

COMPREHENSIVE HOUSING MARKET ANALYSIS

Bridgeport, Connecticut

U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of July 1, 2019



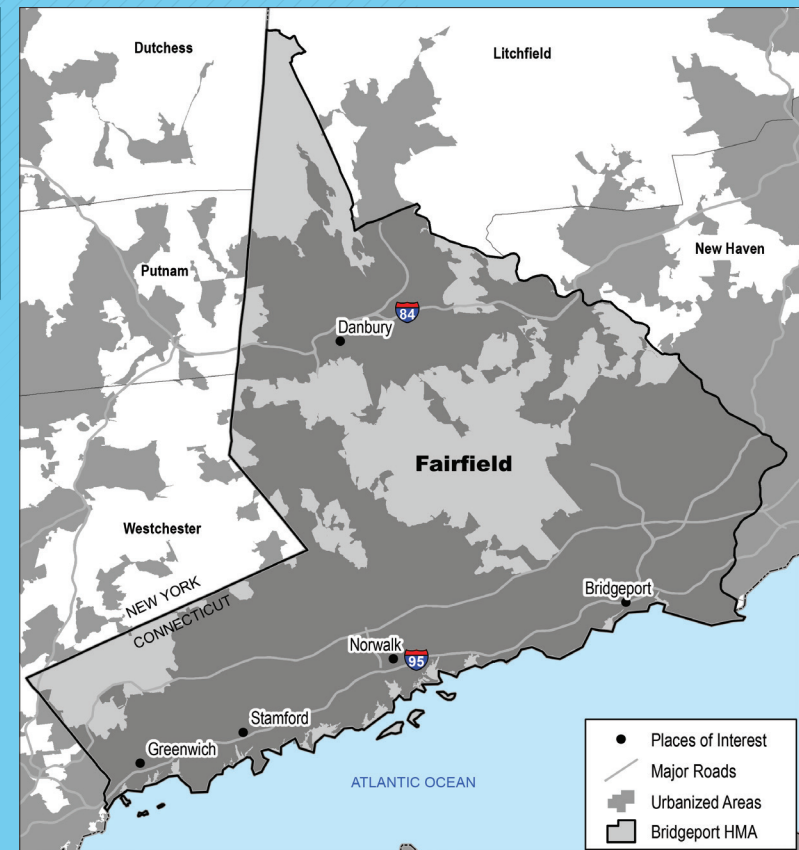
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Executive Summary

Housing Market Area Description

The Bridgeport Housing Market Area (HMA) consists of Fairfield County in southeast Connecticut. The HMA is coterminous with the Bridgeport-Stamford-Norwalk, CT Metropolitan Statistical Area and is notably adjacent to New York State and approximately 30 miles from Manhattan. Once a hub for manufacturing, and now a New York City bedroom community, the HMA is famous as being the former home of P.T. Barnum and is the current headquarters for World Wrestling Entertainment, or WWE.



Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's [Market-at-a-Glance tool](#). Additional data for the HMA can be found in this report's [supplemental tables](#). For information on HUD-supported activity in this area, see the [Community Assessment Reporting Tool](#).



Market Qualifiers

Economy



Stable: Nonfarm payrolls grew by 800, or 0.2 percent, during the 12 months ending June 2019.

Economic conditions in the Bridgeport HMA have improved since 2011, but nonfarm payrolls remain slightly below the prerecessionary high in 2007. During the 12 months ending June 2019, nonfarm payrolls increased by 800 jobs, or 0.2 percent, to 486,300, with the leisure and hospitality sector adding the most jobs. The professional and business services and education and health services sectors are the largest sectors, each accounting for 17 percent of nonfarm payrolls. The unemployment rate averaged 3.7 percent during the past 12 months, down from 4.3 percent a year earlier. Nonfarm payrolls are expected to grow by an average annual rate of 0.4 percent during the 3-year forecast period.

Sales Market



Soft: The number of homes sold during the 12 months ending May 2019 was mostly unmoved from the previous 12-month period, while the population and economy grew slowly.

The sales housing market in the HMA is currently soft. The estimated sales vacancy rate is 1.6 percent, down from 1.7 percent in 2010. During the 12 months ending May 2019, home sales totaled 12,600, largely unchanged from a year earlier, whereas the average home sales price was \$556,000, a gain of \$12,900, or 2 percent. During the next 3 years, demand is expected for 1,150 new homes in the HMA. The 280 homes currently under construction will satisfy some of the demand.

Rental Market



Soft: The overall estimated vacancy rate has increased since 2010, due to high levels of multifamily construction and slow population growth.

The rental housing market in the HMA is currently soft with an overall estimated vacancy rate of 8.0 percent, up from 7.8 percent in 2010. The apartment market is balanced with a 5.7-percent vacancy rate, down from 6.4 percent a year ago, and an average asking rent of \$2,179, up 1 percent from a year ago (Reis, Inc.). During the forecast period, demand is expected for 2,350 new apartments. The 2,450 units under construction will satisfy all the demand during the next 3 years.

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3-Year Housing Demand Forecast		
	Sales Units	Rental Units
Bridgeport HMA	Total Demand	1,150
	Under Construction	280

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of July 1, 2019. The forecast period is July 1, 2019, to July 1, 2022.
Source: Estimates by the analyst



Economic Conditions

Largest sector: Professional and Business Services

Nonfarm payrolls have, on average, grown steadily since the Great Recession, but the HMA has yet to return to the level of jobs it had in the early 2000s.

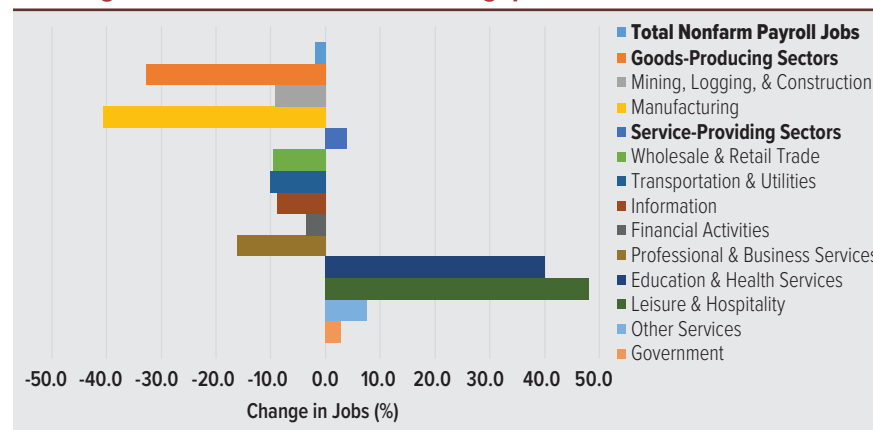
Primary Local Economic Factors

The Bridgeport HMA, with Bridgeport, Stamford, and Norwalk being the first, third, and sixth most populous cities in Connecticut, respectively, is largely recognized as an affluent bedroom community associated with New York City. With much of the county referred to as the “Gold Coast,” the economy has been largely dependent on professional and business services, and a relatively large financial activities sector that accounts for 9 percent of nonfarm payrolls in the HMA compared with 6 percent nationally. According to the 2006–2010 American Community Survey (ACS) Journey to Work Data, residents of the Bridgeport HMA were most likely to travel to New York County, NY (Manhattan Borough), with approximately 27,300 people commuting to Manhattan each day for work. As the population has grown older over the past several decades, however, these sectors have declined, with the education and health services sector and leisure and hospitality sectors leading growth since 2001 (Figure 1).

