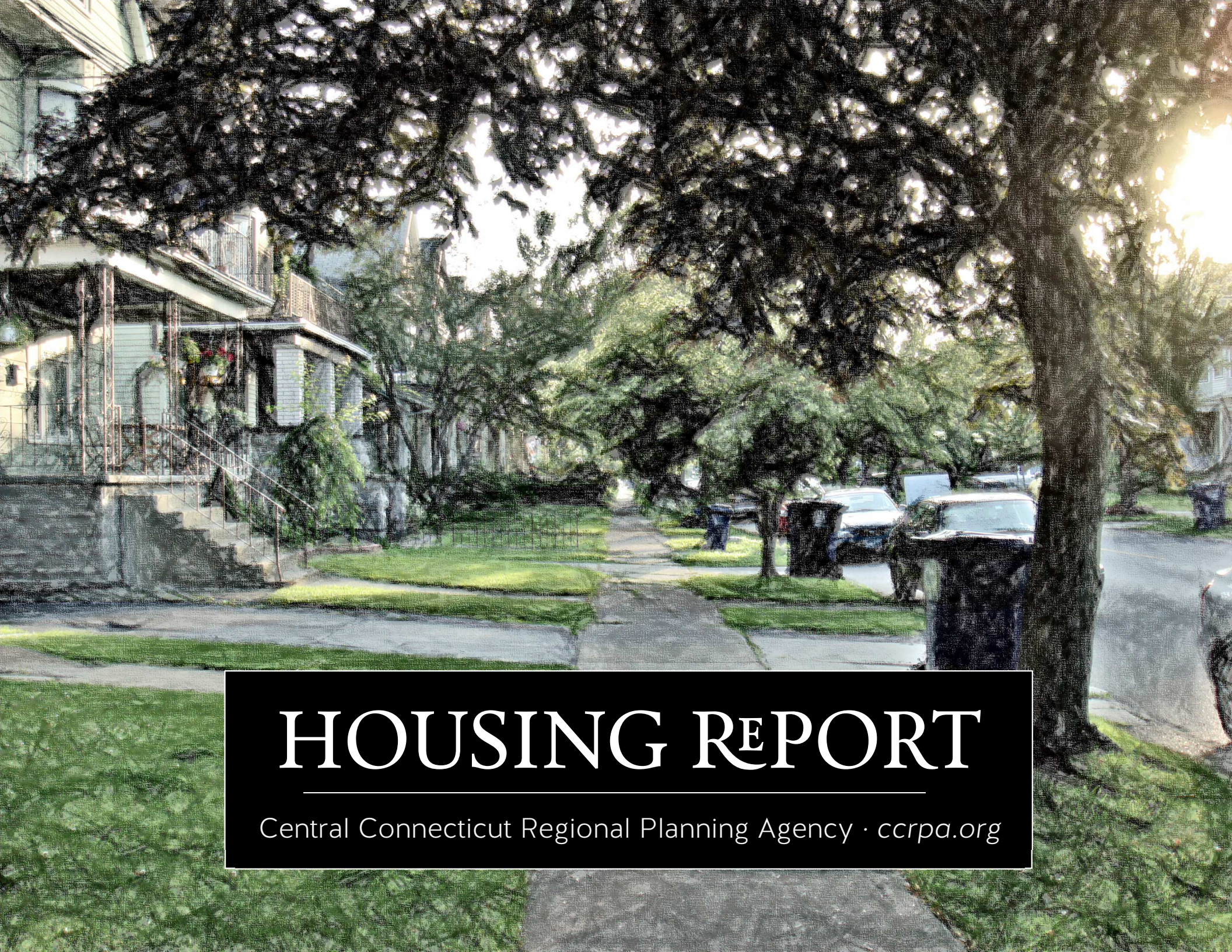

HOUSING REPORT

Central Connecticut Regional Planning Agency · *ccrpa.org*

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Disclaimer

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BACKGROUND

People and the homes they live in

This report examines the state of the housing market in the Central Connecticut region. In particular, the report considers the fit between housing available in the region as the constitution and needs of its population evolve.

Spanning the municipalities of Berlin, Bristol, Burlington, New Britain, Plainville, Plymouth, and Southington, central Connecticut is small yet geographically diverse. Downtowns and suburban tracts lie just a few miles from exurbs and rural villages, and high-paid IT jobs exist next door to low-wage retail jobs. To meet the needs of a diverse region, a diversity of housing options is required.

This report finds that, while housing is largely affordable and abundant in the region, there are several areas of concern. Quality can be uneven, and some evidence suggests that recent construction does not meet the needs of a changing population. Furthermore, access to transportation, jobs, housing for low income persons, and healthy food is unevenly distributed. If the region is to proceed on a sustainable path, appropriate housing must be available to current and future residents. This report evaluates shortcomings in the region's housing market and gives several suggestions on how to reduce or eliminate them.

This report does not stand in isolation. Instead, it complements, supports, and relies on the recommendations contained in the region's Plan of Conservation and Development, Comprehensive Economic Development Strategy, and Long Range Transportation Plan.

Figure 1. Map of the Central Connecticut Region

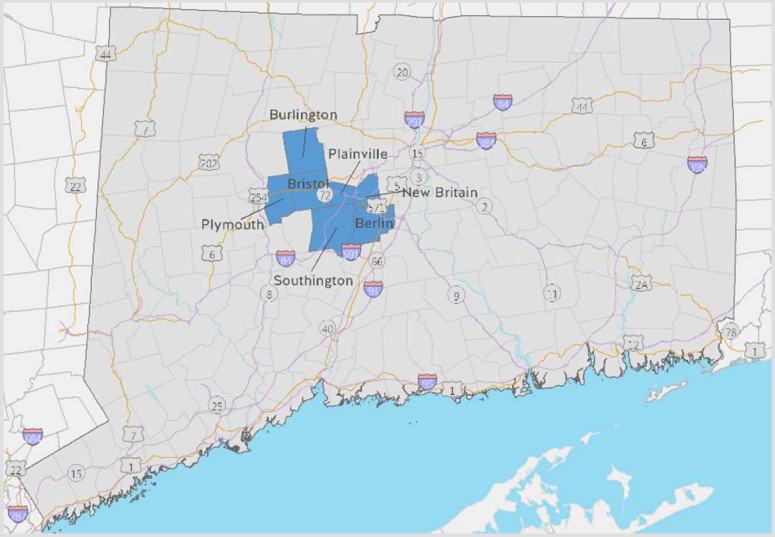


Figure 2. Regional statistics

Item	Value
Population	235,878 persons
Area	163 square miles
Population density	1,447 per square mile
Households	74,914
Housing units	100,718
Employed persons	125,677
Per capita income	$33,021

Growth in population and households

Population is the most important factor in evaluating the need for housing units. Since 1900, the population of the Central Connecticut region has quintupled, although that growth has occurred, as in many other places, in fits and starts. While the total population flatlined from the Great Depression into the 1940s, growth boomed after the Second World War and continued apace until the 1970s. Since then, the region has grown (Figure 3) at a moderate rate. From 2000 to 2010, the region gained over 9,000 new residents, for an increase of 4.1%[1].

The region's municipalities have not always grown in parallel. During much of the postwar era, the cities of New Britain and Bristol experienced zero or negative growth, while rural and exurban towns registered gains. The slope of each line in Figure 4 tracks the speed at which municipal population growth rates have waxed and waned since 1970. The recent inflection in the line representing New Britain's indicates that, after decades of population loss, the City once again is growing. Should such a 'back to the cities' trend, as has been observed in many other urban areas, prove durable here, it will mark a turning point in the region's development as well as have implications for the housing market.

Figure 3. Population of the region[1]

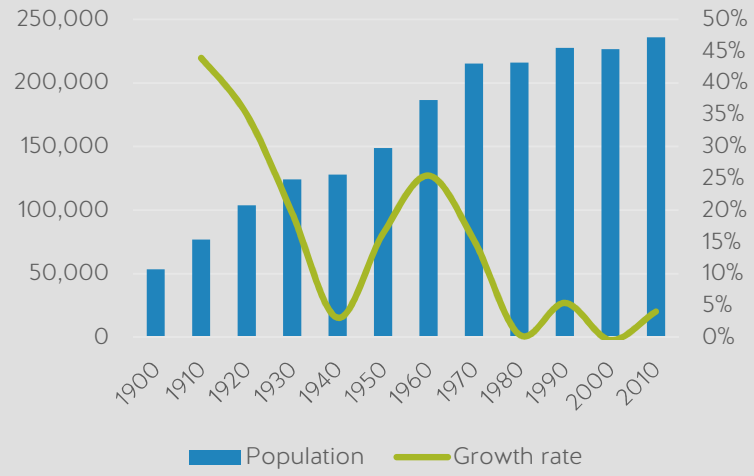
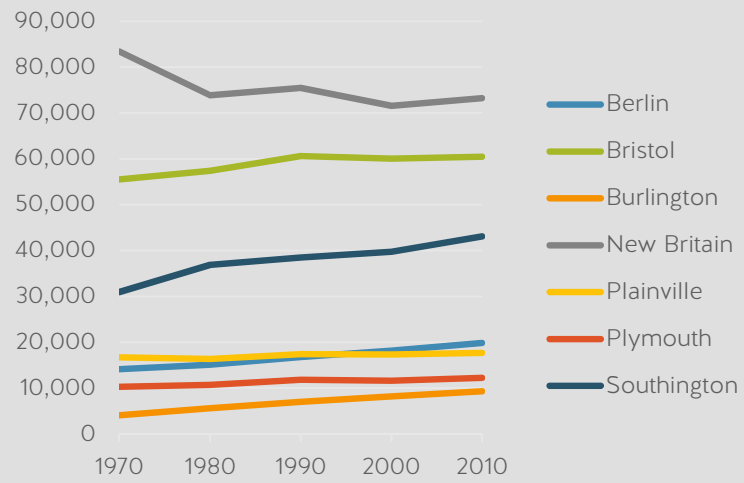


Figure 4. Residents by municipality, 1970-2010[1]



Housing statistics often use the household, or all persons who occupy a housing unit[2] as their usual place of residence, as a unit of measurement. As the region's population has grown, so, too, has the total number of households. In 1970, 67,000 households lived in Central Connecticut; by 2010, the region had almost 94,000. This equates to a 39.9% increase. Population growth over the same period was 9.6%. As with population, growth in households varied by municipality. Burlington experienced the fastest percentage growth, averaging over 3.0% annually and nearly tripling its total households over the fifty-year over the period. In absolute terms, however, larger suburban communities like Bristol and Southington gained the most households, approximately 200 new households a year from 1970 to 2010.

