

HUD PD&R Housing Market Profiles

Bridgeport-Stamford-Norwalk, Connecticut



Quick Facts About Bridgeport

Bridgeport, Connecticut

By Matthew Tieff | As of October 1, 2021

- **Current sales market conditions: tight**
- **Current rental market conditions: soft**
- **Settled in the 1600s, the Bridgeport metropolitan area is the home of the current headquarters for Charter Communications, Inc., one of the largest telecommunications and media corporations in the nation.**

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 Bridgeport metropolitan area is now largely recognized as an affluent area attractive to workers and corporations from New York City (hereafter, NYC). Following interventions that began in mid-March 2020 to slow the spread of COVID-19, economic conditions have improved because restrictions have eased since May 2020. The home sales market has tightened from a year ago, partly because of improving economic conditions, a decline in single-family home construction, and a shortage of for-sale housing due to a surge in homebuying. The rental market, however, has been soft due to high levels of multifamily construction activity and slow population growth.

- As of October 1, 2021, the estimated population of the metropolitan area is 959,300, reflecting an average annual increase of 1,300, or 0.1 percent, since 2014; by

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comparison, population growth averaged 7,750 people, or 0.8 percent, a year from 2010 to 2014. The slowdown in population growth during the more recent period is largely due to a change from a net in-migration of 3,750 people yearly from 2010 to 2014 to a net out-migration of 1,600 people annually since 2014 (U.S. Census Bureau decennial census counts and population estimates as of July 1).

- An estimated 15 percent of the working residents in the metropolitan area, or nearly 60,000 people, were employed in the New York-Jersey City-White Plains, NY-NJ Metropolitan Division (2011–2015 American Community Survey [ACS] 5-year data). Approximately 36,000 of those residents

commuted for work into NYC each day, with an additional 20,000 people commuting into neighboring Westchester County, New York, daily.

- The Bridgeport metropolitan area has the highest level of income inequality of all metropolitan areas among the 50 U.S. states and the District of Columbia (Census Bureau 2019 Gini Index). Partly due to the high level of income disparity, affordable housing is an issue; an estimated 69 percent of metropolitan areas in the nation have more affordable sales housing compared with the Bridgeport metropolitan area (National Association of Home Builders/ Wells Fargo Housing Opportunity Index).

Economic Conditions

The Bridgeport metropolitan area was affected particularly hard by countermeasures implemented to slow the spread of COVID-19 because the economy was relatively weak before the pandemic. In mid-March 2020, the governor of Connecticut ordered the closures of numerous nonessential businesses to mitigate the adverse health outcomes of the pandemic. As businesses reopened with limited capacity beginning in May 2020, some of the jobs lost returned gradually; by September 2021, the economy had fully reopened, and approximately 77 percent of the 82,500 jobs lost from March through May 2020 were recovered (not seasonally adjusted). During the third quarter of 2021,

nonfarm payrolls in the metropolitan area increased 3.5 percent, year over year, slower than the statewide and nationwide growth rates of 4.0 and 4.6 percent, respectively. From 2016 to 2019, before the COVID-19 pandemic, nonfarm payrolls in the metropolitan area declined an average of 0.5 percent annually.

During the third quarter of 2021 —

- Nonfarm payrolls averaged 451,500—an increase of 15,300 jobs, or 3.5 percent, from a year earlier, with gains in 8 of 11 sectors—by comparison, during the third quarter of 2020, nonfarm payrolls declined 10.2 percent compared with the same period a year earlier.

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The reopening of the Bridgeport metropolitan area economy beginning in May 2020 contributed to significant job gains in 8 of the 11 sectors during the third quarter of 2021.