Current Conditions—Nonfarm Payrolls

The number of jobs in the HMA increased modestly during the past 12 months. During the 12 months ending June 2019, 800 jobs were added in the HMA, a rate of 0.2 percent (Table 1). The leisure and hospitality sector added the most jobs as new hotels continued to open in the area; the new hotels include an extended stay Residence Inn in the city of Norwalk, which added 100 beds. During the 12 months ending June 2019, an additional 800 jobs were added in this sector, representing annual growth of 1.6 percent.

Figure 1. Sector Growth in the Bridgeport HMA, 2001 to Current



Note: The current date is July 1, 2019.
Source: U.S. Bureau of Labor Statistics

Table 1. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Bridgeport HMA, by Sector

	12 Months Ending June 2018	12 Months Ending June 2019	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	485.5	486.3	0.8	0.2
Goods-Producing Sectors	53.3	53.5	0.2	0.4
Mining, Logging, & Construction	12.5	12.9	0.4	3.5
Manufacturing	28.9	28.9	0.0	-0.1
Service-Providing Sectors	432.2	432.8	0.6	0.1
Wholesale & Retail Trade	73.3	72.4	-0.9	-1.2
Transportation & Utilities	9.4	9.3	-0.1	-0.5
Information	12.6	13.1	0.6	4.4
Financial Activities	39.4	39.4	0.0	0.0
Professional & Business Services	75.5	75.1	-0.3	-0.4
Education & Health Services	74.3	74.7	0.4	0.5
Leisure & Hospitality	51.0	51.8	0.8	1.6
Other Services	17.8	17.5	-0.3	-1.7
Government	53.5	53.6	0.1	0.2

Notes: Based on 12-month averages through June 2018 and June 2019. Numbers may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics



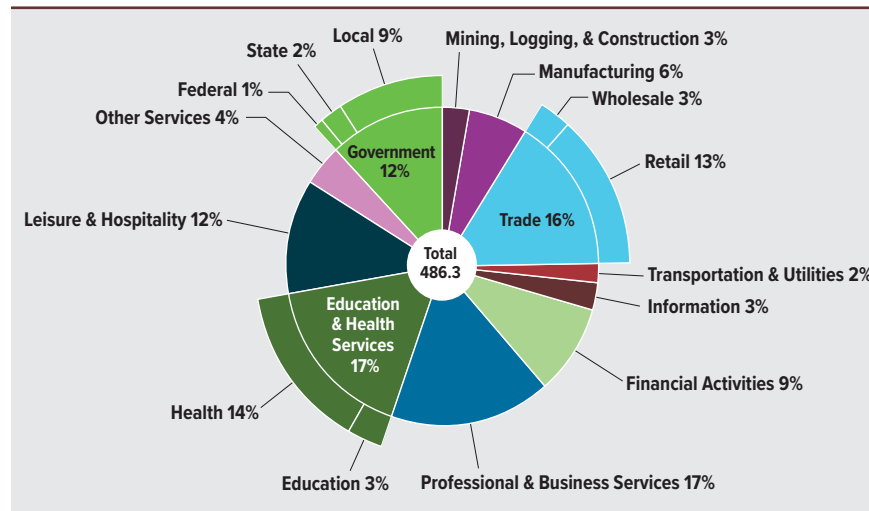
The information and mining, logging, and construction sectors were the fastest growing sectors in the HMA during the 12 months ending June 2019. Payrolls in the information sector grew by 600 jobs, a rate of 4.4 percent, and the mining, logging, and construction sector increased by 400 jobs, or 3.5 percent. Growth in both of these sectors is due in part to Charter Communications launching the Spectrum Mobile service this past fall and expanding its headquarters in the city of Stamford. The expansion includes a new 500,000-square-foot facility currently under construction, that is anticipated to open in 2020 and expected to create over 1,000 corporate jobs in the telecommunication industry during the next few years.

The professional and business services sector is currently the largest sector in the HMA, but if current trends continue, it will soon be surpassed by the education and health services sector. During the 12 months ending June 2019, the professional and business services sector declined by 300 jobs, or 0.4 percent, but remained the largest sector in the HMA at 75,100 jobs, or 17 percent of total nonfarm payrolls (Figure 2). The education and health services sector, also at 17 percent, expanded by 400 jobs, or 0.5 percent, to 74,700 jobs. In September 2018, the Wilton Wellness Center, a 50,000 sq. ft. medical office facility, opened in the town of Wilton, between Norwalk and Danbury. Tenants include the Western Connecticut Medical Group, with 23 exam rooms, offering services that include behavioral health, primary care, and rheumatology.

Current Conditions—Unemployment

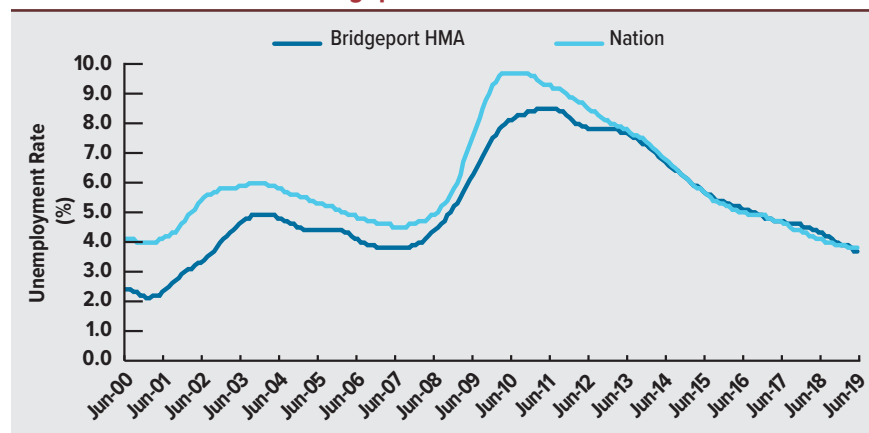
The unemployment rate averaged 3.7 percent during the 12 months ending June 2019, down from 4.3 percent during the previous 12 months. The current figure is the lowest unemployment rate since 2001 and is less than half of the 2010 average of 8.4 percent (Figure 3). The unemployment rate in the HMA is currently slightly below the rates for Connecticut and the nation, which both averaged 3.8 percent during the most recent 12-month period.

Figure 2. Current Nonfarm Payroll Jobs in the Bridgeport HMA, by Sector



Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Source: U.S. Bureau of Labor Statistics

Figure 3. 12-Month Average Unemployment Rate in the Bridgeport HMA and the Nation



Source: U.S. Bureau of Labor Statistics



Economic Periods of Significance

2001 Through 2004

The 2001 national recession and dot-com crash greatly impacted the economy of the HMA because of the high exposure of the local economy to Wall Street (Figure 4). From 2001 through 2004, nonfarm payrolls in the HMA declined by an average of 4,600, or 0.9 percent a year. Nationally, the recession was much shorter, resulting in no change in payrolls during this same period. The professional and business services sector, the largest sector in the HMA, declined by 2,400 jobs, or 2.8 percent a year, the most jobs lost of any sector, and the information sector lost 800 jobs each year, at a rate of 5.9 percent—the fastest rate of decline in the HMA. During this period, the education and health services and leisure and hospitality sectors were the fastest growing sectors, with an additional 1,300 and 700 jobs, or 2.3 and 1.9 percent annual growth,

respectively. Despite the impact the stock market crash had on the HMA, the financial services sectors added an average of 200 jobs, or 0.4 percent. In 2002, the investment bank, UBS Group AG, a Swiss multinational investment bank and financial services company, increased its operations in the city of Stamford with a new 500,000-square-foot office and an expanded trading room floor, creating an additional 500 jobs and employing nearly 4,000 people, making it one of the largest employers in the HMA at that time.