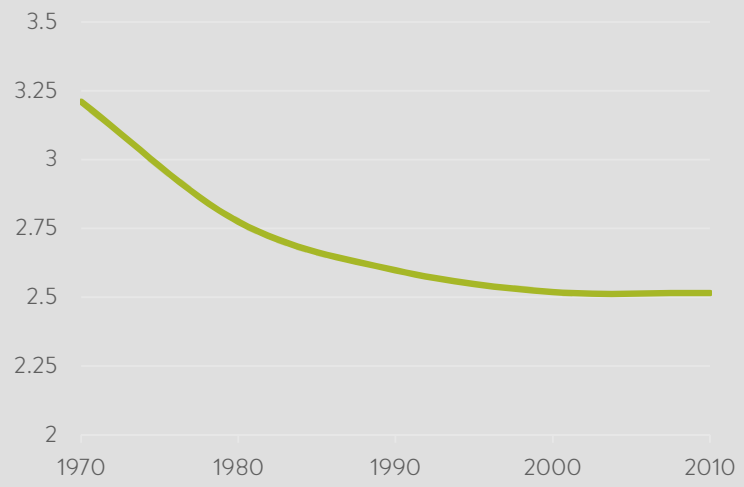
Changing household composition

The faster growth of households than population shows that household structure in the region is changing. Smaller households, including singles and non-cohabitating couples, single parents, families with fewer children, and empty nesters, are becoming more common. From 1970 to 2010, the average household shrank by nearly one person (Figure 6). As households get smaller, more units are needed to house the same total population.

Figure 5. Household type and change in households and population[1]

Municipality	%non-family households	Total households	Total population
Period	In 2010	Change, 2000-2010	
Berlin	28.4%	15.0%	9.1%
Bristol	37.5%	1.7%	0.7%
Burlington	18.5%	15.9%	13.6%
New Britain	40.1%	-1.4%	2.3%
Plainville	39.8%	2.6%	2.2%
Southington	28.4%	11.5%	8.4%
Plymouth	30.2%	7.9%	5.2%
Region	35.0%	4.2%	4.1%

Figure 6. Persons in average household, regionwide[1]



While families continue to make up the majority of households in the region, the size of the majority as well as the structure of families in those households is changing. In 2010, over a third of the region's residents lives in a non-family household, a 9.0% increase over one decade earlier. (Family households, in comparison, only increased 1.8%.) The mix of household types also varies among municipalities. Regionally, nearly two-thirds of households are families, but the breakdown ranges from a low of 60% family households in New Britain and Plainville to a high of over 80% in Burlington.

Increasing homogeneity in housing types

Single-family dwellings, attached and detached (Figure 7), account for three-fifths of the region's 100,000 housing units, slightly less than the state's 64.5%. Substantial heterogeneity is evident among its municipalities. Housing options are more diverse in the region's cities than in its suburbs and exurbs. For instance, in New Britain, 33.6% (10,839) of housing units are single-family detached units; 28.8% (9,093) are in five-or-more-unit structures. In contrast, nearly all (97.7%, or 3,288) units in Burlington are single-family units. While the large numbers of multiple-unit housing in the region's cities reflects the larger numbers of nonfamily households that reside there, in much of the region, the fraction of units that are not single-family detached lags far behind the number of nonfamily households. In these areas, demand for multiple unit housing may exceed supply.

Figure 7. Housing unit type by municipality, 2011[3]

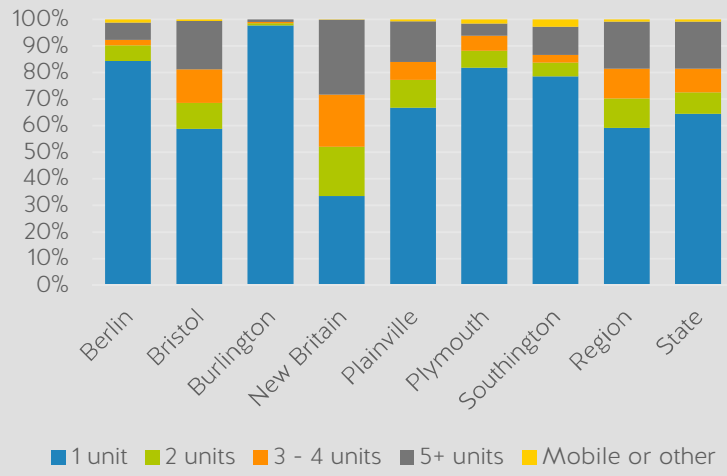
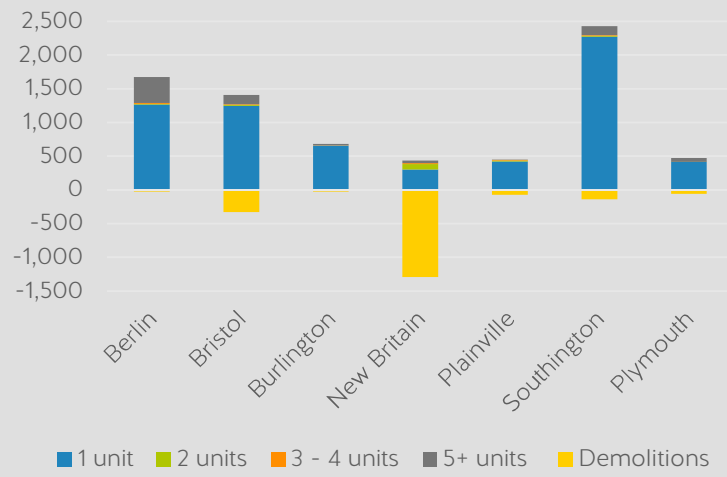


Figure 8. New units by type and demolitions, 1997-2012[4]

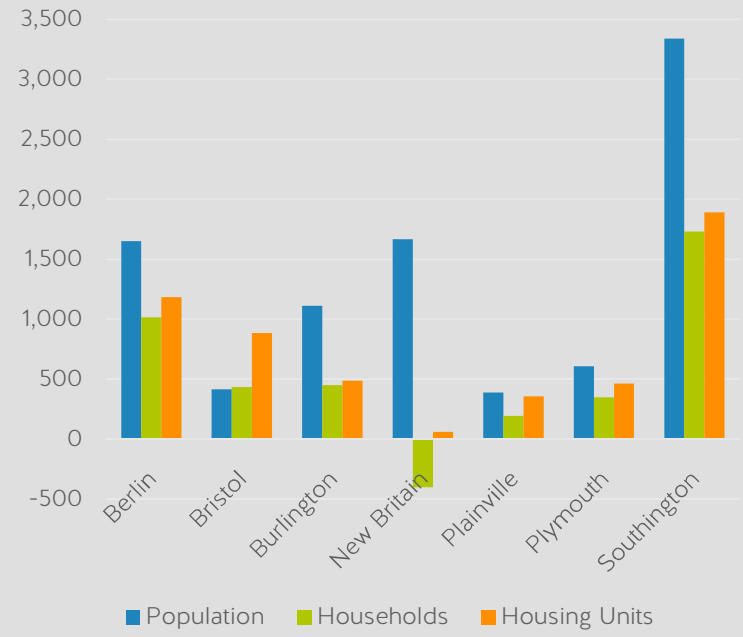


Like population, housing is not static. New construction can provide homes for a growing population as well as address the demand for housing created by changing household structures. Over the last ten years, the number of housing units in the region has grown faster than its population or the number of households (Figure 9). This suggests that region's housing market is performing adequately in meeting the demand for total housing units.

However, several caveats are in order. In New Britain, which experienced considerable and potentially path-breaking population growth for the first time in decades, the number of units scarcely budged. The concomitant drop in the total number of households in the city means that household sizes are growing and may be indicative of unit-sharing resulting from unmet demand. That is, unrelated persons may be unable to obtain affordable housing on their own and may have to take in roommates to get by.

Demolitions may exacerbate such growing pains. As Figure 8 (p. 4) shows, demolitions been frequent, with one home torn down for fewer than every four built from 1997 through 2012. In New Britain, demolitions even outpaced the construction of new units by a ratio three to one over that period. While statistics on the types of the demolished units are not readily available, many of them, given their locations in urban areas, are likely to have been multi-unit structures.

Figure 9. Growth in total numbers, 2000-2010[1]



New construction, in contrast, manifests a bias in favor of single-family homes. Between 1997 and 2012, seven out of eight (87.1%) housing units built in the region were of the single-family type. Even in New Britain, which had the most balanced construction, seven of ten (69.5%) new units were single family. (In Burlington, 96.5% of units were single-family.) This trend of demolishing multifamily units in the cities and replacing them with single-family homes in the suburbs is at odds with resurgent urban populations, as well as with the growing share of the region's households do not consist of a single family and with post-suburban families that desire higher-density living situations.

In addition to unit type and location, the region's new homes also differ from the existing homes in their size. Homes have been growing larger: the total number of housing units with at least nine rooms grew 35.4% from 2000 to 2011. This was the second most popular size of housing unit produced during this period; only 6-room structures exceeded nine-or-more-room units in number built. These extremely large homes now represent 7.0% of the total housing stock in the region. The stock of more modest homes did not increase nearly as fast. (Total three-room units grew by 3.8%; four-room units by 7.5%; and five-room units fell by 3.9%.) The focus on expansive homes limits housing choice and may make it difficult for nonfamily, smaller, and less affluent households to find homes that fit their needs and their budget.

Aging housing stock

While new construction is occurring, the region's housing stock as a whole is aging. Despite rapid growth in the postwar years, nearly a quarter (22.4%) of homes in the region were built before 1939 (Figure 10, p. 7). The preponderance of older homes in the region, particularly in New Britain, contributes to a median year of construction for residential housing that is older than that of the country (1975) and, in some communities, of the state (1963) as a whole (Figure 10, p. 7).

Over half (56.5%) of the region's housing stock was built between 1950 and 1989. (Between 13,000 and 16,000 units were constructed annually during this period.) Housing construction since 1990 has been slower, with approximately 6,000 units built in the two intervening decades. (Homes built in the 1990s and 2000s account for 6.2% and 5.5%, respectively, of the region's housing stock.)

While older homes may be perfectly serviceable and may in some cases surpass their modern counterparts in building materials, attention to detail, and esthetics, they can be expensive. Older homes, particularly those that have not been well-maintained, may be in need of costly repairs and upgrades. The costs of keeping up an older home may be an unpredictable liability and a potential stress on persons and households with limited incomes. In addition, older homes that were designed for large

nuclear families may not play well in an environment of fewer traditional families, shrinking households, and changing life- and workstyles. Older homes, for instance, may include amenities, such as formal dining rooms and lawns, that are unnecessary and burdensome to persons who spend little time at home; and they may not offer the amenities and type of space necessary for those who work at home or telecommute.

Full houses but empty rooms

At the same time as households have been shrinking, the number of rooms[5] per housing unit has been growing. From 2000 to 2010, the number of rooms per housing unit rose from a median of 5.5 to 5.8. This represents a 5.5% increase in the number of rooms per household. Given the decline in household sizes, these larger homes are producing lower room occupancy rates.

According to the United States Postal Service, the region had approximately 97,000 residential units in 2011. Of this, 94,000 units were occupied, leaving 3,000 units vacant, for a 2.9% vacancy rate. This is lower than the state average. Of the occupied units, 61,000 units were occupied by the owner (65.3%); the remaining 33,000 units (34.7%) were renter-occupied. Burlington and Berlin had the lowest vacancy rates (0.9%); New Britain had the highest rate, with 4.7% of residences vacant.

