners

“CTNext selected Stamford as one of four Connecticut regions to receive funding under the Innovation Places competition to spur entrepreneurship”

### American Cities of the Future – Report ranks Stamford in top 10 among small U.S. cities

“Stamford ranks seventh among small American cities in economic growth, according to a report released this week by a division of the Financial Times.”

### Stamford Advocate – UConn business school makes its mark in Stamford

“The University of Connecticut’s downtown hub stands about 100 miles from its main campus. But it is no distant outpost.”

### Stamford Advocate – High Ridge Road office complex sells for eight figures

“The office complex at 225 High Ridge Road has sold for \$22.6 million, according to the CBRE commercial real estate firm, which brokered the deal.”

### Stamford Advocate – Malloy touts business-supplier growth during Stamford visit

“Small firms can prosper by working with large companies, and state officials are committed to building relationships among those organizations”

# Office Market

## 16.2M+

Total Inventory (SF)

## 73

A Class Buildings

## +33%

Leasing Activity

## 31%

Availability

### Office Market Overview

#### Leasing

Stamford boasts 16,257,005 square feet of office space, more than any other municipality within Fairfield County. The city captured a fair share of leasing activity in Q2, growing by 33.8% from 259,462 square feet in Q1 to 392,181 square feet this quarter. A majority of leasing took place in Stamford’s Non-CBD, in part by Daymon Worldwide’s new 41,646 square foot lease at 333 Ludlow Street in Stamford Harbor Park and the activity of three entertainment companies. World Wrestling Entertainment renewed their 24,547 square foot lease at 1266 East Main Street and Yankees Entertainment and Sports Network (YES) renewed their 19,909 square foot lease at 250 Harbor Drive. The People’s Court (Ralph Edward’s/Stu Billett Productions) took a new lease for 18,739 square feet at 470 West Avenue. Fairfield County continued to struggle with negative absorption, including Stamford at -31,036. Despite this negative figure, Stamford saw a 423,134

square foot jump in absorption since Q1. The increased level of demand, as indicated by the upsurge in leasing and absorption this quarter resulted in a smaller percentage growth of .2% in availability from 31.2% in Q1 and 31.4% in Q2, in contrast with the 7.6% growth over Q3 2016 and Q1 2017. Demand has also resulted in a small increase in the value of Stamford’s class A and class B office buildings. Direct asking rents saw a \$0.16 increase from \$43.40 in Q1 to \$43.56 in Q2.

#### Sales

TNREF III High Ridge Road LLC, a joint venture between Darien-based Baywater Properties and an investment fund managed by True North Management Group LLC of White Plains, bought 225 High Ridge Road in Stamford for \$22.5 million. At the time of the acquisition, the 227,966 square-foot Class A office building on the northern border of Stamford’s Central Business District was 81% leased. Its tenants include Synapse Group, Bank of America, and Mass Mutual.

## Key New Lease Transactions

Tenant	Building	Type	Submarket	SF	Industry	Class
Daymon Worldwide	333 Ludlow Street	New Lease	Stamford Non-CBD	41,464	Business Services	A
Indeed.com, Inc.	177 Broad Street	Expansion	Stamford CBD	38,132	Information Technology	A
World Wrestling Entertainment, Inc.	1266 East Main Street	Renewal	Stamford Non-CBD	24,547	Entertainment	A
Yankees Entertainment & Sports Network (YES)	250 Harbor Drive	Renewal	Stamford Non-CBD	19,909	Entertainment	A
The People’s Court (Ralph Edward’s/Stu Billett Productions)	470 West Avenue	New Lease	Stamford Non-CBD	18,739	Entertainment	B
Aberdeen Asset Management, Inc.	1266 East Main Street	Renewal	Stamford Non-CBD	18,485	Finance	A
Cushman & Wakefield	107 Elm Street	Renewal	Stamford CBD	15,238	Real Estate	A

Source: Newmark Knight Frank

# Residential Real Estate

## Single Family Homes

Stamford consistently maintains the greatest number of single-family home sales in Fairfield County. There were 203 homes sold in Q2, up from 115 last quarter, and 178 this time last year. The significant increase in the home sales was complemented by a 3.2% increase in the median sales price from \$591,000 in Q1 to \$610,000 in Q2.

Compared to neighboring municipalities like Greenwich, Darien, Wilton, and New Canaan, where the average sales prices are at least \$1 million, Stamford is most affordable place to live in the entire county, with an average sales price of \$656,885. There were six single-family housing starts in quarter two, three of which were located in North Stamford, and three others located in the Ridgeway, Springdale, South End areas.

