

TECHINICAL MEMORANDUM

Economic & Market Assessment

**East Main Street
Neighborhood Corridor Plan
Stamford, Connecticut**

August 2005



In conjunction with TPA Design Group

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I. Purpose of Study

The purpose of this report is to provide an economic and market basis for evaluating land use strategies and recommendations as part of a larger strategic plan for the Targeted Study Area. The study area is generally defined as East Main Street, Stamford Connecticut stretching 1.5 miles from the intersection of Broad Street and Tresser Boulevard to the Darien border.

In specific terms the report focuses on the following tasks:

1. To provide a basic understanding of the demographic and economic forces affecting the region, city and East Main Street neighborhoods as it relates to potential influence on growth and pattern of development of the corridor.
2. To evaluate market conditions, opportunities and climate for growth along the corridor within specific submarkets that includes office, retail and housing.

II. Description of Market Area

The East Main Street corridor functions as a major east-west corridor for the city of Stamford with downtown Stamford essentially serving as its western terminus. It also constitutes in part as an important business corridor serving both immediate neighborhood with a limited level of community retail as well as broader markets in the city and region in the case some businesses, particularly auto related. The corridor is a state road designated as Route 1, and is directly linked to I-95 at Interchange 9. The Amtrak rail line intersects the corridor just west of Myrtle Avenue with the area immediately surrounding this intersection under consideration for a commuter station.

III. Demographic & Economic Profile

For the purpose of evaluating demographic trends within the Subject Property area a ring analysis was undertaken based on 0.5 mile radius and 1 mile radius at the intersection of East Main Street and Lockwood Street which roughly represents the half-way point in the Study Area. The 0.5 radius generally conforms to definition of local neighborhood and has important implications for retail opportunities serving the immediate community, while the 1 mile radius provides a secondary market within easy driving distance. Data from the ring analysis was compared to trends city-wide in Stamford.

Population

The city of Stamford and the immediate region has grown in population and households since 1990 compared to Connecticut overall where population growth has been stagnant. In Stamford, population expanded by 8.3% between 1990 and 2000. Moreover, the city and the region are projected to grow another 3% over the next five years. This growth trend is in contrast to much of Connecticut which has experienced relatively flat if not declines in population over the last five years.

As compared to the city, population growth last decade was significantly higher in the half mile and 1 mile radius with a gain 16.02% and 12.2%, respectively. For both areas, however, the rate of population expansion is expected to cool down to a more modest 5 to 7% increase from 2000 to 2010.

Population density is considerable within the radius study areas with 10.8% of Stamford's population residing in the 0.5 mile radius and 28.2% in the 1 mile study area.

POPULATION TRENDS

	Stamford	0.5 mile East Main	1 mile East Main
1990 Total population	108,056	10,742	29,437
2000 Total Population	117,083	12,463	33,046
2005 Total Population	119,723	12,912	33,811
2010 Total Population	123,538	13,377	34,827
1990 - 2000 Net % Change	8.30%	16.02%	12.20%
2000 - 2005 Net % Change*	2.25%	3.60%	2.31%
2005 - 2010 Net % Change*	3.18%	3.59%	3.00%
2000 - 2010 Net % Change*	5.51%	7.33%	5.38%
1990-2000 Total Increase	9,027	1,721	3,609
2005-2010 Total increase*	3,815	449	1,016
2000-2010 Total Increase*	6,455	914	1,781

Source: US Census, ESRI

* Projection (ESRI)

Households

The number of households has increased in Stamford and the East Main Street radius areas as would be expected with increases in population. Stamford witnessed a 10.5% gain in the last decade, representing a growth rate higher than general population and signifying an important trend in the growth of non-family households.

In contrast to the city, the rate of household growth was under the population rate for both the ½ mile and 1 mile radius study area. In the case of the ½ mile study area, the difference is quite sizable (8.9% for households vs. 16.0% population growth) indicating that much of the resident growth in this submarket is attributed to larger-sized family households or possible evidence of overcrowded housing and illegal conversions.

Like population, the rate of household growth in all three market areas is expected to dip from the double-digit levels of 1990s to a more moderate 3 to 5% over the next decade.

HOUSEHOLD GROWTH AND SIZE

	Stamford	East Main 0.5 mile	East Main 1.0 mile
1990 Households	41,056	4,165	12,768
1990 Average Household Size	2.54	2.55	2.26
2000 Households	45,399	4,534	14,193
2000 Average Household Size	2.54	2.71	2.32
2005 Households	46,335	4,634	14,254
2005 Average Household Size*	2.54	2.75	2.34
2010 Households	47,799	4,773	14,638
2010 Average Household Size*	2.55	2.77	2.35
2005– 2010 Annual Rate	0.62%	0.59%	0.53
1990 - 2000 Net % Change	10.5%	8.9%	11.16%
2000 - 2005 Net % Change*	2.1%	2.2%	0.43%
2005 - 2010 Net % Change*	3.1%	3.0%	2.69%
2000 – 2010 Net % Change*	5.4%	5.2%	3.1%
1990-2000 Total Increase	4,283	369	1,425
2000 – 2010 Total Increase*	2,400	239	384

Source: US Census, ESRI

* Projection (ESRI)

Households by Type and Size

A growing shift in household type in the region and in particular Stamford has important ramifications for the future market of housing. Two-thirds of Stamford's total household growth 1990-2000 was attributed to *non-family households*, which grew 16.5% over the past decade, or 2,324 households. Non-family households include single households and households with unrelated members which typically constitute a sizable portion of the condo market. Meanwhile, family households grew by a more modest 4.1% and now account for 64% of the total household base, down from 66% in 1990. Non-family households are projected to continue growing strongly in Stamford through 2010, adding 2 new households for every one family household.

In sharp contrast to the city and the region, the ½ mile radius submarket reflected stronger growth in family households with a 10.2% increase as compared to 6.6% for non-households, although the overall share of the population is similar for both Stamford and the immediate ½ mile radius. (63.8% vs. 61.8%). Single households, nevertheless, represent a substantial component of the immediate submarket with a 30% share of all households and 80% of all non-family households.

STAMFORD HOUSEHOLD COMPOSITION BY TYPE

Stamford	1990	2000	Annual Rate of Change %	Percent Share 2000
Total	41,945	45,454	0.79%	100%
Family Households	27,821	28,951	0.40%	63.8%
Married-couple Family	21,132	22,006	0.41%	48.5%
With Related Children	8,755	10,228	1.57%	22.5%
Other Family (No Spouse)	6,689	6,945	0.38%	15.3%
With Related Children	3,313	3,806	1.40%	8.4%
Nonfamily Households	14,124	16,448	1.53%	36.2%
Householder Living Alone	11,134	13,033	1.59%	28.7%
Householder Not Living Alone	2,990	3,415	1.34%	7.5%

Source: US Census, ESRI

PRIMARY RADIUS (0.5 MILE) HOUSEHOLD COMPOSITION BY TYPE

East Main 0.5 mile Radius	1990	2000	Annual Rate of Change %	Percent Share 2000
Total	4,166	4,534	0.85%	100%
Family Households	2,527	2,786	0.98%	61.4%
Married-couple Family	1,618	1,794	1.04%	39.6%
With Related Children	706	941	2.91%	20.8%
Other Family (No Spouse)	909	992	0.88%	21.9%
With Related Children	519	597	1.41%	13.2%
Nonfamily Households	1,639	1,748	0.65%	38.6%
Householder Living Alone	1,275	1,383	0.82%	30.5%
Householder Not Living Alone	364	365	0.03%	8.1%

Source: US Census, ESRI

- Two person households represent the biggest share of all Stamford households, while single households dominate in the 0.5 mile and 1 mile submarket, accounting for 30.5% and 36.6%, respectively. Of note however, is the high percentage of households with 6 or more persons in the 0.5 mile submarket which is nearly double the share for 1 mile radius and the city overall despite preponderance of high density housing in the ½ mile submarket area.
- Of the single households in 2000, 40% were single men and 60% were single women. The implications of this relationship for potential market for attached housing is revealed in review of recent sales transactions associated with condominiums indicating a high percentage of new single owners who are females.
- Most households in Stamford and the East Main area are childless. According to the 2000 Census, 71% or 32,392 of households in Stamford have no children under 18 living at home, with 66.1% in the 0.5 mile submarket and 74.5% in the 1 mile radius.

**HOUSEHOLD BY SIZE
2000**

Households	Stamford	East Main 0.5 m	East Main 1 m
Total	45,399	4,537	14,192
1 Person Household	24.5%	30.5%	36.6%
2 Person Household	32.1%	26.9%	30.3%
3 Person Household	16.3%	16.2%	14.3%
4 Person Household	15.7%	11.8%	9.5%
5 Person Household	7.5%	7.6%	5.0%
6 Person Household	2.5%	3.5%	2.2%
7+ Person Household	1.4%	3.6%	2.1%

Source: US Census, ESRI

Population by Age

Stamford

Stamford saw its most significant gain in household base among households who fall between the ages of 35 to 54 years of age during the period 1990-2000. This is a market segment that includes young professionals and empty nesters and is most often targeted for attached ownership housing. This household age group increased by 3,393, split relatively evenly between those aged 35-44 and those 45-54, as shown in the table below.

Clearly the trend overall is that households are getting older, consistent with demographic experience on the national level, largely driven by the ageing of the baby boom generation. The baby boom generation is now 40 to 58 years old, which corresponds to the growth in age cohorts seen below. The implications for the period 2005-2010 are that the 25 to 34 age group will decline significantly although a notable boomlet is projected for the 15 to 24 age bracket. Meanwhile, the increase in households aged 35 to 44 will flatten out while households aged 45 to 64, often empty nesters, will grow strongly.

East Main 0.5 Radius

Generally the same trends emerge when the East Main Street area is considered. However, a few variances do emerge that are of note. Whereas Stamford's under 25 population is projected to be 32% of total population in 2010, the East Main Street area is expected to be higher at 36% indicating more households with children. At the other age extreme, the East Main Street area appears to be housing fewer percentage of seniors as compared to the city with 9.5% of all households 65 years of age as compared to 13.4% for the city. The younger profile of East Main Street 0.5 mile market is also reflected in the lower median age of 33.8 years in 2005 versus 37.4 for the city.

Like the city, strong growth is projected for the East Main market area's 45-64 age groups, particularly the active seniors/early retirement cohort between 59 and 64, which is projected to expand 43.7%. Signs of the boomlet population are also noticeable with significant increase in the 15 to 24 age base projected for 2000 to 2010 which is expected to increase from 13.6 to 16.4% in the ten year period.

POPULATION BY AGE

Secondary Stamford and 0.5 mile radius – Trends in Age Composition

STAMFORD				
Year	2000	2005	2010	Change 2000-10
Total Pop.	117,083	119,723	123,538	
0-4	6.9%	6.8%	6.7%	198
4to9	6.4%	6.8%	6.0%	-81
10to14	5.7%	6.6%	6.9%	1850
15-24	10.5%	11.4%	13.2%	4013
25-34	17.8%	14.1%	12.0%	-6016
35-44	17.3%	17.6%	15.9%	-613
45-54	12.9%	13.5%	15.5%	4045
55-64	8.7%	9.7%	10.4%	2662
65-74	7.1%	6.3%	6.1%	-777
75-84	4.8%	5.0%	4.9%	433
85+	1.9%	2.2%	2.4%	740
Total Population Change				6,454

Source: ERSI, US Census

East Main 0.5 Mile Radius				
Year	2000	2005	2010	Change 2000-10
Total Pop	12,461	12,915	13,381	
0-4	6.9%	6.9%	7.0%	77
4to9	6.7%	6.6%	6.1%	-19
10to14	6.3%	6.8%	6.2%	45
15-24	13.6%	14.9%	16.4%	500
25-34	20.7%	17.0%	15.6%	-492
35-44	17.3%	17.6%	15.9%	-28
45-54	11.4%	13.0%	14.3%	493
55-64	6.8%	7.7%	9.1%	370
65-74	5.3%	4.3%	4.3%	-85
75-84	3.6%	3.6%	3.4%	6
85+	1.5%	1.6%	1.8%	54
Total Population Change				921

Median Age	Stamford	0.5 mile	1 mile
2000	36.5	33.0	34.8
2005	37.4	33.8	36.0
2010	38.9	34.1	37.0

Household Income

A somewhat moderate income base is found in the 0.5 mile market area as represented by a median income in 2005 of \$52,119, or 30% below Stamford overall. Income growth is also expected to lag behind the city with a projected increase of 21% by 2010. In general, the income profile for Stamford is middle to upper income with median income in 2005 estimated at \$74,443. By, 2010, it is anticipated to increase 24% to \$92,300. Meanwhile, poverty rates have climbed in both the East Main St neighborhood and the city in the past decade. Within the East Main neighborhood, percent of households below the poverty level stood at 10.8%, up from 6.1% ten years earlier. A more modest increase was witnessed in the city from 5.8% to 7.8%.

As would be expected, housing values have a close relationship with income data. In Stamford, median home values in 2005 translate to \$519,000, or almost double the house value determined for the ½ mile radius at \$249,270. Increasing the radius to 1 mile produces a median of \$338,500, or over one-third that of the smaller radius. Notably, however, housing values are predicted to increase at a faster rate in the East Main St neighborhood as compared to broader 1 mile neighborhood or Stamford overall.