	Third Quarter		Year-Over-Year Change	
	2020 (Thousands)	2021 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	436.2	451.5	15.3	3.5
Goods-Producing Sectors	51.4	53.5	2.1	4.1
Mining, Logging, & Construction	12.9	14.5	1.6	12.4
Manufacturing	26.9	27.1	0.2	0.7
Service-Providing Sectors	384.9	398.0	13.1	3.4
Wholesale & Retail Trade	64.4	65.1	0.7	1.1
Transportation & Utilities	7.5	8.5	1.0	13.3
Information	11.2	11.1	-0.1	-0.9
Financial Activities	35.7	35.5	-0.2	-0.6
Professional & Business Services	70.7	71.6	0.9	1.3
Education & Health Services	68.3	70.8	2.5	3.7
Leisure & Hospitality	40.3	46.5	6.2	15.4
Other Services	15.3	16.9	1.6	10.5
Government	48.0	47.2	-0.8	-1.7
Unemployment Rate	9.5%	6.0%		

Notes: Nonfarm payroll jobs data are for the combined Bridgeport-Stamford-Norwalk, CT and Danbury, CT Metropolitan New England City and Town Areas (NECTA). Numbers may not add to totals due to rounding.

Source: U.S. Bureau of Labor Statistics



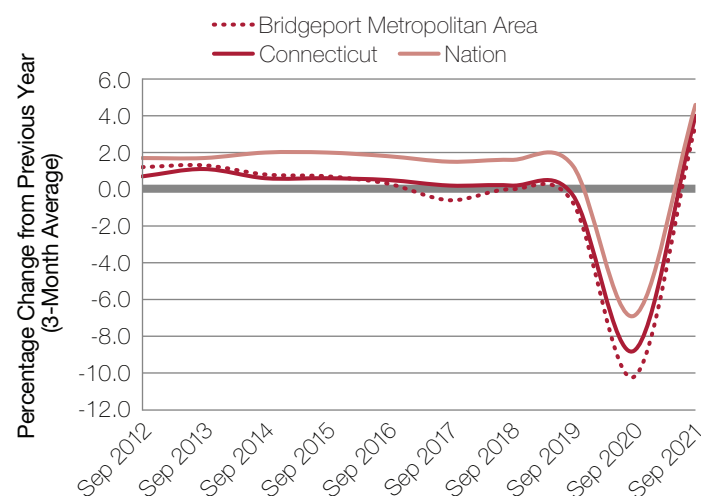
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- The largest increase was in the leisure and hospitality sector, which grew by 6,200 jobs, or 15.4 percent, due to the easing of COVID-19 restrictions that included limits on indoor dining capacity; during the third quarter of 2021, the number of jobs in this sector averaged 46,500, nearly 14 percent lower than the average of 53,900 jobs during the third quarter of 2019.
- The mining, logging, and construction sector grew by 1,600 jobs, or 12.4 percent; by comparison, during the third quarter of 2020, nonfarm payrolls in this sector fell by 700 jobs, or 4.9 percent, the lowest rate of decline among all sectors in the metropolitan area during this period.
- The unemployment rate averaged 6.0 percent, above the national average of 5.7 percent. The unemployment rate in the metropolitan area during the third quarter of 2021 was below the 9.5-percent rate for the third quarter of 2020, but above the 3.5-percent rate for the third quarter of 2019.

Often referred to as the “Gold Coast,” the Bridgeport metropolitan area is home to numerous corporations, including the headquarters of 10 Fortune 500 companies. The professional and business services sector is the largest in the metropolitan area, accounting for 16 percent of nonfarm payrolls; the financial activities sector is comparatively large, accounting for 8 percent of nonfarm payrolls in the metropolitan area compared with 6 percent nationally. From 2016 to 2019, before the COVID-19 pandemic, nonfarm payrolls in the professional and business services sector and the financial activities sector in the metropolitan area fell at annual average rates of 0.6 and 2.3 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 more than 4,400 people working in the city of Stamford; by 2019, after years of restructuring and downsizing, the workforce was reduced to less than one-third that size. Offsetting possible future losses in these sectors are new firms preparing to enter the metropolitan area within the next year. The financial technology firm iCapital Network, Inc., headquartered in Manhattan, will be opening an office in the

town of Greenwich in the fall of 2021 and is planning to hire up to 200 additional employees through 2022. Philip Morris International Inc. recently announced a move from its Manhattan headquarters to the city of Stamford, bringing 200 jobs into the metropolitan area; the company is expected to make the transition in the summer of 2022.