Figure 10. Date of construction of homes[3]

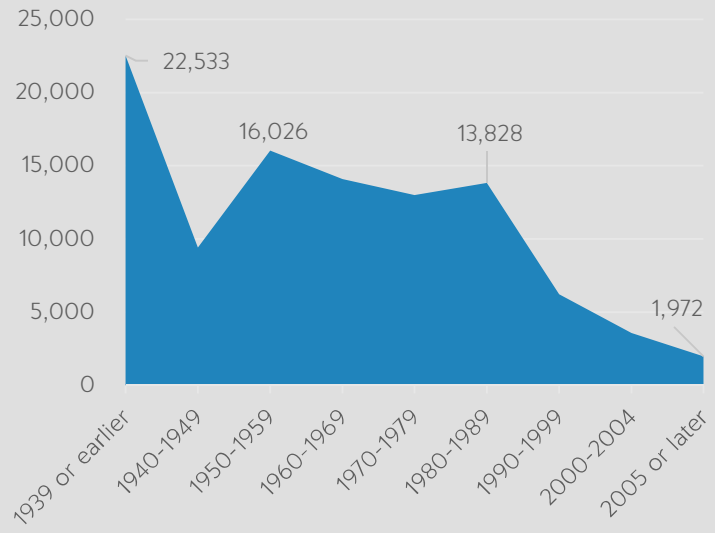


Figure 11. Median construction year for all homes[3]

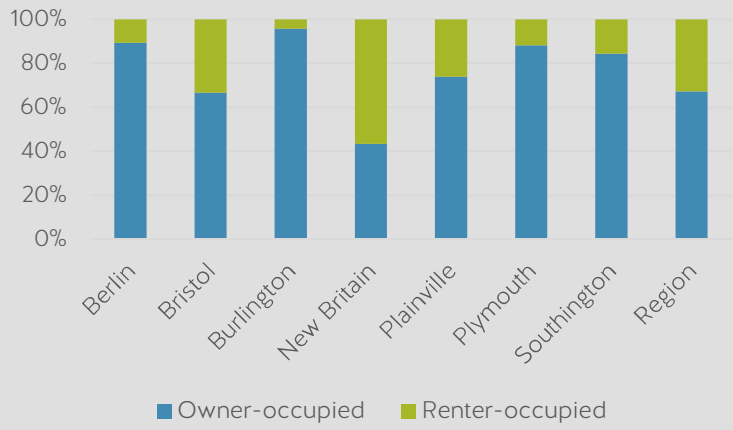
Municipality	Median year built
Berlin	1971
Bristol	1965
Burlington	1979
New Britain	1951
Plainville	1963
Southington	1971
Plymouth	1963

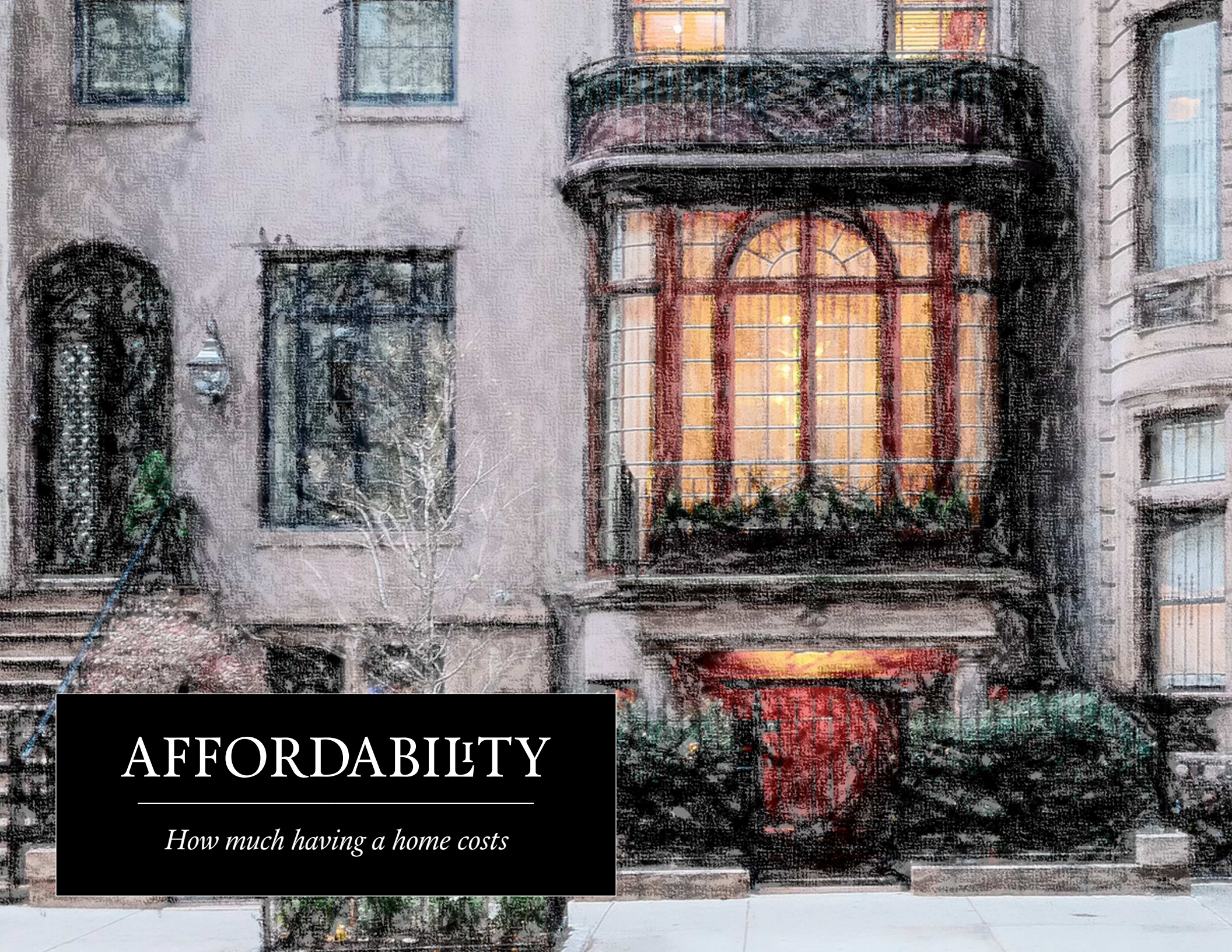
One-third (32.6%) of the region's occupied housing units are rented out (Figure 12). Higher vacancy rates in New Britain may be due to the city's larger share of renter-occupied housing units (55.2%) Rentals have higher turnover than owned-occupied units and thus may produce higher vacancy rates.

Units typically stay vacant for between one and four years, with the average residential property in the region being left vacant for 2.7 years. The vacancy period for Bristol is the longest, at 3.3 years on average. Southington has the shortest residential vacancy period, 1.7 years, in the region.

A corollary of building vacancy is room occupancy. As a consequence of smaller household size and larger structure size, room occupancy rates are declining and vacant rooms increasing. According to the US Census Bureau, of the 100,718 housing units in the region, there are 15,257 (15.1%) units with more bedrooms than the average of 2.53 persons per household. 29.2% of homes in Burlington, the highest in the region, had at least one extra bedroom based on their household size. In contrast, in New Britain only 10.6% of housing units had excess bedrooms, followed closely by 12.1% in Plainville. For those towns with a surfeit of vacant rooms and where greater housing supply is desired, zoning regulations could be modified to allow reuse of unoccupied living space as accessory apartments.

Figure 12. Housing tenure by municipality, 2011





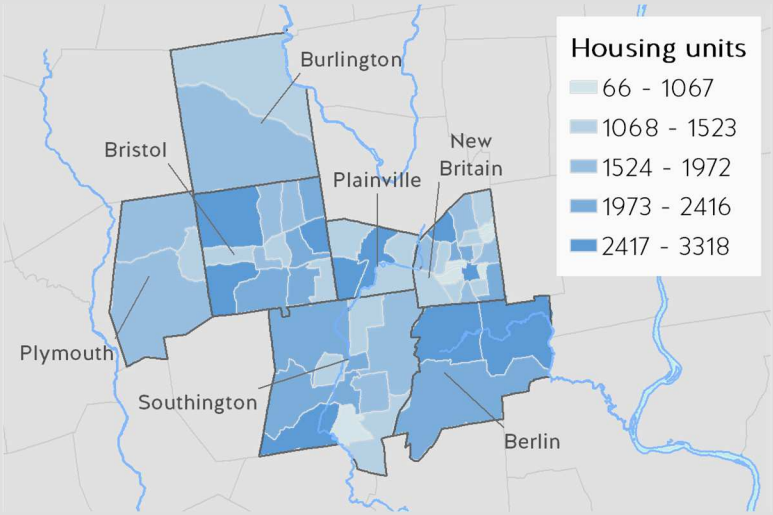
AFFORDABILITY

How much having a home costs

The demographic trends and changes in housing composition and construction have far-reaching impacts on the region's economy. The Central Connecticut Comprehensive Economic Development Strategy notes that housing is important for "maintaining a diverse and robust labor force." In turn, this is important for attracting and retaining businesses. It is this fact that makes housing such an important issue for economic vitality. Without a diverse and robust housing supply, the region will not be able to house its workforce. To ensure that our labor force is maintained, we must also ensure that adequate and affordable housing is available.

Housing tends to be one of the largest expenses borne by households. For lower and middle income persons, it is typically the largest of their expenses as well as their most valuable asset. Household housing costs, however, are determined by myriad factors. Chief among these is the sales or rental price of a home. This varies with the age and condition of the property, its size and features, and, perhaps most critically, its location. Because of the direct importance of housing to household finances, as well as the indirect effects that home location can have on access to jobs, schools, services, and transportation, the housing market can have a large impact on residents' lives.

Figure 13. Map of housing units by census tract[6]



Intraregional differences in home prices

The median value of a housing unit in the region ranged from $175,000 in New Britain to $335,000 in Burlington in 2010. This compares with $293,100 in the state. As Figure 14 shows, many homes differ considerably in value from the median[7]. Three-fifths of housing units were valued between $150,000 and $300,000. Housing unit values exhibit a long upward 'tail'. While few in number, the region's most valuable homes represent a disproportionately share of the total value of all homes in the region. For instance, 10.5% of the total value of all homes in the region is held in the form of housing units worth at least one half million dollars, which account for just 3.7% of all housing units.

Like all assets, housing changes in value over time. From 1980 to 2010, the median home value in the region's municipalities rose substantially. This long-term rise, however, conceals a high level of short-term fluctuation. Generally speaking, housing values in 1990 were higher than in 1980, and higher in 2010 than in 2000, but they were lower in 2000 than in 1990 (Figure 15). While local conditions can on occasion affect home prices, e.g., the trend-bucking decline in median value in New Britain in 2000 as compared to 1980, the pattern observed here largely cleaves to state and national trends and likely thus are attributable to factors exogenous to the region.