Income and Home Value Trends 2000-2010

	Stamford	Incr. 00-10	East Main 0.5 mile	Incr. 00-10	East Main 1 mile	Incr. 00-10
Median Household Income						
2000	\$60,627		\$43,631		\$54,275	
2005	\$74,443	22.7%	\$52,119	19.4%	\$65,316	20.3%
2010	\$92,367	24.1%	\$62,995	20.9%	\$79,840	22.2%
Median Home Value						
2000	\$304,735		\$145,149		\$194,795	
2005	\$519,224	70.3%	\$249,272	71.7%	\$334,494	70.6%
2010	\$736,272	41.8%	\$373,578	49.9%	\$478,128	42.9%
Per Capita Income						
2000	\$34,987		\$22,337		\$29,126	
2005	\$45,068	28.8%	\$27,445	22.9%	\$35,943	23.4%
2010	\$58,312	29.4%	\$33,789	23.1%	\$44,702	24.4%

Source: US Census, ESRI

2005 income distribution estimates provided by ESRI for Stamford, and the East Main Street ½ mile radius submarket further illustrate the more modest income base found in the immediate East Main Street area relative to the city overall. An estimated 48% of the households in the ½ mile submarket report incomes under \$50,000 as compared to 34.4% for the city. At the other end of the extreme, less than 4% of the East Main Households report earnings over \$200,000, while the city indicates 12.6%. Notably, however, the East Main Street submarket reflects a strong middle income household base between \$50,000 and \$100,000 that is near parity with city share of households for same income bracket.

Income data has important implications for retail buying power (to be discussed later under retail markets) and housing. With respect to the East Main area there also appears to be substantial market depth for homeownership found in the \$75,000 to \$150,000 household income range. Based on calculations of housing affordability, purchase capacity in this income bracket would range between \$260,000 and \$625,000. Within the submarket, this market represents 26% of total households. A much higher ratio exists for the 1 mile area of 33% of households.

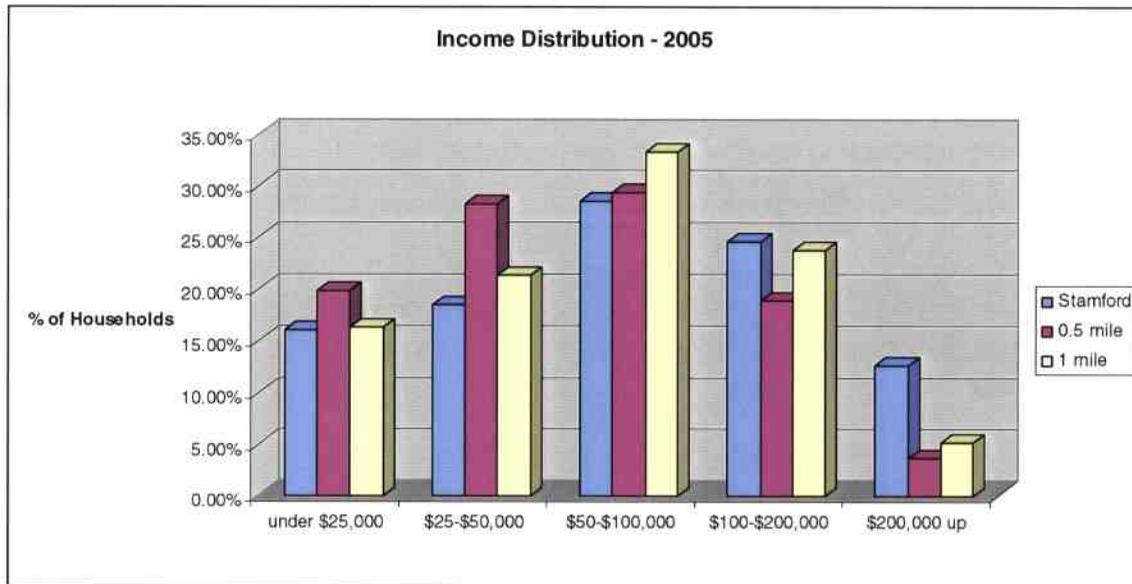
**INCOME DISTRIBUTION Stamford & East Main 0.5 mile
2005**

2005 Household Income	Stamford	Percent of Households by Income Range	East Main 0.5 Mile	Percent of Households by Income Range	Purchase Capacity Housing Range *
# of Households	46,335			4,635	
less than \$15,000	4,216	9.1%	473	10.2%	
\$15,000-\$25,000	3,197	6.9%	445	9.6%	
\$25,000-\$35,000	3,197	6.9%	510	11.0%	
\$35,000-\$50,000	5,329	11.5%	797	17.2%	
\$50,000-\$75,000	7,367	15.9%	783	16.9%	\$173,733-\$260,000
\$75,000-\$100,000	5,838	12.6%	575	12.4%	\$260,600-\$382,200
\$100,000-\$150,000	7,923	17.1%	644	13.9%	\$382,200-\$625,500
\$150,000-\$200,000	3,475	7.5%	232	5.0%	\$625,500-\$868,700
\$200,000 up	5,838	12.6%	171	3.7%	
Median	\$74,443			\$52,119	
Average	\$115,902			\$74,182	

Source: ESRI, US Census

*Assumes Interest Rate of 6%, 30 Year Term, 20% down, \$500/mo. Taxes & Insurance, \$500/mo. other debt

The following chart graphically shows the income distribution pattern of the city and two submarkets and highlights both East Main Street's weighting towards lower incomes in the ½ mile market over the city and 1 mile radius and its relative strength in the middle incomes between \$50,000 and \$100,000.



Source: US Census, ESRI Reports

Racial & Ethnic Characteristics

The residential base along East Main Street has played an important historic role in providing housing to an ethnically and racially diverse population base which continues today. Present estimates in ½ mile radius reflect a population that is 46% White, 33% Latino, 28% Black and 5.3% Asian. In more recent years, this diversity has manifested itself in a growing Latino population which doubled in size in the East Main Street neighborhood between 1990 and 2000 and by 2010 will account for 36% share of the area's population.

Within the Latino neighborhood, the growth of the Latino base has also been a progression by place of origin – Puerto Rican and Dominican immigrants paved the way for more recent arrivals from Mexico, Central and South America. Nor has the Latino expansion been confined to just the East Main St area as witnessed by the 85% growth of this population base in the city that accounted for virtually all of Stamford's net population growth in the last decade.

2000 Population by Race/Ethnicity	Stamford	East Main 0.5	East Main 1.0
Total	117,083	12,463	33,406
White Alone	69.8%	49.6%	65.0%
Black Alone	15.4%	28.2%	17.0%
American Indian Alone	0.2%	0.3%	0.3%
Asian or Pacific Islander Alone	5.0%	5.3%	6.5%
Some Other Race Alone	6.5%	11.5%	7.5%
Two or More Races	3.1%	5.1%	3.7%
Hispanic Origin	16.8%	29.6%	21.3%
Diversity Index	63.0	80.9	69.7
2005 Population by Race/Ethnicity	Stamford	East Main 0.5	East Main 1.0
Total	119,723	12,913	33,811
White Alone	66.6%	45.8%	61.0%
Black Alone	16.1%	29.2%	18.1%
American Indian Alone	0.2%	0.3%	0.3%
Asian or Pacific Islander Alone	6.4%	6.2%	8.0%
Some Other Race Alone	7.4%	13.0%	8.7%
Two or More Races	3.3%	5.4%	4.0%
Hispanic Origin	19.2%	33.1%	24.6%
Diversity Index	67.4	83.3	74.2

Source: ESRI Reports

Housing Trends

As of the 2000 census, the East Main Street Neighborhood (1/2 mile radius) had 4,710 housing units. This is an increase of 350 units or 8% from 1990. Much of this expansion has come by way of new rentals closer to the downtown area.

Complicating matters with regard to promoting stability in the neighborhood, single family homes make up only 14% of the area's housing stock, resulting in a high concentration of multi-family property. Two to four unit multi-families, representing 30% of East Main St neighborhood housing stock, have increasingly turned over from owner-occupier status to investment or absentee owner status. By far the greatest concentration of housing is in high density structures of five units or more.

As seen in the chart below, rental households outnumber owner occupied households in the East Main Street neighborhood by a margin of 56% to 40%, which tracks similar to the 1 mile radius submarket of 53% to 41%. This rate of ownership, however, is somewhat remarkable, in light of the low level of single family homes in the area as noted above, indicating a strong concentration of owner-occupied multifamily and condos. The city overall reflects a higher balance of owner-occupancy to rental, at 54.4% according to the 2000 census, but reports 40% single family versus the 14% for East Main. In the case of the city, higher home ownership rates are linked to higher availability of single family homes.

HOUSING TENURE & CHARACTERISTICS - 2000

	Stamford	East Main 0.5	East Main 1.0
Total Housing Units	47,317	4,710	14,979
% owner occupied	54.4%	40.1%	41.2%
% rental occupied	41.6%	56.2%	53.6%
% vacant	4.1%	3.7%	5.2%
Single Family	40.2%	14.3%	17.4%
Attached SF	6.3%	9.9%	6.9%
MF 2-4 units	18.1%	29.9%	23.2%
Mf over 5 units	35.4%	65.1%	52.5%

Source: U.S. Census

Employment and Labor Force Trends

Employment

Stamford is the center of an 8-town labor market area that includes most shoreline towns in Lower Fairfield. Because of the importance of the Bridgeport labor market area for the resident Stamford labor force, employment trends in that region will be presented as well. In 2005, the Bridgeport Labor Market and Stamford Labor Market were merged into one region.¹

As can be seen in the table below, both LMAs sustained job losses after 2000. Bridgeport showed both a more modest rate of jobs increases between 1995 and 2000 and a less severe loss of jobs since that time than was the case in Stamford. The major reason for this is that the Bridgeport region is more insulated from New York City's metro economic trends than is Stamford. New York City was more severely affected by the 2000 recession than Connecticut in general.

The jobs data through 2004 suggests that Stamford-Norwalk has started to stabilize while Bridgeport continues to drift down. This is due to a slightly higher reliance on the goods-producing sector in Bridgeport, which has decreased steadily from 42,900 jobs in 1995 to 35,300 jobs in 2004, or 18%.

EMPLOYMENT TRENDS BRIDGEPORT & STAMFORD LABOR MARKET AREAS – Non-farm Employment (000) Annual Averages 1995-2004

Year	Stamford – Norwalk LMA	% Change	Bridgeport- Milford LMA	% Change
1995	190.3		178.8	
1996	196.1	3.0%	179.8	0.6%
1997	201.5	2.8%	184.2	2.4%
1998	205.6	2.0%	186.2	1.1%
1999	208.6	1.5%	187.2	0.5%
2000	209.9	0.6%	187.2	0.0%
2001	205.4	-2.1%	186.4	-0.4%
2002	198.2	-3.5%	186.0	-0.2%
2003	195.7	-1.3%	184.5	-0.8%
2004	196.0	0.2%	183.6	-0.5%

Source: CT Department of Labor

¹ Stamford-Norwalk LMA communities: Darien, Greenwich, New Canaan, Norwalk, Stamford, Weston, Westport, Wilton. Bridgeport LMA communities: Ansonia, Beacon Falls, Bridgeport, Derby, Easton, Fairfield, Milford, Monroe, Oxford, Seymour, Shelton, Stratford, Trumbull

Service sector jobs now account for 92% of all Stamford area jobs and 81% of all Bridgeport area jobs. A review of jobs trends since 1995 for the service sector indicates that Bridgeport has held up comparatively well since 2000, with a stable if not growing base of 148,000 jobs. Stamford is down about 8,600 jobs since the last highpoint in 2000 but again appears to have stabilized.

**EMPLOYMENT TRENDS STAMFORD & BRIDGEPORT
LABOR MARKET AREAS – Service Sector
Annual Averages 1995-2004**

Year	Bridgeport- Milford LMA	% Change	Stamford – Norwalk LMA	% Change
1995	135.8		167.2	
1996	137.8	1.5%	173.4	3.7%
1997	141.8	2.9%	178.6	3.0%
1998	144.4	1.8%	183.0	2.5%
1999	146.4	1.4%	186.8	2.1%
2000	147.2	0.5%	188.6	1.0%
2001	147.0	-0.1%	185.4	-1.7%
2002	148.4	1.0%	179.7	-3.1%
2003	148.3	-0.1%	178.9	-0.4%
2004	148.3	0.0%	180.0	0.6%

Source: US Dept. of Labor, Bureau of labor Statistics

Labor Force

The labor force trends have not been encouraging in recent years. Bridgeport's labor force has been decreasing since 1998. In 2003, the city of Milford was added to the Bridgeport LMA, causing the increase in labor force that year shown in the table below. In Stamford, labor force levels appear to have bottomed out and be headed up again. During 2004, apartment vacancies in Stamford, which had been high during 2001 and 2002, started to decrease and resume a more normal occupancy picture, indicative of returning labor force. Labor force constraints are not unique to Fairfield County – it is a statewide concern, exacerbated by lack of jobs formation and relatively high cost of living, especially housing.

LABOR FORCE TRENDS BRIDGEPORT & BRIDGEPORT LABOR MARKET AREA Annual Averages 1995-2004

Year	Bridgeport LMA	% Change	Stamford LMA	% Change
1997	219,470		196,200	
1998	217,444	-0.9%	196,000	-0.1%
1999	216,123	-0.6%	191,400	-2.3%
2000	223,028	3.2%	193,600	1.1%
2001	221,744	-0.6%	191,000	-1.3%
2002	227,869	2.7%	190,900	-0.1%
2003	228,400	0.2%	192,600	0.9%
2004	227,100	-0.6%	193,600	0.5%

Source: CT Department of Labor

Unemployment

Stamford's unemployment rate has fallen to a very low 2.4% from 3.2% in December of 2003, which helps explain the apartment buildings there filling up during 2004. The City of Bridgeport typically reflects a higher rate of unemployment than surrounding suburban communities and at year end 2004 the rate was 7.1%, an increase from 5.5% at year end 2003. The Bridgeport Labor Market Area has witnessed an improved unemployment rate over the last year, however. In December of 2004, the unemployment rate was 4.6% as compared to 6.0% a year earlier.

Meanwhile Connecticut's unemployment rate was 3.9% at year end 2004, a healthy indicator, especially when compared to the national rate of 5.1% at year end.