## Multi-family Homes

The market for multi-family homes in Stamford saw increases across the board in the number of homes sold and the median sales price. Q2 ended with 23 homes sold, up from 21 last quarter and 11 this time last year. The median sales price experienced a modest 5.0% increase, moving from \$500,000 in Q1 to \$525,000 this quarter.

## Foreclosures

The City of Stamford has a foreclosure rate of 1 in every 1,603 homes. Within Stamford, the 06902 zip code, which is mainly the Downtown, West Side and South End, holds

the lowest foreclosure ratio (1 in 2,089). While the 06906 zip code, which is a much smaller area encompassing Glenbrook, holds the highest foreclosure rate (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.

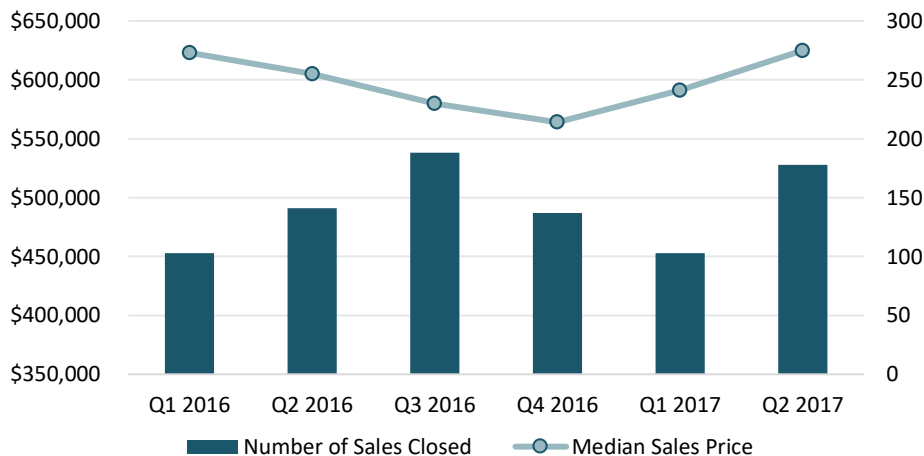
## Condominiums

Condominiums also saw significant increases in the median sales price and number of sales closed. There were 186 condo sales in quarter two, up from 111 in quarter one. Stamford also maintains the highest number of condominium sales within Fairfield County granted by its affordability and access to amenities when compared to pricier municipalities like Greenwich, Darien, Wilton, and New Canaan. The average sale price for Stamford condominiums was \$365,462, up 14.7% from \$318,751 in Q1, whereas the average sales price for other municipalities range between \$700,000 and \$800,000.

## Apartment Market

Stamford leads the rest of Connecticut with over \$6 billion in development projects. By the end of Summer 2017, 458 units are expected to be completed, all within Stamford Downtown. A total of 3,608 units are currently under constructions or have land use approvals within the entire city. 1,817 of those units are located in the Downtown Special Services District, and 826 units are in the Harbor Point/South End District.

Single Family Sales



Source: City of Stamford Assessor's Office

# Stamford by the NUMBERS



**36**  
Median Age



**51,165**  
Housing Units



**\$6 billion**  
Assessed Value of Commercial Property



**\$11 billion**  
Assessed Value of Residential Property



**AAA**  
S&P and Moody's

Source: US Census Bureau, City of Stamford

# Residential Construction

The number of residential building permits in Stamford experienced a 34% increase between Q1 and Q2. Single family permits numbered 277 this quarter- including six new housing starts - and accounted for nearly 79% of the total residential permits issued. Of these permits, most were renovations/ additions to existing properties- making up 98% of the total residential permits issued during Q2 2017.

Multi-family permits- making up only 7.3% of total permits- saw a minor decline, moving from 25 total permits in Q1 to 24 this quarter. Permits for condominiums also made up 7.3% of all residential permits.



## 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.



## Vela on the Park

Vela on the Park, formally known as 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.

# Consumer Activity

## Consumer Confidence

Consumer Confidence rose to 118.9 in June, pushing beyond its expected value of 116.0 for the month and higher than May's revised figure of 117.6.

Economists expected consumer sentiment to decrease to 94.5 this month - but final readings for June slightly went above that to 95.1. Although, this value is higher than expected it is still a 2.1% decrease from the previous month, making it a seven-month low since November 2016.

