

# HOUSING + TRANSPORTATION COST BURDEN

## A New Way of Looking at Affordability



Housing and transportation choices are closely linked and represent the two largest expenditures for many working households. Intuitively, people understand that there is a trade-off between housing costs and transportation costs, and

that as they move to more suburban locations to achieve more affordable housing, their transportation costs will increase. For the first time in this region, the **2015 Housing + Transportation Cost Burden Study** quantifies transportation costs

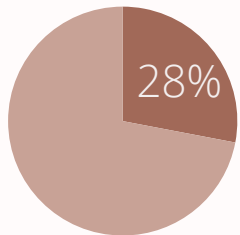
and combines them with housing costs for a more complete picture of affordability. Region-wide, homeowners with mortgages paid 40% of their pre-tax income for H+T while renters paid 49%.

### HOUSING COSTS

Typically, housing is considered affordable if it costs less than 30% of pre-tax household income.

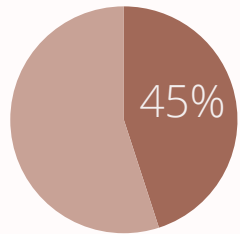
Homeowners with mortgages pay \$13,900 to \$55,300 per year\*

\$7,500 to \$55,300 per year



Twenty-eight percent of homeowners in Metro Vancouver pay more than 30% of their income on housing costs alone.

Renters pay \$7,500 to \$34,600 per year\*



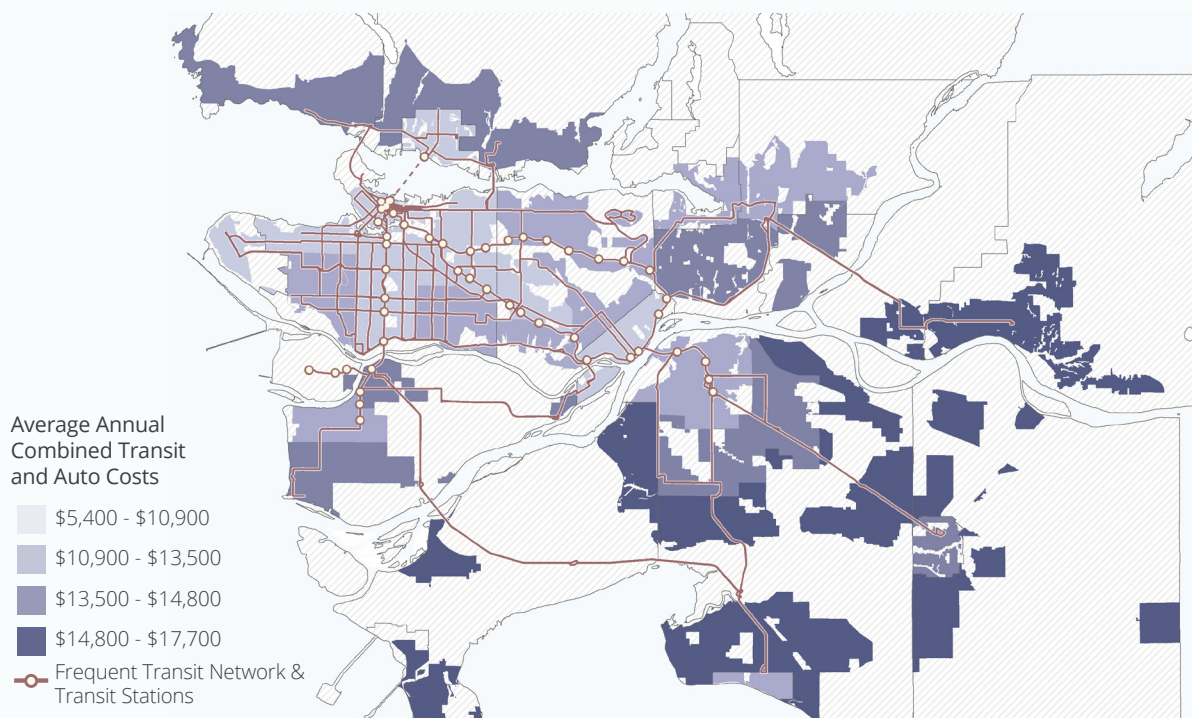
Forty-five percent of renters in Metro Vancouver pay more than 30% of their income on housing costs alone.

