

Rising Housing Costs in Connecticut: Evidence from the U.S. Census

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Many areas in the U.S. have been experiencing housing price accelerations since 1999 and Connecticut is no exception. The figure below shows the median household incomes and median values of owner-occupied housing units in 1999. All of the median household incomes and median values of housing units in the Connecticut counties were greater than the U.S. averages. In Fairfield County, the median value of housing was more than four times the median household income level, while the other counties saw ratios between 2.5 and 3.0, which were more in line with the national average. The median monthly owner costs as a share of household income hovered around 20 percent for all of the counties, and the ratio of rent to income was slightly higher.

Median Income and Housing Costs, 1999

	Median HH Income, 1999	Median Value of Owner-Occupied Housing Units, 1999	Median Monthly Owner Costs % Household Income, 1999	Median Gross Rent % Household Income, 1999
U.S.	\$41,994	\$111,800	18.7	25.5
Fairfield County	\$65,249	\$265,100	20.9	26.1
Hartford County	\$50,756	\$142,500	19.4	25.1
Litchfield County	\$56,273	\$155,900	20.6	24.4
Middlesex County	\$59,175	\$163,400	19.9	23.2
New Haven County	\$48,834	\$145,500	20.6	26.4
New London County	\$50,646	\$139,700	19.2	24.1
Tolland County	\$59,044	\$150,500	19.2	24.2
Windham County	\$45,115	\$117,500	19.3	23.7

Source: U.S. Census, 2000 Decennial Census

But oh, how a few years make a difference. The figure below shows that the median values of housing units were greater than \$200,000 in all of the counties in Connecticut while the national average was \$167,500. The median value of housing units in Fairfield County was almost seven times its median household income. Tolland County had the lowest ratio of housing value to income, at just over three. In terms of median monthly costs for homeowners as a percent of household income, all counties and the nation were above 20 percent. But for renters, the share of median gross rent to income was higher, with three counties approaching 30 percent and New Haven County approaching

32 percent. Spending 30 percent of income on housing is generally accepted as the limit for housing affordability, so it looks like a number of areas in Connecticut are approaching or have reached that threshold and the nation as a whole is no exception.

Median Income and Housing Costs, 2005

	Median HH Income, 2005	Median Value of Housing Units, 2005	Median Monthly Owner Costs % Household Income, 2005	Median Gross Rent % Household Income, 2005
U.S.	\$46,242	\$167,500	20.9	29.8
Fairfield County	\$71,633	\$475,500	24.7	29.8
Hartford County	\$57,939	\$224,200	21.7	29.1
Litchfield County	\$64,544	\$254,200	23.3	27.7
Middlesex County	\$70,821	\$265,600	21.4	22.8
New Haven County	\$53,591	\$245,600	23.9	31.9
New London County	\$59,268	\$237,400	21.3	27.2
Tolland County	\$73,919	\$229,000	20.1	24.0
Windham County	\$47,684	\$204,000	23.0	29.4

Source: U.S. Census, American Community Survey

On average, which states have the highest ratios of housing values to incomes? The table below shows that California leads the pack among all 50 states. Connecticut has the 12th highest ratio, so the state's median housing value is relatively larger than its median income. The state with the smallest ratio, thereby ranking 50th, is North Dakota.

Median Income and Housing Costs, by State, 2005

	Median Household Income, 2005	Median Value Owner-Occupied Housing, 2005	Ratio of Median Housing Value to Median Household Income	Rank - Ratio of Median Housing Value to Median Household Income
United States	\$46,242	\$167,500	3.62	
California	\$53,629	\$477,700	8.91	1
Hawaii	\$58,112	\$453,600	7.81	2
Massachusetts	\$57,184	\$361,500	6.32	3
Nevada	\$49,169	\$283,400	5.76	4
Rhode Island	\$51,458	\$281,300	5.47	5
New Jersey	\$61,672	\$333,900	5.41	6
New York	\$49,480	\$258,900	5.23	7
Oregon	\$42,944	\$201,200	4.69	8
Washington	\$49,262	\$227,700	4.62	9
Maryland	\$61,592	\$280,200	4.55	10
Florida	\$42,433	\$189,500	4.47	11
Connecticut	\$60,941	\$271,500	4.46	12
Colorado	\$50,652	\$223,300	4.41	13
New Hampshire	\$56,768	\$240,100	4.23	14

Median Income and Housing Costs, by State (continued), 2005

	Median Household Income, 2005	Median Value Owner-Occupied Housing, 2005	Ratio of Median Housing Value to Median Household Income	Rank - Ratio of Median Housing Value to Median Household Income
Arizona	\$44,282	\$185,400	4.19	15
Virginia	\$54,240	\$212,300	3.91	16
Delaware	\$52,499	\$203,800	3.88	17
Minnesota	\$52,024	\$198,800	3.82	18
Vermont	\$45,686	\$173,400	3.80	19
Illinois	\$50,260	\$183,900	3.66	20
Maine	\$42,801	\$155,300	3.63	21
Alaska	\$56,234	\$197,100	3.50	22
Utah	\$47,934	\$167,200	3.49	23
Montana	\$39,301	\$131,600	3.35	24
New Mexico	\$37,492	\$125,500	3.35	25
Idaho	\$41,443	\$134,900	3.26	26
Michigan	\$46,039	\$149,300	3.24	27
Wisconsin	\$47,105	\$152,600	3.24	28
Georgia	\$45,604	\$147,500	3.23	29
North Carolina	\$40,729	\$127,600	3.13	30
Ohio	\$43,493	\$129,600	2.98	31
Pennsylvania	\$44,537	\$131,900	2.96	32
Missouri	\$41,974	\$123,100	2.93	33
Tennessee	\$38,874	\$114,000	2.93	34
Wyoming	\$46,202	\$135,000	2.92	35
South Carolina	\$39,316	\$113,100	2.88	36
Kentucky	\$37,369	\$103,900	2.78	37
Louisiana	\$36,729	\$101,700	2.77	38
Alabama	\$36,879	\$97,500	2.64	39
Indiana	\$43,993	\$114,400	2.60	40
Nebraska	\$43,849	\$113,200	2.58	41
West Virginia	\$33,452	\$84,400	2.52	42
South Dakota	\$40,310	\$101,700	2.52	43
Texas	\$42,139	\$106,000	2.52	44
Kansas	\$42,920	\$107,800	2.51	45
Mississippi	\$32,938	\$82,700	2.51	46
Arkansas	\$34,999	\$87,400	2.50	47
Iowa	\$43,609	\$106,600	2.44	48
Oklahoma	\$37,063	\$89,100	2.40	49
North Dakota	\$41,030	\$88,600	2.16	50

Source: U.S. Census, American Community Survey

These trends occurring in the state are also occurring in the nation. So the implications are widespread, but nonetheless, these trends make it increasingly difficult for young professionals and mid-income families to afford housing costs.