

# A New Look at Housing Affordability in Virginia

## *Virginia Association of REALTORS*

The Center for Neighborhood Technology has released its Housing and Transportation Affordability Index, which factors in the cost of transportation when calculating the cost of living in greater metropolitan areas.

Traditionally, a home is considered affordable if the yearly mortgage payments are about 30% of the homeowner's annual salary. The H+T (Housing + Transportation) Affordability Index suggests that a more realistic measure would factor in transportation costs. Using their model, a home would be considered affordable if the mortgage payments plus transportation costs (car, fuel, public transportation, etc.) come to about 45% of the homeowner's annual income.

Virginians living in the close-in suburbs largely fare well, according to the CNT model. Roanoke boasts combined housing and transportation costs of just 44% of the area median income (AMI), Charlottesville 43%, and Lynchburg 49%. The Richmond metro area generally falls into the affordable range at 39% of AMI, with the exception of some outlying parts of the surrounding counties. Most of the Hampton Roads is considered less affordable, with housing and transportation taking up more than half of the AMI, with Norfolk the exception at 42%.

The Northern Virginia area is more affordable according to the H+T model. For example, transportation costs in Alexandria come to about 15% of the local median income.

Wondering how your home stacks up? Homeowners in the Washington metro area can put their addresses into this calculator

(<http://www.uli.org/sitecore/content/ULI2Home/ResearchAndPublications/TerwilligerCenterforWorkforceHousing/Resources/Cost%20Calculator.aspx>) to find out or read the Washington fact sheet (<http://www.cnt.org/repository/HT2010-Fact-Sheet-Washington-DC.pdf>) at the Center for Neighborhood Technology.

Check out other regions on this interactive map (<http://htaindex.cnt.org/>).