Figure 14. Number of owner-occupied homes by value[3]

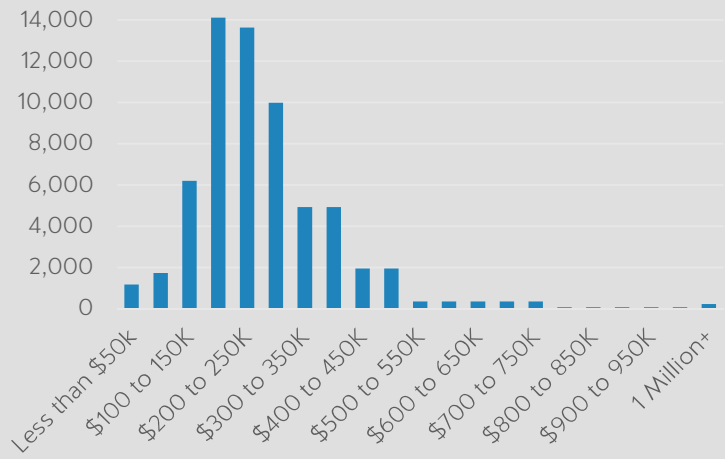
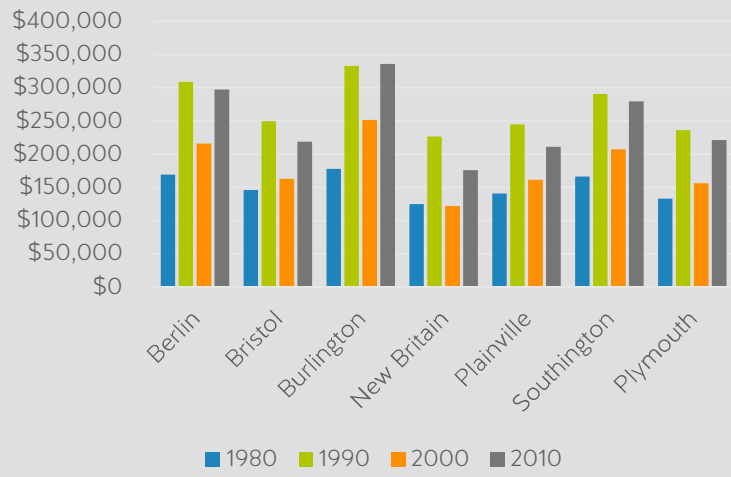


Figure 15. Real median value of owner-occupied homes[8]



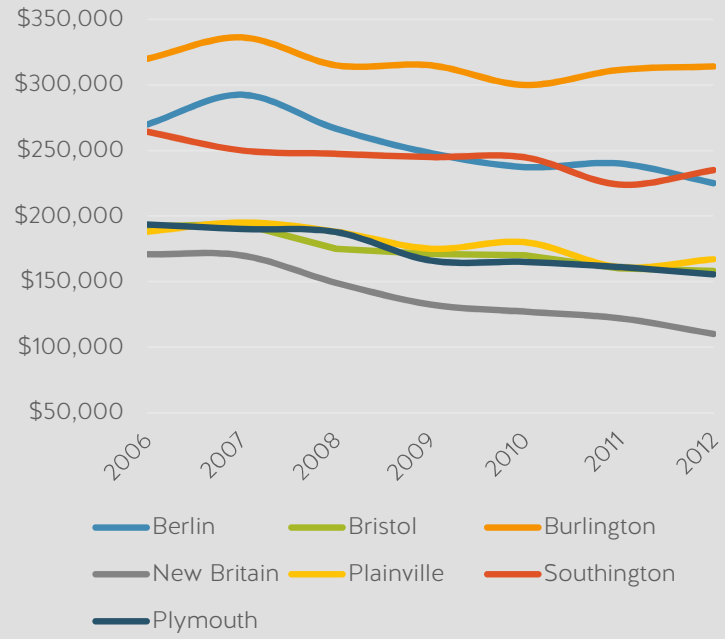
It should be noted that the decadal sampling interval of much historical data obscures smaller oscillations in the real estate market. These include the housing bubble of the first half of the 2000s and the resulting crash in the second half.

Minimal declines in a down market

The sales price for a single-family home in the region has been in decline since peaking in 2007. Regionwide, home values fell 16.2% between 2007 and 2012. This compares to 19.8% for the state. On the whole, home owners in the region were spared the disastrous collapse in real estate values that devastated once-hot regions such as Arizona, Florida, and Nevada. The extent of market correction varies by municipality. New Britain has experienced the largest percent decline in median sales prices (35.3% since 2007), followed by Berlin (23.1% since 2007). Burlington has been least affected by market corrections, with prices only falling 6.6% since 2007.

The mildness of the housing bust in the region may be explained by several factors. In Connecticut, home prices rose at a slower rate in the lead-up to the economic downturn than they did elsewhere. That is, the real estate 'bubble' was less inflated within Connecticut. In addition, the relative age of the region's housing stock may have insulated it against the worst shocks, as older homes in established communities retained more of their value than larger and more luxurious homes in outlying areas.

Figure 16. Median sales price by municipality, 2006-2012[9]



Widening gap between wages and prices

While home values have slightly fallen from their peak in 2005-2006, in all of the region's communities they remain far above 2000 levels. In real terms, home values in 2010 ranged from a low of 30.9% above 2000 levels in Plainville to a high of 44.1% in New Britain.

Household income grew rapidly between 1980 and 1990. Since then, household income has stagnated in all of the region's communities, with the exception of Burlington, where growth has been steady, and New Britain, where household incomes have fallen by an inflation-adjusted 19.0%. Burlington's growth may reflect the large effect a small change (e.g., the in-migration of wealthy households seeking an exurban living situation) can have in a small town. On the other hand, given that households in New Britain are becoming larger, especially nonfamily households, who presumably could have more employees and thus bring in more income, the decline in median income among its households is striking.

In nominal terms, the value of owner-occupied housing units rose 65-80% across the region from 2000 to 2010. In contrast, income levels rose only 15-40% (Figure 18). The combination of stagnating or declining income and rising home values puts additional financial pressure on renters and prospective home buyers.

Figure 17. Real median household income, 1980-2010[8]

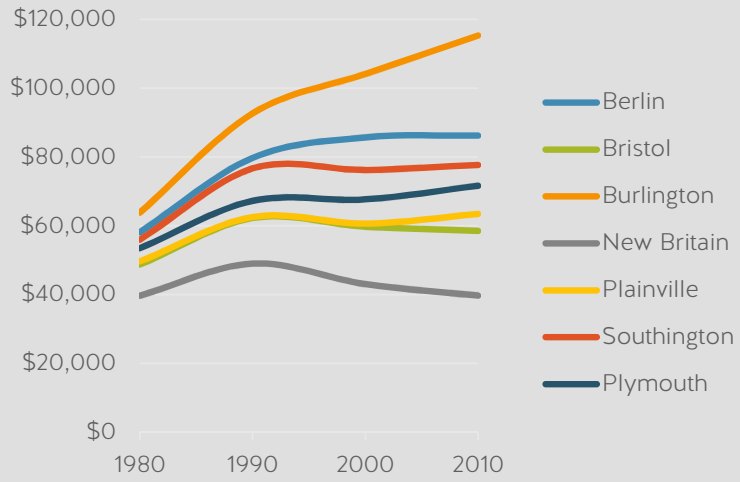
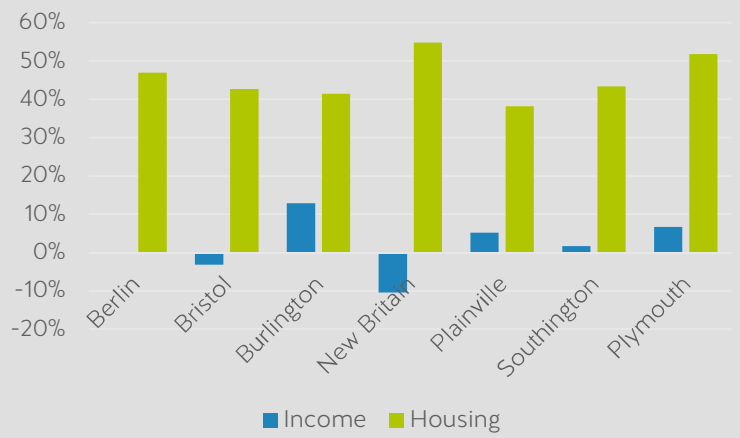


Figure 18. Change in real median household income and home values, 2000-2010[8]



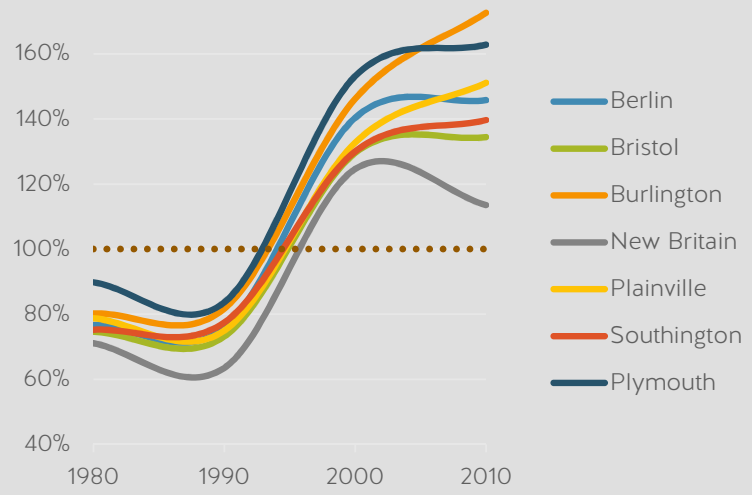
Given these constraints, it is not surprising that one-quarter of the region's households would not qualify for a mortgage to buy a median-valued housing unit in the municipality in which they live (Figure 19). The gap between household means and housing costs is smallest in Burlington, where one in seven households cannot afford the median home. The gap is largest in New Britain, where one in three cannot. Ironically, , of all the region's residents, households in New Britain, which has the cheapest housing in the region, are the least able to afford their housing, while households in Burlington, which has the costliest housing, are best able to afford theirs.

Affordability may also be expressed as a ratio of median household income to qualify income (the Housing Affordability Index). Since the 1980, this ratio has risen and surpassed 100% (Figure 20), which according to the National Association of Realtors, indicates a housing market that is affordable. While decreases in housing values have helped to make Central Connecticut a more affordable place to live, much of the change owes to the sharp reduction in interest rates over the last 30 years, which fell from nearly 14% in 1980 to under 5% in 2010. This reduction effectively lowered qualifying incomes, making mortgages available to many more people. Should home values continue to rise, income further stagnate or fall, or favorable mortgages come to an end, this ratio could slip below 100%.