During the start of the COVID-19 pandemic, nonfarm payroll jobs in the Bridgeport metropolitan area declined at a faster rate than that of Connecticut and the nation.



Note: Nonfarm payroll jobs data are for the combined Bridgeport-Stamford-Norwalk, CT and Danbury, CT Metropolitan New England City and Town Areas (NECTA).
Source: U.S. Bureau of Labor Statistics

Largest Employers in the Bridgeport Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Sikorsky, a Lockheed Martin Company	Manufacturing	5,000–9,999
ASML Holding N.V.	Professional & Business Services	1,000–4,999
Ceci Brothers, Inc.	Mining, Logging, & Construction	1,000–4,999

Note: Excludes local school districts.
Source: Moody's Analytics

Sales Market Conditions

Sales housing market conditions in the Bridgeport metropolitan area are tight due to a decline in the inventory of single-family homes for sale. The vacancy rate is estimated at 1.0 percent, down from 1.7 percent in April 2010, when market conditions were soft. The supply of homes for sale declined from a 5.0-month supply in September 2020 to a 2.9-month supply as of September 2021 (CoreLogic, Inc.). The decline in home

supply was partly due to a sharp sales increase from a year ago, combined with inventory constraints originating in part from potential sellers not listing their homes because of reservations about being able to locate and purchase another home in the current market. During the 12 months ending in September 2021, real estate owned (REO) sales accounted for approximately 2 percent of existing home sales, down from 5 percent a year

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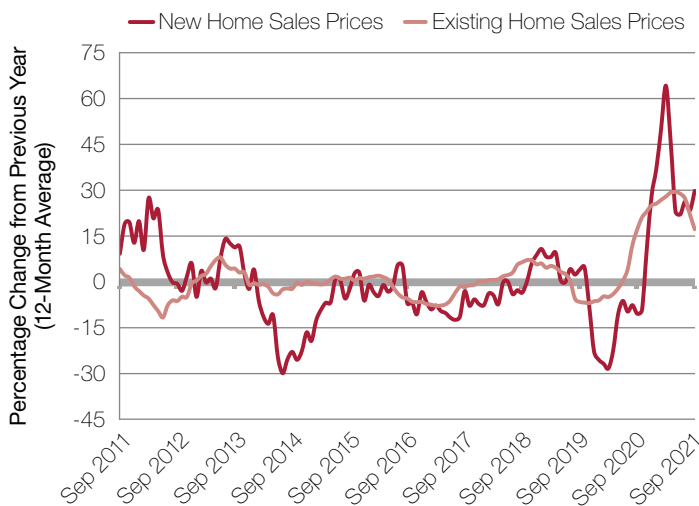
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ago and well below a recent high of 10 percent in 2011. The percentage of home loans in the Bridgeport metropolitan area that were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into REO status was 3.7 percent in August 2021, down from 6.7 percent a year earlier. The rate of seriously delinquent home loans and REO properties in the metropolitan area in August 2021 was higher than the statewide and national rates of 3.5 and 2.7 percent, respectively.

During the 12 months ending September 2021 —

- Existing home sales—including single-family homes, townhomes, and condominiums—totaled 17,400, up 19 percent from the 14,600 homes sold during the previous 12-month period (CoreLogic, Inc., with adjustments by the analyst).
- The average sales price of existing homes was \$731,600, nearly double the national average, and represented an increase of 17 percent from an average price of \$624,100 during the previous year; by comparison, from 2015 through 2019, the average existing home sales price declined 1 percent annually.
- The number of new homes sold—including single-family homes, townhomes, and condominiums—totaled 80 homes, down 16 percent from the 95 homes sold during the previous 12 months (only a portion of new home sales in the metropolitan area are captured in the data).
- The average sales price for new homes was \$669,300, 62 percent greater than the national average price

The average new and existing home sales prices in the Bridgeport metropolitan area have increased more than 15 percent since mid-2020.



