



**CITY OF  
STAMFORD**  
*innovating since 1641*



2018

# Q1 REPORT

Economic Development Activity  
January-March 2018

# Q1 Overview

During the first quarter of 2018, Stamford was a mixed bag. Leasing was a bit slow in the beginning of the first quarter, but began to pick up on the tail end, a positive sign for the rest of the year. The largest lease was the 52,186 square foot expansion of Charter Communications into 201 Tresser Boulevard, the Purdue Pharma headquarters. Stamford also saw a few new companies establish offices in the city including CA Technologies, Webster Bank, Zebra Capital, and The Jordan Company. WWE, Serendipity Labs, and Regus also renewed their leases in Stamford.

The residential real estate market saw a 31% increase over the previous year and was about steady when compared to the previous quarter. 2018 was the most active first quarter for home sales in five years, with 161 home sales valued at almost 1 billion dollars. Similarly, the condominium market had a large bounce back after a slow two years, with a 50% increase in sales vs 2016 and 35% increase over 2017. Median sale price was also 30% higher than in 2016, at almost \$350,000 this quarter.

## Stamford is One of the Busiest Transit Hubs in the Northeast

The Stamford Transportation Center continues to be the busiest train station in the Metro-North Railroad (MNR) network, after Grand Central Terminal. Newly released passenger data from a study conducted in 2016 by the Metropolitan Transportation Authority (MTA) shows Stamford has seen massive growth in train usage over the past ten years. Built in 1849 and renovated in 1987 and 2004, the Stewart B. McKinney Transportation Center, otherwise known as the Stamford Transportation Center has become the major transit hub within the city. Besides Metro-North's trains, it is also a busy Amtrak terminal, and a hub for Greyhound and CTtransit buses, and over 50 corporate shuttles that bring employees from the busy station to their corporate offices throughout Stamford.

Total passenger usage for the Stamford Station during a weekday averages about 29,663. This is up 27.5% from just ten years prior when total weekday ridership totaled about 23,256. When compared to the next busiest station on MNR, White Plains, Stamford still sees thousands more passengers a day. White Plains total weekday ridership is about 24,149 which is up 14.6% from the 2007 total of 21,496.

What differentiates Stamford from all other stations on Metro-North Railroad is that we have the largest number of passengers also getting off the trains. While just over 9,000 passengers get on in Stamford to head into Manhattan, over 5,500 passengers also get off at Stamford. The massive amount of jobs Stamford sustains makes us not just a commuter station, but also a destination station. Thousands of employees that work in Stamford use the Stamford Station to get to their jobs.

Average weekly ridership at the Stamford Station is about 175,503, while monthly ridership is just over 702,000 passengers. Annually, the Stamford Station has an estimated 8,434,144 passengers. This is 27% higher than the 6,622,416 passengers estimated in 2007. It's important to note that these numbers are

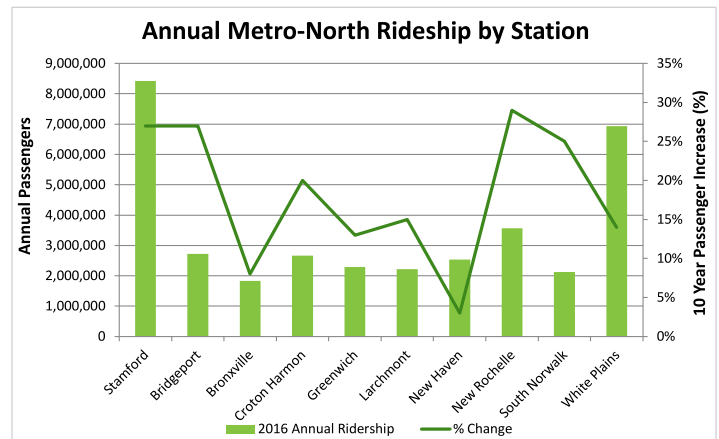
While the residential market is soaring, the commercial market has not been as active, with 9 commercial building sales occurring this quarter valued at over \$12 million. While Q1 of 2017 had 10 sales, the value of the sales were almost \$63 million.