III Existing Business Conditions – East Main Street Area

Definition of and Introduction to the Project Area

Stamford’s East Main Street, a 1.5 mile segment of US Route 1, completes the distance between downtown Stamford from Elm Street to the Noroton River and the Darien town line. Part of the old Boston Post Road, it predates I-95 as the major northeast/southwest commercial thoroughfare through the southeastern sector of the city. Now, functioning as a parallel route to I-95, it chiefly serves as a retail corridor and commuting transitway for residents of the East Side, Glenbrook to the north and Cove-East Side/Shippan neighborhoods to the south.



892 East Main

Of particular note is East Main Street’s importance as an automotive retailing destination, with a significant core of new car dealerships and automotive aftermarket goods and services. Also of note are the office complex concentrations at both the eastern gateway to Darien and the western gateway to downtown Stamford.

Because East Main is not *central* to any neighborhood it lacks identity and meaningful connection with any of these areas. Furthermore, there are existing neighborhood centers for Glenbrook, Shippan and the Cove. Future development along East Main Street will be in competition with these existing centers for consumer spending, especially Glenbrook’s which is the largest in the southeast quadrant.



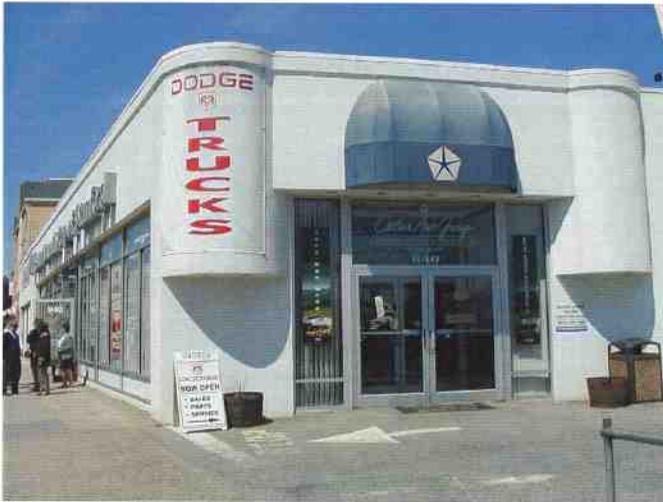
Downtown Retail

In terms of attracting tenants and retail development interest, East Main Street also must compete with High Ridge Road, another area of considerable retail redevelopment and expansion in recent years. Downtown Stamford (pictured at left) also presents competition as a neighborhood and destination retail location with major new development in the last

few years including Target and Burlington Coat. Interest continues to run high in downtown locations, especially in combination with residential development.

Existing Business Profile

East Main Street is dominated by automotive uses, including new car and truck dealers and auto after market sales and service. As a testament to the Stamford area's strong demographic and income base, the car dealerships are new car franchises rather than the



used car independents that typically dominate many older "auto rows" in Connecticut cities. As such, they present a more upscale image than the used car lots which define many similar corridors in urban Connecticut. Plus, the new car auto dealers constitute a destination shopping draw to East Main Street – albeit for a consumer item that is infrequently purchased. Unfortunately, car franchises do not contribute to pedestrian scale retail ambiance.

838 East Main



1259 East Main

Half Mile Radius – Business Profile

Within a half mile circular area from the intersection of Lockwood Ave and East Main Street, located approximately midway in the corridor, there are approximately 274 businesses and close to 1,700 employees. This area includes the central portion of East Main Street but does not include the office complexes at either end. With an average of six employees per business, most of these are small operations. Residential population totals approximately 12,200 within a half mile radius, indicating high density and concentration of households. We consider this area to be the most likely source of demand for *neighborhood* goods and services along East Main Street as these East Side residents are south of Glenbrook and north of the Cove border area with less proximity to other neighborhood centers.

Forty three percent (118) of the businesses operating in the half mile area are service establishments, the largest concentration by type of business, typical of business conditions throughout Connecticut. These businesses include 23 health services providers with 320 employees, the largest concentration of employment at by type.

Retailers account for 22% of businesses (60) of which 24 are eating and drinking places. The majority of these are fast food in nature rather than full service restaurants, although there are some notable exceptions (see left). Seven new car franchises are represented in this part of Stamford in five separate locations, representing some of the greatest land use and employment totals. The Kia dealership is visible in this photo across the street. Average employment for dealers, stations and auto aftermarket retailers is 23.

While the half mile survey includes nine food stores, they are very small ethnic specialty and convenience corner stores. Despite the dense resident population, there is no full service or mid-size premium markets located on East Main Street.

One Mile Area – Business Profile

The one mile area captures all of East Main Street, a portion of both Darien and downtown Stamford. The portion of Darien captured is almost entirely residential, so the data represent Stamford business concentrations. In all, within one mile of the intersection of Lockwood Avenue and East Main Street, there are approximately 2,200 businesses employing 25,600 or an average of 12 per business. This represents an eightfold increase in businesses and a twelvefold increase in employees over the half mile area. The major difference is that this expanded area pulls in the office complexes at either end of the corridor, changing the business mix pervasively.



Sound View Plaza- 1266 East Main

In the one mile area, a significant concentration of finance, insurance and real estate firms emerges – nearly 300 firms and 4,700 employees. Nearly half of these provide real estate and investment services, many of which are housed in the eastern end of the corridor, including the Mack-Cali Realty multi-tenant building at 1266 East Main, pictured at left. Other service businesses, including health

and legal services, aggregate 1,000 businesses and 10,500 employees in this one mile area. From a business to business standpoint, these office workers are currently underserved by a lack of retail goods and services, especially restaurants, located close by on East Main Street.

The residential population captured in the one mile area is impressive as well, aggregating 35,400 people, a threefold increase over the half mile area. Again, this population concentration, most of which is in Stamford, represents a rich potential market for goods and services on East Main Street.

The one mile retail mix of businesses continues the automotive theme, but also includes 128 eating and drinking places, a big jump shift from the half mile area. More of these are full service, as evidenced by a higher average employee per location of eight versus five. With the density of population, both daytime workers and nighttime residents, demand for more full service restaurants on East Main Street should be excellent if appropriate locations can be identified.

A summary chart follows on the next two pages.²

² Business data provided by InfoUSA, Omaha, NE, 2002.

	Lockwood Ave AT E Main St Stamford, CT 06902 Radius: 0.5 miles			Lockwood Ave AT E Main St Stamford, CT 06902 Radius: 1.0 miles			Lockwood Ave AT E Main St Stamford, CT 06902 Radius: 1.5 miles		
	BUSINESSES #	%	EMPLOYEES #	BUSINESSES #	%	EMPLOYEES #	BUSINESSES #	%	EMPLOYEES #
41.0562,-73.5212 Site Type: Radius	274 1,691 12,197 0.14			2,189 25,608 35,413 0.72			3,862 41,634 60,865 0.68		
Total Businesses:									
Total Employees:									
Total Residential Population: Daytime/Nighttime Population Ratio:									
Agriculture & Mining	6	2.2%	47	25	1.1%	179	41	1.1%	259
Construction	18	6.6%	14	133	6.1%	515	242	6.3%	1,565
Manufacturing	21	7.7%	93	69	3.2%	1,611	123	3.2%	3,203
Transportation	10	3.6%	92	56	2.6%	400	93	2.4%	671
Communication	2	0.7%	2	27	1.2%	247	42	1.1%	416
Electric, Gas, Water, San. Svcs.	0	0.0%	0	3	0.1%	29	11	0.3%	353
Wholesale Trade	6	2.2%	53	79	3.6%	820	142	3.7%	1,477
Retail Trade Summary	60	21.9%	470	393	18.0%	4,175	648	16.8%	6,404
Home Improvement	4	1.5%	11	15	0.7%	110	22	0.6%	205
General Merchandise Stores	0	0.0%	0	12	0.5%	131	22	0.6%	636
Food Stores	9	3.3%	50	38	1.7%	1,290	63	1.6%	1,437
Auto Dirrs, Gas Stns, Parts	9	3.3%	211	31	1.4%	468	49	1.3%	620
Apparel & Accessory Stores	0	0.0%	0	35	1.6%	291	56	1.5%	438
Furniture & Home Furnishings	5	1.8%	25	44	2.0%	320	80	2.1%	568
Eating & Drinking Places	24	8.8%	115	128	5.8%	1,059	196	5.1%	1,573
Miscellaneous Retail	9	3.3%	58	90	4.1%	506	160	4.1%	927
Finance, Insurance, Real Estate Summary	27	9.9%	90	296	13.5%	4,688	476	12.3%	6,442
Banks, Savings & Lending Institutions	2	0.7%	2	38	1.7%	434	68	1.8%	661
Securities Brokers	4	1.5%	1	69	3.2%	1,387	116	3.0%	2,246
Insurance Carriers & Agents	7	2.6%	35	56	2.6%	1,742	84	2.2%	1,957
R Est, Holding, Other Invest. Offices	14	5.1%	52	133	6.1%	1,125	208	5.4%	1,578

41.0562,-73.5212

Site Type: Radius

Total Businesses:

Total Employees:

Total Residential Population:

Daytime/Nighttime Population

Ratio:

	Lockwood Ave AT E Main St Stamford, CT 06902 Radius: 0.5 miles			Lockwood Ave AT E Main St Stamford, CT 06902 Radius: 1.0 miles			Lockwood Ave AT E Main St Stamford, CT 06902 Radius: 1.5 miles		
	0.14			0.72			0.68		
	BUSINESSES	EMPLOYEES		BUSINESSES	EMPLOYEES		BUSINESSES	EMPLOYEES	
	#	%	#	#	%	#	#	%	#
Services Summary	118	43.1%	826	984	45.0%	10,533	1,801	46.7%	17,749
Hotels & Lodging	0	0.0%	2	7	0.3%	490	8	0.2%	606
Automotive Services	19	6.9%	86	59	2.7%	289	84	2.2%	399
Motion Pictures & Amusements	7	2.6%	29	46	2.1%	389	80	2.1%	566
Health Services	23	8.4%	320	171	7.8%	2,355	324	8.4%	3,230
Legal Services	0	0.0%	3	146	6.7%	1,406	279	7.2%	2,088
Education Institutions & Libraries	5	1.8%	78	20	0.9%	475	38	1.0%	790
Other Services	64	23.4%	308	535	24.4%	5,129	988	25.6%	10,070
Government	0	0.0%	0	46	2.1%	2,313	99	2.6%	2,898
Other	6	2.2%	4	78	3.6%	98	142	3.7%	195
Totals	274	100.0%	1,691	2,189	100.0%	25,608	3,860	100.0%	41,632

Source: Business data provided by InfoUSA, Omaha NE Copyright 2002, all rights reserved. ESRI/BIS forecasts for 2003.

IV. Market Assessment

Office Market

Overview

Although economic signs now emerging provide evidence of an improving office market, until recently the regional and national office sector has been largely dormant since 2000 impacted first by Wall Street scandals, "dot com" collapse and terrorist's attacks followed by recession and subsequent stagnant economy. From 2001 to the first quarter of 2004, uneven job growth coupled with productivity gains, industry consolidations and various macro-economic factors including concerns for rising energy costs created a drag on demand for office space. The only bright spot in the office marketplace was exceptional institutional investment interest in office property which peaked at \$70 billion in 2004, or almost double the preceding year's total of \$46 billion. More recently a number of recent economic factors point to potential improvement in demand over the near term. In the last year half of 2004, however, a number of positive signs point to possible revival of this market.

One area of improvement is linked to a noticeable trend in lower vacancy rates which have been gradually chipped away due to a combination of factors that include rising business income, growth in industry profits and even employment gains that are nearing pre-recession levels. Other signs indicative of an improved office market environment can be seen in rising corporate administration and sales payrolls, with major increases in temp jobs. Corporate spending and infrastructure improvements are also expanding fueling demand for office space. Meanwhile, commercial brokers in most major markets have noted a substantial decline in sublet space which had previously both inflated office space supply and competed with the general office market at discounted prices.

The rise in demand is also expected to improve rental rates which held steady in the last year and is projected to increase slightly through 2005. Contributing to the rise in rental rates is the lack of any new office construction due in large part to previously high vacancies and exceptionally cautious lenders. New construction has also been inhibited by rising construction costs that have placed enormous pressure on the economic feasibility of projects in the wake of three years of flat rents.

According to NAR (National Association of Realtors) office vacancy rates are expected to drop by two percentage points nationally in the next two years. Factoring into this projection is recent data on net absorption of office space which beginning in the second quarter of 2004 was the strongest since 2000.

Stamford & East Main Street Office Market

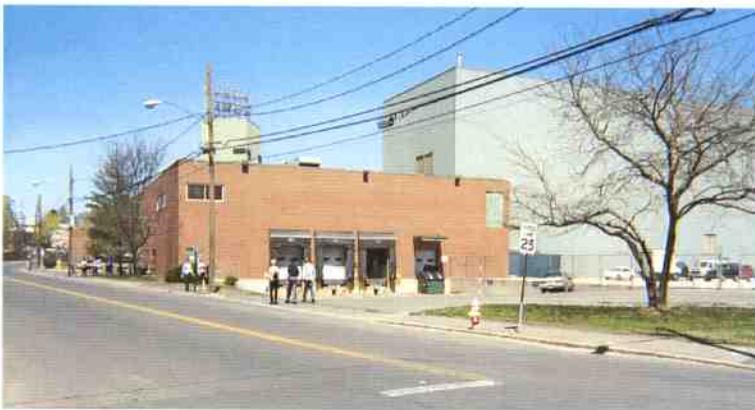
Stamford, long a dominant part of the Connecticut office marketplace, has reflected the national consolidation trend and experienced a long term decline in its corporate headquarters operations and a more recent downturn in its general office market tied to the post 9/11 economy and subsequent recessionary trends. Within Connecticut, competition from less expensive submarkets farther east has also lured office tenants to cheaper space and better proximity to the more affordable workforce living in eastern Fairfield County and New Haven County. Generally, office expense in Fairfield County is highest in Greenwich and progressively decreases as the market moves east through Stamford and Norwalk into Fairfield and Shelton. Stamford does benefit from any tightening in the Greenwich market. However, volatility in the stock market and other factors in the financial community that is the principal component of the Greenwich office market, has served to increase vacancy in part there through first part of 2005.