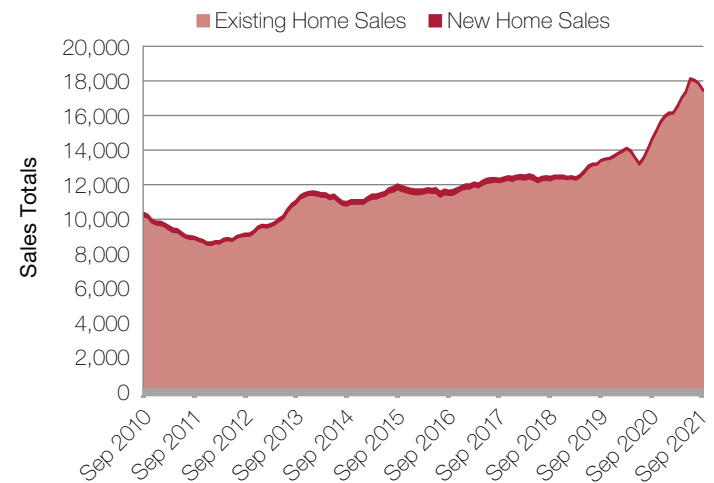
Note: Includes single-family homes, townhomes, and condominiums.
Source: CoreLogic, Inc., with adjustments by the analyst

and a 30-percent increase from \$516,600 a year earlier; by comparison, during 2019, the price of a new home fell 23 percent.

In response to a tightening market, single-family home construction activity, as measured by the number of homes permitted, increased recently after declining, on average, from 2014 through 2019, coinciding with a slowdown in population growth.

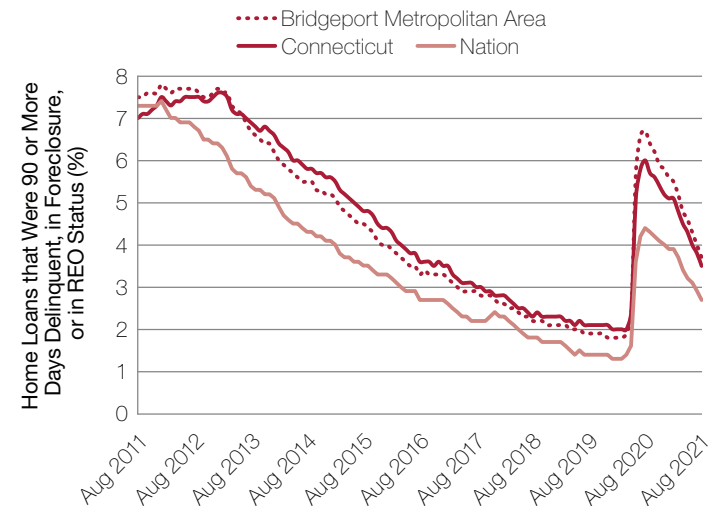
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Total homes sales in the Bridgeport metropolitan area have increased since mid-2020 due to gains in existing home sales.



Notes: Includes single-family homes, townhomes, and condominiums. Only a portion of new home sales in the metropolitan area are captured in the data.
Source: CoreLogic, Inc., with adjustments by the analyst

The proportion of seriously delinquent home loans and REO properties in the Bridgeport metropolitan area grew sharply in mid-2020 following more than 6 years of steady declines.