Stamford continues to grapple with a very high commercial vacancy rate at 30.5%. This is mainly due to a handful of large, completely vacant headquarters buildings that skew the vacancy rate. Stamford's direct asking rent is also relatively high at almost \$44 per SF, which has resulted in fewer leases for the city. On the upside, Greenwich's low vacancy rate of under 10%, coupled with an increasing direct asking rent of over \$53 per SF spells good news for Stamford. Lack of availability in Greenwich will send many companies to Stamford where there is abundant space, and cheaper rents.

only for the Metro-North Railroad, and do not include Amtrak, Greyhound, or CTtransit buses.

The Stamford Transportation Center is also the second busiest Amtrak terminal in Connecticut, only after New Haven. Stamford saw 410,593 Amtrak passengers in 2017, which is a 23% increase from 2007 totals. While New Haven sees about 216,000 more Amtrak passengers than Stamford annually, the total weekday ridership on MNR is only about 7,179 to Stamford massive 29,663. Annually, New Haven has about 2,540,544 Metro-North passengers, while Stamford sees about 3.3 times as many at over 8.4 million.

CTtransit estimates their total statewide ridership to be 889,598 in 2015, with about 8.5% of those rides taking place in Stamford. An estimated 75,615 people ride CTtransit buses in Stamford annually. With combined Metro-North Railroad, Amtrak, and CTtransit usage, the Stamford Transportation Center has over 8.51 million passengers annually. This makes the Stamford Transportation Center one of the busiest transit hubs in the Northeast.



Source: MTA 2016 Passenger Counts

## City of Stamford

# Economic Headlines

### [The New York Times- NBC's Olympic Nerve Center Is In...Stamford, Connecticut](#)

"On an ordinary day, when the Olympics are not happening, about 750 people work out of the facility, a gleaming 300,000-square-foot structure that...NBC Sports took over in 2012. The facility was designed specifically to handle the load of an Olympics, and during the Games the number of workers swells to about 1,300."

### [Stamford Advocate- Henkel Officials Tout New Stamford R&D Center](#)

"The new 24,000-square-foot complex houses a clinical testing facility and product formulation, packaging and microbiology labs. The first-floor R&D center, which employs about 40, complements the 135,000 square feet of offices that Henkel occupies on the fifth and sixth floors at 200 Elm. In total, about 475 Henkel employees now work in Stamford."

### [Westfair Online- Webster Bank Leases 25,000 sf Office in Downtown Stamford](#)

"Webster Bank, which will move into its new 25,000 square foot space this summer, is the latest tenant in the Class A office property at 200 Elm St." Other tenants include Henkel Consumer Goods, Deloitte, RSM, Tudor Investment Corp. and Computer Associates.

### [CNBC- Stamford Ranked #5 on "U.S. Cities With The Happiest Workers" List](#)

"More than half of Americans don't feel connected or fulfilled at their jobs, according to Gallup's 2017 State of the American Workplace. Consequently, this negates the work and effort of the most engaged employees." Stamford ranked #5, behind Boulder, CO and Mountain View, CA; home to Google and LinkedIn.

### [Connecticut Patch- Indoor Go-Kart Racing Track To Open In Stamford](#)

"RPM Raceway...is bringing its authentic racing experience to Connecticut at 400 West Avenue in Stamford; scheduled to open during the first half of 2018. The 90,000 square foot facility with two quarter-mile racing tracks, 14-lane bowling facility, and multiplayer virtual reality experience will add 100+ jobs to the Stamford economy."