Housing costs are similar, but incomes tend to be higher, in other major Canadian cities.

### TRANSPORTATION COSTS

There is no threshold for affordable transportation, and transportation costs in our region vary greatly depending on mode. Transit costs range from \$100 to \$1,200 per year, while auto costs range from \$4,800 to \$17,600 per year.

\$5,400 to \$17,700 per year



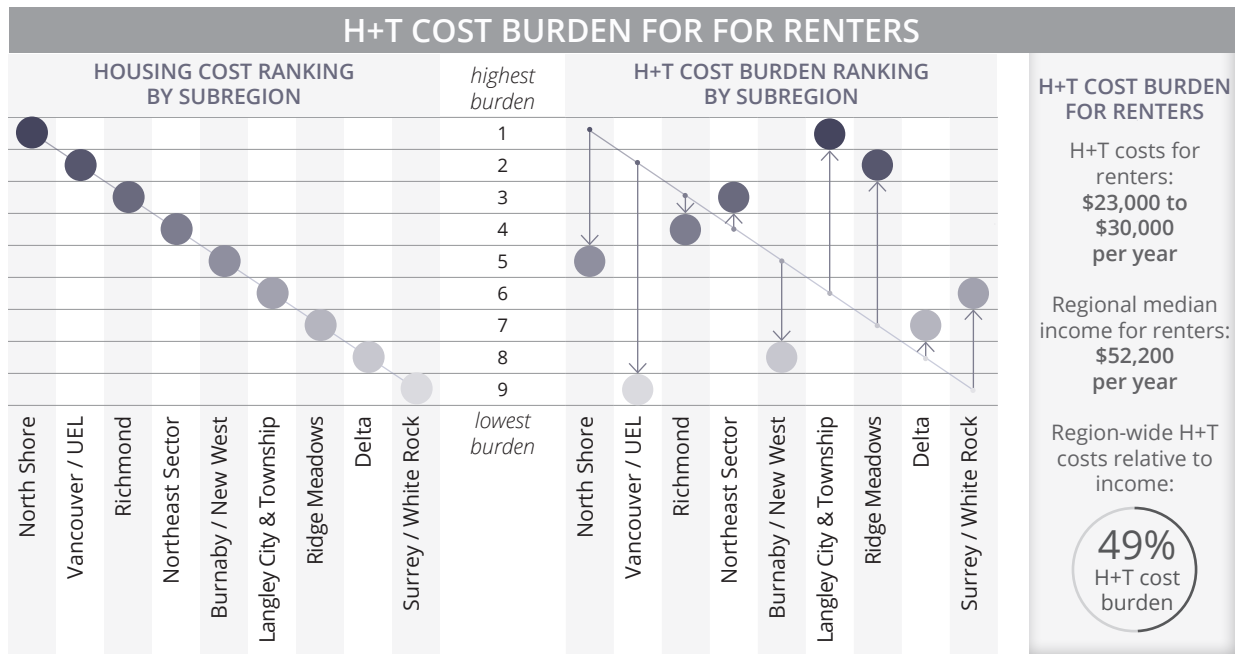
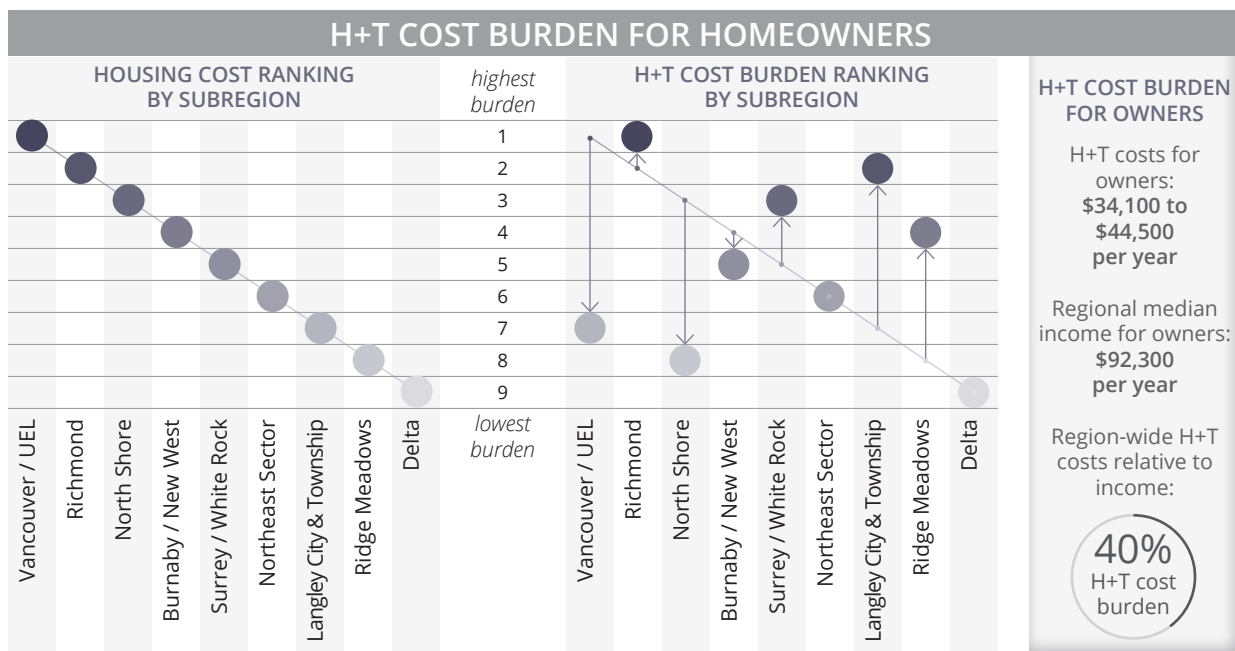
Access to the Frequent Transit Network can give people the choice to spend less on personal vehicles without sacrificing mobility.