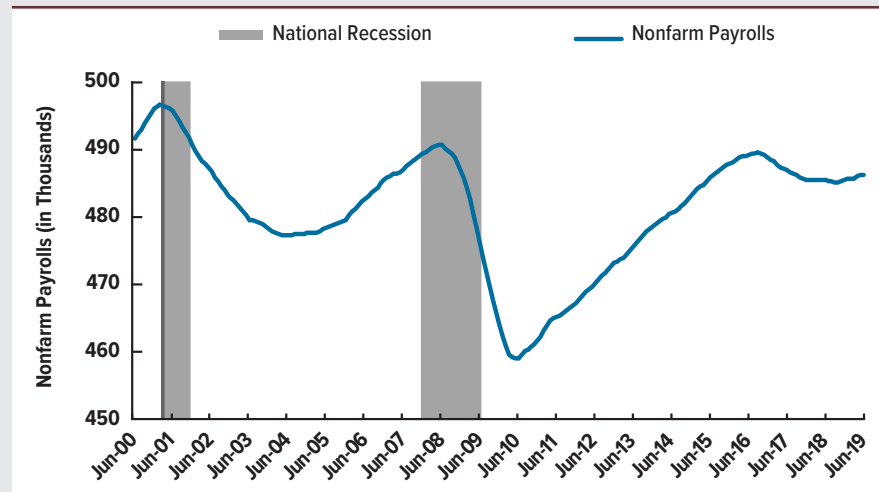
2005 Through 2007

Nonfarm payrolls in the HMA began to recover in 2005, but recovery was slow, due in part to the lingering effects of the dot-com crash and increasing out-migration of retirees from the HMA. Jobs lost during the 2001 recession were not recovered before the Great Recession. From 2005 through 2007, nonfarm payrolls in the HMA grew by an average of 3,900, or 0.8 percent a year. The financial activities and mining, logging, and construction sectors grew by 1,200 and 400 jobs, at an annual rate of 2.9 and 2.8 percent, respectively, as single-family home construction and home sales were up. The education and health services and leisure and hospitality sectors continued the expansion from earlier in the decade with 900 and 700 jobs, or 1.5 and 1.9 percent growth, each year, respectively. The professional and business services sector grew, adding 300 jobs, or 0.4 percent annually.

2008 Through 2010

From 2008 through 2010, a period that includes the Great Recession, payrolls in the HMA declined, but losses were less severe than the nation as a whole. During this period, the HMA lost an average of 9,300 jobs, or 1.9 percent, annually compared with a national loss rate of 2.5 percent. While the rate of jobs lost in the HMA is lower than the nation, however, the local economy had not fully recovered from the previous recession. The mining, logging, and construction sector had the fastest rate of decline, losing an average of 1,500 jobs, or 11.0 percent a year, in response to a sharp decrease in new home construction due a tightening credit market and an increased rate of foreclosures.

Figure 4. 12-Month Average Nonfarm Payrolls in the Bridgeport HMA



Note: 12-month moving average.

Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research



Losses in the professional and business services sector averaged 2,600 jobs, or 3.3 percent a year, and the financial activities sector declined by an average of 900 jobs a year, or an annual rate of 2.0 percent. In 2009, UBS Group AG, which then employed approximately 4,400 people in the city of Stamford alone, began a series of layoffs that would continue into the next decade; that was after they reported a loss of \$20 billion due to the financial crisis and a series of controversies including tax evasion charges and a rogue trader costing the company over \$2 billion. The education and health services sector was the only one to add jobs, increasing by an average of 1,300 jobs, or 2.0 percent, a year. Norwalk Hospital, one of the largest employers in the HMA, expanded from 2008 through 2010, opening a new 100,000-square-foot Health and Wellness Center and a 50,000-square-foot Musculoskeletal Institute while the economy otherwise contracted (Table 2).

Table 2. Major Employers in the Bridgeport HMA

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
Frontier Communications	Information	3,000
Bridgeport Hospital	Education & Health Services	2,686
Norwalk Hospital	Education & Health Services	1,504
General Electric Co.	Manufacturing	1,400
People's United Bank	Financial Activities	1,338
Gartner, Inc.	Professional & Business Services	1,250
Altice USA, Inc.	Information	1,180

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

2011 Through 2016

Economic conditions in the HMA began to improve in 2011. From 2011 through 2016, nonfarm payrolls increased by an average of 4,500 jobs, or 1 percent annually. The leisure and hospitality sector led the HMA in both total jobs added and rate of growth, up 1,800 jobs, or 4.1 percent, a year. Several hotels opened during this period, including two Hotel Zero Degrees: one in Norwalk in 2013 and one in Danbury in 2016. The education and health services sector grew by 1,200 jobs, or 1.8 percent annually, in part because of multiple hospital expansions. In 2014, Danbury Hospital opened its largest new addition in its history, a \$150 million, 300,000-square-foot building designed to accommodate 90,000 patients a year. The information sector added an average of 400 jobs a year, at a rate of 3.4 percent annually. With the economy improving, the professional and business services sector added 700 jobs, at a rate of 1.0 percent a year, while the financial activities sector, however, declined by 300, or 0.6 percent each year. During this period, UBS continued its restructuring; it has laid off more than one-half of its employees in the HMA since 2010 and, near the end of 2016, it downsized its corporate headquarters, vacating its office building and trading room floor at 677 Washington Blvd. in Stamford. The Royal Bank of Scotland, also with a U.S. headquarters in Stamford, has lost jobs each year since the Great Recession. Its restructuring included a series of layoffs that began in 2014, totaling up to 700 people.

2017

The economy of the Bridgeport HMA contracted briefly during 2017, despite strong economic growth nationally. That year, nonfarm payrolls declined by 3,300, or 0.7 percent. The professional and business services sector once again led the decline with 2,400 jobs lost, or a 3.1-percent decrease. Altice USA, Inc., a telecommunications and media company, began restructuring in the second half of 2016, including layoffs of up to 600 customer service employees in the cities of Shelton and Stratford. The financial activities sector declined by 1,000,



or 2.4 percent. Heavy losses in both of these sectors are partly due to the continued restructuring of UBS and the Royal Bank of Scotland from the previous period of 2011 through 2016. The education and health services and leisure and hospitality sectors maintained positive growth, with an additional 1,400 and 600 jobs, or 1.9-percent and 1.2-percent growth, respectively.

Employment Forecast

During the 3-year forecast period, the economy of the Bridgeport HMA is expected to expand, although at a modest pace relative to the 2011-through-2016 period.

Total nonfarm payrolls are expected to grow by an average of 500 jobs, or 0.4 percent annually. During the forecast period, the leisure and hospitality and education and health services sectors will contribute substantially to job growth in the HMA, while gains are also expected in the professional and business services sector. New tenants at the former UBS building in Stamford include WWE, which currently employs over 800 people in Stamford, and KPMG, a professional services firm, which is expected to add 100 jobs during the next 5 years. Gartner, Inc., an IT consulting and research firm and one of the largest employers in the HMA, announced that it would be adding an additional 500 jobs to its payrolls in Fairfield County during the next 5 years.



