2017 Q1 REPORT
Economic Development Activity
Q1 Overview

2017 Q1 was a reminder of why the City of Stamford is the place to be. It boasts an environment where business can flourish and its residents can live, work, learn, and play.

New Business
Stamford’s proximity to New York City enhances our local ecosystem of industry-leading businesses and merging tech community. It is a place where businesses, both small and large, can prosper in Connecticut. The city boasts an inventory of over 16.2 million square feet (SF) of Class A and B corporate office space, attracting tenants to Stamford. The newest additions to Stamford’s community of companies include PartnerRe, adding 220 jobs, the sport and talent agency Octagon, adding 150 new positions, and the consolidation Henkel Corporation and its Innovation Lab from Arizona and Wilton, bringing 266 jobs in 2017 (and set to expand to over 500 by 2018.)

Current Developments
A total of 3,608 apartment units throughout the city are currently under construction or have land use approvals. Major development projects during the first quarter of 2017 include Park Square West Phase IV, the new UCONN dormitory (Rippowam Place), Metro Green III (affordable housing), and Atlantic Station.

Commercial Real Estate
In Stamford’s office market, there was a 23.3% increase in leasing activity over the past year due to an influx of companies moving into Stamford. The continued increase in the demand for office space is expected to increase, further decreasing the unemployment rate.

Residential Real Estate
Stamford ended Q1 with the highest number of home sales in Fairfield County. A total of 141 sales were closed in quarter one, two less than at this time last year. Notably, the number of condominium sales closed saw an increase of 15.2%. In addition, there were 10 new single family housing starts during this quarter.

CTNext Grant & Stamford Innovation District

Innovate Stamford, in association with the Stamford Partnership, BCFC, and BLT are creating a long-term plan that will transform Stamford into CT’s innovation hub. Innovate Stamford will pitch their plan to CTNext, an organization that supports entrepreneurs and innovative initiatives, to be considered for a grant that will allow the development of innovation districts in the city. If successful, the city may be in an eligible position to receive an annual $2 million grant for five years to create one of the four innovation districts in the State.

The innovation district will include a number of geographic locations where startups, modern manufacturing businesses, coworking spaces and gathering places are clustered in a cohesive neighborhood. The perimeter of the first phase would include the Downtown and Harbor Point areas, with the Stamford Transportation Center as the hub.

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.

State funding from CTNext will allow this plan to begin and further reinforce Stamford’s position as the epicenter of economic growth in the State of Connecticut.
Commercial Real Estate

250K+ Square Feet of Leasing Activity

73 A Class Buildings

66 B Class Buildings

+33% Absorption

Office Market Overview

Leasing
Leasing activity in Stamford’s CBD and Non-CBD experienced a small decline after its above-average year-end leasing. Activity this quarter was down by 259,462 square feet compared to 470,333 square feet in the last quarter of 2016. Despite this decline from the previous quarter, new companies moving into Stamford caused a 23.3% increase from Q1 of 2016 to Q1 of 2017.

The Stamford office market saw a 4% increase in availability, from 27.2% in the Q4 of 2016, to 31.2% this quarter. Despite large blocks of space opening up in past quarters, a stable level of demand has allowed for an increase in total net absorption from -674,325 SF in Q4 of 2016 to -454,170 SF in Q1 of 2017. Direct Asking Rent in Stamford remained stable at $43.40 per square foot.

As new companies continue to move into and expand in Stamford, labor markets are expected to improve and increased demand for office space is anticipated in 2017.

Sales
A&E High Ridge LLC, a Westchester County, N.Y.-based investor, purchased a pair of mixed-use buildings for $10.25 million. The new ownership plans to reinvigorate the buildings and take advantage of its location. Together, the two three-story buildings total over 40,000 square feet of office and retail space. They stand on an acre, with more than 150 parking spaces. The buildings were 100% leased when sold.