# Commercial Market

**340K** **16.2M** **\$43.80** **30.5%**

**Q1 Leasing Activity (SF)**

**Total Inventory (SF)**

**Direct Asking Rents (\$/SF)**

**Vacancy Rate**

### Office Market Overview Leasing

While Q1 leasing started off slow, it ended with a few large leases that rounded out the quarter. The largest lease was by Charter Communications for 53,186 square feet in the Purdue Pharma headquarters at 201 Tresser Boulevard. As Charter moves forward with building their new headquarters in the South End, they are also growing too quickly for their current home at 400 Atlantic Street.

Other major leases include two for 25,000 square feet, both at 200 Elm Street. CA Technologies is one of the largest independent software corporations in the world, and has opened their first Connecticut office in Stamford. Waterbury based Webster Bank, which has two bank branches in Stamford, announced their first corporate offices in Stamford.

Renewals remained strong with WWE renewing their lease at 1266 E Main Street, which is across the street from their world headquarters 1241 E Main Street. Coworking and shared office spaces Serendipity Labs and Regus also renewed their leases, at 700 Canal Street and 1266 E Main Street, respectively. Stamford continues to see growth in the collaborative workspaces with a new coworking space, Office Evolution, set to have their grand opening in late May.

Stamford continues to grapple with high vacancy rates, mainly due to a few large empty buildings. The former GE Capital building at 800 Long Ridge Road was put on the market for sublease this quarter, pushing city vacancy rates to record highs at around 30.5%. Other large vacancies include former headquarter buildings such as; Pitney Bowes, UBS Investment Bank, Frontier Communications, and one other GE Capital building.

## Key New Lease Transactions

| Tenant                        | Building              | Type               | Submarket | SF     | Industry           |
|-------------------------------|-----------------------|--------------------|-----------|--------|--------------------|
| Charter Communications        | 201 Tresser Boulevard | Sublease/Expansion | CBD       | 53,186 | Telecommunications |
| CA Technologies               | 200 Elm Street        | New Lease          | CBD       | 25,000 | Computer Software  |
| Webster Bank                  | 200 Elm Street        | New Lease          | CBD       | 25,000 | Finance            |
| Stamford Health Medical Group | 3 Riverbend Drive     | New Lease          | Non-CBD   | 20,770 | Medical            |
| Regus                         | 1266 East Main Street | Renewal            | Non-CBD   | 19,190 | Coworking Space    |
| World Wrestling Entertainment | 1266 East Main Street | Renewal            | Non-CBD   | 18,325 | Digital Media      |
| Serendipity Labs              | 700 Canal Street      | Renewal            | Non-CBD   | 8,937  | Coworking Space    |

## Key Sales Transactions

| Building                             | Submarket | Sale Price  | Price/SF | SF      |
|--------------------------------------|-----------|-------------|----------|---------|
| 120 Viaduct Road Industrial Building | Non-CBD   | \$4,100,000 | \$39.22  | 104,544 |

Source: Newmark Knight Frank

# Residential Market

## Home Sales

The total number of residential home sold in Q1 of 2018 was 161 which is a 31% increase over the 123 sold in Q1 2017 and 41% increase over the 114 sold in Q1 2016. The number of multi-family home sales increased over the past two quarters, while the total number of residential sales decreased. This is a normal fluctuation, but strong sales still occurred during the usually slow winter months. The average home sale price during Q1 was \$624,649, the median was \$575,000 and the highest sale was for \$1,700,000. Together, all Q1 home sales are valued at over \$99,943,000. The average sale price has declined over the past two years, resulting in a larger volume of sales as well as increasing total sales value

## Condo Sales

There were 140 condominium units sold in Q1 of 2018, a 35% increase vs the 111 sold in Q1 of 2017, and a massive

50.5% increase over the 93 sold in Q1 of 2016. The median condo sales price has increased significantly to \$348,500 vs \$275,000 in 2017. Total sales for condos were \$51,835,660 in the first quarter, up from \$35,262,400 the same time last year. Stamford's condominium market has significantly rebounded, following a slower market for the past few years.