Population and Households

Current population: 994,400

The population of the Bridgeport HMA has been relatively unchanged for the past 5 years because of increasing out-migration.

Population Trends

As of July 1, 2019, the population of the HMA was estimated at 944,400, representing average annual population growth of 2,975 people, or 0.3 percent, since 2010 (Table 3). Despite improving economic conditions, population growth has been stagnant since 2014. The counter-cyclical population growth in relation to economic growth is, in part, due to the out-migration of retirees from the HMA. As economic conditions improve and asset portfolios appreciate, older homeowners are more readily able to retire, moving to less expensive areas with warmer climates, notably Florida. According to the United Vans’ National Mover Survey, more than 30 percent of people moving out of the state of Connecticut are over the age of 55. The Miami-Fort Lauderdale-West Palm Beach, FL metropolitan area is the third most popular out-of-state destination for people moving out of the HMA, behind the New York-Newark-Jersey City, NY-NJ-PA and Boston-Cambridge-Newton,

Table 3. Bridgeport HMA Population and Household Quick Facts

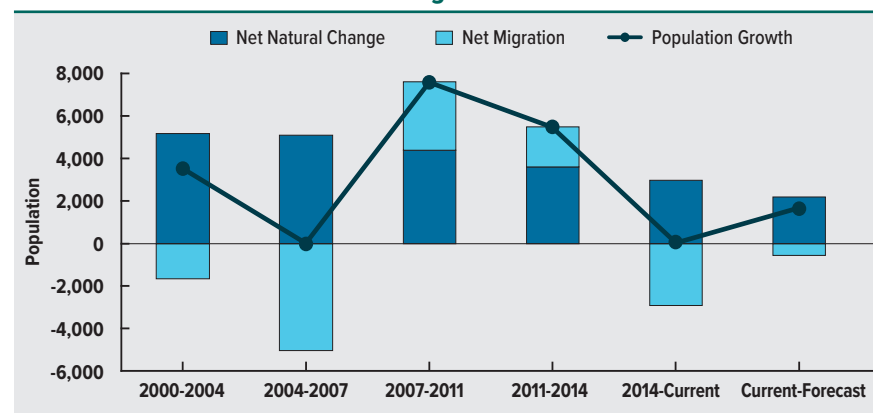
	2010	Current	Forecast	
Population Quick Facts	Population	916,829	944,400	949,300
	Average Annual Change	3,425	2,975	1,625
	Percentage Change	0.4	0.3	0.2
Household Quick Facts	Households	335,545	347,900	350,800
	Average Annual Change	1,125	1,325	980
	Percentage Change	0.3	0.4	0.3

Notes: Average annual changes and percentage changes are based on averages from 2000 to 2010, 2010 to current, and current to forecast. The forecast period is from the current date (July 1, 2019), to July 1, 2022. Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by the analyst

MA-NH metropolitan areas (U.S. Census Bureau 2012–2016 Metro-to-Metro Migration Flows). From 2000 to 2004, when the economy was in decline, population growth averaged 0.4 percent, with net out-migration of 1,675 people each year from the HMA. By comparison, from 2004 through 2007, as the economy expanded, there was no population growth as the net out-migration of 5,075 people each year offset similar gains in net natural change. From 2007 through 2011, despite the economic contraction, population growth averaged 7,600, or 0.8 percent a year, while out-migration turned to in-migration, averaging 3,250 people a year.

After the recession, as the economy recovered, in-migration slowed. From 2011 to 2014, population growth averaged 5,475 each year with annual net in-migration of 1,875 people. Since 2014, in-migration turned to out-migration, with an average of 2,975 people leaving the HMA every year; this out-migration once again negated a net natural increase, resulting in no population growth for the past 5 years. From 2017 to 2018, when nonfarm payrolls briefly declined, out-migration slowed to 2,300, compared with 4,500 during the previous year when economic growth was positive. Figure 5 shows the components of the population change in the HMA from 2000 through the forecast.

Figure 5. Components of Population Change in the Bridgeport HMA, 2000 Through the Forecast



Notes: Net natural change and net migration totals are average annual totals over the time period. The forecast period is from July 1, 2019, to July 1, 2022. Sources: U.S. Census Bureau; current to forecast—estimates by the analyst



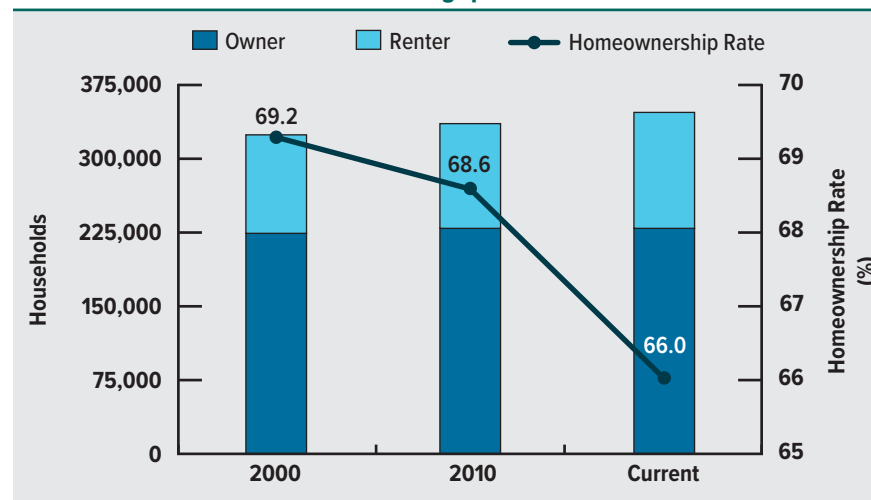
Age Cohort Trends

Despite retirees being a significant portion of people leaving the HMA, the population of the HMA is notably older than the nation as a whole, as births have decreased, and deaths have increased. As of July 2017, the median age in the HMA was estimated at 40.4 years, higher than the national median age of 38.1 years. From 2000 to 2010, net natural change averaged 4,950 a year, before declining to an average of 3,325 a year since 2010. Approximately 29.0 percent of the population in the HMA is 55 and older, compared with 25.2 percent in 2010 and 22.5 percent in 2000. Since 2010, the population of people 55 and older in the HMA expanded by an average of 1.9 percent annually compared with 0.3 percent for the population as a whole (U.S. Census Bureau decennial census counts and population estimates as of July 1).

Household Trends

The HMA has an estimated 347,900 households as of July 1, 2019, an increase of 1,325 households, or 0.4 percent, annually since 2010. By comparison, household growth averaged 1,125, or 0.3 percent annually from 2000 to 2010. The recent increase in household growth reflects a smaller household size associated with a decrease in births, an increase in deaths, and a greater share of relatively smaller households headed by householders aged 55 and older. The homeownership rate is currently estimated at 66.0 percent, down from 68.6 percent in 2010, in part because of the tighter credit market compared with the previous decade. While homeownership has declined, it is above the July 2017 estimate of 65.2 percent for the New England area and 63.9 percent nationally. Figure 6 shows the number of households by tenure from 2000 to the current date.

Figure 6. Households by Tenure and Homeownership Rate in the Bridgeport HMA



Note: The current date is July 1, 2019.
Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by the analyst

Forecast

During the 3-year forecast period, the population of the HMA is expected to increase by approximately 1,625 people a year, or 0.2 percent annually. Net out-migration of retirees is expected to continue as home prices continue to rise, but overall net out-migration will continue to decline from the 2016 level. The number of households in the HMA is expected to increase by an average of 980, or 0.3 percent, annually, to approximately 350,800.