Clairol Headquarters

In the past year Stamford has had some success in stemming the tide of corporate headquarter losses. Of particular interest to East Main Street interests is the retention of the Clairol HQ and R&D operations at its campus on Blatchley

Avenue (above), representing about 650-700 jobs. Manufacturing and assembly will move to Mexico, taking 200 - 250 jobs. In June 2005, Clairol will be transferring to the city 13 acres of its campus for a new magnet school that will operate from 6:00 a.m. to 6:00 p.m. in June, 2005.



Pitney Bowes

The Pitney Bowes HQ has also been retained in the South End, although manufacturing and related operations have been relocated. The vacated premises, aggregating 22 acres, have been rezoned for mixed use including a substantial component of residential development.



General Reinsurance HQ

Two HQ operations occupy strategic locations right on East Main Street. General Reinsurance is at the western gateway, shown in the foreground at left, with approximately 900 employees at 695 East Main. World Wrestling Entertainment occupies 100,000 SF at 1241 E. Main, the eastern gateway.

Unfortunately, the North American HQ of Diagio, part of which was located at 750 E. Main, is in the process of moving to Norwalk. This will completely vacate 750 E. Main (at right), returning 100,000 SF to the market, along with two other locations in downtown Stamford.



750 East Main

Other than the Diagio building, vacancies on East Main are not too severe, with three buildings at the eastern gateway being fully occupied. Altogether, the six Class A and B buildings on either end of East Main reflect 16% vacancy or 162,500 SF out of 988,000 available. However, if the Diagio building is taken out of the totals, vacancy drops to 7% overall. A table of pertinent East Main Street office market information follows on the next page.

Stamford's total office market aggregates 15.9 million SF, of which half is located downtown and half is located in other parts of the city. The six East Main Street office buildings, aggregating about one million SF, represent 13% of all Stamford's 7.9 million SF of non-CBD office space and 6% of the city's total market. With availability³ running at 16% on East Main, the submarket compares well with the city as a whole, where according to CB Richard Ellis, availability is 20% for the first quarter of 2005. CBD average asking rents currently are \$31.86/SF and non CBD rents are \$27.61, in line with the asking price at 1266 E Main reflected in the table below.

Stamford East Main Street Office Market

Building	SF	Major Tenants	Asking Rent	SF Available	% Vacant
Western Gateway					
695 E. Main (Financial Centre)	490,000	General Reinsurance Corp.	--	9,523	2%
750 E. Main Street (One Main Place)	100,000	Diagio (vacating)		100,000	100%
<i>Subtotal</i>	<i>590,000</i>			<i>109,523</i>	<i>18.6%</i>
Eastern Gateway					
1241 E. Main (Titan Tower)	100,000	World Wrestling Entertainment Inc. (sole)	--	0	0%
1266 E. Main (Soundview Plaza)	180,000	Various	\$26 + \$1.75 SF elec.	52,522	29%
1281 E. Main (Holly Pond Plaza)	64,000	Investment advisory, media, legal	--	0	0%
1290 E. Main	54,000		--	0	0%
<i>Subtotal</i>	<i>398,000</i>			<i>52,522</i>	<i>13.2%</i>
Total	988,000			162,045	16%
Total without Diagio Bldg	888,000			62,522	7%

Source: Brokers, Tenants, AMS Consulting

³ Availability is defined as space that is being actively marketed and is available for tenant build-out within 12 months. This includes space available for sublease as well as space in buildings under construction.

CBRE also reports that Stamford has a very good first quarter in terms of new commitments totaling 205,000 SF in the CBD and 393,000 SF in non-CBD locations. These new leases demonstrate Stamford's continuing attractiveness as a viable business location. Nevertheless, there is still significant vacancy throughout the city, especially when compared to other Fairfield County locations: Stamford vacancy accounts for 42% of the county's supply, up from 35% a year ago.

While some speculative office space is being constructed in Norwalk, there is little likelihood that any new office space will be constructed outside the CBD, in the near or mid-term future. The emphasis should be on retaining the base that the city currently enjoys. In view of the sizeable, virtually untapped daytime office worker population present on East Main Street, efforts should be made to encourage the types of support services that office building tenants and their employees need. This will in turn help office building management lease space and retain tenants. Especially important are restaurants and good quality, home meal replacement (take out) venues. As restaurants are also strongly supportive of residential life, they become doubly important. Also important are business to business services and supplies in well defined, easily accessible locations.



Titan Tower, WWE, 1241 E. Main

Retail Market

Overview

According to many analysts the retail sector is expected to expand at a more aggressive pace than they have since the late 1990s. This is despite continued consolidation (Sears purchase of Kmart and Federated Department Stores purchase of May Department Stores being the most notable) and store closings. It is also in the face of projection of slower gain in retail sales of 4.8% as compared to last year's exceptional 7% in 2004.

Evidence of this expansion is noted in a recent survey of 35 retail tenants conducted by Merrill Lynch. This survey determined that store openings will increase by 23% in 2005 over 2004, 3,149 stores in 2005 vs. 2570 in 2004. This would be the largest increase since 1999 when 4,200 stores were added. Driving the retail market have been gains in consumer confidence and household spending – the latter influenced by the wealth effect from soaring home prices – and further attempts by big boxes to gain footholds in underserved areas and smaller users redefining and re-marketing their product.

Leading the growth has been apparel and home improvement retailers and discounters, with all three benefiting from changing demographics, the housing boom and population growth. Retail analysts have also noted an increased retail interest among in-fill locations in dense urban markets with supply constraints.

According to Reis, Inc, retail vacancy for shopping malls nationally remained at a manageable 5.3% in first quarter 2005, while strip centers were slightly higher at 6.9%. These rates are expected to hold through 2005 despite the addition of nearly 29 million square feet of retail and the growing impact of e-commerce sales (now 2% of all retail sales).

Stamford Retail

While the office market has been lagging, the retail and hotel sector has been booming, with four new retail projects and several hotels that include the new 115 room Marriott Courtyard Hotel at the corner of Summer and Broad Streets. New retail space aggregating 600,000 SF, including the following:

- The former Caldor's on Broad Street has been converted to a 120,000 SF Burlington Coat Factory store.
- Target has completed an 185,000 SF multistory store at Broad across from the UConn campus, which opened in 2004. This is the first Target to open in an urban location in the country, and its design is a marked departure from suburban examples. Target occupies two stories over a concealed, four level garage, which in turn is located above 16,000 SF of street level retail condominiums.
- Stamford Corners at 128 Broad Street, a mixed use retail, commercial and residential project with retail of 50,000 to 114,000 SF
- 154 Broad Street, 73,000 SF of retail on two floors
- A 95,000 SF Shop Rite shopping center is going forward on the corner of US 1 and Commerce Road, near the Greenwich town line.

Smaller scale retail downtown and in the neighborhoods generally exhibits high levels of occupancy. Lease rates are among the highest in the state, with asking rates downtown of \$33/SF on average for street level stores of 1,000 to 2,000 SF.

Summary of Available Space Downtown District

Address	Average size store	Average Asking Rent/SF
Atlantic Street	2,076 (4 listings)	\$33 NNN
Bank Street	6,500 (1 listing)	\$35. NNN
Bedford Street	1,377 (5 listings)	\$33 NNN
Broad Street	4,925 (4 listings)	\$26 NNN
Main Street	3,663 (4 listing)	\$33 NNN 1 st floor, \$20 NNN 2 nd floor
Summer Street	4,590 (5 listings)	\$27.50 NNN

Source: Stamford-Downtown.com

Rents are competitively lower on East Main Street for retail space compared to downtown. East Main Street rents are generally quoted on a gross basis, as small independent retailers want to know the outside limit of their monthly obligation rather than be confronted with surprises in the form of higher taxes, insurance and utilities. Rentals are quoted on a gross basis ranging from \$24 to \$40/SF. Often space is quoted by the month, common to smaller independent operations as well. A 500SF store on East Main would currently be quoted at about \$1,000/month gross, which translated to \$24/SF annually, according to one local landlord, which is competitively lower than downtown

rents of \$33 NNN.

East Main Street Commercial Centers



Clarks Hill Plaza - 806 East Main Street

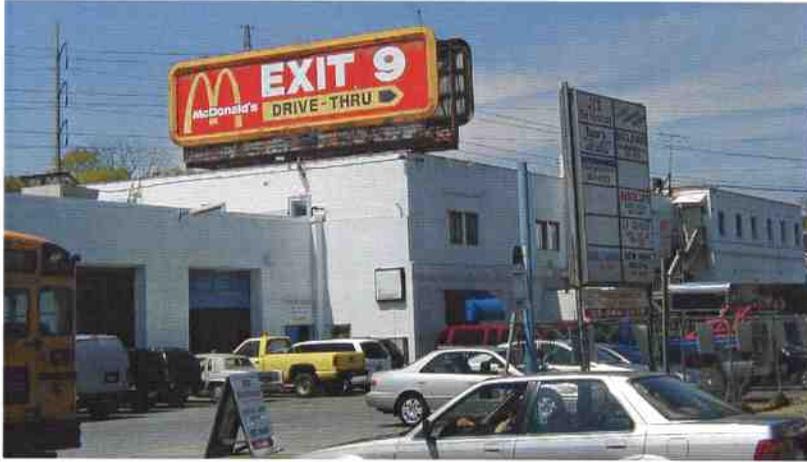
One of the three largest centers is located at the intersection of Lafayette and East Main. *Clark's Hill Plaza*, (at left) totals 25,520 SF. The center has nine tenants and is anchored by Bev-Max, a regional liquor store chain. Bev-Max is in the process of evaluating expansion options that includes the

addition of a small warehouse behind the store which would be accessed via Lafayette Street. This presents an opportunity for the city and East Side stakeholders to work with the owner on upgraded landscaping and appearance of the center.

Between 868 and 892 *East Main* is a center anchored by Myrna's Restaurant, a Rent-A-Center and Firestone with 22,436 SF total. This center has had a significant amount of reinvestment, especially the western end which was added to the eastern end and extensively redeveloped within the past ten years.

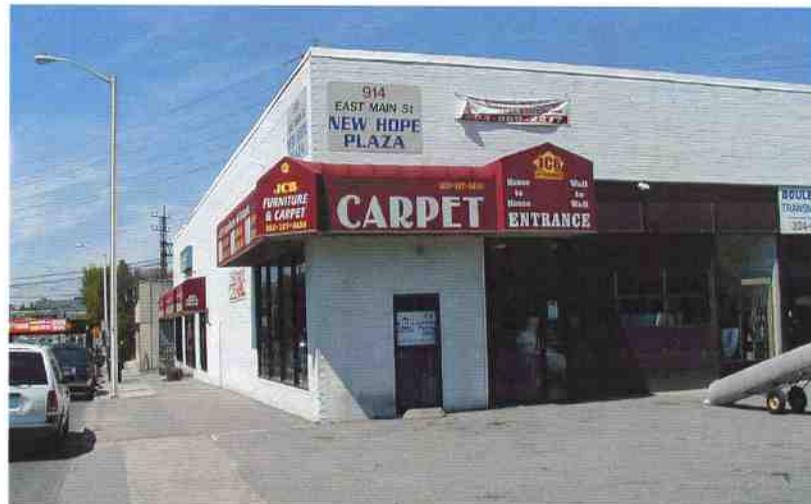


868-92 East Main

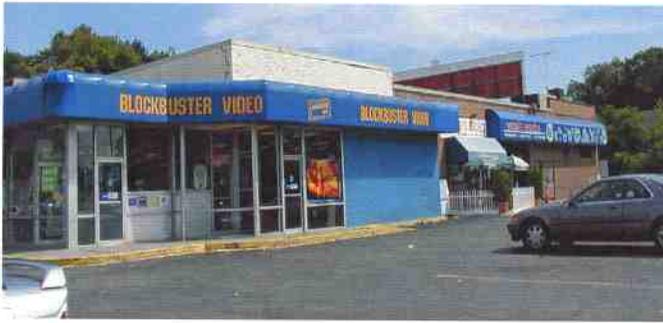


The *New Hope Plaza* with 45,102 SF is the largest center. However, it contains a significant amount of automotive tenants and a church (left), in addition to a discount furniture and rug retailer (below). JBC Furniture and Carpet is one of the largest non automotive retailers on East Main Street.

New Hope Plaza
-914 East Main



A fourth location, *Fairlawn Shopping Center* (left), with 15,000 and SF at the eastern end of the corridor near the I-95 interchange is slated for demolition in connection with the reconfiguration of Courtland Avenue – East Main Street intersection. This will reduce the amount of non-automotive space offered in commercial centers to roughly 110,000 SF.



Blockbuster Plaza – 933 East Main

The *Blockbuster complex* at 933 East Main Street occupies one of the larger non-automotive sites on the corridor at 1.15 acres. It is also strategically sited at the intersection of Lockwood Avenue, which connects with the Cove neighborhood to the south.

Tucked along the hillside on the south side of the corridor at Noroton Hill Place is the small center at *1051 East Main*. This center is anchored by Mi Terruno, a bakery and restaurant, indicative of the growing market for Latino goods and services throughout Stamford and including the East Side.



1051 East Main

Gaps and Opportunities for Consumer Spending and Retail Development

With the popularity and intensity of automotive uses, some of the larger retail and commercial uses usually found on major neighborhood corridors are missing from East Main Street. These include a supermarket, pharmacy and bank branches. There is also no public use, park or government space. This is largely due to the proximity of downtown Stamford with its extensive retail development and government center. However, as opportunities arise on East Main Street, a greater diversity of retail goods and services should be explored.