Key New Lease Transactions

<table>
<thead>
<tr>
<th>Tenant</th>
<th>Building</th>
<th>Type</th>
<th>Submarket</th>
<th>SF</th>
<th>Industry</th>
<th>Class</th>
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<tbody>
<tr>
<td>PartnerRe</td>
<td>200 First Stamford Place</td>
<td>New Lease</td>
<td>CBD</td>
<td>56,690</td>
<td>Finance/Insurance</td>
<td>A</td>
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<tr>
<td>AirCastle Advisors</td>
<td>201 Tresser Boulevard</td>
<td>Sublease</td>
<td>CBD</td>
<td>31,117</td>
<td>Transportation</td>
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<td>High Ridge Brands</td>
<td>333 Ludlow Street</td>
<td>Sublease</td>
<td>Non-CBD</td>
<td>21,165</td>
<td>Consumer Products</td>
<td>A</td>
</tr>
<tr>
<td>Henkel of America</td>
<td>200 Elm Street</td>
<td>Expansion</td>
<td>CBD</td>
<td>20,000</td>
<td>Consumer Products</td>
<td>A</td>
</tr>
<tr>
<td>Waypoint Residential</td>
<td>9 West Broad Street</td>
<td>New</td>
<td>CBD</td>
<td>11,505</td>
<td>Real-Estate</td>
<td>A</td>
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Key Sales Transactions

<table>
<thead>
<tr>
<th>Building</th>
<th>Submarket</th>
<th>Sale Price</th>
<th>Price/SF</th>
<th>SF</th>
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<tbody>
<tr>
<td>111-123 High Ridge Road</td>
<td>Non-CBD</td>
<td>$10,250,000</td>
<td>$254</td>
<td>40,371</td>
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</table>

Source: Cushman & Wakefield, Newmark Knight Frank
Residential Real Estate

Single Family Homes
Stamford’s single-family home sales experienced a small decline, decreasing by only 1.39% from the number of sales in 2016. There were 141 sales closed this quarter, two less than this time last year. However, Stamford continues to have the highest number of home sales in Fairfield County.

Stamford also saw a 9.2% increase in the median sales price from $541,000 in Q4 of 2016 to $591,000 this quarter. Additionally, there were 10 new single family housing starts during quarter one.

Stamford housing prices affirm its position as the most affordable location to live within Fairfield County and the New York Metropolitan Area. The average price of a home in Stamford in Q1 was $688,313, whereas neighboring municipalities like Greenwich, Darien, New Canaan, Westport, and Wilton average at least $1 million.

Multi-family Home
Multi-family homes experienced small declines in the number of sales closed, which moved from 25 sold in Q4 to 21 sold this quarter, and the median sales price, which moved from $440,000 this quarter to $500,000 this quarter, but year-over-year trends were more promising. Six more homes were sold this quarter compared to Q1 of 2016 and the median sales price of multi-family homes increased by 12%, from $440,000 this time last year.

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.

Condominiums
Condominium sales saw a 12.6% year-over-year increase from 97 units sold in Q4 of 2016, to 111 units sold this quarter. The number of sales closed saw larger quarterly declines, moving from 168 in Q4 of 2016 to 111 units this quarter, but the market is expected to improve moving into Q2, as it has consistently in previous years.

The market saw quarterly declines in median sales price, moving from $308,500 in Q4 2016 to $270,000 this quarter.

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.

Source: City of Stamford Assessor’s Office

### Stamford by the NUMBERS

- **Median Age**: 36
- **Population**: 129,113
- **Median HH Income**: $79,359
- **AAA/Aa1**: S&P and Moody’s
- **Apartments in development**: 3,608

Source: US Census Bureau, City of Stamford
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.

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.

Residential Construction

Residential building permits in Stamford decreased 17.2 percent between the first quarters of 2016 and 2017. Single family permits numbered 183 this quarter – including 10 new housing starts – most of which were renovations/additions to existing properties – and accounted for 88.4% of the total residential permits issued during Q1 2017. There was a 15.3% decrease in single family housing permits issued year-over-year. Multi-family permits dropped by 31.6% from the previous year, from 38 to 24 permits over-the-year.

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 St. 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 Ave, 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.

Marriott Residence Inn

Marriott Residence Inn, located on 23 Atlantic Street, is set to complete in the winter of 2018. The eight-story building will become the only extended-stay hotel in the City of Stamford upon completion with 156 rooms.