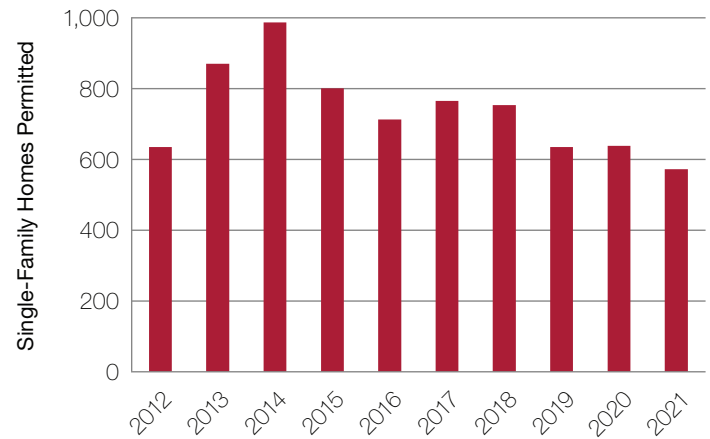


REO = real estate owned.
Source: CoreLogic, Inc.

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- During the 12 months ending September 2021, approximately 780 single-family homes were permitted, up 37 percent from the 570 homes permitted a year earlier (preliminary data).
- After a recent high of 990 single-family homes permitted during 2014, home construction activity generally declined, on average, by 70 homes each year, to 640 homes in 2019.
- The Summit at Bethel is an age-restricted townhome community for adults age 55 and older in the town of Bethel; 50 of the planned 234 townhomes have been built, and the remaining homes are expected to be constructed as they are sold, with prices starting at \$527,000.
- Enclave at Daniels Farm is a single-family home community underway in the town of Trumbull; more than 50 percent complete, with 14 of the planned 30 homes remaining to be built, it has a base price for two- and three-bedroom homes starting at \$720,000 and \$751,000, respectively.

Single-family home construction activity in the Bridgeport metropolitan area is down after a recent peak in 2014.



Note: Includes preliminary data from January 2021 through September 2021.
Source: U.S. Census Bureau, Building Permits Survey

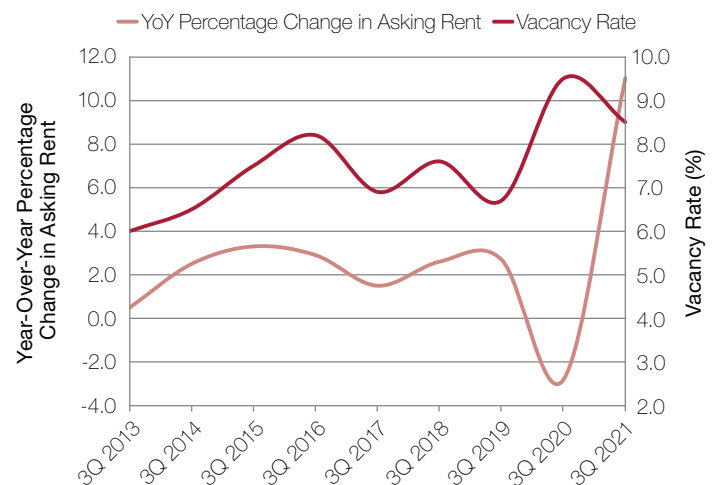
Rental Market Conditions

Rental housing market conditions in the Bridgeport metropolitan area are soft, with an overall rental vacancy rate estimated at 9.1 percent as of October 1, 2021, an increase from the April 2010 rental vacancy rate of 7.8 percent, when conditions were slightly soft. Apartment market conditions in the metropolitan area are also soft but improving. Since 2013, the apartment market has ranged from balanced to soft, with vacancy rates at or above 6 percent, due to a slowdown in overall population growth coinciding with higher-than-average rates of multifamily construction. In 2019, approximately 78 percent of renter households in the Bridgeport metropolitan area resided in multifamily structures with two or more units, higher than the national rate of 67 percent (ACS 1-year data). Smaller multifamily developments make up a relatively large portion of rental units in the Bridgeport metropolitan area, with an estimated 31 percent of renter households residing in buildings with two to four units, significantly higher than the national rate of 17 percent.