In order to evaluate the market area potential for the corridor, an analysis of the area falling within a half mile radius helps identify potential for the types of goods and services that support neighborhoods. We have also looked at demand within one mile radius for comparative purposes and expanded market potential.

Within the **half mile radius** (from the intersection of Lockwood and East Main), there are a total of 61 businesses generating \$122 million in sales. Total retail potential for the area's residents is estimated to be \$135 million in annual spending. While this appears to a relatively balanced situation between supply and demand, a closer examination indicates that the market factors are in fact quite skewed. Motor vehicles and parts aggregate \$95 million in sales or *78% of all sales registered in the half mile area*. However, residents within the half mile are estimated to spend just \$30 million on automotive goods and services. This serves to demonstrate what a powerful draw of households beyond the immediate area to East Main Street these auto businesses produce.

When we look at other categories of consumption, it is clear that local households must for the most part leave the area to shop and dine. This is particularly true of food and beverage stores, health and personal care, clothing, sporting goods, general merchandise, and all service levels of restaurants, as shown in the table below.

East Main Street Half Mile Leakage/Surplus Analysis

Type	Supply (\$ millions)	Demand (\$ millions)	Leakage/surplus*	# of Businesses
Motor Vehicles & Parts	95.3	30.2	-51.9	9
Furniture & Furnishings	0.8	3.7	63.5	2
Electronics	4.1	3.4	-9.6	3
Building & Garden supply	0.8	4.8	70.9	4
Food & Bev	8.5	26.6	51.7	10
Health & Personal Care	0	4.9	100.0	0
Gas Stations	3.2	10.5	53.3	1
Clothing & accessories	0	8.3	100.0	0
Sporting Goods, hobby, book	0.8	82.7	100.0	2
General Merchandise	0	10.5	100.0	0
Full Service Restaurants	2.5	8.8	55.0	2
Limited service Restaurants	4.3	8.7	33.6	22
Special Food Services	1.2	2.7	38.7	2
Drinking Places	0	0.2	100.0	0
Other/misc	0.8	9.5	76.3	4
Total	\$122.3	\$135.5	5.1	61

* positive number indicates leakage to other shopping areas, negative number a surplus.

Source: ESRI Business Information

A significant portion of this demand not satisfied in the immediate area is, of course, satisfied in adjacent downtown Stamford. When the **one mile radius** is taken into consideration, we see that all of the destination shopping available downtown bumps the retail supply to 386 businesses from 61, a sixfold increase. Demand for almost all consumer categories is met or exceeded, indicating the wide market area served by the mall and other major retail development.

However, data indicates that certain areas continue to be underserved: building materials and garden equipment; gas stations and food services and drinking places. While East Main Street is unlikely to be the site of a new Home Depot or Lowe's, due to land assemblage and other concerns, restaurant development can certainly be pursued. While the one mile data indicates a plentiful supply of food and beverage stores with 35, the need for better access to quality food shopping, even if space concerns dictate a small footprint, can also be explored. If this could be combined with a local pharmacy, that need would be served as well.

A summary of this information is presented on the following page.

East Main Street Retail Gap Analysis

Industry Summary	Supply (Retail Sales)	Demand (Retail Potential)	Leakage/Surplus Factor ⁵	# of Business	# of HH	Median 04 Disposable Income	Median 04 HH Income
0.5 mile Radius⁶							
Total Retail Trade and Food & Drink	122,316,073	135,524,474	5.1	61	4,385	\$39,266	\$50,173
Total Retail Trade	\$114,272,177	\$115,188,828	0.4	35			
<i>Total Food & Drink</i>	<i>\$8,043,896</i>	<i>\$20,335,646</i>	<i>43.3</i>	<i>26</i>			
1.0 mile Radius							
Total Retail Trade and Food & Drink	\$758,630,501	\$511,984,026	-19.4	386	15,071	\$46,870	\$62,702
Total Retail Trade	\$699,594,059	\$434,689,038	-23.4	252			
<i>Total Food & Drink</i>	<i>\$59,036,442</i>	<i>\$77,294,988</i>	<i>13.4</i>	<i>135</i>			
1.5 mile Radius							
Total Retail Trade and Food & Drink	\$1,124,898,945	\$920,299,853	-10.0	640	25,209	\$45,923	\$61,383
Total Retail Trade	\$1,034,911,891	\$781,580,342	-13.9	435			
<i>Total Food & Drink</i>	<i>\$89,987,054</i>	<i>\$138,719,511</i>	<i>21.3</i>	<i>205</i>			

Source: ESRI Business Information Solutions

⁵ Supply estimates sales to consumers by establishments. Sales to businesses are excluded. Demand represents the expected amount spent by consumers at retail establishments. The Leakage/Surplus Factor is a measure of consumer demand relative to supply, ranging from 100 (total leakage) to -100 (total surplus).

⁶ Intersection of Lockwood and East Main.

Neighborhood Competitive Areas

East Main Street is generally acknowledged to form a border between east Stamford neighborhoods to the north (Glenbrook) and south (Cove, Shippan). Because East Main is not *central* to any neighborhood it lacks identity and meaningful connection with any of these areas. Furthermore, there are existing neighborhood centers for Glenbrook, Shippan and the Cove. Future development along East Main Street will be in competition with these existing centers for local consumer spending, especially Glenbrook's which is the largest in the southeast quadrant. The following represents an evaluation of these areas.

Glenbrook's neighborhood center, loosely connected to the train platform off Glenbrook Road, is somewhat diffused over Church, Union, Hope, and Crescent Streets as well as Glenbrook. While there is ample evidence of private reinvestment and streetscape improvements, traffic on these streets, especially Hope Street and Glenbrook, present the same issues faced on East Main – difficulty crossing the four lane street. The constant crush of traffic makes it difficult to negotiate a left turn onto the street from parking areas as well.



The attractive center on Hope Street shown at left is across from the newer photo lab business shown below but crossing to reach it is not easy.



The competitive retail areas south of East Main in the Cove and Shippan are not nearly as extensive as the Glenbrook area or East Main Street itself. The small node at the intersection of *Seaside Avenue and Cove Road (Cove District)*, a collection of personal service businesses and restaurants, has the best pedestrian ambiance. Although limited in the range of goods and services offered, the Cove district appears well supported by the immediate neighborhood, especially the restaurants shown below.





The *Shippan neighborhood center*, running south of the Shop Rite supermarket (left) on Shippan Avenue, is more extensive but also suffers from pedestrian unfriendly traffic pressure on this major north-south corridor between the peninsula and downtown.

This combination restaurant and bar seen below offers outdoor seating along the side facing Shop Rite



The Shippan district, although small, has a bank branch, an important neighborhood service and traffic generator. The bank is pictured below in a modest trailer-like structure between the liquor store and fire station.



Also of note in close proximity to East Main Street is the retail development along *Myrtle Avenue*, including the intersection with Elm Street. Myrtle serves as an extension of “auto row” with a Volvo car dealership, and forms a section of the East Side neighborhood boundary. With the reconfiguration of Myrtle in accordance with transportation planning, these businesses will be at least temporarily adversely affected.



At the Elm/Myrtle/Jefferson Streets intersection, currently a traffic challenge, there are two restaurants (above) and a combination donut shop - espresso bar with drive-through (below), that may also be adversely affected – these may be relocation candidates for East Main Street. Of interest is the restaurant, Lacayne, (see sign upper right side of building pictured above) one of the more visible signs of the emerging Haitian population in this part of Stamford.



From a competitive standpoint, parts of the downtown, especially the *lower Bedford Street* area, offers the most well established, pedestrian friendly retail venue. Supported by hundreds of upscale apartment dwellers in close proximity, the area buzzes even during the day when most of the residents are at work. The area benefits from having retained and reinvested in its classic urban retail fabric plus adding sensible parking and streetscape features. It also benefits from having a formal special services district that supports merchants and property owners.



Housing Market

Physical Characteristics

Typical of an urban center, Stamford offers a diversified housing profile with 46% single unit, 18% small multi-family, usually older housing stock and the balance of 36% in structures of five or units or more.

2003 Stamford Housing Profile

All units	1-unit	%	2-unit	%	3/4 units	%	5+ units	%
47,934	22,134	46.2	3,841	8.0	4,751	9.9	17,181	35.8

DECD

East Main Street Market Area

The East Main Street corridor serves the more densely populated, southern portion of the city. The three census tracts which border East Main to the north (217, 218.01 and 218.02) and south (219, 220, and 221) reflect this greater density with a higher proportion of multi-unit structures compared to the citywide profile. These six tracts represent 28% of all occupied housing units in the city. The area in 2000 included 34% single unit, 26% small multi-unit and 40% in structures of five units or more. Generally speaking, the three northern tracts are characterized by a higher concentration of large residential buildings of 5 or more units while the three southern tracts are more given to one and two unit housing. Within the market area, there are some major differences between census tracts:

- Tract 217, to the northwest, overlaps with the eastern side of downtown Stamford. It is characterized by a very high concentration (84%) of mid- and high-rise residential development. Tracts 218.01 and 218.02 also have high concentrations of buildings with more than 2 units
- Tract 221, to the southeast, is more than half single family (53%) and has almost no large scale multi family development.

Tract	Total Occupied units	Single Unit	%	Two units	%	3 or 4 Units	%	5 + Units	%
217	3092	259	8.4%	57	1.8%	192	6.2%	2584	83.6%
218.01	1797	547	30.4%	158	8.8%	259	14.4%	833	46.4%
218.02	2019	706	35.0%	106	5.3%	459	22.7%	748	37.0%
219	2192	1039	47.4%	433	19.8%	289	13.2%	431	19.7%
220	1143	482	42.2%	152	13.3%	169	14.8%	340	29.7%
221	2541	1355	53.3%	453	17.8%	562	22.1%	171	6.7%
Total	12, 784	4388	34.3%	1359	10.6%	1930	15.1%	5107	39.9%

Source: US Census

Housing Production

Stamford has been the statewide leader in housing permitting in three of the last seven years, a remarkable accomplishment. After slacking off somewhat in 2003 with just 96, Stamford finished 2004 with 290 new permits, ranking in the top five statewide.

The new supply of housing coming on line in Stamford has been mainly distributed between single family and multi-family rental. AvalonBay alone added 1,226 rental units in four complexes during the period since 1996. The new permits in 2004 however have been mainly for condominiums, due to the sharp run-up in volume and prices for existing resale inventory. It is noted that new permit activity in Stamford occurs only in the context of demolitions, due to the scarcity of vacant land in the city. Over the 1998-2003 period, one demolition permit was issued for every ten new unit permits on average.

New Permits by Type and Net Gain - Stamford 1998-2003

Stamford Year	Total Units	1 Unit	2 Unit	3 and 4 Units	5 Units or More	Demolitions	Net Gain	Rank by Net Gain
2003	96	90	6	0	0	37	59	54
2002	219	82	0	3	134	35	184	4
2001	394	46	4	0	344	20	374	1
2000	571	64	4	3	500	21	550	1
1999	451	74	8	7	362	76	375	1
1998	222	103	14	28	77	10	212	8
	1,953	459	36	41	1,417	199	1,754	

Source: DECD

Housing production has also been substantial in neighboring towns and cities. While Stamford represents 48% or about half of the new permit activity 1998-2004, Norwalk and Greenwich have also been significant contributors to the market. Norwalk's housing profile is similar to Stamford's, with 54% single family, 20% small multi-family and 24% in larger buildings. Greenwich, despite its high profile reputation for "back country" estates, also has about 30% of its housing in multi-family and large rental and ownership complexes. Darien is almost exclusively a single family, detached marketplace, although an AvalonBay development accounted for much of the upward spike in 2003.

MARKET AREA NEW PERMIT ACTIVITY

Town	1998	1999	2000	2001	2002	2003	2004	TOTAL
Stamford	222	451	571	394	219	96	290	1,953
Norwalk	132	151	116	328	121	130	301	978
Greenwich	114	105	136	126	150	140	157	771
Darien	26	32	48	42	32	222	157	402
Total	494	739	871	890	522	588	905	4,104

Source: DECD

Housing Sales Analysis & Trends

Price Appreciation Trends- Single Family

Based on residential data collected by the Warren Group, the Stamford market area towns experienced extraordinary residential price appreciation in the last four years in both the single family and condominium market. This price jump was seen nationally as interest rates on 30-year mortgages declined during this period, dropping from 7.5% to as low as 5%, although now hovering below 5.8%. The market was further buttressed by buyers seeking to place money in real estate as the stock market continued to struggle.

Stamford median price for single family rose from \$371,356 to \$580,000 between 2000 and 2004, for an overall increase of 56%, or an average annual rate of increase of 9.3% a year. In the last year alone, median price for single family homes in Stamford appreciated by 16%. The biggest advances in single family prices occurred in Greenwich and Norwalk, where median prices have appreciated 70% and 64% since 2000. Greenwich's median price has been over \$1 million since 2002, ending 2004 at \$1.6 million. Norwalk, being the most affordable of the four market area towns, started with the lowest median price of \$285,000 and witnessed an upsurge to a median of \$466,000 for 2004. Darien, among the very best addresses in Fairfield County, witnessed increases of 48% to just under \$1 million.

Price Appreciation Trends- Condominium

Price appreciation has been even more dramatic in the condominium market which, up the mid 1990's, had been flat in both sales price and volume transactions. All four communities witnessed price appreciation of more than 50% between 2000 and 2004, except Darien, which has very few condominium complexes. In Stamford, the median sale for condominiums increased from \$158,000 to \$264,000, or a 67% increase between 2000 and 2004. Stamford posted the greatest overall median price increase followed by Norwalk with 62% and Greenwich with 55%. The median Darien condo sold for \$510,000, down from \$590,000 in 2003 when there were just 15 sales as opposed to 2004 when 23 units sold. Price appreciation trends follow on the next page.