Despite the month-to-month decrease, the first six months of 2017 have proven to hold historic highs in consumer sentiment since 2000. This indicates that although consumers are more uncertain about the economy over the months, overall they are more optimistic than previous years.

The New England Region, which includes Connecticut, reported a Consumer Price Index for All Urban Cities (CPI-U) of 266.256 in May. The index has been on the rise since its reported value of 257.215 in January 2016.

## Company Highlight



Charter Communications is America's fastest growing TV, internet and voice company. They are committed to integrating the highest quality service with superior entertainment and communications products. Charter is at the intersection of technology and entertainment, facilitating essential communications that connect more than 26 million residential and business customers in 41 states. Their commitment to serving customers and exceeding their expectations is the bedrock of Charter's business strategy and it's the philosophy that guides their 91,000 employees.

Charter is currently the second largest cable provider in the United States. The company has achieved growth through innovation and acquisitions of cable properties, most recently completing transactions with Time Warner Cable and Bright House Networks. The Charter name comes from the founding of Charter Communications, Inc. in 1993 and, while the company has grown and evolved on many levels over the past two decades, its roots take us all the way back to the early days of cable. What started as mom-and-pop businesses with cable strung from hilltops to homes in the late 1940s has evolved into the dynamic cable industry we know today.

Charter offers various products and services to consumers and businesses including television, phone and blazing fast internet connectivity, which has become pivotal in today's communications market. Delivering products under the Spectrum brand, Charter offers 60 Mbps as their slowest internet speed, almost five times faster than Time Warner Cable, and which is 20x faster than DSL for a fraction of the price. While the maximum download speed for consumers is 300 Mbps, more than 50x faster than DSL. Charter also offers fiber internet access to enterprise accounts with download speeds maxing out at a whopping 10Gbps. Charter's investment in high speed internet has positioned itself, and Stamford, as a pioneer in the tech and communications industry. This will not only help attract technology focused business, but also allow more people to work from home, knowing they can be connected to top tier internet service.

Thanks to Charter's recent acquisitions of Time Warner Cable and Bright House Networks, it has been ranked as #96 on the 2017 Fortune 500 list and #376 on the Fortune Global 500 list. It experienced a 197.3% revenue increase over 2016, which allowed it to climb almost 200 ranks from its 2016 ranking at #292. With annual revenues over \$29 billion and over 1,000 Stamford based employees, we're incredibly happy Charter Communications has made Stamford its home.

# Employment Activity

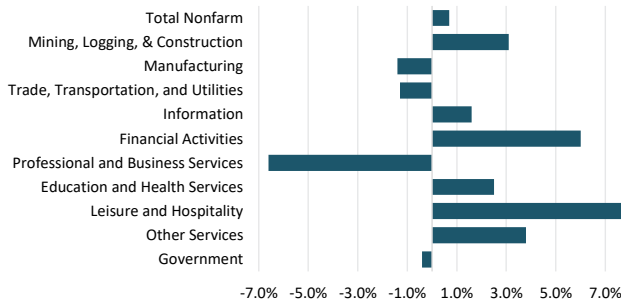
The mean hourly wage for an employee in the Bridgeport-Stamford Labor Market Area (LMA) is \$30.64, compared to an average of \$27.54 for the state of Connecticut.

Employment in the City of Stamford has grown at a rate of 1.6% since Q2 2016, falling short of the 2.5% increase across the state while surpassing the 1.5% increase in employment across the nation. The Financial Activities industry reported the second-largest job growth in the LMA, with an increase of 6.0% from 41,400 to 43,900 jobs. Leisure & Hospitality saw the greatest increase at 7.9%. The largest drop in employment was seen in the Professional & Business Services supersector, which fell 6.6% from the previous year, losing 4,600 jobs. Manufacturing (-1.4%), Trade, Transportation, and Utilities (-1.3%), and Government (-0.4%) also saw their numbers drop. Other Services had the greatest increase in jobs statewide, adding 3,100 jobs for an increase of 4.8%.