Figure 19. Qualifying income[10] and households below it[11]

Municipality	Qualifying income	Households	% of households
Berlin	$42,005	1778	23.8%
Bristol	$30,955	5,607	22.5%
Burlington	$46,781	446	14.0%
New Britain	$24,809	9,694	32.9%
Plainville	$29,743	1,476	19.9%
Southington	$31,853	1,086	23.5%
Plymouth	$39,652	3,128	19.1%
Region		23,215	24.8%

Figure 20. Housing Affordability Index[8]



In other words, the availability of low-interest loans has enabled households to continue to buy homes despite a widening gap between their earnings and the sales prices of homes. Without them, the ability of households to purchase homes would have been severely diminished. Whether such debt financing is sustainable in the long term is another question and may be a cause for concern. Should such easy credit dry up, the structural problem of stagnant wages they have papered over may no longer be able to be ignored. Under such a situation, qualifying incomes for would climb sharply, and homes could become drastically less affordable without any change in take-home pay or sales prices.

Housing costs burdening many residents

The median monthly housing cost for households in the region with a mortgage is $1,916. Burlington has the highest cost in the region at $2,334. New Britain has the lowest, at $1,677. These compare with 2,334 for the state as a whole. Three-quarters (75.1%) of monthly rents in the region are at least $750; nearly half (44.2%) are above $1,000. While the same proportion of rents exceed $750 statewide, the region has fractionally fewer rents over $1,000 than the state (51.7%). That said, mortgages and rents do not exist in isolation: whether they are financially sustainable is a function of both their magnitude and of the income level of the payer household.

Figure 21. Median monthly costs units with a mortgage[3]

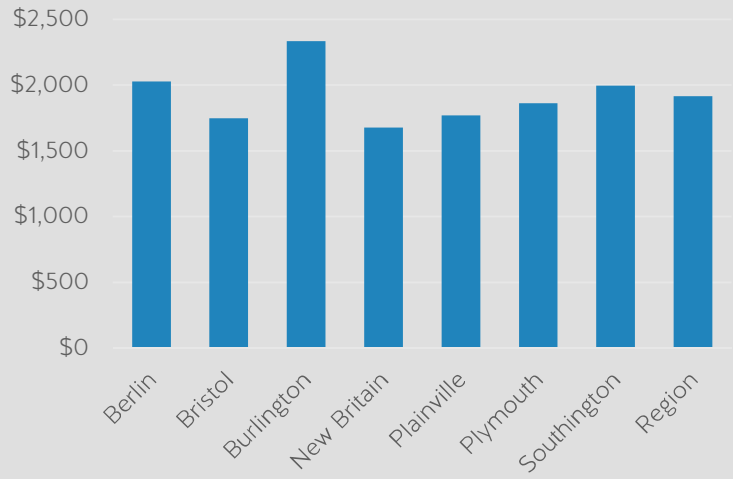
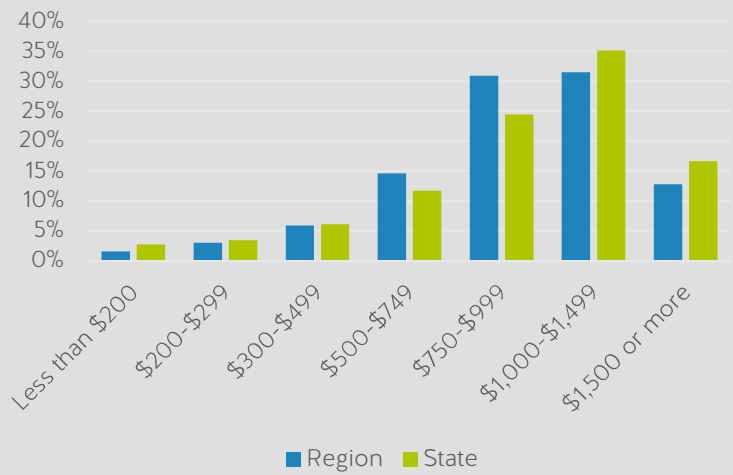


Figure 22. Fraction of units by monthly rent[3]



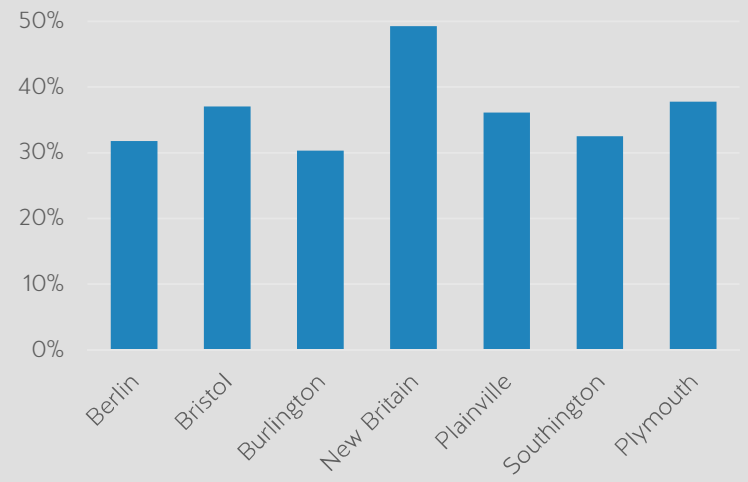
A common benchmark of household affordability is the portion of income spent on mortgage payments or rent and other basic housing expenses. To be affordable, these expenses should not exceed 30% of a household's income.

By this definition, nearly two in five homeowners (37.7%) and half of renters (50.9%) in the region are considered financially housing-burdened (Figure 23). Rent in Central Connecticut is unaffordable for the majority of the region's renters. While the situation is slightly better in the region's more affluent municipalities, it is particularly bad in New Britain. There, half (49.3%) of *all* households—both renters and homeowners—spend at least 30% of monthly income on housing, and one in four spends at least 50% on housing.

Mortgages and rent are not the only expenses residents incur. Even persons who own their homes outright, without a mortgage, may still face considerable housing-associated costs. Some of these costs, such as utilities, insurance, and taxes, may be somewhat predictable. Others, such as condominium fees and maintenance, can multiply without advance warning, making planning and saving difficult for them. These expenses may push homeowners on a fixed income or those whose earnings have been reduced or are facing extraordinary costs (e.g. due to illness, childbirth, and divorce) over the 30% threshold, making housing that was affordable under normal circumstances into an unsustainable burden.

Figure 23. Households paying over 30% for housing[12]

Figure 24.Households paying over 30% for housing[3]



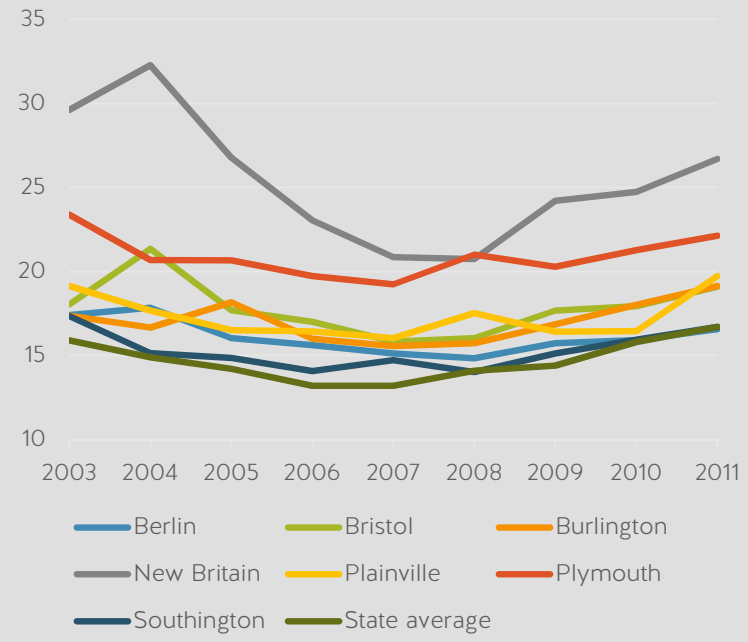
Disparities in tax rates

Residential property taxes affect housing affordability. Homeowners pay taxes directly; renters pay them in the form of higher rents imposed by their landlords. Property taxes are levied per unit of assessed value; to account for differences in property values among municipalities, equalized tax rates, or mill rates, can be computed.

Equalized mill rates in the region's municipalities are higher than the state average (Figure 25). In Berlin and Southington, rates are only marginally higher; in Plymouth and New Britain, rates are significantly higher. In 2011, residents of these municipalities bore a property tax burden that was 32.5% and 59.9% higher, respectively, than residents across the state on average. Higher mill rates can support additional services for residents, but they also increase the cost of housing and can burden residents. Taxes imposed by special districts such as downtown, fire, and police districts are not included in these rates. These taxes, which often are highest in poorer areas, further add to the cost of housing.

While equalized mill rates can be a good indicator of the annual tax burden, high nominal mill rates can challenge households' ability to build savings in home equity. In a stable or growing market, money spent on a mortgage may be recouped on sale. Taxes, in contrast, represent a net loss to households. The higher mill rates in poorer areas may limit the ability of households there to save.

Figure 25. Mill rates by municipality, 2003-2011[13]



High demand for assistance

The Connecticut Department of Housing tracks housing units with income-based assistance in the state and the proportion of the municipal housing stock that they represent (Figure 27). A variety of programs[14] provide assistance to needy households. All told, there are nearly 13,000 such affordable housing units in the region. This equates to one in every eight units. Income-assisted housing is concentrated in New Britain. The city, which has a third (31.1%) of the region's population, has half (50.9%) of its income-assisted housing. This is 19.9% more than would be expected based on total population alone. With the exception of Plymouth, which has markedly less (15.5%) income-assisted housing than the size of its population would suggest, such housing is roughly proportional to total population in the rest of the region.

High demand has left housing authorities overburdened with applications, forcing them to create wait lists or close application periods. For instance, the Bristol Housing Authority had 391 applicants on the wait list for public housing in 2010. With an 11% annual turnover rate, families on the list may wait years for housing. The wait list for Housing Choice Vouchers (Section 8) is even longer. In 2010, 1,268 applicants were waiting for vouchers, triple the number on the public housing list. On average, there is only a 5% annual turnover rate for this program.

