

Index Gages Transportation Costs

May 16, 2007

MARK LAWTON Staff Writer

Whether you're renting or buying, it's not hard to figure out whether housing is affordable. Housing policy makers and advocates generally suggest people spend no more than a one-third of their household income on housing.

The cost of transportation, however, is closely related to housing. Getting to work, the grocery, kid's soccer practice or entertainment can vary quite a bit by location.

To make clear the true costs of where people live, the Center for Neighborhood Technology in Wicker Park, has created a Housing and Transportation Affordability Index. The index shows the tradeoffs people make between where they choose to live and how much they need to spend on transportation.

"Oftentimes, transportation costs are not taken into account," said Peter Haas, department manager for geography, research and information.

Other times, only part of the costs are considered.

"They say I own a car but don't consider repairs, annual fees, gasoline," said Haas. "By getting this information, they make a comparison where they own two cars and another scenario where they own one car and maybe take transit to work or use a car sharing program."

Nationally, the average household spends 19 percent of its budget on transportation and 30 percent on housing. If the combined expense is greater than 40 percent, the center considers it unaffordable.

Right now, the Housing and Transportation Affordability is only being used in-house at the center. In August, however, they hope to have the tool on a Web site.

While individuals who plan to move are encouraged to use it, Center for Neighborhood Technology's Research Manager Linda Young hopes that municipalities and planners also take a look. Such information could be useful in citing mass transit, where to encourage job development, the density of housing and, perhaps most important, encourage housing for different incomes.

Lower income families -- \$20,000 to \$50,000 yearly income -- tend to have it the worst. Either they pay high amounts to live near jobs and mass transit or they live farther away and pay more in transportation costs.

Real estate developers prefer to build for medium- and upper-income consumers according to the center. Without intervention, says Young, the housing market in Chicago will cater to 45 percent of the demand and leave the rest of the population to fend to itself.

Original URL: <http://www.pioneerlocal.com/booster2/news/386495,b2-housing-051607-s1.article>