## Apartment Market

Stamford's apartment market continues to be red-hot with most buildings reporting occupancy rates above 92%. Recently opened buildings include the 325 unit first phase of Atlantic Station, the 392 unit NV@ Harbor Point, and the 209 unit Vela on the Park. There are currently 2,231 apartment units that have been approved by the Stamford Zoning Board or are currently under construction. Stamford's apartment market shows no signs of slowing down anytime soon, with more transit-oriented development planned for 2018.

Source: City of Stamford Assessor's Office

# Current Developments



**Park 215- 215 Stillwater Ave**  
78 Units & 24,000 sf office  
Estimated Completion: Q2 2018



**Parcel P4/P5- Pacific St & Dyke Ln**  
435 Units  
Estimated Completion: Q3 2019



**Stamford Police Station-805 Bedford St**  
94,000 sf building  
Estimated Completion: Q1 2019

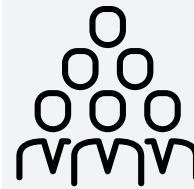


**Davenport Landing- 28 Southfield Ave**  
218 Units & 4.4 Acre Boatyard  
Estimated Completion: Q3 2018

# Stamford by the NUMBERS



**36**  
Median Age



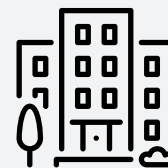
**129,113**  
Population



**\$81,634**  
Median Household Income



**AAA**  
S&P and Fitch Bond Rating



**2,231**  
Apartments in Development

Sources: US Census Bureau, City of Stamford, Standard & Poor's, Fitch Ratings

# Employment Activity

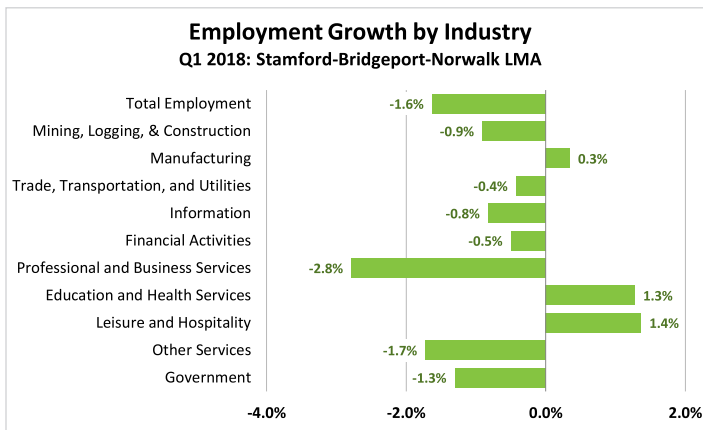
Stamford saw a negligible up-tick in unemployment rate this quarter, up 0.1% from last year to 4.5%. Both the total labor force as well as number of employed individuals dropped by about 600 vs. last year. This has kept the unemployment rate relatively steady while other cities are grappling with much higher unemployment rates. Local cities Norwalk has an unemployment rate of 4.8%, New Haven is at 6.0% while Hartford is at 8.3% unemployment.

This quarter marks the first time in over 10 years that the Federal unemployment rate was lower than Stamford's. The current U.S. unemployment rate sits at 4.3% while Connecticut's is slightly higher than Stamford's at 4.53%. This can be attributed to Fairfield County's largest job sectors being the FIRE industries (finance, insurance, & real estate), while much of the job growth across the country and other parts of the state have been in the manufacturing, construction, and various trade industries.