Primary Data Source: National Household Survey.  
\*Average annual housing costs for working households, including rent/mortgage, services, taxes, and fees.

Primary Data Source: 2011 TransLink Trip Diary. Map shows average annual transit and auto costs for working households (includes transit fares and cost of owning and operating a personal vehicle). The Frequent Transit Network provides services at least every 15 minutes in both directions, throughout the day and in to the evening, every day of the week.

# Which Subregions Have the Highest Cost Burden?

Comparing housing and housing + transportation affordability



## What is a Cost Burden?

In this study, cost burden refers to the combined household expenditures on housing and transportation relative to gross household income.

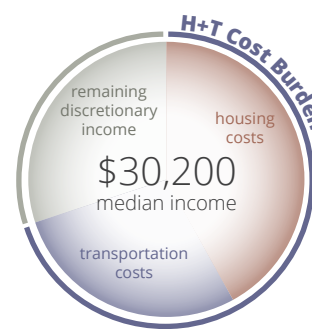
## The Impact of Accounting for Transportation

Subregions with very high housing costs and good access to the Frequent Transit Network are more affordable when transportation costs are considered, and subregions with lower housing costs but fewer transit options are relatively less affordable.

Many families are struggling under the weight of a heavy housing and transportation cost burden, leaving them with difficult choices about what to spend on food, clothing, child care, and other expenses.

## A Heavy Burden for Renters

Region-wide, renter households making less than \$50,000 per year spend 67% of their household income on housing and transportation.



Forty-seven percent of renter households in the region make \$50,000 or less.

The regional median income for this group is \$30,200.

Region-wide, the H+T cost burden for this group is over \$20,000.

Note: includes working households, based on costs as a percentage of subregional median household income.