

HUD PD&R Housing Market Profiles

Bridgeport-Stamford-Norwalk, Connecticut

Quick Facts About Bridgeport-Stamford-Norwalk

- Current sales market conditions: slightly soft
- Current rental market conditions: slightly soft
- First settled in the 1600s, the Bridgeport metropolitan area is the former home of the 19th-century businessman and circus founder, P.T. Barnum, and is the current headquarters for World Wrestling Entertainment, Inc. (WWE).

Overview

The Bridgeport-Stamford-Norwalk, CT Metropolitan Statistical Area, (hereafter, the Bridgeport metropolitan area) consists of Fairfield County in southeast Connecticut. The metropolitan area is adjacent to the state of New York and is approximately 30 miles from Manhattan. Once a hub for shipbuilding and manufacturing, the metropolitan area is now largely recognized as an affluent area associated with New York City.

- As of December 1, 2019, the population of the metropolitan area was estimated at 945,400, with no growth since 2014. By comparison, from 2011 to 2014, the population grew by an average of 5,475 people, or 0.6 percent, annually (U.S. Census Bureau population estimates as of July 1).
- As of July 2018, the median age in the metropolitan area was estimated at 40.8 years, higher than the national median age of 38.2 years, in part, due to a decline in net natural change (births minus deaths) during the past decade. From 2000 to 2010, net natural change averaged 4,950 people a year, before declining to an average of 3,325 a year since 2010 (Census Bureau decennial census counts and population estimates as of July 1).

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- The Gini index, a measure of income distribution across a population, identified the Bridgeport metropolitan as having the highest level of income inequality of all metropolitan

areas among the 50 U.S. states and the District of Columbia. (Census Bureau 2017 Gini Index).

Economic Conditions

Since the end of the national recession in 2009, economic conditions in the Bridgeport metropolitan area have improved, but the economy has grown slowly and is still in recovery. From 2010 through 2018, nonfarm payrolls increased by an average of 3,000 jobs, or 0.6 percent, annually, compared with 1.4 percent growth each year for the nation.

During the 3 months ending October 2019—

- Nonfarm payrolls averaged 489,800, an increase of 4,300 jobs, or 0.9 percent, from a year ago, compared with a decline of 700 jobs, or 0.1 percent, during the same period a year earlier. The current rate of growth, however, is slower than both the 1.1-percent growth for the HUD-defined New England Region and the national growth rate of 1.4 percent.
- The mining, logging, and construction and the information sectors were the fastest growing sectors in the metropolitan area, increasing by 5.4 and 3.1 percent, or 700 and 400 jobs,

respectively. In the information sector, Charter Communications launched the Spectrum Mobile service in the fall of 2018 and is expanding its headquarters in the city of Stamford with a 500,000 square-foot facility, which is currently under construction and anticipated to open in 2020.

- Job gains were largest in the leisure and hospitality and the education and health services sectors; each added 1,400 jobs, increases of 2.7 and 1.9 percent, respectively. The Wilton Wellness Center, a 50,000 square-foot medical office facility in the town of Wilton, began leasing during the third quarter of 2018; tenants include Western Connecticut Medical, which has 23 exam rooms and offers services that include behavioral health, primary care, and rheumatology.
- The unemployment rate averaged 3.4 percent, down from 3.6 percent a year earlier. The current figure is the lowest unemployment rate since 2001 and is less than one-half of the 2010 average of 8.4 percent.

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The education and health services and the leisure and hospitality sectors led job gains in the Bridgeport metropolitan area during the past year.

