In 2006, the Center for Housing Policy (CHP) and the Center for Neighborhood Technology (CNT) released their report, *A Heavy Load: The Combined Housing and Transportation Burdens of Working Families*. This report demonstrated that, to truly understand housing affordability, the costs of travel to daily destinations also must be considered. Combining housing and transportation expenditures reveal the true “costs of place.”

CHP and CNT have updated their report using the latest five-year data from the American Communities Survey and a more robust methodology. The new report, *Losing Ground: The Struggle of Moderate-Income Households to Afford the Rising Costs of Housing and Transportation*, shows that while income gains have occurred over the last decade in the nation’s 25 largest metro areas, those gains have been outpaced by the combined cost burden of housing and transportation. More significantly, these costs are consuming an ever-larger share of household income.

The study focused on households earning between 50 and 100 percent of each metropolitan area’s median income and included both renters and homeowners. For homeowners, the study examined housing costs such as mortgage payments, property taxes, home insurance, utilities, and, where applicable, condo fees, while for renters it assessed rent and utilities costs. With respect to transportation costs, the study looked at all trips made by a household in its daily routine, including commuting and errands. For transit riders, transportation costs included the cost of the fare. Transportation costs for car owners included gas, insurance, car payments, and maintenance.

While not unexpected, the results of the study are alarming:

- Housing and transportation costs grew faster than income during the 2000s, increasing the burden that these costs place on already stretched budgets;
- For the examined households, nearly three-fifths (59 percent) of income goes to housing and transportation costs leaving little in the monthly budget for expenses such as food, education, and health care;
- The combined cost burden of housing and transportation is most significant where costs are out of sync with local incomes; and
- Transportation costs continue to have a substantial impact on the overall affordability of metro areas.

To combat these circumstances, the report recommends pursuing a number of strategies that may help reduce the “costs of place.” Among others, these approaches include:

- Preserving existing affordable homes near job centers, public transit stations, and other places where transportation costs are low (“location-efficient areas”);
- Implementing regulatory reforms that reduce the cost of creating new housing in location-efficient areas;
- Offering incentives or requirements to include affordable housing within new development in location-efficient areas;
- Providing land acquisition assistance to facilitate the development of affordable homes in location-efficient areas;
- Making improvements to transit service and walkability for compact areas where housing prices are already relatively affordable so residents can rely less on autos.

As suggested by the approaches highlighted above, TOD will be a critical strategy to help decrease the “costs of place” in the years to come. For TOD to be a truly effective tool, however, housing that meets the needs of all income levels will have to be integrated into such projects. Future issues of the TOD Line will examine some of the tools that local governments, developers and transit agencies may use to ensure that this objective is met.

For more information on the Losing Ground report, please visit: [http://www.nhc.org/media/Losing-Ground-2012-Release.html](http://www.nhc.org/media/Losing-Ground-2012-Release.html).