Home Sales Market Conditions

Market Conditions: Soft

While home prices continue to be high, home sales market conditions are largely unchanged from 2010.

Current Conditions

Sales housing market conditions in the Bridgeport HMA are soft, with an estimated vacancy rate of 1.6 percent, down from 1.7 percent in April 2010 (Table 4). The modest decline in the vacancy rate occurred despite slow population growth, as declines in new construction have allowed for the absorption of excess inventory after the foreclosure crisis. The inventory of homes for sale was down slightly, from a 7.6-month supply in May 2018 to a 7.3-month supply as of May 2019 but was well below the 11.3 months of inventory in May 2010 (CoreLogic, Inc., with estimates by the analyst).

Table 4. Home Sales Quick Facts in the Bridgeport HMA

	Bridgeport HMA	Nation
Vacancy Rate	1.6%	NA
Months of Inventory	7.3	3
Total Home Sales	12,600	6,125,000
1-Year Change	0.3%	-3.0%
New Home Sales Price	\$586,600	\$380,700
1-Year Change	2%	1%
Existing Home Sales Price	\$557,100	\$287,400
1-Year Change	3%	4%
Mortgage Delinquency Rate	2.0%	1.4%

NA = data not available.

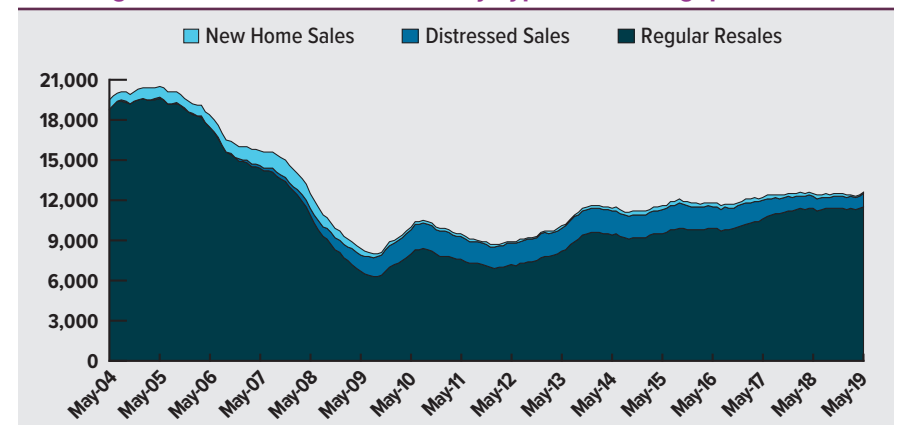
Notes: Vacancy rate is as of the current date, July 1, 2019. Home sales and prices are for the 12 months ending May 2019. Months of inventory and mortgage delinquency data are as of May 2019.

Source: CoreLogic, Inc., with adjustments by the analyst

Home Sales

Home sales started to increase in 2012, after declining, on average, from 2006 through 2011. The current level of homes sold, including new and existing single-family homes, townhomes, and condominiums, however, is well below the prerecession peak. During the 12 months ending May 2019, home sales were nearly unchanged at 12,600 homes sold, compared with 12,550 during the previous 12-month period (CoreLogic, Inc., with adjustments by the analyst). By comparison, from 2001 through 2005, new and existing home sales averaged 18,800 annually, reaching a peak in 2004 of 20,320 homes sold. As the national housing market crashed, sales in the HMA declined an average of 13 percent each year from 2006 through 2011, despite positive net-migration and comparatively strong population growth before the housing market began to recover in 2012. During this period, new home sales grew to 9 percent of total home sales in 2007 before declining to less than 2 percent of sales in 2011. From 2012 through 2013, homes sales increased an average of 16 percent annually but slowed to an average of 2 percent each year from 2014 through 2017, when positive net migration earlier in the decade turned negative. Figure 7 shows the 12-month average sales totals by sales type in the HMA since 2004.

Figure 7. 12-Month Sales Totals by Type in the Bridgeport HMA



Source: CoreLogic, Inc., with adjustments by the analyst



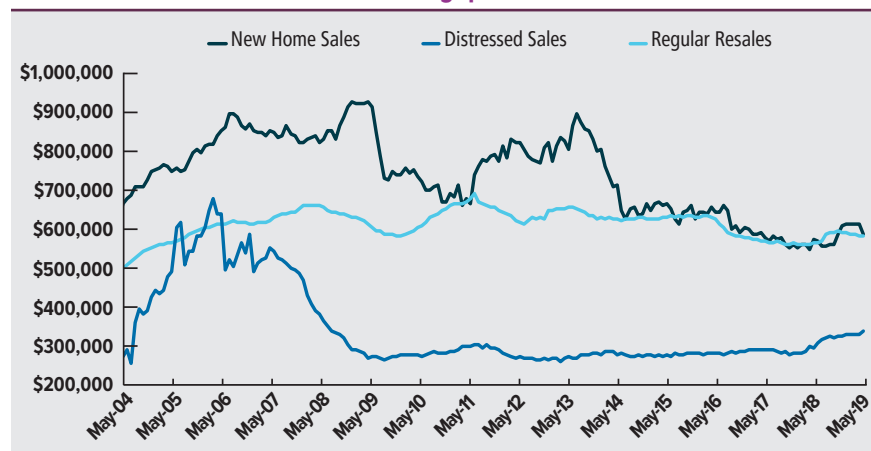
REO Sales and Delinquent Mortgages

A large number of foreclosed homes entered the market during the Great Recession, although a substantial number has since been absorbed as new home construction slowed. During the 12 months ending May 2019, distressed home sales (real estate owned [REO] and short sales) accounted for approximately 7 percent of total sales, well below a high of 19 percent in 2009 (CoreLogic, Inc.). The share of distressed home sales, however, remains notably higher than the average from 2001 through 2007, when they accounted for less than 2 percent of total sales. During the 12 months ending May 2019, the sales price of an REO home in the HMA averaged \$338,900, representing an 18-percent increase in price from the previous 12-month period. Despite the significant increase during the past year, the average price of an REO home was 42 percent less than a regular resale home. As of May 2019, the percentage of home loans in the HMA that were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into REO status was 2.0 percent, slightly below the state average of 2.1 percent but higher than the national average of 1.4 percent. While this is below the peak of 7.8 percent that occurred in 2010, it is above the 0.5-percent rate during the height of the housing boom in 2005.