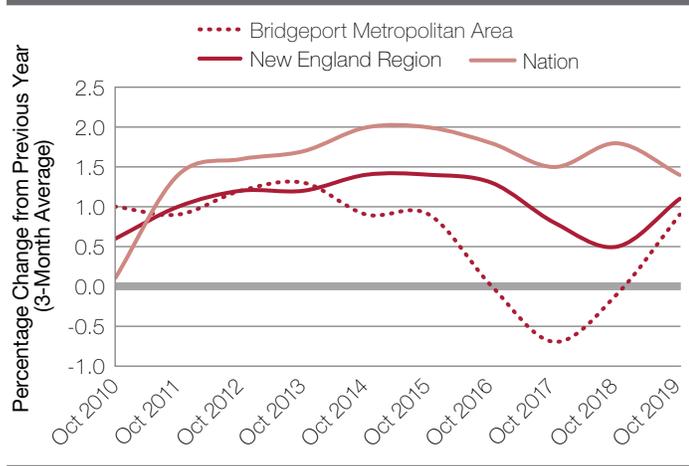
	3 Months Ending		Year-Over-Year Change	
	October 2018 (Thousands)	October 2019 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	485.5	489.8	4.3	0.9
Goods-Producing Sectors	53.8	54.3	0.5	0.9
Mining, Logging, & Construction	13.0	13.7	0.7	5.4
Manufacturing	28.9	28.7	-0.2	-0.7
Service-Providing Sectors	431.7	435.5	3.8	0.9
Wholesale & Retail Trade	72.2	71.1	-1.1	-1.5
Transportation & Utilities	9.0	9.0	0.0	0.0
Information	12.9	13.3	0.4	3.1
Financial Activities	38.9	39.9	1.0	2.6
Professional & Business Services	76.2	76.2	0.0	0.0
Education & Health Services	74.2	75.6	1.4	1.9
Leisure & Hospitality	52.3	53.7	1.4	2.7
Other Services	17.7	17.5	-0.2	-1.1
Government	52.9	52.9	0.0	0.0
	(Percent)	(Percent)		
Unemployment Rate	3.6	3.4		

Note: Numbers may not add to totals due to rounding.
Source: U.S. Bureau of Labor Statistics



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Nonfarm payroll growth in the Bridgeport metropolitan area during the 3 months ending October 2019 was positive, but below the rates for the New England region and the nation.



Source: U.S. Bureau of Labor Statistics

Often referred to as the “Gold Coast,” the metropolitan area is largely recognized as an affluent community associated with New York City and Wall Street. The professional and business services sector is currently the largest sector in the metropolitan area,

Sales Market Conditions

Sales housing market conditions in the Bridgeport metropolitan area are currently slightly soft, with an estimated vacancy rate of 1.5 percent, down from 1.7 percent in April 2010. The limited improvement in sales housing market conditions is due in part to the decline in population growth since the Great Recession. As of October 2019, the metropolitan area had 6.4 months of for-sale inventory available, down from a 7.0-month supply a year earlier (CoreLogic, Inc.). The percent of home loans in the metropolitan area that were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into real estate owned (REO) status was 1.9 percent, down from 2.2 percent a year earlier. The rate of distressed sales in the metropolitan area is lower than the rate of 2.1 percent for the state of Connecticut but higher than the national rate of 1.4 percent (CoreLogic, Inc.).

During the 12 months ending October 2019—

- Existing home sales, including single-family homes, townhomes, and condominiums, totaled 13,300, up 8 percent from the 12,350 homes sold during the 12 months ending October 2018 (CoreLogic, Inc., with adjustments by the analyst).

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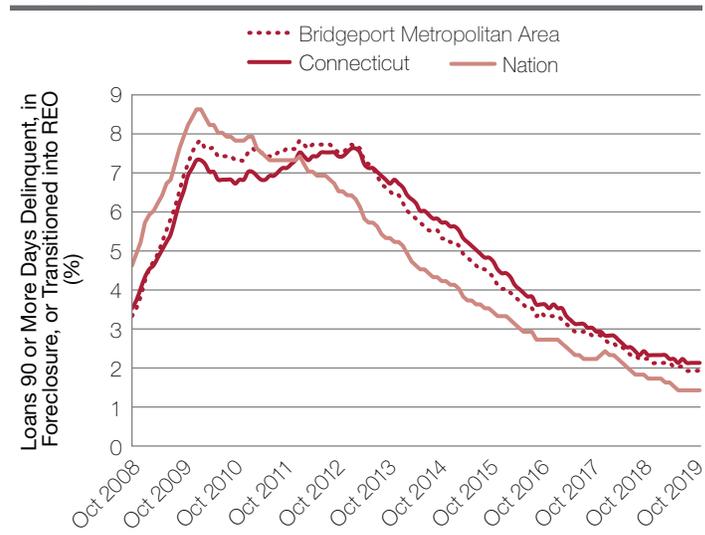
Largest Employers in the Bridgeport Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Sikorsky Aircraft Corp.	Manufacturing	7,730
St. Vincent’s Medical Center	Education & Health Services	3,571
Stamford Hospital	Education & Health Services	3,200