Residential Median & Sales Volume Trends
Stamford Market Area
2000-2004

	2000	2001	2002	2003	2004	change 2000- 2004
Stamford						
<i>Number of sales</i>						
Single Family	1,097	1,051	1,070	1,079	1,123	2.4%
Condo	949	1,097	932	1,075	1,169	23.2%
Other	224	259	231	202	424	89.3%
Total	2,270	24,07	2,233	2,356	2,716	19.6%
<i>Median Price</i>						
Single Family	\$371,356	\$390,000	\$455,000	\$500,000	\$580,000	56.2%
Condo	\$158,000	\$179,600	\$219,000	\$235,000	\$264,000	67.1%
Norwalk						
<i>Number of sales</i>						
Single Family	1,112	1,004	899	1,019	1,023	-8.0%
Condo	674	607	610	599	818	21.4%
other	231	185	137	259	425	84.0%
Total	2,017	1,796	1,646	1,877	2,266	12.3%
<i>Median Price</i>						
Single Family	\$285,000	\$321,000	\$376,000	\$400,000	\$466,000	63.5%
Condo	\$164,700	\$185,000	\$215,000	\$240,000	\$266,250	61.7%
Greenwich						
<i>Number of sales</i>						
Single Family	1,011	737	816	836	884	-12.6%
Condo	295	226	251	232	268	-9.2%
other	154	149	176	135	309	100.6%
Total	1,460	1,112	1,243	1,203	1,461	0.1%
<i>Median Price</i>						
Single Family	\$855,000	\$850,000	\$956,000	\$985,000	\$1,450,000	69.6%
Condo	\$370,000	\$426,000	\$470,000	\$530,000	\$575,000	55.4%
Darien						
<i>Number of sales</i>						
Single Family	418	344	385	382	455	8.9%
Condo	14	19	22	15	23	64.3%
other	51	29	34	36	63	23.5%
Total	483	392	441	433	541	12.0%
<i>Median Price</i>						
Single Family	\$667,000	\$702,500	\$770,000	\$876,750	\$989,000	48.3%
Condo	\$396,000	\$430,000	\$430,500	\$590,000	\$510,000	28.8%

Source: The Warren Group

Sales Volume and Market Support Analysis - Single Family

Stamford accounted for one third of the region's sales of single family homes with 1,123 in 2004. Norwalk accounted for another 29% of single family sales, followed by Greenwich with 25% and Darien with 13%.

Unlike previously noted trends in price appreciation, sales volume increases in single family homes has been much flatter in all market area towns between 2000 and 2004. Nevertheless volume has been significant, especially in Stamford and Norwalk. In Stamford, between 1,050 and 1,100 single family homes have sold consistently year in and year out. With the exception of 2002, Norwalk has also contributed upwards of 1,000 transactions per year. Meanwhile, 2004 was well below 2000 volume in Greenwich. Darien picked up momentum to 455 sales in 2004 after declining sales volume in 2000-2003. Residential brokers in the area point to a number of factors influencing lower single family sales in the past year including lower inventory of homes for sale at any given point in time and rising prices reducing the number of qualifying buyers, especially first time buyers, despite historically low interest rates.

Sales Volume and Market Support Analysis - Condominium

In contrast to declining single family sales volume, condominium sales have increased at a fairly brisk pace over the 2000 to 2004 period. Total condo sales recorded for the market area were 2,274 in 2004, up 18% when compared to the 2000 level. Stamford has historically dominated the marketplace in overall condo sales over the past decade, a role that it continues to play into the new millennium. In 2004, Stamford recorded 1,165 condo sales, equaling city single family sales volume for the same year and continuing a trend of nearly equal single family and condo sales levels since 1999. In terms of share, the 1,165 sales represented 51% of the marketplace. The remarkable pace of condo sales in Stamford in the last five years is particularly pronounced when compared to the average of 724 condo sales level recorded by the city over the period 1994 through 1998, and the fact that little new product has entered the market until very recently.

Outside of Stamford, condo sales activity is most prominent in the town of Norwalk, with 818 sales in 2004, up sharply from 599 in 2003 or 37% in one year. Greenwich volume of 268 was also up from 2003 levels although somewhat less than the 2000 level of 232. Darien has ranged from 14 to 23 units since 2000.

Multi-family Sales

Other sales in the four town area, primarily multi-family sales, had been fairly consistent at volumes of between 580 and 660 between 2000 and 2003. However, in 2004, volume jumped to 1,221, up 93% from the prior year or almost doubling. This trend is unsettling in view of the lack of major appreciation in rental rates to support transactions at this level and indicative of speculation in this market. Stamford's multi-family sales jumped 109%, Greenwich 128%, Darien 75% and Norwalk 64%.

Refer to the following summary table on trends in sales volume for single family and condominium sales in the Stamford Market Area.

Residential Summary Sales Volume Trends
Stamford Market Area
2000-2004

	2000	2001	2002	2003	2004	Change 2000-2004
Total SF Volume trends						
Stamford	1,097	1,057	1,070	1,079	1,123	2.4%
Norwalk	1,112	1,004	899	1,019	1,023	-8.0%
Greenwich	1,011	737	816	836	884	-12.6%
Darien	418	344	385	382	455	8.9%
Total	3,638	3,142	3,170	3,316	3,485	-4.2%
Total Condo Volume trends						
Stamford	949	1,097	932	1,075	1,165	22.8%
Norwalk	674	607	610	599	818	21.4%
Greenwich	295	226	251	232	268	-9.2%
Darien	14	19	22	15	23	64.3%
Total	1,932	1,949	1,815	1,921	2,274	17.7%
Total Multi-family Volume trends						
Stamford	224	259	231	202	424	89.3%
Norwalk	231	185	137	259	425	84.0%
Greenwich	154	149	176	135	309	100.6%
Darien	51	29	34	36	63	23.5%
Total	660	622	578	632	1221	85.0%
Source: Warren Group						

Stamford & East Main Street Condominium Trends

As previously demonstrated, Stamford is perennially a prodigious source of condominium sales. To understand the potential for condominium development in the East Side area, we have reviewed transactions between \$100,000 and \$600,000 for both the city and local area. This range captures all but the smallest studio units on the low side and the new detached and best waterfront units on the high side. East Side condominium data includes transactions from complexes located on lower Glenbrook (to 180), Courtland Avenue, Cove Road, Seaton Road and adjacent streets, Hamilton Avenue, Lafayette, Myrtle Avenue, Sylvan Knoll and Liberty Street. While some of these complexes may fall within the Glenbrook or Cove neighborhoods, they are all in close proximity to East Main Street as well.

As can be seen in the table on the following page, for the past two years, the East Main Street area has generated roughly one quarter of all the transactions in this range, indicating that it is a key component of the overall market and a major source of affordable condominium housing. East Main area units have generally topped out in price at \$300,000 (2003) to \$350,000 (2004), while the citywide distribution topped out at \$400,000 (2003) to \$450,000 (2004).

Stamford & East Main Street Area

Condominium Sales Distribution Analysis \$100,000 - \$600,000

3/25/03-4/7/04

Price Range	Stamford		East Side Area	
	# of Sales	%	# of Sales	%
\$100,000-\$149,999	130	13.25%	27	11.84%
\$150,000-\$199,999	205	20.90%	80	35.09%
\$200,000-\$249,999	161	16.41%	50	21.93%
\$250,000-\$299,999	165	16.82%	43	18.86%
\$300,000-\$349,999	118	12.03%	15	6.58%
\$350,000-\$399,999	72	7.34%	12	5.26%
\$400,000-\$449,999	41	4.18%	0	0.00%
\$450,000-\$499,999	40	4.08%	1	0.44%
\$500,000-\$549,999	35	3.57%	0	0.00%
\$550,000-\$599,999	14	1.43%	0	0.00%
Total Sales	981	100.00%	228	100.00%
<i>Median</i>	<i>\$248,000</i>		<i>\$205,500</i>	

4/7/04-5/11/05

Price Range	Stamford		East Side Area	
	# of Sales	%	# of Sales	%
\$100,000-\$149,999	56	5.53%	14	5.79%
\$150,000-\$199,999	153	15.12%	59	24.38%
\$200,000-\$249,999	181	17.89%	67	27.69%
\$250,000-\$299,999	148	14.62%	47	19.42%
\$300,000-\$349,999	122	12.06%	31	12.81%
\$350,000-\$399,999	138	13.64%	16	6.61%
\$400,000-\$449,999	105	10.38%	5	2.07%
\$450,000-\$499,999	46	4.55%	1	0.41%
\$500,000-\$549,999	32	3.16%	2	0.83%
\$550,000-\$599,999	31	3.06%	0	0.00%
Total Sales	1012	100.00%	242	100.00%
<i>Median</i>	<i>\$290,000</i>		<i>\$231,000</i>	

Source: MLS

Aside from neighborhood considerations, part of the disparity in pricing is explained by the older age and configuration of the units in the East Main area. The 2004 transactions reflect a median age of 1974 for the city and 1964 for the East Side area. Many of the East Side area's complexes are conversions from garden style apartments and mid-rise buildings, which tend to be smaller and sell for less than newer townhouse units in other parts of Stamford. Furthermore, while there has been some new construction in other parts of Stamford, the built-out nature of the East Side has made all but infill development difficult to accomplish.

As can be seen in the table below, sales of recently constructed condominiums over the last two years in the price range \$600,000 and below have been infrequent according to MLS sales data, averaging 50 a year citywide and a handful in the East Side. Newer East Side area transactions have clustered at the \$359,000 level based largely on 12 sales of a 54 Myrtle Avenue complex called The Pines, and nine sales at Victorian manor at 49 Glenbrook Road. The average sales price/SF was \$263 and these newer units generally range from 1,200 to 1,500 SF, offering two and three bedrooms.

Sales of newer condominiums built 1999-2005 during **two year** period 3/25/03 – 5/11/05
Price range: to \$600,000

Stamford & East Main Street Area

New Condominium Sales Distribution Analysis \$100,000 - \$600,000

Price Range	tamford		East Side Area	
	# of Sales	%	# of Sales	%
\$100,000-\$149,999	0	0.00%	0	0.00%
\$150,000-\$199,999	0	0.00%	0	0.00%
\$200,000-\$249,999	2	1.94%	1	4.17%
\$250,000-\$299,999	13	12.62%	3	12.50%
\$300,000-\$349,999	17	16.50%	6	25.00%
\$350,000-\$399,999	16	15.53%	12	50.00%
\$400,000-\$449,999	17	16.50%	1	4.17%
\$450,000-\$499,999	21	20.39%	1	4.17%
\$500,000-\$549,999	9	8.74%	0	0.00%
\$550,000-\$599,999	8	7.77%	0	0.00%
Total Sales	103	100.00%	24	100.00%
<i>Median</i>	<i>\$419,900</i>		<i>\$359,000</i>	

Source: MLS

Condominiums in Sales

At present, MLS reflects 249 active condominium listings in Stamford between \$100,000 and \$600,000, or about a three month supply. The median asking price is \$325,000 or 10% above the last 12 months' median asking price of \$295,000.

After a dearth of new condominium construction, Stamford has in the last year witnessed a definite growth spurt. Currently there are six new complexes in sales, including a very high end, luxury high rise property called **Highgrove**, located downtown, with pricing starting at \$1.1 million and increasing to \$2.8 million. Also in sales downtown is **Mill River House** (below), with asking prices now of \$482,000 to \$549,000. Pricing here was initially \$350,000 a year ago, as this complex is on the western fringe of downtown just across the Mill (Rippowam) River.



Mill River House List Prices

List Price	Address	Sq Ft	# of Rms	# of Bdm	Full Bath	Half Bath	Year Built	Price/SF
\$453,200	35 WEST BROAD	1385	6	3	2	0	2005	327
\$489,000	35 WEST BROAD	1304	5	2	2	0	2005	375
\$489,000	35 WEST BROAD ST	1304	5	2	2	0	2005	375
\$508,724	35 WEST BROAD ST	1429	5	2	2	0	2005	356
\$549,000	35 WEST BROAD ST	1560	6	3	2	0	2005	352
\$549,000	35 WEST BROAD ST	1560	6	3	2	0	2005	352
\$559,000	35 WEST BROAD ST	1560	6	3	2	0	2005	358
\$513,846	average	1443						\$356

Two new complexes are just getting underway that are within the East Side local sphere. They are north of East Main, including *Maple Pointe* at 39 Maple Tree Avenue near the Glenbrook train station and *The Gables* at 160 Glenbrook Road near the Clovelly Road intersection. Information follows on the next page.

Profiles of New East Side Condominiums

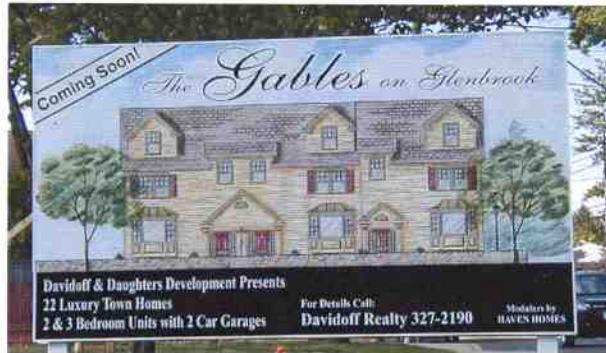
The Gables on Glenbrook

160 Glenbrook Road



The Gables on Glenbrook will be an infill development of 22 two and three bedroom townhouses at the intersection of Glenbrook and Clovelly Road, just north of East Main Street. Units will be approximately 1,850 SF with two or three baths

plus half bath depending on the number of bedrooms. Construction will be modular with luxury interior appointments including granite/stainless kitchens, tray ceilings, bath with Jacuzzi plus shower and hardwood flooring throughout. Pricing is \$530,000 for two bedrooms/two baths and \$615,000 for three bedrooms, three baths.