Figure 26. Share of total population and of all low-income housing units in region by municipality

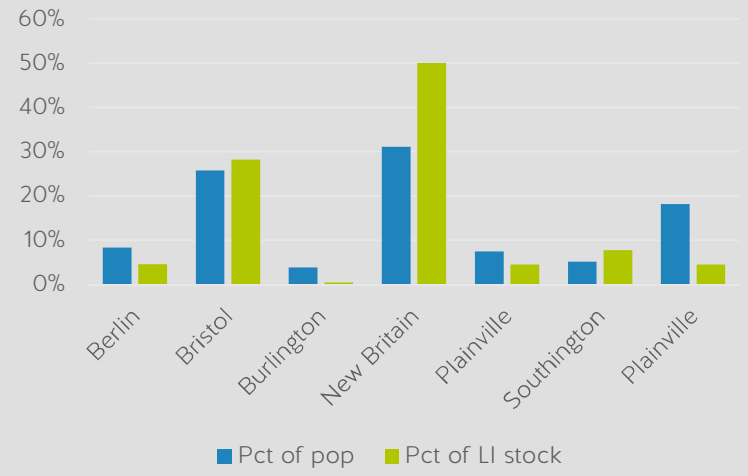


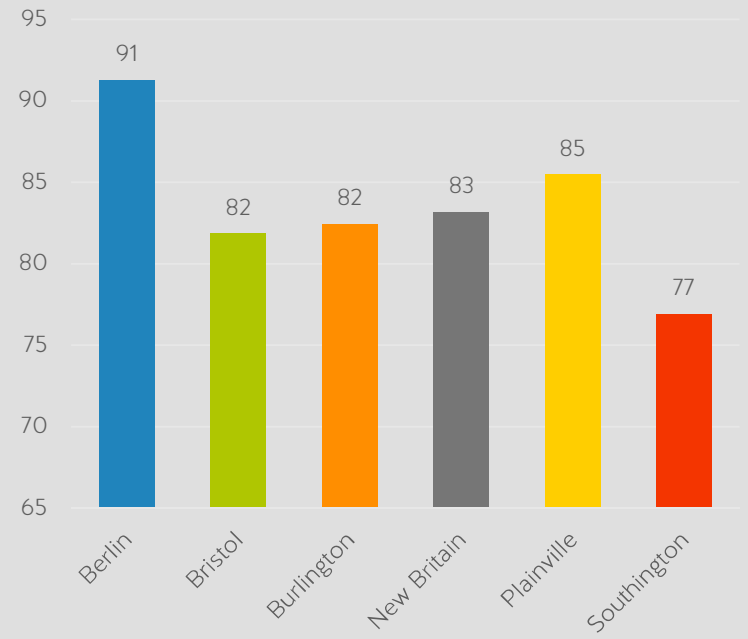
Figure 27. Affordable housing stock by municipality[15]

Units with	Berl.	Bris.	Burl.	NB	Plain.	Sou.	Plym.
Govt. assistance	468	1,771	28	3,183	223	609	5,019
Rental assistance	29	793	0	1,627	25	42	179
CHFA/USDA mortgages	82	1,014	29	1,153	302	281	5
Deed restriction	6	0	0	382	21	51	152
Any assistance	585	3,578	57	6,345	571	983	0
All units	8,140	27,011	3,389	31,226	8,063	17,447	336
% affordable	7.2%	13.5%	1.7%	20.3%	7.1%	5.6%	6.6%

The Bristol and New Britain Housing Authorities regularly assess the physical condition of income-assisted housing units. The Housing Authority's 2011 assessment of these units classified the affordable housing stock in New Britain as being in 'substandard' physical condition (78). Bristol's affordable housing stock received a higher score of 'good' condition (91).

The U.S. Department of Housing and Urban Development conducts a more thorough evaluation the physical condition of income-assisted housing units. Figure 28 shows the average scores for the municipalities that were inspected over the course of ten years. Berlin scored the highest in the region, with an average of 91; Southington scored the lowest at 77. Across the region, individual site scores ranged from low 40s to high 90s. While housing conditions leave something to be desired, the majority of units that were inspected scored higher with each successive inspection. This suggests steady improvement in property maintenance and management.

Figure 28. Inspection scores of income-assisted housing[16]



TRANSPORTATION

Housing location and transportation costs

Long commutes to work and high costs

Housing costs should not be viewed in isolation. While less expensive housing can often be found at the fringes of a metropolitan area, the increased commuting distances this entails can exact a heavy toll. Households that are located far from places of work, study, and commerce spend a disproportionate share of their income and time on transportation. In other words, there is a trade-off between housing and transportation: the time and cost of traveling to and from home can make what would otherwise be cheap housing financially unsustainable for a household. Conversely, housing that may appear beyond reach may be affordable once lower transportation costs are factored in. The cost of keeping and using a car has been estimated to be upwards of $10,000 per year in Connecticut. A household where one wage earner walks, bikes, or takes the bus to work, and thus can eliminate a second car, can contribute $800 more per month to a mortgage or rent.

Unfortunately, not all households have the option to live close to work. 'Job sprawl,' where employers have relocated from downtowns to office parks and commercial strips puts workplaces in areas with few housing options in walking distance and little to no transit service. These businesses' employees (and customers) generally have no option but driving. Dual income households, which have become a necessity for economic survival in many places, complicate the picture. The difficulty of finding a home close to two jobs makes it hard for a household to reduce transportation costs. When confronted with two jobs in different locations, many households equalize the commute burden on the partners by taking up residence halfway between the jobs. While splitting the distance in this way may seem a fair compromise, it also tends to increase transportation costs by requiring the household to keep and use two cars.

In addition to job sprawl, several other factors may drive up household transportation costs. First, most new housing in the region has been built in outlying areas. Comparatively little construction has occurred in its downtowns and town centers. As a consequence of this, new or moving households may have few options to living far from jobs, schools, and shops. On a related note, many of the homes in the region's centers, which tend to be old, may be in substandard condition or lack contemporary features or amenities. Households may find that homes acceptable to their needs are located in outlying areas.

Differences in municipal services may also lead households to choose home locations that increase transportation costs. Chief among these is schools. School districts vary in the achievement rates of their students. Households with, or that expect to have, children may base where they live on the ranking or perceived quality of municipal schools. The relatively low performance of urban schools may steer households to suburban and exurban areas, where transportation costs are higher.

Over time, these factors may be pushing homes and work farther apart. Over ten years, commutes in the region became substantially longer (Figure 29), increasing fuel use, vehicle maintenance, and the risk of an accident for those who drive. In an era of high gas prices, the longer commutes can be a financial burden in addition to a loss of time. Insofar as longer commutes put work beyond the reach of walking, biking, or transit, they can also create disproportionate costs. Over two in five households in the region have zero or one car (Figure 30), although variation is evident among municipalities. For instance, 15.9% of households in New Britain, the highest in the region, do not own a car. These households may lack the resources to buy and keep a first or second car. Should work or housing sprawl compel them to do so, they may find themselves in a financial crisis.

The Center for Neighborhood Technology's Housing and Transportation Affordability Index combines housing costs and transportation costs. The Index sets 45% of household income as the upper limit for affordability. Due to the relatively low rate of car ownership in New Britain, Index costs are lowest in that city. However, given that transportation costs in the region are high—they average over 15% of household income—any housing that costs over 30% is considered unaffordable. In other words, the lack of low-cost transportation options in the region means that households are unable to offset expensive housing by saving money on transportation.

Figure 29. Employees by commute distance, 2002 and 2011[17]

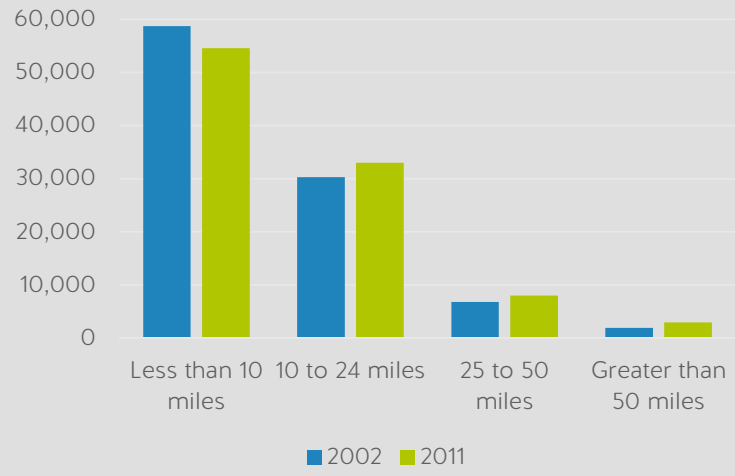
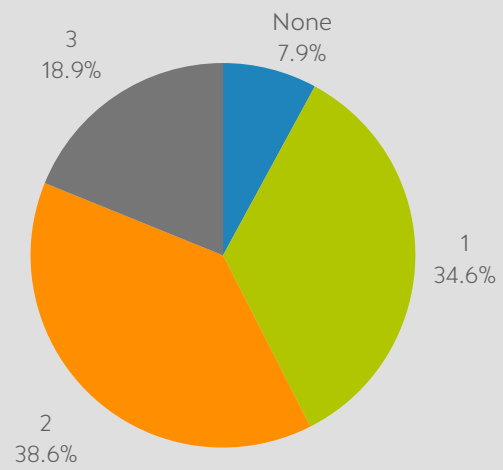


Figure 30. Households by number of vehicles, 2011[3]



Few mobility options today

The high transportation costs the region's households face are a consequence of the lack of transportations options available to many of them. The region's densest and, presumably, most pedestrian-friendly municipalities, New Britain and Bristol, have citywide Walk Scores[18] of 45 and 32, respectively. This classifies them as "car dependent" places where "most errands require a car." In contrast, Hartford, New Haven, and Providence (RI) score 68, 65, and 76. New York City, including all five boroughs, scores 88.

Walk Scores vary across a community. In general, scores are higher in the city, town, or village center, where housing and businesses are clustered, and lower towards the outskirts. Nowhere in the region scores 90 or higher, which corresponds to a "walker's paradise." Indeed, only the centers of New Britain's and Bristol's downtowns, which have scores of 82 and 74, respectively, are considered "very walkable" (Figure 31).

A system of passenger trams and trains once served the region, connecting the region's communities with each other and directly with Bridgeport, Hartford, New Haven, New York City, and Waterbury. Over the course of the 20th century, most of this network was dismantled. However, the vestiges of this system are evident in the Berlin-Kensington Amtrak station and in the region's CTTRANSIT bus system.

Figure 31. Walkability of city, town, and village centers[19]

Location	Walk Score	Meaning
Bristol	74	Very walkable
Burlington	52	Somewhat walkable
East Berlin	42	Car-dependent
Forestville	38	Car-dependent
Kensington	55	Somewhat walkable
New Britain	82	Very walkable
Plainville	68	Somewhat walkable
Plantsville	46	Car-dependent
Plymouth	31	Car-dependent
Southington	65	Somewhat walkable
Terryville	52	Somewhat walkable

Thirteen local bus routes serve the region. Only about 1% of its workers take the bus to work. Transit clearly is not a viable or desirable option for the region's population. Potential explanations for low ridership are manifold. The region's transit concentrates on New Britain; service in other areas is thin to nonexistent (Figure 32). All told, half (50.6%) of the region's population lives in walking distance of a bus route. Where bus stops are near enough, frequency tends to be low. While most routes operate hourly, only a third (35.2%) of the region's population has hourly service, under a quarter (23.2%) has it every half hour; and just 6.5% enjoys it four times an hour.