During the third quarter of 2021 —

- In the Moody's Analytics REIS-defined Bridgeport market area, the apartment vacancy rate was 8.5 percent, down from the recent peak of 9.5 percent a year earlier; it declined during the past year as restrictions to prevent the spread of COVID-19 eased, offices reopened, and people returned to more densely populated areas.
- The apartment vacancy rate for Class A units, including newly constructed multifamily luxury developments, was

During the past year, the apartment vacancy rate in the Bridgeport metropolitan area has been above 8 percent; the average apartment rent increased 11 percent.



3Q = third quarter. YoY = year-over-year.
Source: Moody's Analytics REIS

10.0 percent, down from 11.8 percent a year ago; by comparison, the vacancy rate for Class B and C units was 6.8 percent, slightly lower than the 6.9-percent vacancy rate a year earlier.

- Apartment rents in the metropolitan area averaged \$2,376, up 11 percent from a year ago, rebounding after a decline

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of 3 percent during the same period a year earlier, when the apartment vacancy rate peaked. From the third quarter of 2013 to the third quarter of 2019, apartment rents rose steadily at an average rate of 3 percent each year.

- The average apartment rent in the Bridgeport metropolitan area is 50 percent higher than the national average of \$1,585 but 28 percent below the Moody's Analytics REIS-defined New York Metro market area average of \$3,290.

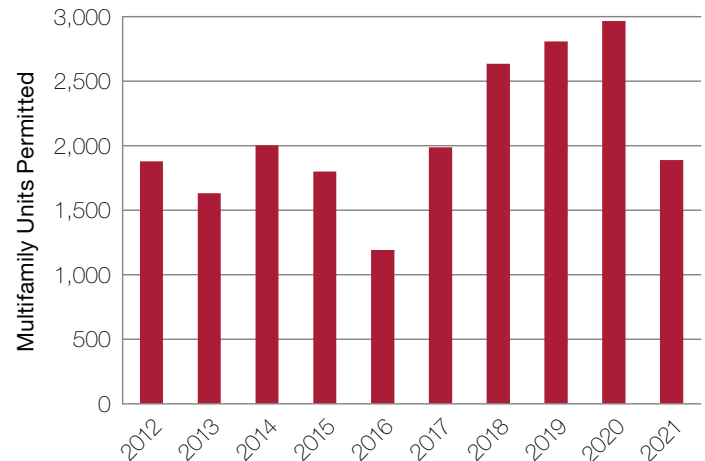
Multifamily construction activity, as measured by the number of multifamily units permitted, is up from a recent low in 2016. Overall multifamily construction activity has been relatively high compared with earlier in the decade, despite a slowdown in population growth, resulting in a soft apartment market.

- During the 12 months ending September 2021, approximately 1,050 multifamily units were permitted, a decrease of 3,875, or 79 percent, from the 4,925 units permitted during the 12 months ending September 2020 (preliminary data, with adjustments by the analyst).
- After a recent low of 1,200 units permitted during 2016, multifamily construction activity from 2017 through 2020 rose by 440 units, or 26 percent, each year, to a recent high of 2,975 multifamily units permitted during 2020.
- Although rents for new market-rate apartments are high, they are an attractive option for individuals commuting to NYC. Approximately 39 percent of multifamily building activity since 2012 has been in the city of Stamford, partly due to its proximity to NYC, urban amenities, and more affordable rents.
- The Smyth—a 414-unit mixed-use development under construction in the city of Stamford, a 1-hour drive north

of NYC—is expected to begin leasing in the winter of 2022; the development will have a mix of studios and one-, two-, and three-bedroom apartments and more than 19,000 square feet of retail space.

- The 122-unit The Platform Sono Station apartment complex is under construction in the city of Norwalk and will begin leasing during the fall of 2021; adjacent to the Southern Norwalk train station, rents for studios and one-, two-, and three-bedroom apartments will start at \$1,700, \$2,100, \$2,950, and \$4,720, respectively.

After a recent low in 2016, the rate of multifamily construction activity in the Bridgeport metropolitan area increased each year from 2017 through 2020.



Note: Includes preliminary data from January 2021 through September 2021.

Source: U.S. Census Bureau, Building Permits Survey, with adjustments by the analyst