Note: Excludes local school districts.
Source: Economy.com

accounting for 16 percent of nonfarm payrolls. Approximately 9 percent of nonfarm payrolls in the metropolitan area are in the financial activities sector, compared with 6 percent nationally. For the past two decades, however, the education and health services and the leisure and hospitality sectors have led job growth in the area. Since 2001, the professional and business services and the financial activities sectors have declined by a total of 16 and 4 percent, respectively, while the leisure and hospitality and the education and health services sectors increased by totals of 47 and 40 percent, respectively. Before the Great Recession, UBS Group AG, a banking and financial services company, was one of the largest employers in the metropolitan area, with over 4,400 people working in the city of Stamford. By 2018, after years of restructuring and downsizing, the workforce was reduced to less than one-third that size.

The percent of home loans that are seriously delinquent or in REO status in the Bridgeport metropolitan area is above the national rate, but it is slightly below the rate for the state of Connecticut.



REO = real estate owned.
Source: CoreLogic, Inc., with adjustments by the analyst



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- The average sales price of existing homes was \$534,400, a decline of 7 percent from \$572,100 during the previous 12 months. Since 2010, existing home sales prices have decreased by an average of 1 percent annually.
- The number of new homes sold, including single-family homes, townhomes, and condominiums, totaled 95, down 52 percent from the 200 homes sold during the previous 12 months. After a recent peak of 290 new home sales in 2015, the number of new homes sold in the metropolitan area has declined by an average of 24 percent annually.

Sales of existing homes increased modestly in the Bridgeport metropolitan area during the 12 months ending October 2019, while new home sales declined sharply.



Note: New and existing home sales include single-family homes, townhomes, and condominiums.
Source: CoreLogic, Inc., with adjustments by the analyst

During the 12 months ending October 2019, new home sales prices increased while existing home sales prices declined.



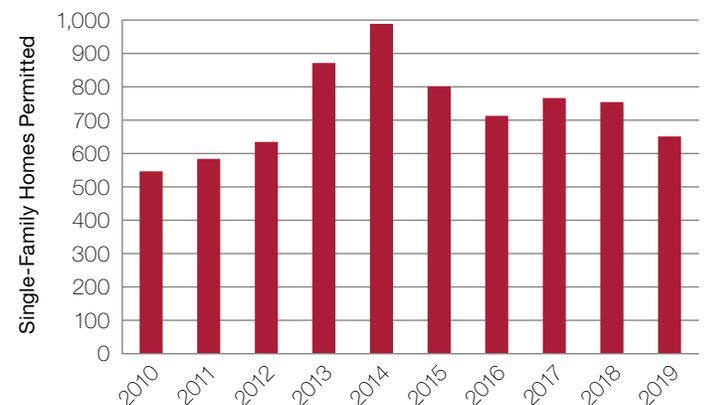
Note: New and existing home sales prices include single-family homes, townhomes, and condominiums.
Source: CoreLogic, Inc., with adjustments by the analyst

- The average sales price of new homes was \$582,600, a 5-percent increase from \$557,600 a year ago. Since 2010, however, the average price of a new home has declined an average of 2 percent annually.

Due in part to slow economic and population growth, single-family homebuilding, as measured by the number of units permitted, has been at low levels since the early 2010s compared to the previous decade. The level of home construction was relatively stable from 2015 through 2018, but it has declined during the most recent 12-month period.

- The number of single-family homes permitted totaled 660 during the 12 months ending October 2019, down 110, or 14 percent, from the 770 homes permitted during the previous 12-month period (preliminary data).
- Single-family permitting from 2015 through 2018 averaged 760 homes a year, ranging from a high of 800 homes in 2015 to a low of 710 homes in 2016. By comparison, single-family permitting averaged 1,650 homes each year from 2000 through 2007.
- The Turkey Hill Estates is a new luxury home community under construction in the city of Shelton, 8 miles from Interstate 95 and less than 5 miles from the Huntington Center Historic District and Brownson Country Club. Upon completion, the development will consist of 10 homes, each with more than 3,000 square feet. Homes are built as they are sold, with three-bedroom homes currently starting at \$699,000.