Listing Information

List Price	Complex Name	Sq Ft	# of Rms	# of Bdm	Full Bath	Half Bath	Year Built	Price/SF
\$530,000	THE GABLES	1350	5	2	2	1	2005	393
\$540,000	THE GABLES	1350	5	2	2	1	2005	400
\$540,000	THE GABLES	1350	5	2	2	1	2005	400
\$555,000	THE GABLES	1350	5	2	2	1	2005	411
\$599,000	THE GABLES	1850	6	3	3	1	2005	324
\$599,000	THE GABLES	1850	6	3	3	1	2005	324
\$556,142	average	1492						\$377

Source: MLS

Maple Pointe
139 Maple Tree Avenue



Maple Pointe will be a townhouse community constructed on the current site of the Resources Park, a vacant infill business park in an older residential neighborhood near the Darien town line in Glenbrook. Demolition is slated to begin mid summer 2005. Units will have luxury appointments and one car garages.

List Price	Complex Name	Sq Ft	# of Rms	# of Bdm	Full Bath	Half Bath	Year Built	Price/SF
\$482,900	MAPLE POINTE	1500	6	2	1	1	2005	322
\$482,900	MAPLE POINTE	1500	6	2	1	1	2005	322
\$486,900	MAPLE POINTE	1500	6	2	1	1	2005	325
\$486,900	MAPLE POINTE	1500	6	2	1	1	2005	325
\$549,900	MAPLE POINTE	1650	7	2	2	1	2005	333
\$659,900	MAPLE POINTE	2500	7	2	2	0	2005	\$264
\$524,900	average	1692						\$315

Multi-family Sales Trends

Multi-family sales, defined as residences with two to four units, have been very brisk in Stamford the last two years. Prices have escalated 10% between 2003 and 2004, with the median sale reaching \$525,000. Virtually all sales took place above \$400,000 during the last 12 months. Low interest rates and minimum down payment programs have assisted this trend, although rents generally have not increased over the period. What has increased, especially in areas bordering East Main Street, is the occupancy level. High rental income results in some cases from over capacity occupancy associated with day laborers and other recent arrivals to Stamford.

Stamford Multi-family Sales to \$600,000; 3/25/03-4/7/04 & 4/7/04-5/11/05

Price Range	2003-04		2004-05	
	# of Sales	%	# of Sales	%
\$100,000-\$149,999	0	0.0%	0	0.0%
\$150,000-\$199,999	0	0.0%	0	0.0%
\$200,000-\$249,999	0	0.0%	0	0.0%
\$250,000-\$299,999	1	1.1%	1	1.3%
\$300,000-\$349,999	3	3.2%	0	0.0%
\$350,000-\$399,999	6	6.5%	0	0.0%
\$400,000-\$449,999	21	22.6%	9	11.3%
\$450,000-\$499,999	30	32.3%	19	23.8%
\$500,000-\$549,999	19	20.4%	18	22.5%
\$550,000-\$599,999	13	14.0%	33	41.3%
Total Sales	93	100.0%	80	100.0%
Median	\$477,000		\$525,000	

Source: MLS

Multi-family listings

According to MLS, there are 33 active multi-family listings ranging from \$449,000 to \$1.5 million. Only ten listings were for \$600,000 or less, reflecting a very limited supply of about 1.5 months, based on last year's volume. While multi-families generally constitute a ready supply of affordable housing in Connecticut's cities, this is not the case in Stamford, at least at normal levels of occupancy.

Stamford Rental Market Overview

Nationally, the multifamily rental market has been weakened by lackluster demand tied to two major ongoing factors: lack of jobs formation and a booming entry level ownership housing market. A lack of jobs increases affects the flow of new entry level renters and the low cost of buying a home has siphoned off existing renters from the marketplace. A third factor, an oversupply of new rental housing, has abated somewhat as apartment housing starts have declined in view of poor market fundamentals.

While absorbing 1,728 new apartment units between 2001 and 2004, the lower Fairfield County apartment market experienced a downturn as jobs and workforce diminished after 2001. The highest priced of the Metro submarkets⁷, the absorption of new units came at a high cost to the industry: on an annual basis, lower Fairfield County rents declined on average 3.6% a year between 2000 and 2004. The average rent decreased from \$2,203 at year end 2000 to \$1,906 at year end 2004 or 13.5%. The expected trend is for rents to continue stabilizing in 2005 and gradually increase 2006-2009.

Throughout lower Fairfield County, vacancies are running at 8.1% through year end 2004, but are projected to continue to improve to the mid- 7% range by the end of 2005. This compares favorably with the other submarkets, which are projected to trend above 8%.

Metro Rental Market Trends

Region	2004	2005	2006	2007	2008	2009
Lwr. Ffld Cty. Net Unit Absorption last 12 months	270	265	125	102	207	221
New Supply last 12 months	256	100	116	112	182	221
Lwr. Ffld Cty. Vacancy Rate	8.1%	7.5%	7.4%	7.4%	7.2%	7.2%
Metro Region Vacancy	9.1%	8.8%	8.6%	8.4%	8.2%	8.1%
Lwr. Ffld Cty. Rent	\$1,906	\$1,909	\$1,941	\$1,975	\$2,008	\$2,046
Metro Rent	\$1,583	\$1,580	\$1,599	\$1,626	\$1,658	\$1,695
Lwr. Ffld Cty. Y/Y Rent Growth	-0.6%	0.2%	1.6%	1.8%	1.7%	1.9%
Metro Rent Growth	-0.5%	-0.2%	1.2%	1.7%	2.0%	2.2%

Source: Property & Portfolio Research, Inc.

⁷ The Metro area is comprised of four submarkets: Lower Fairfield County, Upper Fairfield County, New Haven County and the City of New Haven

Stamford Rental Market by Type of Unit

Data captured in the foregoing Metro Rental Market Trends are most typically drawn from the largest and newest complexes that are mainly located downtown. In order to develop a broad understanding of the diverse rental market in Stamford, we have also reviewed MLS transactions for a variety of rental housing throughout the city, including multi-families, rental condos and coops and single family homes. The remarkable depth of the Stamford rental market is demonstrated by the fact that over a two year period there were 1,500 rental transactions tracked by MLS above and beyond rentals directly transacted by management of the many newer Class A properties downtown.

In general, condominiums for rent dominate this secondary rental market, accounting for 50% of all MLS-reported transactions over the past two years. Multi-families and single families make up another 40% of supply with mid and high-rises accounting for the balance. Not captured here, in addition to the Class A properties are private rental transactions that did not go through MLS.

The supply of condominiums for rent, especially studios, one and some two bedrooms, is largely found in older mid- and high rise buildings that were converted from apartments to condominiums 25 to 35 years ago. Many of these conversion buildings are found along corridors like Glenbrook Road and Strawberry Hill Avenue, in or near downtown and East Side. Rents for one and two bedroom units are comparable between the condominiums and mid- and high-rise buildings, as can be seen in the table below. A divergence appears at the three bedroom level, due to the greater number of newer, larger town houses in the supply of rental condominiums as opposed to smaller, older flat style units in the mid-and high-rise apartment buildings.

Multi-family homes reflect the most affordable component of area rentals while single family homes, which are spread over a larger geographic area in Stamford, are the costliest in general. Multi-family rentals captured by MLS are not likely to include transactions for the overcrowded housing targeting recent immigrants to Stamford, many of whom live on the East Side. These multi-family rents are generally per capita and very lucrative for owners.

Median rents, unit size and rent per square foot for the various types of rentals follow on the next page.

Stamford Median Rents by Type of Unit
Last Two Years (3/25/03-5/7/05)

Unit Size	Multi-family	Mid and High-rise	Condominium	Single Family
Percent of survey by number of trans.	22%	9%	50%	19%
Studio	\$850	\$850	\$933	--
1 Bedroom	\$1,050	\$1,125	\$1,195	\$1,300
2 Bedroom	\$1,400	\$1,600	\$1,650	\$1,825
3 Bedroom	\$1,750	\$1,800	\$2,100	\$2,500
4 Bedroom	--	--	--	\$3,150
5 Bedroom	--	--	--	\$4,875

Source: MLS

Stamford Median Unit Size and Rent/Square Foot by Type of Unit
Last Two Years (3/25/03-5/7/05)

Unit Size	Multi-family		Mid and High-rise		Condominium		Single Family	
	Size	R/SF	Size	R/SF	Size	R/SF	Size	R/SF
Studio	350	\$2.32	450	\$1.94	445	\$2.12	--	--
1 Bedroom	700	\$1.60	700	\$1.64	654	\$1.75	850	\$1.70
2 Bedroom	1,100	\$1.33	1,100	\$1.41	1,184	\$1.44	1,167	\$1.59
3 Bedroom	1,400	\$1.29	1,152	\$1.50	1,700	\$1.30	1,725	\$1.44
4 Bedroom	--	--	--	--	--	--	2,425	\$1.34
5 Bedroom	--	--	--	--	--	--	3,660	\$1.34

Source: MLS

East Main Street Area Rental Condominium Market



Glenbrook Road is a major source of condominium rentals and sales. Looking up the street to the north from the East Main Street intersection, two of the high-rises can be seen.

Representative rentals from lower Glenbrook Road for the past two years are shown below.

Condo Complex Name	# of BR	Ave. SF	Ave. Rent	Ave. \$/SF
Redstone Manor	0	540	\$990	\$1.83
39 Glenbrook Rd	1	810	\$1253	\$1.54
Yr built - 1958	2	906	\$1300	\$1.43
Soundview Tower	1	1028	\$1562	\$1.51
50 Glenbrook Rd	2	1284	\$1756	\$1.36
Yr Built - 1973				
Glenbrook Tower	0	350	\$833	\$2.38
87 Glenbrook Rd	1	774	\$1161	\$1.50
Yr Built - 1965				
Beachcomber	1	796	\$1124	\$1.41
637 Cove Rd				
Yr Built - 1969				
Bishop Meadow	2	1712	\$1790	\$1.04
202 Soundview Ave				
Yr Built - 1977				

The Windemere, 300 Broad Street, 71 units



The Windemere is an office to apartments conversion at the eastern end of the district offering one and two bedroom units. In this picture, it is on the left with the soon to become vacant Diageo office building on the right. It reportedly appeals mainly to an older renter but does not have a doorman. Rents are quoted at from \$1,300 for a one bedroom, one bath unit and \$1,475 for a two bedroom, two bath unit. Parking garage or covered parking is available.

Daycroft Apartments, Blatchley Road, 188 units



At the western end of the corridor, near I-95 exit 9 is this older, garden style apartment community. Units are one and two bedrooms, all with one bath. One bedrooms rent from \$1,155 and two bedrooms from \$1,375.

VI. Development Activity & Issues on East Main Street

750 East Main Street (One Main Place – former Diagio)



Vacated 100% with Diagio's move to Norwalk, this 11 story building has 100,000 SF above a five story, 300 space garage. It is available for lease as of August 2005. If a replacement office tenant or tenants are not secured, this property may represent a candidate for residential conversion. It is bordered by an office to residential conversion on the west (left structure above) and other residential uses along lower Glenbrook to the east.

Suburban Cadillac - Northeast corner, Glenbrook Road and East Main Street



This prime corner 2.4 acre lot is in play for redevelopment to residential use, presumably condominium. The sale may have already taken place. A zone change would be necessary.

Clark's Hill Plaza (Bev-Max center)



The owners of Bev-Max would like to add a small warehouse to the rear of their store. This presents an opportunity to add some landscaping and possibly other upgrades to the nine store center, one of East Main Street's largest. The owner of the center is Joseph DiScala of Norwalk.

821 East Main Street (Mike's Laundry/Holly Press)



This site located at the southeast corner of East Main and Lafayette is in the process of being assembled for redevelopment parcel. The intent is to create a parcel of approximately 2.5 acres that would support residential

construction of approximately 60 to 100 units, depending on zoning and land acquired plus 5,000 SF of ground floor retail. The housing would be market rate ranging tentatively from \$371,000 to \$550,000. If an adequate site of at least one acre cannot be assembled from additional parcels at East Main and Lafayette, Ms. Rosenbaum may joint venture with Messrs. Knight and Growbowski who have developed an affordable rental property at Lafayette and North State Streets to the south of her location. The retail component of this development could make a good location for a branch bank, much needed on East Main Street. The photo below shows the corner property at 821 East Main in the context of new mixed use development directly across East Main and diagonally across from the Clark's Hill Shopping Plaza parking lot.



860 East Main Street (Dunkin Donuts)

Dunkin Donuts is moving from its present location to the current site of Manny's Market farther east on the south side opposite the intersection with Lawn Avenue. There is some discussion as to whether the Dunkin Donut site will be merged into the Chrysler Dealership property.

30 Crystal St, behind 892 East Main (Firestone)

SMG Partners, which owns the Firestone property and retail development to the west of Firestone on East Main, is in the process of assembling property between Crystal and Quintard Streets to add to a parcel they currently own and use for parking for residential development. As conceived, there would be approximately 78 units on 6 floors above parking. These would be moderately priced for this market in order to be affordable to the local workforce. The complex would include 24 hour security and a gym and possibly a playground.

11 Crystal Street, (Northeast Corner, Crystal and East Main Streets)



This long, triangular 0.58 acre parcel that fronts on Crystal Street just north of East Main is owned by Crystal Street Associates and is improved with two buildings totaling 5,163 SF, both vacant. The parcel is bordered to the east by the rail road and would make a good redevelopment parcel or parking lot.

901-907 East Main Street; 8-15 Myrtle Avenue (Toyota dealership)

The long term Toyota dealership is an assemblage of six parcels at the southeast corner of East Main and Myrtle Streets plus 15 Maple Street in the next block east. Altogether, the parcels total 1.52 acres. The Myrtle Street road improvements planned as part of the comprehensive restructuring of Jefferson and Myrtle Streets will take a triangular portion of the dealership's land at the East Main Street intersection resulting in a significant reduction in the parcels size. The dealership is planning major upgrades to its showroom, now located at the southern border of the parcel, or possibly a new showroom fronting the redesigned Myrtle-East Main intersection.