Connecticut has added 14,000 non-farm jobs since last year and lost a total of 4,300 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 2017

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



Source: US Bureau of Labor Statistics

## Reinsurance Companies Located in Stamford



# Unemployment

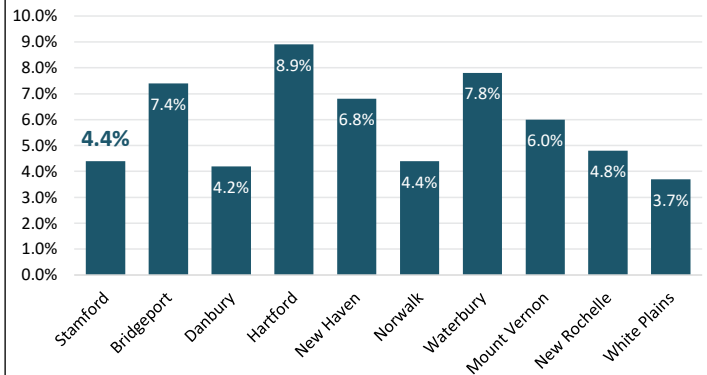
Stamford possesses the lowest unemployment rate out of the five most populous cities in Connecticut. The city's unemployment rate remained going into Q2, but saw a slight year-over-year decrease from 4.6% in Q2 of 2015 to 4.2% this quarter. Unemployment decreased by 0.6% from the previous quarter, matching 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 2016	71,046	67,921	3,125	4.4%
Q2 2017	72,212	69,004	3,208	4.4%

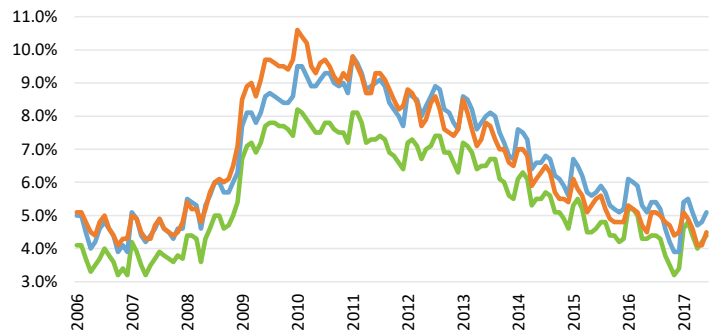
Source: CT Department of Labor

## Unemployment Rate Q2 2017



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.

#96

## Charter Communication

Revenues (\$M) - \$29,003  
Telecommunications

#185

## Synchrony Financial

Revenues (\$M) - \$15,122  
Financials

#386

## Harman International Industries

Revenues (\$M) - \$6,912  
Electronics, Electrical Equipment

#452

## United Rentals

Revenues (\$M) - \$5,762  
Miscellaneous

#629

## Silgan Holdings

Revenues (\$M) - \$3,613  
Packaging, Containers

#662

## Pitney Bowes

Revenues (\$M) - \$3,407  
Computers, Office Equipment

#767

## Crane

Revenues (\$M) - \$2,748  
Industrial Machinery

#821

## Gartner

Revenues (\$M) - \$2,445  
Information Technology Services

#936

## Hexcel

Revenues (\$M) - \$2,004  
Aerospace & Defense

# Bond Rating

The city has consistently been awarded a AAA and Aa1 rating, the highest possible bond ratings from credit rating agencies Standard and Poor's, Fitch and Moody's. The ratings indicate that Stamford's debt level is considered low and manageable, with a stable outlook. They are only given to the highest-qualified municipalities and states, and reflect the expectation for the city to maintain healthy financial flexibility throughout economic cycles, consistent with a strong operating performance and sound reserves. According to each agency, Stamford's strong financial position can be attested to its wealthy property tax base, educated labor force with below average unemployment, commutable distance to and from New York City, and its conservative financial policies.

Stamford's primary source of revenues are its property taxes, which have consistently generated revenue growth in the city's general fund. The general fund is comprised of all general tax revenues, miscellaneous receipts, and funds for general operating expenditures, particularly the Board of Education. This year, total revenues from property taxes were \$479.5 million, up from \$460.2 million in 2016, and \$447 million in 2016. The city's grand list, a listing of all taxable property located within the city, is diverse with residential properties comprising 56% of the total taxable value and commercial and industrial comprising a sizable 34%. According to Moody's Investors Service, the city's tax base will likely experience modest growth in the near term due to a number of residential real estate projects in various stages of development and more and more out-of-state tenants taking up office space.

Stamford's estimated population was 129,113 in 2016, making it the most populous of the five major cities in Connecticut (Bridgeport, Hartford, New Haven, and Norwalk). The city's financial standing is also a result of its below average unemployment rate, which was 4.2%, compared to the state (5.0%), and the nation (4.3%). Combined with its growing population, low unemployment rate, continued residential development, and close vicinity to New York City, Stamford continues to attract and retain business, which Fitch Ratings believes will further support the tax base and push economic growth.

Among other municipalities in the state, Stamford shares the highest bond ratings with only Norwalk and Danbury:

## 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)



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