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Impact of Transportation and transportation cost of housing decisions (affordable)

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Abstract

Many working families locate far away from their place of work because of the low or affordable housing but this also results in increasing transportation cost and also increase in the commute time. However, for such families the transportation cost is sometimes equal to their housing cost or sometimes it is even greater. But affordability for these people is not just about transportation cost. Households of limited resources have fewer choices in both where they can travel to and where they can actually afford to live and survive.

Key words: Affordability, Transportation. Survival.

Background

In India the share of households residing in rental housing has risen by 7% from 2005 to 2017 whereas the monthly household incomes have decreased tremendously. The current supply of affordable rental housing is also low and has not been able to match the growing demand. Most developers are not capable of building new affordable housing for low income households without subsidies from the governments in



different things like raw material etc to decrease the gap between construction cost and the tenants affordable rents. Thus, the site of the houses is changed from the main city to the outskirts areas where land, labour and costs are comparatively cheaper than the main city area.



Fig-1 Influx housing for the poor (<https://www.comstocksmag.com/calmatters>)

Given the limited access to owning a personal automobile, people who reach out for affordable housing generally travel by public transport. Low income groups have reported that the cost of public transit is a larger problem for them than households earning a higher monthly income. Therefore, low income groups generally tend to walk more which results in using more time and energy therefore, the effective time of their work becomes less



Fig-2 Slum vs City

and energy used up becomes more.



Transportation costs are very high for lower income groups. Their transportation costs exceed their housing cost. Therefore, affordability is not only in terms of housing cost but also the interaction between housing and the cost of transportation which provides a better

measure of the affordability that they go through. Taking the example of New Delhi. Guards and maids living in Affordable housing in Dwarka come to Janpath market to work. The monthly income of those people is around 8,000/ month. The cost of transport of transportation on a daily basis alone is around 6800/month. The money left for their daily items is only around 1200/month which is not enough to buy rations etc.

Incomes generally determine how far a household's residence preference can be indulged. With different preferences in livelihood and household type consumers in the same group of income may demand different type of accommodation. On the other hand, those desiring contacts furnished by near central locations have the advantage of lower transport cost but frequently have to sacrifice certain site amenities. Where persons of unlike incomes lives at distances where they incur the same commuting costs then the person with the highest income will occupy the best accommodation, and so on.

Conclusion

Choosing a location-efficient neighbourhood near transit, services and jobs, families can reduce monthly household expenses.

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