Single-family permitting activity in the Bridgeport metropolitan area was relatively stable from 2015 through 2018 but declined during the most recent 12 months.



Note: Includes preliminary data from January 2019 through October 2019.
Source: U.S. Census Bureau, Building Permits Survey, with estimates by the analyst



Rental Market Conditions

Rental housing market conditions in the Bridgeport metropolitan area are slightly soft, with an estimated vacancy rate of 7.7 percent for all rental units (including single-family homes, mobile homes, and apartment units) as of December 1, 2019, down slightly from 7.8 percent in 2010. Overall rental market conditions are relatively unchanged from 2010 due to a slowdown in population growth and relatively high levels of multifamily construction.

- During the third quarter of 2019, the apartment market in the Bridgeport metropolitan area was balanced, with a vacancy rate of 5.5 percent, down from 6.4 percent a year earlier (Reis, Inc.). The current vacancy rate is the lowest for a third quarter during the past 3 years, but is above the national average of 4.7 percent.
- The average rent for apartments in the metropolitan area during the third quarter of 2019 was \$2,196, an increase of 2 percent from the average of \$2,150 during the third quarter of 2018. The average rent in the Bridgeport metropolitan area is 48 percent higher than the national average of \$1,488, but 41 percent below the Reis Inc.-defined New York Metro market average of \$3,740.
- As of July 2018, approximately 21 percent of all renter households lived in single-family homes, up from 19 percent in 2010, but well below the national average of 34 percent. Smaller multifamily developments make up a relatively large portion of rental units in the metropolitan area, with an estimated 35 percent of renter households residing in buildings with two to four units, significantly higher than the national rate of 17 percent.

Multifamily building activity, as measured by the number of units permitted, declined during the past year, but has been at high levels since 2012 as developers in the metropolitan area have responded to significant demand by renters looking for more affordable options outside of New York City.

- During the 12 months ending October 2019, approximately 1,900 multifamily units were permitted in the metropolitan area, a 17-percent decrease from the 2,300 units permitted during the previous year (preliminary data, with adjustments by the analyst).
- An average of 1,875 multifamily units was permitted annually from 2012 through 2018 as the economy improved, compared with averages of 680 units permitted a year from 2008 through 2011 and 620 units permitted annually from 2000 through 2007.

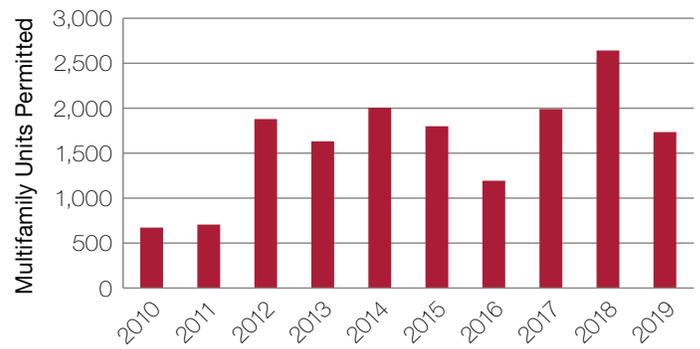
During the past 2 years, the average rent has increased less than 3 percent annually, while the apartment vacancy rate has remained above 5 percent.



1Q= first quarter. 3Q=third quarter. YoY= year-over-year. Source: Reis, Inc.

- Approximately 37 percent of multifamily building activity since 2012 has been in the city of Stamford, less than 40 miles northeast of New York City.
- Element One, in the city of Stamford, is a 175-unit luxury apartment development that opened in the summer of 2018. Rents currently start at \$2,450 for one-bedroom units and \$3,100 for two-bedroom units.
- The first phase of The Curb at North Seven, a proposed 700-unit development in the city of Norwalk, was completed during the second quarter of 2019. Consisting of 235 units, rents for studio, one-bedroom, and two-bedroom apartments start at \$1,700, \$1,900, and \$2,400, respectively.

Multifamily units permitted in the Bridgeport metropolitan area declined during the past year but remain at very high levels.



Note: Includes preliminary data from January 2019 through October 2019. Source: U.S. Census Bureau, Building Permits Survey, with estimates by the analyst