933 East Main Street (Blockbuster)

The Blockbuster anchored center is 1.15 acres and improved with 21,000 SF of retail space, including a deli and Laundromat. It is owned by Frances Sessa, who has numerous investment properties in the area. Last assessed at \$1.3 million, it is reportedly for sale.



40 & 46 Lincoln Avenue (north of East Main and Sherman Street)

These two parcels, each roughly 12,000 SF, are being considered for assemblage and redevelopment for multi-family. However, the zoning in this seven block area north of East Main is R-6, allowing two units per lot or a total of just four units on the two lots. With a zone change to R-5, lots of 9,000 SF to 30,000 SF, which would include the combined parcels at 24,000, permit one unit to each 2,500 SF of land or 9-10 units with off street parking. There is presently R-5 zoning to the west of this area (Lafayette, Qunitard, Crystal and Culloden) and to the east (Fairlawn Condominium area). Presently, the development on Lincoln is single family bungalows and two family housing, as shown below.



942 East Main Street (Oil Star Lube Center & lot)

The owner of the Oil Star Lube Center, George Zupanotis, owns the 0.21 acre parcel which the lube center occupies plus an adjacent vacant lot just east at the corner of Lincoln Avenue and East Main Street. This vacant parcel is 0.11 acres or about 4,800 SF and zoned R-6, requiring a minimum of 5,000 SF for development of a single unit. It is being well maintained as a small lawn area with picnic table.

1069 East Main Street (High Link Computer)



This property is unusual in that it consists of a 25,521 SF light industrial building on the southeast corner of Maher Road and East Main Street with associated parking across Maher Road on a lot of 0.36 acres, pictured above. The light industrial building is shown at left, and occupies a half acre site. It is attached on the east side to another brick building owned by a different entity. Most recently the building was used by a computer repair business but is now believed to be vacant and for sale. Last appraised (full value) at \$1,587,300, the building and parking lot are for sale for \$3 million.

1110 East Main Street (Just Cats)



Located just east of the extensive Fairlawn condominium community, this 3,870 SF single user building is currently used as a veterinary office and boarding facility for cats. The owner is seeking a larger facility in the same area and a buyer or tenant for the present facility. A possible restaurant use has been suggested.

VII. Assessment of Market Opportunities

Office

While the market for office appears to be improving, Stamford continues to be vulnerable to corporate downsizings, consolidations and restructurings as well as stiff competition from eastern Fairfield County and Westchester County. For the foreseeable future, Stamford's current inventory of space of nearly 1.7 million square feet translating to a vacancy rate of 16% to 20% should be more than adequate to serve upcoming demand. It is also noted that to the extent development interest for office is expressed for Stamford, the city is presently encouraging such growth within the core downtown where FARs are more favorable to higher density development and consistent in scale with surrounding area.

While the downtown is the obvious focus for office, potential interest long term for corporate or Class A office development could evolve within the Study Area east of Courtland Avenue which has good access to I-95 and already has a well established corporate office presence with World Wrestling Federation Corporate office and Soundview Plaza Office complex (180,000 square feet). The most desirable site is the location of the current Stamford Motor Inn at the intersection of Seaside Ave and East Main in the event this property becomes available (although more likely this represents an upgrade scenario for upscale motel-hotel). A secondary area for office on East Main - properly scaled - could also evolve around sites within easy walking distance of the proposed station. However again, in either area we would anticipate very little development interest in new office development over the near term for even choice sites until market conditions improve dramatically.

For the present, Class "A" office opportunities on East Main Street already exist in the Study Area, the most obvious being the former Diagio space at 750 East Main (100,000 square feet, and 300-car garage), and approximately 50,000 square feet of vacant space associated with Soundview Plaza at the eastern end of corridor bordering Darien. In the case of the Diagio space, it will be seen if conversion to housing represents a more viable alternative option to office if re-tenanting becomes problematic.

Finally, while traditional large plate office space (10,000sf+) may not have a significant role on East Main Street (excepting eastern end), we believe there is a limited market for smaller format space in sizes ranging from 1,000 to 5,000 square feet serving professional and service-based office demand which in many cases can be easily accommodated in a mixed retail-commercial projects. Accounting and financial services, real estate firms, legal services, non-profit agencies, and related health services are a few examples of this type of office use that would fit well on East Main Street and fit into "B" type office space currently being marketed in the area.

Retail

Unlike office, the market for retail has been extraordinarily strong within the city and region over the last five years even in the face of recession, jobless recovery, flattened household incomes, to say nothing of frequent retail restructurings. Contributing to this trend has been a decade long pattern of high consumer expenditure and low savings that has helped drive retail sales to record levels. Demographics are also contributing to the retail surge as the baby-boom population reaches its peak earning years. Retail sales have also benefited from a red-hot housing market that has pushed home values up locally by as much as 50 to 70% in the last five years. In many cases, households have tapped into this source of equity through lines of credit and refinancing providing fresh infusion of dollars for the retail market. Moreover, the sale of homes, which is on track to exceed last years record level, also produces demand for goods and services that has helped to keep retail strong.

The net result of all this retail expansion, however, has been the near exhaustion of the easy developable retail sites and markets which has led to greater focus and attention on more challenging opportunities, including in-fill urban markets. Stamford is well positioned to capture this growing interest based on strong demographics and exceptional wealth city-wide and in the region. The recent addition of Target store downtown is a perfect example of a retailer willing to go vertical, including structured parking, in order to achieve market presence in a deep and affluent market base. Moreover, from a regional basis, the area continues to be underserved by destination retail, including the ever popular power box, with options generally limited to Port Chester, NY to the west or Norwalk to the east. This has important implications for East Main Street which we believe offers two separate, but strong retail opportunities that include both local neighborhood-convenience oriented retail as well as properly-scaled destination-based retail dependent on a more regional market base.

On a neighborhood level, our analysis of market demand and supply within a ½ mile radius from the center of the corridor (representing the most likely source of demand for neighborhood goods and services) reveals significant leakage of dollars outside the area particularly with regard to food and beverage stores, health and personal care, clothing, sporting goods, general merchandise, and all service levels of restaurants. While these needs are met, for the most part, with retail businesses located in the 1 mile radius, an area that incorporates the mall and numerous retail locations and dining options, for most urban households, such distances falls outside the realm of convenient or neighborhood based. But even with the larger market area, the data indicates areas of opportunity in building goods, food services and drinking places.

While what constitutes neighborhood-based retail or services can be as diversified as the community it serves in general it includes those establishments where frequent visits are required in the course of a week and can include small food store, drugstore, hardware, dry cleaner, bakery, bank, small restaurants and bars, personal services, coffee shop. It is

also worth noting that these businesses are the type of retail that are often found in neighborhood centers and provide for social interaction and along with independent specialty shops, a post office, a satellite library and the local convenient gas station, can ultimately define a community.

In general, neighborhood retail will draw from a market that falls within a short drive or within manageable walking distance, although in the case of restaurants, drinking places and specialty food services, demand could include drive-by commuters and travelers, nearby office workers and consumers from a broader East Side resident base outside the ½ mile radius. From a land use and market perspective, consolidating these uses within easy walking distance of each other helps establish the critical mass necessary to define a center and allows for cross-retailing between stores and services.

In addition to neighborhood retail, East Main's strong locational and market characteristics that include good visibility, high traffic counts, good highway links, and access to an affluent regional market base indicates opportunities for larger format destination retail. Such retail comes in many shapes and sizes but generally incorporate footprints ranging from 10,000 sf to 60,000 sq. Within high cost urban areas they are more frequently associated with mixed-use developments (retail on bottom – housing above), but more often than not function as stand alone retail or power center, or linked to traditional strip centers (often but not always anchored by grocery store).

Land assemblage and land costs on East Main Street represents the major challenge to accommodating this market where minimum land requirements can range from 2 to 5 acres for 20,000 to 60,000 square feet retail center, assuming unstructured parking, while structured parking can be an onerous expense. However, the prevalence of auto dealerships in the area which provide relatively large pre-assembled parcels containing low cost improvements present a unique opportunity for attracting larger retail on East Main Street. To the extent these properties become available for development – something that is already reportedly occurring with the Cadillac dealership but for housing – we would anticipate significant interest from national and regional retailers.

Housing

The market for ownership housing in Stamford, the state and the nation has been nothing short of extraordinary for five years running and as it relates to East Main Street, represents the strongest market opportunity for future development. Propelled by historically low interest rates that have dropped by 300 basis points since 2000, both single family homes and more recently condominiums have sold in record numbers and in Stamford are on tract to exceed last years record sales volume. Meanwhile, the median home price sale in Stamford and the region has consistently increased in value between 10 to 16% each year since 2001.

All of this has occurred within an economic climate that has produced few jobs in the last four to five years (at least in Connecticut), little population growth (also in Connecticut) and only modest increases in household income averaging 2 to 3% a year since 2002.

Helping to launch the current housing boom, the Federal Reserve initiated a program to lower interest rates in an effort to combat a recession and subsequent stagnant economy. This program ended last year but to the surprise of many, low interest rates, now under 6%, continue to prevail despite nine consecutive increases of the federal fund rate since June 2004.

This has led to a few analysts alluding to a possible housing bubble in the works similar to the dot-com bubble that burst in 2000. However, the general consensus among most housing experts is that with exception of overly heated markets (San Francisco and Las Vegas being the most notable), the current ownership housing market should experience a soft landing from its current atmospheric level and ultimately be more stable and in better balance with present economic realities.

For the moment and at least for the foreseeable future, the ownership housing market city wide and locally is on firm ground, if not in fact flourishing. This is particularly the case for the condominium market which remarkably is now selling at a rate equal to single family homes in the city of Stamford. Within the East Main Street area, appreciation in median condo home values, which once languished in the low \$100,000 in the mid 1990s, has doubled in value to \$231,000 by last year. Moreover, total condo sales in the East Main Street area accounted for more than 25% of all condo sales in Stamford bearing witness to the strength of this market locally. Despite the increase, condo prices in the East Main Street area tend to fall under prices city-wide. However, the disparity can be partially explained by the older age and configuration of the product sold locally. Providing witness to healthy price support for newer product in the area are two new condo developments in the Glenville neighborhood with asking prices averaging low to mid \$500,000.

The implications of a healthy, stable ownership housing market for East Main Street, even in a more moderated state, are several. First, and foremost, the introduction of housing helps extend the level of activity along East Main Street as well as provide a market for goods and services targeted for the area. This in turn helps support the level of diversity and concentration of uses that begins to define a unique character to the corridor which ultimately leads to further pedestrian activity and a lively social environment that can sustain a mix of uses. Secondly, on a very pragmatic basis, the recent run-up in housing prices has vastly improved the economics of developing high density housing which have been squeezed by longer approval process, rising construction costs and escalating land costs. Thirdly, ownership housing has often represented a stabilizing influence in the community with households typically staying longer and highly motivated to creating an appealing, comfortable and secure neighborhood.

While our research into ownership housing provided ample evidence of market support for this sector along East Main Street, the data is less sanguine for market rate rental housing. Nationally, the multifamily rental market has been weakened by lackluster demand tied to two major ongoing factors: lack of jobs formation and a booming entry level ownership housing market. A lack of job increases affects the flow of new entry

level renters and the low cost of buying a home has siphoned off existing renters from the marketplace. A third factor, an oversupply of new rental housing, has abated somewhat as apartment housing starts have declined in view of poor market fundamentals.

Even as it absorbed 1,728 new apartment units between 2001 and 2004, the lower Fairfield County apartment market (defined primarily as Stamford) experienced a downturn as jobs and workforce diminished after 2001. The highest priced of the Metro submarkets⁸, the absorption of new units came at a high cost to the industry: on an annual basis, lower Fairfield County rents declined on average 3.6% a year between 2000 and 2004. The average rent decreased from \$2,203 at year end 2000 to \$1,906 at year end 2004 or 13.5%. The expected trend is for rents to begin stabilizing in 2005 and gradually increase 2006-2009. Meanwhile, vacancies averaged 8.1% through year end 2004, but are projected to continue to improve to the mid- 7% range by the end of 2005.

While the immediate environment is less than positive for new construction rental housing, over time, Stamford and East Main Street area should see growing improvement of this submarket. White collar jobs and associated support employment are expected to rebound in the next two years, infusing an important source of new renters into the area. Additionally, rising interest rates now being engineered by the Federal Reserve will ultimately drive up long term interest rates making home ownership more expensive and reducing the flight of renters to ownership housing. Finally, demographics are on the side of rental housing as the leading edge of the “boomlet” population now aged 15 to 25 moves into the housing market as it leaves the home and seeks independent housing which normally begins with rental. In terms of East Main Street, the addition of market rate rental housing can only be seen as a positive as it allows for a diversity of housing and population profiles that makes for vibrant and interesting communities.

Transit-Related Development

Although the concept of a commuter train station at East Main Street off Myrtle Avenue is only in preliminary stage of evaluation at this point, it is not too early to recognize that promoting desired and ultimately successful transit related development around this area is predicated on the timely confluence of market growth and supportive public policies and actions that shape appropriate design, linkages, access and sense of place compatible to the immediate neighborhood. Properly designed and linked to the East Main Street corridor, the station can be a powerful stimulus to private re-investment, creating an impressive node of station-related activity and providing a logical focal point for a neighborhood center. Although only time will tell as to the viability of a station at this location and what market forces will be in play once built, it is imminently clear that the station and attendant development could lead to creation of a more livable, pedestrian friendly residential and workplace environment for East Main Street.

⁸ The Metro area is comprised of four submarkets: Lower Fairfield County, Upper Fairfield County, New Haven County and the City of New Haven