Home Sale Prices

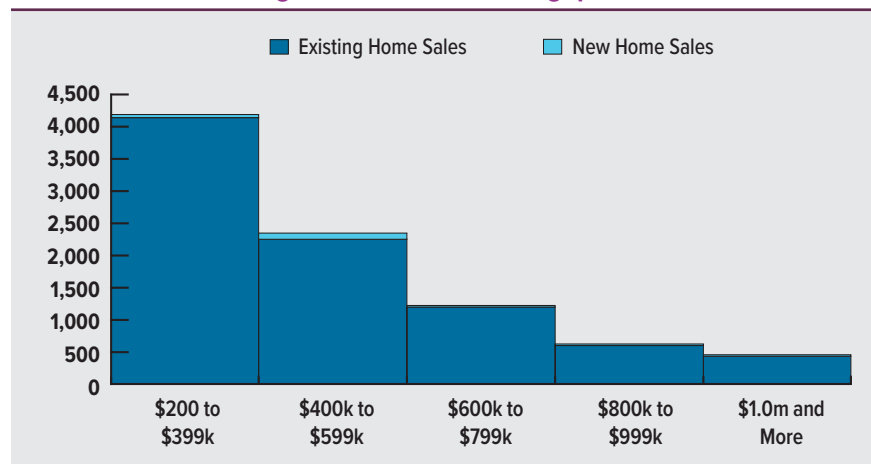
During the 12 months ending May 2019, the average new and existing home sales price increased 2 percent, or by \$12,900, to \$556,000, the same rate of increase during the previous 12-month period (CoreLogic, Inc., with adjustments by the analyst). For comparison, during the 12 months ending May 2019, the price for new and existing homes in the New York-Jersey City-White Plains, NY-NJ metropolitan area, an area that includes neighboring Westchester County and New York City, averaged \$583,200. The average sales price in the Bridgeport HMA peaked at \$662,600 in 2007, before falling an average of 12 percent, annually, to \$517,800 in 2009. The average home sales price increased 13 percent to \$583,100 during 2010 but declined by an average of 1 percent each year from 2011 through 2017. Figure 8 shows the 12-month average home sales price for new and existing homes from May 2004 through the current date. Figure 9 shows the number of new and existing home sales by price range during the past 12 months.

Figure 8. 12-Month Average Sales Price by Type of Sale in the Bridgeport HMA



Source: CoreLogic, Inc., with adjustments by the analyst

Figure 9. Share of Sales by Price Range During the 12 Months Ending June 2019 in the Bridgeport HMA



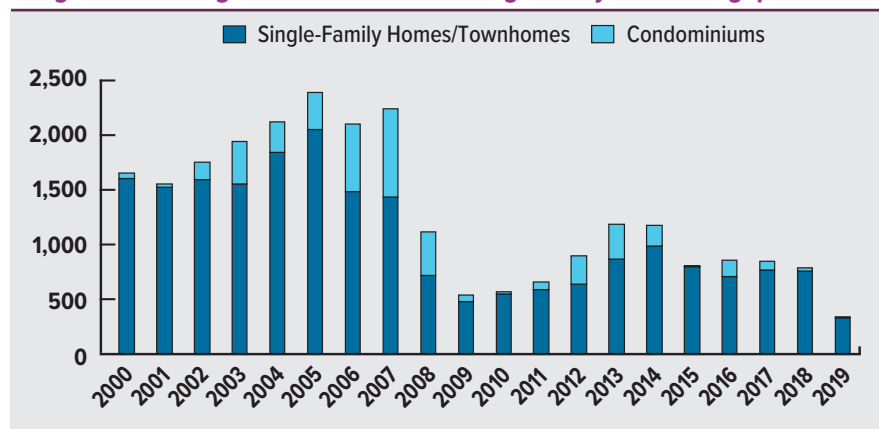
Source: Metrostudy, A Hanley Wood Company

Sales Construction Activity

As net out-migration from the HMA has accelerated, new home construction, as measured by the number of single-family homes permitted, has declined (Figure 10). Single-family permitting from 2014 through 2017 averaged 920 homes each year, with an average annual decline of 110 homes, or 10 percent. By comparison, single-family homebuilding averaged 1,975 each year from 2000 through 2007, before declining an average of 850 homes, or 51 percent, a year to a low of 540 homes in 2009 after the market crashed. From 2010 through 2014, home construction increased an average of 130 homes, or 17 percent each year to 1,100, as the market recovered and net migration was positive, before declining again in 2015. During the 12 months ending June 2019, an estimated 690 single-family homes were permitted, a decline of 100, or 13 percent compared with a year earlier (preliminary data).

Currently, an estimated 280 single-family homes are under construction in the HMA, with development concentrated near major commuting arteries, notably Interstates 84 and 95. The Ridge at Bethel Woods is a single-family home and townhome community currently in its final phase of development in the town of Bethel, approximately 5 miles from the town of Danbury and Interstate 84.

Figure 10. Average Annual Sales Permitting Activity in the Bridgeport HMA



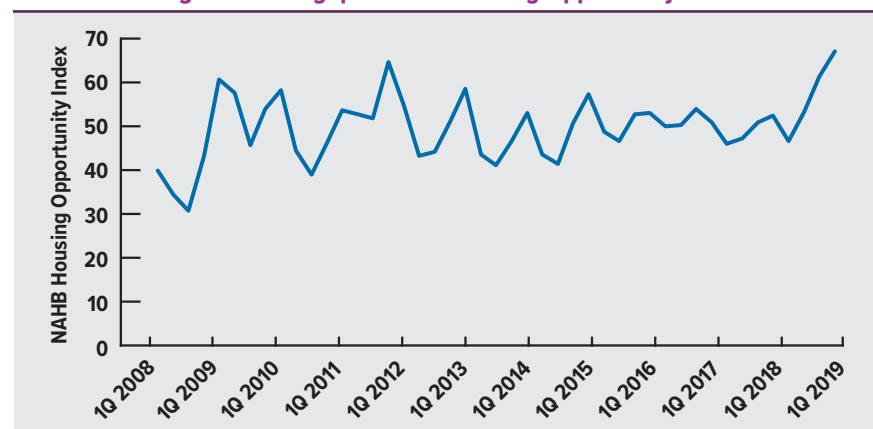
Notes: Includes single-family homes, townhomes, and condominiums. 2019 includes data through June 2019. Sources: U.S. Census Bureau, Building Permits Survey; 2000 through 2017—final data and estimates by the analyst; 2018 and 2019—preliminary data and estimates by the analyst

On completion, the development will consist of 37 homes, 29 of which have been built. Homes are built as they are sold, with two-bedroom townhomes starting at \$259,000. The Turkey Hill Estates is a new luxury home community under development in Shelton, Connecticut, 8 miles from Interstate 95 and less than 5 miles from the Huntington town center and Brownson Country Club. On completion, the development will consist of 10 homes all over 3,000 square feet. Homes are built as they are sold, with three-bedroom homes currently starting at \$699,000.

Housing Affordability

Homeownership in the Bridgeport HMA is relatively expensive, but the affordability of buying a home in the Bridgeport HMA has trended upwards since the early 2010s, as home prices have generally declined while the median income has increased. The National Association of Home Builders (NAHB)/Wells Fargo Housing Opportunity Index (HOI) for the HMA, which represents the share of homes sold that would have been affordable to a family earning the local median income, was 67.1 during the first quarter of 2019, up from 52.6 during the first quarter of 2018 (Figure 11). During the most recent quarter, 95 metropolitan areas out of the 237 metropolitan areas measured, or 40 percent

Figure 11. Bridgeport HMA Housing Opportunity Index



1Q = first quarter. NAHB = National Association of Home Builders. Source: NAHB/Wells Fargo



of metropolitan areas in the nation, had greater housing affordability than the Bridgeport HMA. The HOI is the highest it has been in the HMA since the first quarter of 2008, the earliest data available, as home prices have declined during much of the period since the late 2000s, but the median income increased an average annual 2.9 percent from 2010 to 2017.

Forecast

During the next 3 years, demand is expected for 1,150 new homes in the Bridgeport HMA, with demand increasing each year as economic conditions continue to improve and population growth resumes. Demand is expected in

areas accessible to major highways and public transportation connecting the HMA to New York City. The 280 homes currently under construction will satisfy a portion of the demand (Table 5).

Table 5. Demand for New Sales Units in the Bridgeport HMA During the Forecast Period

Sales Units	
Demand	1,150 Units
Under Construction	280 Units

Source: Estimates by the analyst



Rental Market Conditions

Market Conditions: Soft

While the rental market overall is soft due to tepid population growth and increased levels of construction, the apartment market is balanced as renters look for more affordable rental housing options in an urban environment, compared with New York City.