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.
Employment in Fairfield County increased by 0.93% from March 2016 to 2017, surpassing a 0.85% increase across the Bridgeport-Stamford LMA and falling short of the 1.76% increase in employment across the entire state of Connecticut. The Information industry reported the second-largest job growth in the LMA, with an increase of 2.4% from 12,300 to 12,600 jobs; Other Services saw the greatest increase at 5.8%, up from 2.4% in the previous year. The largest drop in employment was seen in the Professional and Business Services supersector, which fell 7.5% from the previous year; losing 5,000 jobs. Construction, Mining, and Logging (-3.5%), Manufacturing (-1.4%), and Trade, Transportation, and Utilities (-1.4%) also saw their numbers lower. Other Services also had the greatest increase in jobs statewide, adding 2,500 jobs for an increase of 3.9%.

Connecticut has added 900 non-farm jobs since last year and lost a total of 4,300 government positions, its largest Q1 drop in government employment since 7,200 positions were lost between 2009 and 2010. This is a part of an ongoing trend of decreased government spending.

Stamford maintains the lowest unemployment rate among the five most populous cities in Connecticut. Unemployment saw a decrease from 5.0% in Q1 of 2016 to 4.4% in Q1 of 2017, consistent with the annual decline since its peak at 7.7% during the Great Recession. 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 4.9% this quarter, while the state of Connecticut actually rose above the national rate of 4.6% to hit a level of 5.1%. With the influx of new companies adding a significant number of jobs, the unemployment rate is expected to continue to decline.

The city's labor force has continued to grow, adding 460 more people since Q1 of 2016. The labor force is estimated to total 70,192 and has grown by 4.16% since 2012. This outpaces the growth seen in other major cities such as Hartford, New Haven, and Bridgeport, which have experienced a decline in their respective labor forces over the same period of time.

<table>
<thead>
<tr>
<th>Labor Force</th>
<th>Employed</th>
<th>Unemployed</th>
<th>Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2016</td>
<td>70,105</td>
<td>66,624</td>
<td>3,481</td>
</tr>
<tr>
<td>Q1 2017</td>
<td>70,192</td>
<td>67,084</td>
<td>3,108</td>
</tr>
</tbody>
</table>

| Source: CT Department of Labor |

### Historical Unemployment

- **2007**: 3.0%
- **2008**: 2.9%
- **2009**: 3.0%
- **2010**: 2.9%
- **2011**: 2.9%
- **2012**: 3.8%
- **2013**: 5.2%
- **2014**: 5.3%
- **2015**: 5.3%
- **2016**: 3.5%
- **2017**: 4.4%

(Not seasonally adjusted)
Activity Map

DOWNTOWN STAMFORD

Current Development

Under Construction

1. Park Square West IV
   1011 Washington Boulevard
   209 Residential Units
   Trinity Financial
   Completion Summer 2018

2. Rippowam Place
   900 Washington Boulevard
   118 Units
   RMS Companies
   Completion Summer 2017

3. Metro Green III
   717 Atlantic Street
   131 Units
   Malkin Properties
   Completion Fall 2017

4. Midtown Estates
   16 Third Street
   23 Units
   Empire Residential
   Completion August 2017

Major Leases

5. Partner Reinsurance Company
   200 First Stamford Place
   New Lease
   56,690 Square Feet

6. AirCastle Advisors
   201 Tresser Boulevard
   Sublease
   31,117 Square Feet

7. Charter Communications
   201 Tresser Boulevard
   Sublease
   23,055 Square Feet

8. High Ridge Brands
   333 Ludlow Street
   Sublease
   21,165 Square Feet

9. Henkel of America
   200 Elm Street
   Expansion
   20,000 Square Feet

Source: Stamford Downtown. Stamford Downtown 2017 Demographic Profile

1. Newmark Knight Frank. Fairfield County 1Q17
2. Stamford Advocate
3. The Hour
4. Stamford Advocate
5. Newmark Knight Frank - FAIRFIELD COUNTY 1Q17 OFFICE MARKET
6. City of Stamford

Stamford Downtown 2017 Demographic Profile
CT Department of Labor. Occupational Employment and Wages (Rates not Seasonally Adjusted)
CT Department of Labor