

Is Commute Time Becoming a Housing Factor?

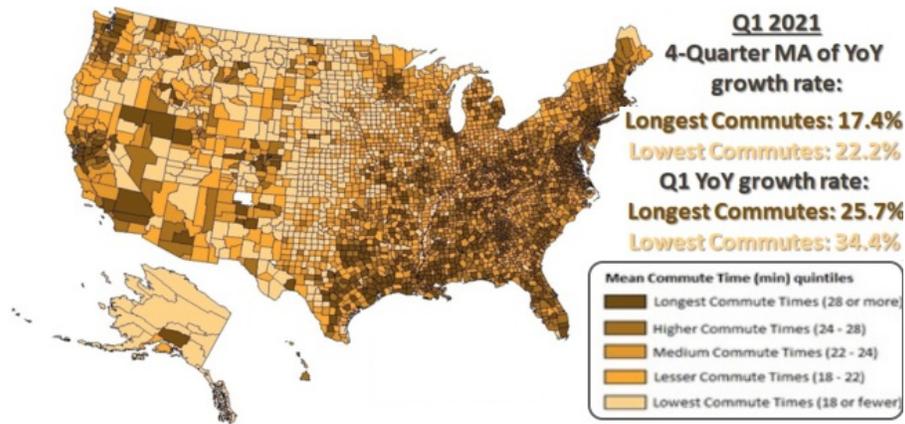
By: Jann Swanson | Wed, Jun 2 2021, 1:44 PM

While many workers plan, at least according to recent surveys, to continue spending at least part of each week working from home, a shorter commute still seems to be holding increasing appeal. The National Association of Home Builders (NAHB) says its first quarter Home Building Geography Index (HBGI) indicates not only a pandemic driven shift in construction to low density, low cost markets, but a **rapid expansion** in areas with the shortest commutes.

Litic Murali, writing in NAHB's Eye on Housing blog, says workplaces are moving toward hybrid home/office work models which **could affect 30 to 40 percent** of the American workforce. This will give renters and buyers increased market power over their travel times and the ability to reduce both housing and transportation costs.

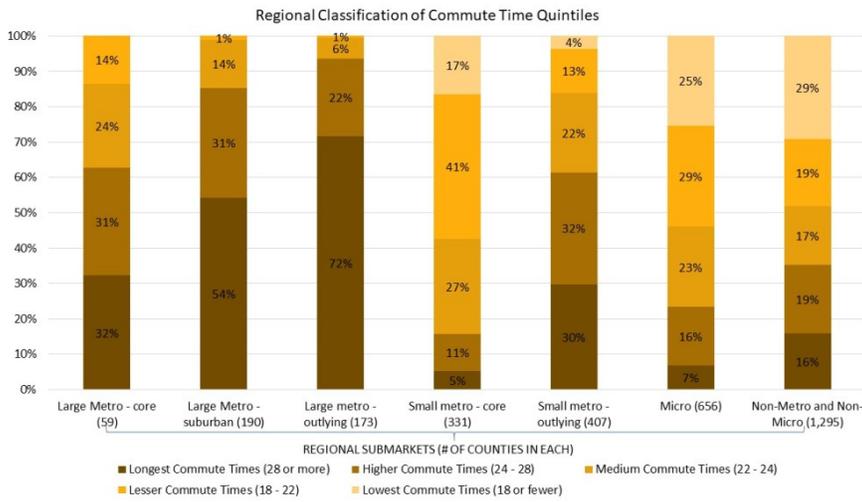
The nationwide **average commute is 26 minutes**. Those counties in the bottom quintile (lowest 20 percent) have a commute time of 18 minutes or less while the commute in the highest quintile is 28 minutes. The data show that 36.2 percent of the U.S. population resides in the counties in that top slice.

The HBGI indicates that the top two quintiles with the longest commutes together had 63.6 percent of single family building. However, growth was strongest in that bottom quintile with a four-quarter moving average annual growth of 22.2 percent.



The highest commute time counties also lost significant market share for multifamily construction, down from 40 to 35.6 percent over the past year. In contrast, areas in the bottom quintile posted growth in apartment construction of 24.2 percent.

When mean commute times are distributed across the submarkets used in the HBGI one can see that longest commute category in large metro areas **increases inversely** with density. This is an indication that outlying areas of large metros have longer commutes. To a lesser degree this holds true in outlying areas of small metro areas as well.



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