Current Conditions and Recent Trends

Rental housing market conditions in the Bridgeport HMA are soft, with an overall rental vacancy rate estimated at 8.0 percent as of July 1, 2019, a small increase from the April 2010 rental vacancy rate of 7.8 percent (Table 6). As of July 2017, approximately 24 percent of all renter households lived in single-family homes,

Table 6. Rental and Apartment Market Quick Facts in the Bridgeport HMA

Rental Market Quick Facts	2010 (%)	Current (%)
	Rental Vacancy Rate	7.8
Occupied Rental Units by Structure		
Single-Family Attached & Detached	19	23
Multifamily (2–4 Units)	42	34
Multifamily (5+ Units)	39	43
Other (Including Mobile Homes)	0	0

Apartment Market Quick Facts	Current	YoY Change
	Apartment Vacancy Rate	5.7%
Average Rent	\$2,179	1%
Studio	\$1,532	1%
One-Bedroom	\$1,931	1%
Two-Bedroom	\$2,460	2%
Three-Bedroom	\$2,877	0%

YoY = year over year.

Notes: The current date is July 1, 2019. Current data for “occupied rental units by structure” are 2017 American Community Survey, 1-year data, the most recent data available.

Sources: 2017 American Community Survey, 1-year data; apartment data—Reis, Inc.

up from 19 percent in 2010, but well below the national average of 35 percent; this percentage is due to the larger than average share of multifamily housing inventory in the market. Smaller multifamily structures make up a relatively large portion of rental units in the HMA, with an estimated 34 percent of renter households residing in buildings with two to four units, significantly higher than the national rate of 18 percent. The HMA has a relatively high population density compared with the nation, with Connecticut being the fifth most densely populated state in the country (2010 and 2017 American Community Survey [ACS] 1-year data).

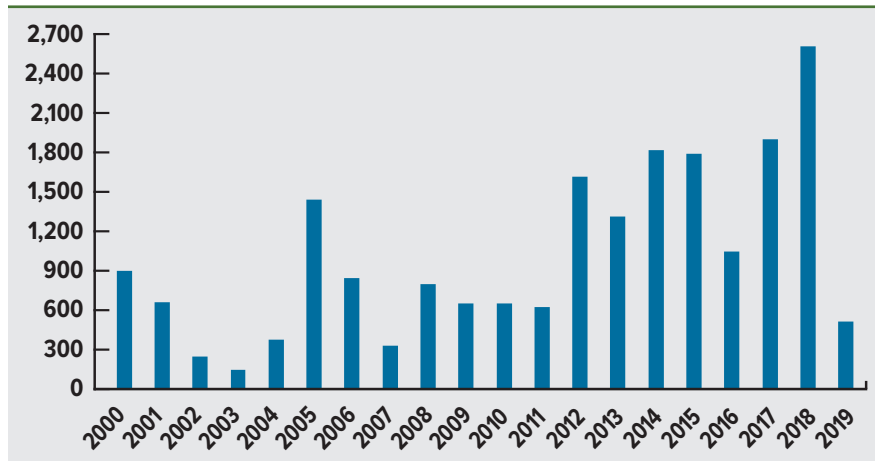
Although the overall rental housing market is soft, the apartment market is balanced with a vacancy rate of 5.7 percent during the third quarter of 2018, down from 6.4 percent a year earlier (Reis, Inc.). The current apartment vacancy rate in the HMA is down from a high of 7.6 percent in 2015, but despite strong renter household growth, the rate has been above 5.0 percent since 2009 because of very high levels of rental construction. Rents in the second quarter of 2019 averaged \$2,179, up 1 percent from \$2,149 during the second quarter of 2018. The modest increase in rent during the past year is, in part, due to a significant number of new units entering the market.

Rental Construction Activity

Rental permitting declined during the past year but has been at very high levels since the early 2010s. During the 12 months ending June 2019, approximately 1,250 rental units were permitted, a decrease of 1,650, or 57 percent from the 2,900 units permitted during the previous 12 months (preliminary data). The 2,600 rental units permitted during 2018 was the highest in recent history (Figure 12). From 2000 through 2006, rental construction was volatile, averaging 660 units per year, with a low of 250 in 2002 to a high of 1,440 in 2005. From 2007 through 2011, multifamily permitting in the HMA averaged 610 units a year before increasing substantially in 2012 to 1,625 units. From 2012 through 2017, rental permitting averaged 1,575 units annually, growing by an average of 3 percent each year. Although rents for new market rate-apartments are high, they are an increasingly attractive option for individuals working in New York City. Approximately 37 percent of multifamily building activity since 2012 has been in the city of Stamford due to its proximity to New York City, urban amenities, and more affordable rents. During the second quarter of 2019, the average asking rent in the Reis, Inc.-defined West Fairfield County submarket, an area that includes the city of Stamford, was \$2,438, compared with \$3,783 for the New York metropolitan area.



Figure 12. Average Annual Rental Permitting Activity in the Bridgeport HMA



Notes: Includes apartments and rents intended for rental occupancy. 2019 includes data through June 2019. Sources: U.S. Census Bureau, Building Permits Survey; 2000 through 2017—final data and estimates by the analyst; 2018 and 2019—preliminary data and estimates by the analyst

Recently Completed Rental Properties

Recent construction activity includes the 209-unit Vela on the Park in the city of Stamford, which was completed in mid-2018. Rents for studio, one-, and two-bedroom apartments start at \$1,700, \$2,200, and \$2,900, respectively. Element One, also in the city of Stamford, is a newly constructed 175-unit luxury apartment development that opened in the summer of 2018. Rents currently start at \$2,450 for a one-bedroom unit and \$3,100 for a two-bedroom unit.

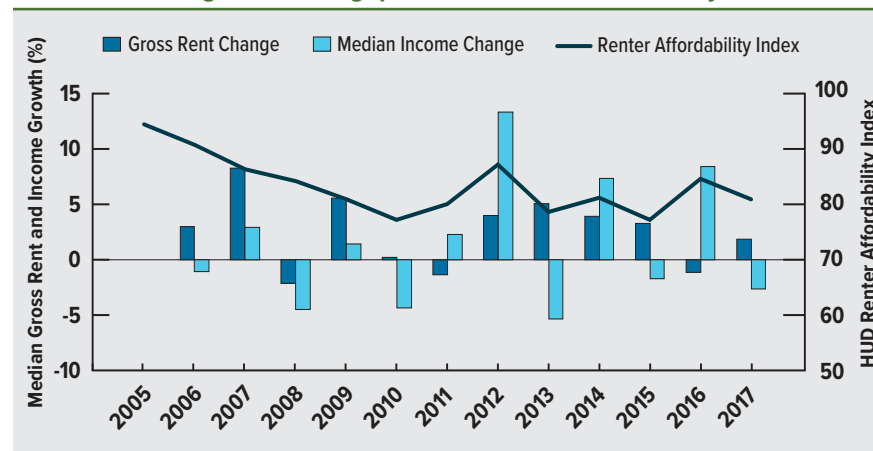
Housing Affordability: Rental

Overall Affordability Issues

While notably less expensive than New York, rental housing is relatively expensive in the Bridgeport HMA compared with the rest of the nation; rental affordability generally trended downward in the mid-2000s, when out-migration early in the decade changed to net in-migration. Since 2010, however, rental affordability has increased modestly (Figure 13). The median gross monthly rent in the HMA rose 17 percent from \$1,233 in 2010 to \$1,438 in 2017. During the same period, the median household income for renter households also increased 17 percent from \$49,320 to

\$57,520. As a result, the HUD Rental Affordability Index, a measure of median renter household income relative to qualifying income for the median-priced rental unit, has changed little since 2010. The index was 81.0 during 2017 (using the latest data available), compared with 77.3 in 2010. This is down, however from 84.7 in 2016, and well below the high of 94.5 in 2005.