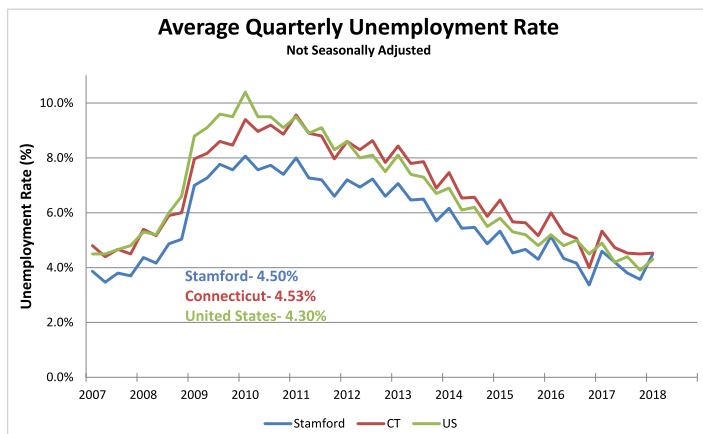
## Stamford Labor Statistics

|         | Labor Force | Employed | Unemployed | Unemployment Rate |
|---------|-------------|----------|------------|-------------------|
| Q1 2017 | 70,192      | 67,084   | 3,108      | 4.4%              |
| Q1 2018 | 69,613      | 66,452   | 3,160      | 4.5%              |

Source: CT Department of Labor

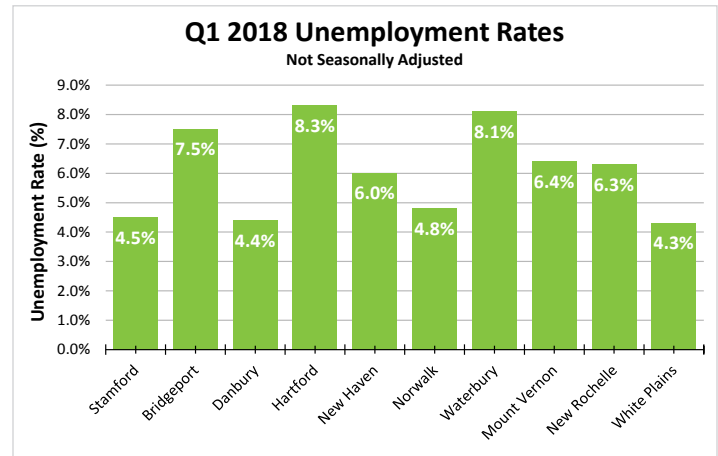


Source: U.S. Bureau of Labor Statistics



Source: CT Department of Labor

The Stamford-Bridgeport-Norwalk Labor Market Area (LMA) saw the largest growth in the education, healthcare, hospitality, and leisure industries. Many of the others industries saw some decrease in employment, with the Professional and Business Services seeing the largest reduction at -2.8% since Q1 of last year. Early quarter losses bogged down the job gains made later in the quarter, and larger growth is expected during Q2.



Sources: CT Department of Labor, NYS Department of Labor

## Stamford Top 20 Employers

| EMPLOYER                           | EMPLOYEES     | RANK |
|------------------------------------|---------------|------|
| City of Stamford                   | 3,292         | 1    |
| Stamford Health Group              | 3,200         | 2    |
| Stamford Town Center               | 1,850         | 3    |
| Gartner                            | 1,250         | 4    |
| Charter Communications             | 1,000         | 5    |
| Deloitte                           | 971           | 6    |
| Indeed.com                         | 806           | 7    |
| UBS AG                             | 800           | 8    |
| NBC Sports Group                   | 775           | 9    |
| World Wrestling Entertainment      | 700           | 10   |
| Synchrony Financial                | 661           | 11   |
| RBS Securities/NatWest Markets     | 630           | 12   |
| PwC                                | 574           | 13   |
| Nestlé Waters North America        | 550           | 14   |
| Point72 Asset Management           | 550           | 14   |
| Chelsea Piers Connecticut          | 527           | 16   |
| Henkel North America               | 475           | 17   |
| Marriott International, Inc.       | 455           | 18   |
| Purdue Pharma                      | 450           | 19   |
| Gen Re (General Reinsurance Corp.) | 447           | 20   |
| <b>TOTAL</b>                       | <b>19,963</b> |      |



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