Even where service is frequent, other factors can make transit less attractive or viable. Frequent stops, circuitous routes, and forced transfers can make for low speeds and long trip times. Congestion can make timing unreliable and delay or strand passengers when transfers are necessary. Complex schedules and poor signage make the system hard to use. A lack of direct routes or feasible connections to many destinations, or awkward timing, makes it impossible to use transit for a variety of trips. Given these concerns, it is not surprising that so few of the region's residents choose transit. These limitations effectively compel households that live beyond downtown New Britain to buy cars. In doing so, they drive up the cost of housing (as well as exclude much of the region from households with members who are unable to drive).

Figure 32. Bus service areas by frequency[20]

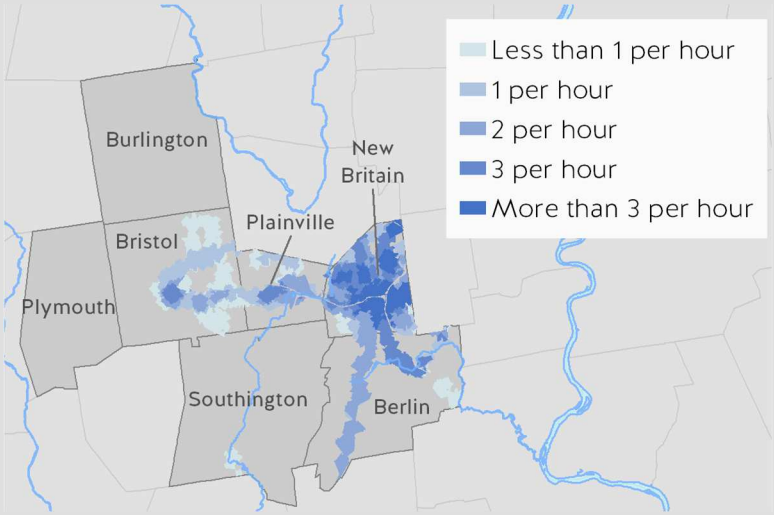
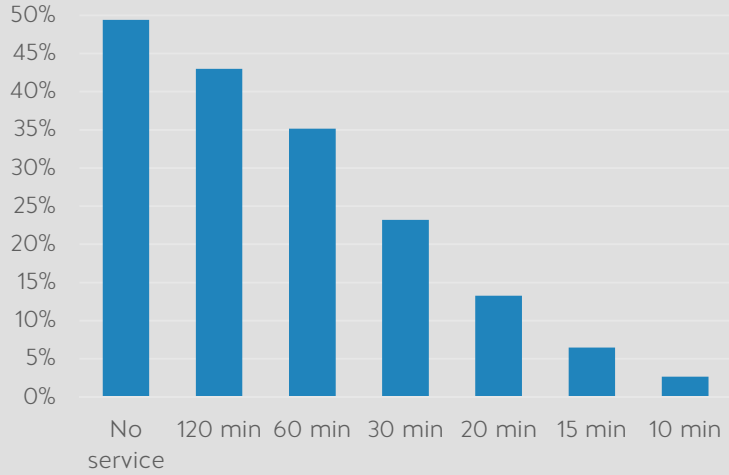


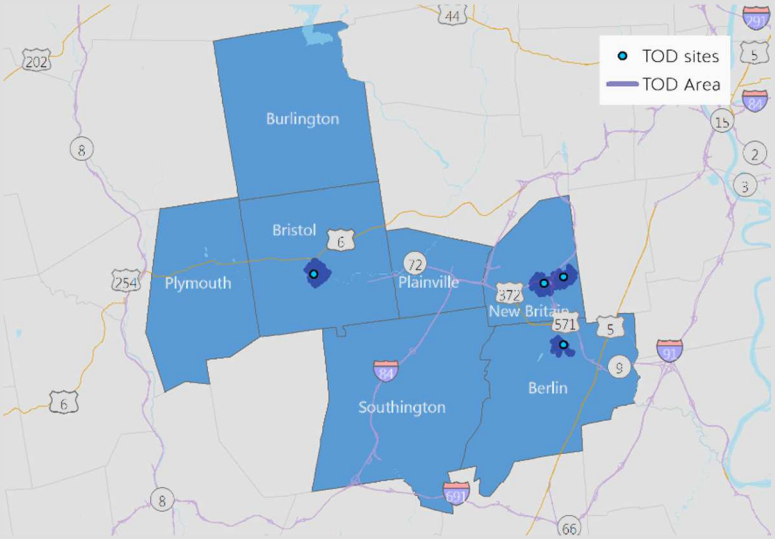
Figure 33. Fraction of regional population by bus headway[20]



Options in development

Current service levels may have inhibited transit-oriented development (TOD), which can enable households to lower their transportation costs. Local bus service, which does not follow a fixed guideway and can thus be deviated to serve new developments, does not appear to change land use patterns and catalyze TOD. The region's Amtrak service, which stops in Berlin, does run on a fixed guideway. However, high ticket prices, low speeds, and a schedule that is neither frequent nor compatible with typical working hours, limits its utility and likely its ability to spur TOD. That said, should transit service in improve radically, opportunities for TOD may arise. Several locations have been identified as future TOD sites (Figure 34). As it happens, two major projects with such potential are under construction. The first of these is CTfastrak. This project will create a bus-only highway between downtown New Britain and downtown Hartford and bring the first true rapid transit to Central Connecticut. CTfastrak will include four stations in or near New Britain: downtown, East Main Street, East Street, and Cedar Street. All are potential TOD sites. As part of CTfastrak, the Hartford and local bus system will be overhauled. Changes include a substantial shortening of travel times, lengthening of operating hours, heightening of service frequency, in addition to better connections. These improvements will bring transit closer to and make it a more viable option for more households.

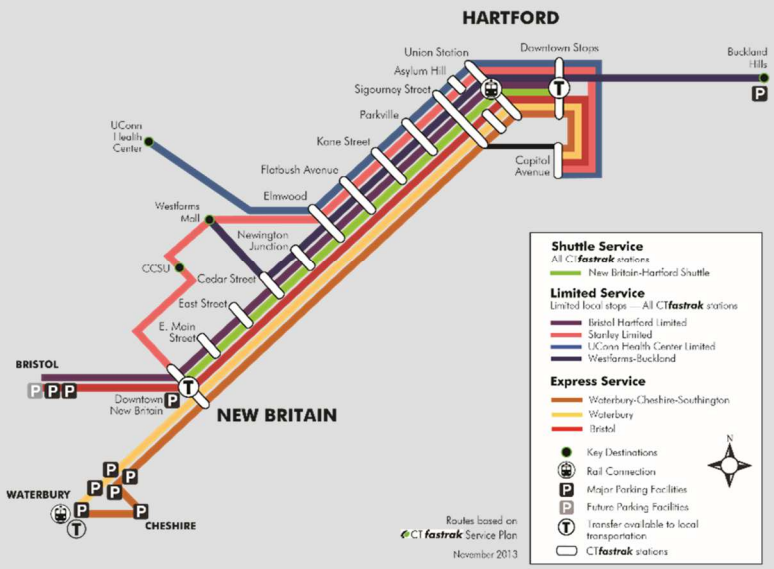
Figure 34. Future TOD sites[20]



In Berlin, construction of a new train station may prove to be a catalyst for TOD. The project, which will be completed in 2016, will be part of a new high-speed rail service. The service will decrease travel times and increase frequency of service and operating hours to Hartford, New Haven, and Springfield, with connections to Boston and New York.

In addition to these projects, extension of Metro-North's Waterbury Branch into the region is under study. This project would restore passenger rail to Bristol and Plymouth, and potentially, New Britain and Plainville, fifty years after it was decommissioned. The project could spur TOD in Bristol and at other station locations. In particular, the project would support the planned revitalization of Bristol's downtown, which includes nearly 1,000 units of TOD-style housing.

Figure 35. CTfastrak service map[21]



FOOD AND SCHOOL

Housing location and transportation costs

Unequal access to healthy food

Many homes are located in 'food deserts,' or areas without access to nutritious food. The U.S. Department of Agriculture (USDA) has classified census tracts across the country by availability of healthy food and the ability of their residents to access it. Generally, food deserts are lower-income areas without supermarkets, farmers' markets, or other fresh food vendors. Access to food can be a challenge for families who, due to economic circumstances, are unable to live near markets or keep a car. Lack of access to healthy food can in turn produce health problems; create behavioral problems and medical expenses; and hinder upward social mobility.

The USDA has classified most of New Britain and much of the area of Bristol as food deserts (Figures 36 and 37).The blue represents low-income Census tracts where a "significant number or share of residents" reside beyond walking distance from a supermarket or other fresh food outlet. Sixty-three thousand and twenty-five thousand persons live in such areas in New Britain and Bristol, respectively. No other food deserts have been identified in the region. (The definition of a food desert is a work in progress, so this may change.)

Figure 36. Food deserts in New Britain[22]

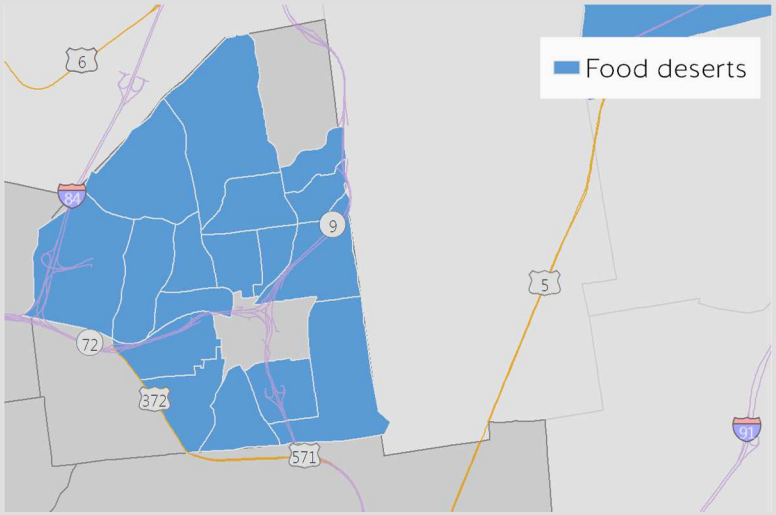
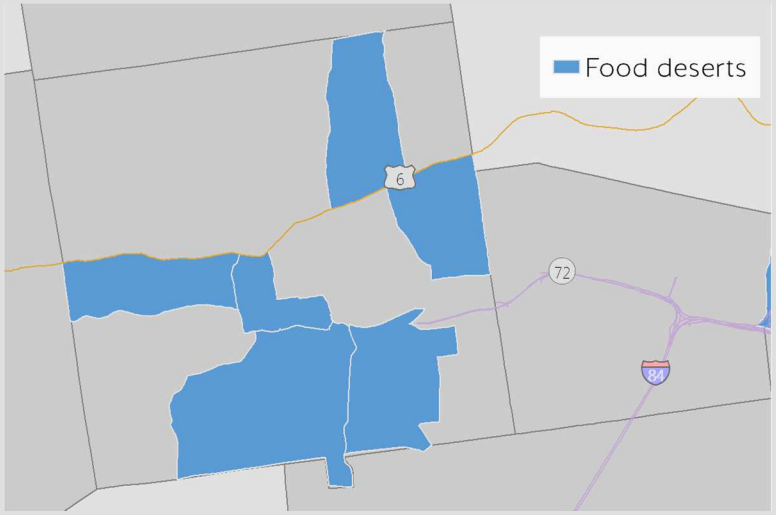


