

Housing, Transportation and Tampa Real Estate

Contributed by Lance Mohr
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Outside of food and shelter, transportation is typically considered a major expense among most American households especially in areas lacking robust public transportation like Tampa real estate. Unlike many northern cities, Tampa is a relatively new city built in a sprawling fashion with large suburbs stretching for miles making an automobile nearly as important as a home when it comes to lifestyle. The heavy reliance upon private transportation often results in a greater percentage of household income going toward debt repayment of mortgage and car loans.

{bot_wrgoogle}On the other hand, Tampa is a relatively dense city and population density is strongly correlated with decreased gasoline costs; in fact, those who live in close proximity to shopping, schools and work save over \$2,000 annually just on the cost of gasoline alone.

Traditional measures of housing affordability simply measure the debt to income ratio; anything under 30 percent is considered acceptable. However, researchers across the nation have realized the mobile lifestyle demanded by some areas of the nation make car ownership an imperative. To better measure the true level of affordability they have created a new Housing and Transportation Affordability Index which is quickly gaining popularity among city planners, developers and government officials.

To get a first look at this new tool and measure the housing and transportation affordability rating for your area of Tampa visit <http://htaindex.cnt.org/>. It is also a great tool to spot areas where municipal planners will be paying close attention to forming new bus routes, building infrastructure or other potential trends that could impact your Tampa real estate investment in the future.

As the cost of gasoline, transportation and inflation continue to impact consumers the trend toward sustainable communities and low cost lifestyles will grow. In addition to measuring official community housing and transportation affordability, individual households can also benefit from performing their own personal calculations. Simply add monthly mortgage payment and transportation costs then divide by income. A solid ratio is anything 38 percent or below; above that level you are at increased risk of default in the event of financial emergency or rising prices of fuel, maintenance or other expenses.

If you live near a bus line or within walking distance, run the calculations again using a "worst case" scenario where you eliminate the use of one car or reduce the amount of weekly driving by taking the bus once a week. The modified personal housing and transportation ratio is your fail safe plan in the event of a financial emergency. Having access to a lower cost of living is a major incentive for those on fixed incomes or facing unstable working conditions; it doesn't mean you must use it — simple knowing it is available is like having a built in emergency fund.

Lance Mohr is a licensed broker associate with Keller Williams Realty. He specializes in Tampa Real Estate, New Tampa homes for sale and Tampa bank owned homes.