Figure 13. Bridgeport HMA Rental Affordability



Source: American Community Survey, 1-year data

During the period from 2011 through 2015, an estimated 22.6 percent of all renter households in the HMA were cost burdened, spending between 30 and 49 percent of their income on rent, while 26.8 percent were severely cost burdened, spending more than 50 percent of income toward rent (Table 7). Nationwide, a slightly smaller proportion of renter households were cost burdened and severely cost burdened, at 22.0 and 23.8 percent, respectively. Cost burdens are particularly notable for lower-income renter households in the HMA, however. For renter households with incomes less than 50 percent of the Area Median Family Income, 26.8 percent were paying between 30 and 49 percent of their incomes toward rent but the plurality of households at these income levels, or 49.1 percent, were severely cost burdened. By comparison, nationwide, 25.7 percent of lower-income renter households were spending 30 to 49 percent of incomes toward rent, and 50.2 percent were spending more than 50 percent of incomes toward rent.

Table 7. Percentage of Cost Burdened Renter Households in the Bridgeport HMA and the Nation by Income, 2011–2015

	Cost Burdened		Severely Cost Burdened	
	Bridgeport HMA	Nation	Bridgeport HMA	Nation
Renter Households with Income <50% HAMFI	26.8	25.7	49.1	50.2
Total Renter Households	22.6	22.0	26.8	23.8

HAMFI = HUD Area Median Family Income.

Notes: “Cost-burdened” households spend between 30–49 percent of their income on rent. “Severely cost-burdened” households spend over 50 percent of their income on rent.

Sources: Consolidated Planning/CHAS Data; 2011–2015 American Community Survey, 5-year estimates; huduser.gov

The spread of household incomes for renters and owners has declined but continues to be extremely large: during 2017, the median owner household income was 2.55 times the median renter household income, down from 2.58 times in 2010, but significantly higher than the national figure of 1.97 times. The disparity between median renter income and median homeowner income is illustrative of the severe income inequality that exists in the HMA. The Gini index for the Bridgeport metropolitan area, a measure of income distribution across a population, puts the HMA as having the highest level of income inequality of all metropolitan areas among the 50 states (U.S. Census Bureau, 2017 Gini Index).

Policies for Affordable Housing

Several local initiatives are underway to address the severe affordability issues that the Bridgeport HMA is experiencing but they are limited in their effect. Currently, the state of Connecticut mandates that in municipalities where at least 10 percent of total housing units are not deemed affordable, developers can challenge a municipality’s denial of a proposed development that may not comply with local zoning ordinances. This rule has been extremely contentious, leading to drawn out court battles with little change to the availability of affordable housing. In response to this, and in an effort to adhere to the state’s mandate while also enforcing local zoning rules and regulations, towns such as Fairfield have created programs that require any new market-rate multifamily construction project to have 10 percent of its units reserved as affordable housing.

Current Affordable Housing Options: LIHTC, PBRA, HCV

Low-Income Housing Tax Credit (LIHTC) is the primary source of funding for new affordable rental housing in the nation. Despite a statewide law requiring at least 10 percent of housing be affordable, restrictive zoning laws in the more affluent suburbs have limited areas of affordable housing to more economically depressed areas. Approximately 43 percent of the LIHTC units built since 2010 have been in the city of Bridgeport, where the median household income is \$45,048, less than half of the median income of the HMA.

In addition to LIHTC, income-eligible residents may qualify for project-based rental assistance (PBRA) or housing choice vouchers (HCV) through the local public housing agency (PHA). The PHAs in the HMA administered approximately 8,375 HCVs in 2018 (Picture of Subsidized Households). Approximately 17,575 subsidized units through PBRA and other programs are within the Bridgeport HMA (Picture of Subsidized Housing). The number of households that are receiving federal rental assistance and that have an HCV in the HMA has increased by 5.9 and 19.7 percent, since 2010 (Table 8), due at least partly to

Table 8. Picture of Subsidized Households in the Bridgeport HMA, 2018

	Bridgeport HMA	Bridgeport HMA Change Since 2010 (%)	National Count	National Change Since 2010 (%)
Total Assisted Households (2018)	17,580	5.9	4,650,853	5.0
Total Housing Voucher Households (2018)	8,371	19.7	2,264,047	11.0
Average HCV Tenant Monthly Contribution	\$503	7.1	\$370	0.8
Average Monthly HUD Subsidy	\$1,181	-5.4	\$753	-4.5

HCV = housing choice voucher.

Note: Dollar changes are inflation adjusted using the Consumer Price Index for All Urban Consumers (CPI-U).

Source: Assisted Housing: National and Local (huduser.gov)



the net in-migration of low-income families. The increase in assisted households occurred while monthly HUD rent subsidies declined an inflation-adjusted 5.4 percent since 2010 in the HMA; during the same time the inflation-adjusted increase in tenant contribution for HCV went up 7.1 percent. By comparison, the total number of assisted and voucher households expanded by respective averages of 5.0 and 11.0 percent nationwide, while the inflation-adjusted HUD subsidy declined 4.5 percent, and the inflation-adjusted tenant contribution increased 0.8 percent, since 2010.

In the Bridgeport HMA, approximately 740 people were homeless in 2018, with approximately 11 percent being unsheltered homeless. By comparison, 15 percent of homeless were unsheltered in the state of Connecticut (2018 Point-In-Time Count).

Forecast

During the 3-year forecast period, demand is expected for 2,350 new rental units (Table 9). The 2,450 units currently under construction will satisfy all expected demand for the next 3 years, with a majority share of the demand in the city of Stamford.

Table 9. Demand for New Rental Units in the Bridgeport HMA During the Forecast Period

Rental Units	
Demand	2,350 Units
Under Construction	2,450 Units

Note: The forecast period is July 1, 2019, to July 1, 2022.

Source: Estimates by the analyst



Terminology Definitions and Notes

A. Definitions

Demand	The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.
Other Vacant Units	In this analysis conducted by the U.S. Department of Housing and Urban Development (HUD), other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as “other” vacant by the Census Bureau.
Building Permits	Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Distressed Sales	Short sales and real estate owned (REO) sales.
Seriously Delinquent Mortgages	Mortgages 90+ days delinquent or in foreclosure.



Home Sales/ Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Rental Market/ Rental Vacancy Rate	Includes apartments and other rental units such as single-family homes, multifamily homes, and mobile homes.
Forecast Period	7/1/2019–7/1/2022—Estimates by the analyst
Cost Burdened	Spending more than 30 percent of household income on housing costs.

B. Notes on Geography

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated February 28, 2013.
2.	Urbanized areas are defined using the U.S. Census Bureau’s 2010 Census Urban and Rural Classification and the Urban Area Criteria.
3.	The census tracts referenced in this report are from the 2010 Census.



C. Additional Notes

1.	The NAHB Housing Opportunity Index represents the share of homes sold in the HMA that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria.
2.	This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.
3.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.
Cover Photo	iStock

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