Figure 37. Food deserts in Bristol[22]

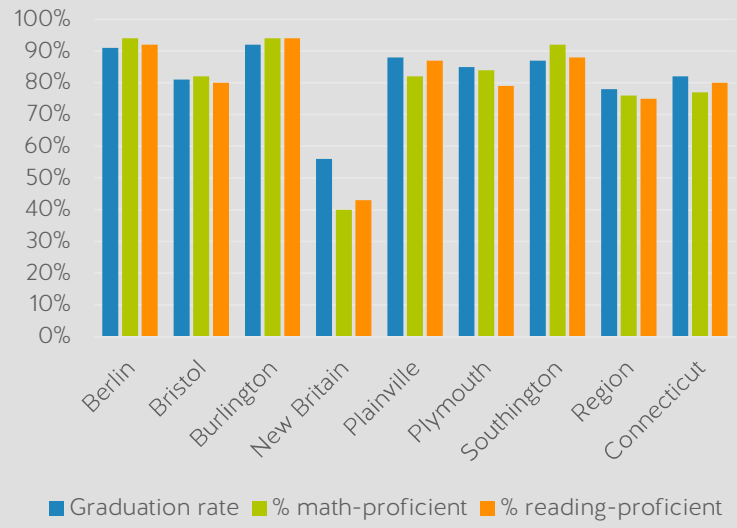


The concentration of food deserts in both cities suggests a spatial disconnection between residential and commercial locations. Improved bus service between clusters of low-income housing and food markets could help to address this. Affordable housing around retail centers (e.g. as TOD) could also do this, as could permitting more food markets to be operated in neighborhoods.

Schools as magnets

When shopping for a home, education is frequently a deciding factor, especially for young couples and families with children. Each year the Connecticut State Department of Education releases the Adequate Yearly Progress reports. These reports score each school district based on student proficiency in math, reading, writing for elementary and middle schools, and graduation rates for high schools. Reports for each town at the high school level indicate the region is slightly behind the state in graduation rates. In 2011, 78% of the region's students graduated. This compares with a state average of 82%. The region is also slightly behind in proficiency and basic levels of understanding in both math and reading. While the above cited numbers reflect regional averages, there was a stark difference in student performance among the various towns. Burlington had the highest graduation rate, 92%, and proficiency rates in math and reading, both 94%, in the region. New Britain had the lowest graduation rate, 56%, and the lowest rates for proficiency in the two tested subjects, at 40% and 43% (Figure 38).

Figure 38. Student achievement in local school districts[23]



In comparison with all school districts in the state, the region's school districts have been awarded scores ranging from two out of ten, among the worst in the state, for New Britain, to eight out of ten for Berlin, Burlington, and Southington (Figure 39). While some neighboring districts obtain a nine or ten, none of the region's districts achieve such high scores.

School evaluations can have a strong impact on residential decisions. Households concerned with student achievement often seek to locate in communities with higher-performing schools. The resultant desirability can drive up home values in these communities while depressing values in those with underperforming schools. This pressure can have several consequences. Steep mortgages and rents in high-performing districts can stress household finances as well as reinforce socioeconomic segregation by presenting a barrier to entry for low- and moderate-income households. Conversely, the undesirability of low-performing school districts can deter prospective homebuyers and renters. The resulting softness in the market can limit and even negate growth in property values. Given that homes are a primary source of savings for many households, and that households in worse-performing districts often are less financially secure than those in better-performing ones, this amounts to a reverse transfer of wealth (i.e., from the poor to the rich).

Figure 39. District ratings[24]

District	Rating
Berlin	8
Bristol	5
Burlington	8
New Britain	2
Plainville	6
Plymouth	6
Southington	8

CONCLUSIONS

Ideas to make housing work better

The data presented in this report suggest that while the housing market in the Central Connecticut region has met past demand, changing demography and economics present challenges in terms of the availability and affordability of appropriate housing. These conclusions may be summarized as follows:

Conclusions

1. Demand is changing and growing. Households are getting smaller and more diverse. More homes and new types of homes are needed to accommodate these smaller households. A lack of housing in cities is forcing residents to double or triple up.
2. The market is not responding to changes in demand. Large houses in suburban and rural areas continue to replace apartments, townhouses, and small-lot homes in urban areas, despite high and growing demand for the latter.
3. Existing homes in the region may not meet the needs of contemporary buyers and renters. Many homes in urban areas are in poor condition.
4. There are many empty bedrooms but few vacant homes. The trend towards increasingly large homes has created more housing space but has not addressed the need for more housing units.
5. Income has stagnated and failed to keep pace with housing costs. Expansion of homeownership has only been possible due to subsidized credit.
6. Housing has become unaffordable for a large swath of the region, including most renters and a large share of homeowners. The high cost of housing poses a serious financial burden to the region's households.
7. Unaffordable housing is pushing many households to seek assistance; however, public housing authorities are unable to meet the growing demand.
8. Transportation costs are high and growing. Due to a lack of transportation options, households expend a large portion of their incomes on transportation. The relocation of employment opportunities away from walkable and transit-served urban areas (and out of the region altogether) is further driving up costs. High transportation costs burden households and make it harder for them to afford housing. Transit projects in planning and under construction could slash transportation costs for some households.
9. Many households do not have access to healthy food. A dearth of neighborhood grocers and market puts healthy diets beyond the reach of many households, especially lower income ones. This may cause health, developmental, and economic problems.
10. Disparities in school quality may erode household savings in low-performing school districts and create financial burdens for those in high-performing ones. School disparities may also steer residents to choose home locations and styles they would otherwise not.

While problems may, on occasion, resolve themselves, trends suggest that the conclusions listed above, in the absence of any action, will become more pointed. If they are to be addressed, action will have to be taken.

Admittedly, many of the many of the underlying causes of the developments described in this report lie beyond the control of the region. Relocation of jobs, for instance, is driven by employers, some of which are national or multinational corporations. Interest rates likewise are set nationally; and fuel prices reflect a world market. However, this report has identified and recommends a number of steps local and regional actors can take immediately to improve the affordability, suitability, and availability of housing in Central Connecticut. These divide into two categories: ones that affect existing housing, and ones that pertain to new construction.

Recommendations for existing units

- The existing housing stock can be stretched by loosening zoning regulations to allow for the development of accessory apartments.
- Towns and state government should focus on rehabilitating existing units to preserve the housing the region already possesses.
- Zoning regulations permitting adaptive reuses of vacant industrial and commercial buildings should be explored.
- Alternative living arrangements, such as live-work space and cohousing, should be explored as a means of easing the affordability problem.

Recommendations for new construction

- New development should be concentrated near commercial centers and near transit.
- Zoning regulations should be changed to encourage the development of multi-family and small lot single family developments in targeted areas.
- Zoning regulations should be reviewed to ensure that mixed-use developments are permitted where appropriate.
- Regulations to permit alternative housing construction techniques, such as modular housing, should be explored.
- Development fees should be closely examined to ensure the cost of development is kept as low as possible.
- Energy efficiency should be promoted as a means of increasing sustainability and decreasing the overall cost of housing.

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[1] Data source: U.S. Census Bureau, U.S. Census 1970-2010.

[2] A housing unit is a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied (or if vacant, is intended for occupancy) as separate living quarters. Separate living quarters are those in which the occupants live and eat separately from any other persons in the building and which have direct access from the outside of the building or through a common hall.
[3] Data source: U.S. Census Bureau, 2011 American Community Survey 5-year estimates.
[4] Data source: Connecticut Department of Economic and Community Development.
[5] American Community Survey excludes bathrooms, porches, foyers, halls and unfinished basements as rooms.
[6] Data source: U.S. Department of Housing and Urban Development, HUD Aggregated USPS Administrative Data On Address Vacancies, 2013.
[7] This tabulation includes only specified owner-occupied housing units--one-family houses on less than 10 acres without a business or medical office on the property. These data exclude mobile homes, houses with a business or medical office, houses on 10 or more acres, and housing units in multi-unit structures.
[8] Data source: U.S. Census Bureau, Census 1980-2010 and 2010 American Community Survey 5-year estimates, and U.S. Bureau of Labor Statistics Consumer Price Index.
[9] Data source: Connecticut Housing and Finance Authority.
[10] In this calculation several assumptions are made: (1) a 30-year mortgage can be secured at a the current rate of 4.45% (per the Freddie Mac Primary Mortgage Market Survey); (2) A 20% down payment can be made; (3) households will not spend more than 25% of their gross monthly income on mortgage payments.
[11] Data source: U.S. Census Bureau 2011 American Community Survey 5-year estimates and Freddie Mac Primary Mortgage Market Survey.
[12] Data source: U.S. Census Bureau 2009-2011 American Community Survey 5-year estimates.
[13] Data source: Connecticut Office of Policy and Management.
[14] Affordable housing aide is issued by The US Department of Housing and Urban Development (HUD) following income limits that are adjusted annually. Low income is defined as any family earning below 80% of the local median income. Section 8 Housing Choice Vouchers are only issued to families with income below 50% of median income. Additionally at least 75% of all vouchers must, by statute, be issued to families making less than 30% of the median income. Figure 31 estimates the number of residents that fall into each of the HUD defined income limits. Notice the differing income limits set between the Harford and Litchfield county towns. This is due to the two HUD regions that divide Central Connecticut. Section 8 vouchers work as a subsidy to cover the gap between 30% of the low income earner's income and the monthly Fair Market Rent (FMR). FMR is set by HUD and adjusted by region. Central Connecticut falls mostly in the West Hartford region with only Plymouth being calculated with Litchfield County. Although renters may us their vouchers on housing priced over the FMR, they will only receive subsidies up to and not beyond the FMR. As such where there is a deficit of units priced at or below the FMR, low income families are assured to be burdened by housing costs. Figure 32 estimates the nominal shortage or surplus of occupied rental units priced at or below the FMR for each of the regions' towns based on demand. This chart does not account for the actual percentage of Very Low and Extremely Low income household who actually receive aid.
[15] Data source: Connecticut Department of Housing 2012.
[16] Data source: U.S. Department of Housing and Urban Development, Physical Inspection Scores 2000-2010.
[17] Data source: U.S. Census Bureau, OnTheMap.

[18] Walk Score, which can be visited online at http://walkscore.com, computes a numerical score from 0 ("car-dependent") to 100 ("walker's paradise") for a given point from the proximity of amenities, or trip destinations, in various categories to that location.

[19] Data source: Walk Score 2013.
[20] Data source: CCRPA.
[21] Data source: Connecticut Department of Transportation.
[22] Data source: U.S. Department of Agriculture, Economic Research Service.
[23] Data source: Connecticut Department of Education, Adequate Yearly Progress Reports.
[24] Data source: GreatSchools.org 2013.