

Contact: David Fink, Policy Director  
Partnership for Strong Communities  
860/244-0066, 860/202-7418



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## **Housing Still Unaffordable To Many Connecticut Households** **2010 Report: State Median Income Couldn't Buy Home in 112 Towns**

Despite only a modest increase in median home prices and an increase in foreclosures, the purchase of a home in Connecticut remained unaffordable for many households in 2010, partly because of a 3.5% drop in median household income.

The Partnership for Strong Communities' "Affordability In Connecticut, 2010" report shows that the state's median household income of \$65,686 – down from \$68,055 in 2009 – could not qualify to purchase a home in 112 of Connecticut's 169 cities and towns, unchanged from 2009. In contrast, individual town median incomes could not purchase the median sales price home in 96 cities and towns, up from 86 in 2009.

"While housing prices have declined from their 2007 peak, they are still too expensive for many families and individuals to afford," said Howard G. Rifkin, interim executive director of The Partnership for Strong Communities. "The fact that the median household is priced out of so many municipalities prevents them from finding the neighborhoods, the community services and the schools that work best for their families."

Rifkin also noted that the state's affordability problems are probably more serious than The Partnership analysis indicates. The study assumes households will have 10% of the home cost for a down payment, need to pay only a 1% annual property tax rate and \$60 a month in property insurance and have no student loan, credit card or other debt.

"Even the affordable towns shown in this study will not be affordable to many families," Rifkin said. "And Connecticut's problem is compounded by the \$23.37-an-hour housing wage for renting a typical 2-BR apartment. Owning a home is unaffordable for too many, and renting an apartment is unaffordable for too many."

The study, which was done with the support and data of The Warren Group and data from the Connecticut Economic Resource Center, provided these other significant findings:

- Despite a slight 0.5% decline in single-family home sales in 2010, median home prices increased or remained the same in 79 cities and towns.
- While the median home price declined in 90 cities and towns, the median household income decreased in 122 cities and towns by an average of 5.2%, The remaining 47 municipalities had an average increase in median household income of 4.7%
- While lis pendens filings declined 17.2% from 2009 to 2010, foreclosure deed filings increased 29.3% to 6,582 from 5,090 in 2009.

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