2026 CENTRAL TEXAS HOMEOWNER AFFORDABILITY INDEX

unlock MLS RESEARCH

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A NOTE FROM UNLOCK MLS & THE AUSTIN BOARD OF REALTORS®

Unlock MLS and the Austin Board of REALTORS® have long believed that better data leads to better policy. For years, our research has documented how the affordability crisis has created barriers for prospective homebuyers across Central Texas. This report turns the lens around – to the families who are already here, already own homes, and are quietly being priced out of staying.

The story in the data is clear. While home prices across the region have stabilized since their 2022 peak, the true monthly cost of homeownership has continued to climb. According to the Federal Reserve Bank of Dallas, Texas homeowners insurance premiums have risen 60% since 2019 – twice the national rate. Property tax rates have increased. Utility providers across Central Texas are mid-stream in multi-year rate adjustments. None of these pressures directly appear in the sales price of a home. All of them show up in a family's monthly budget.

Central Texas has built something worth protecting. The warning signs – population loss in the Central Texas urban core, declining enrollment in some public school districts, tightening municipal budgets – tell us that the carrying costs quietly accumulating on existing homeowners are not just a household problem. They are a community problem. And community problems have community solutions.

This report provides a path toward those solutions. Its central finding, the Homeowner Affordability Index, quantifies the financial strain that each additional dollar of monthly housing carrying cost places on Central Texas families. The recommendations that follow identify practical levers within local control – most of which grow the tax base rather than placing additional financial strains on Central Texas families.

The tools are available. The time to use them is now – because the cost of staying should not exceed the cost of leaving.

EMILY GIRARD
Chief Executive Officer
Unlock MLS & Austin Board of REALTORS®

EXECUTIVE SUMMARY

Central Texas's affordability conversation has long been framed as a supply problem affecting future buyers. This report reframes it – as an economic stability issue affecting the families who are already here and the broader impact on Central Texas.

The data tells a clear story. The four biggest monthly costs for the average homeowner – property taxes, insurance, utilities, and mortgage payments – have each grown faster than median household income since 2019. Beyond these four cost drivers, deferred maintenance is adding to the financial strain of many households. Many existing owners are protected by sub-4% mortgages and homestead appraisal caps, but those protections do not touch monthly carrying costs. The result is a quiet, cumulative strain on Central Texas households that is slowly impacting our communities and broader economy.

As that pressure has built, regional leakage and its consequences have become visible across the region. Travis County recently recorded its first net domestic out-migration since 2002, according to the U.S. Census Bureau. Austin ISD enrollment has fallen 14% over the past decade. The City of Austin is projecting a $30+ million budget deficit in Fiscal Year (FY) 2027 – in part because the City's FY2026 adopted tax rate, while compliant with the state's 3.5% revenue cap, still reflects roughly a 10% increase over the prior year's rate.

These are not isolated trends. They reflect the same underlying problem expressing itself in different ways. Households, workers, and economic activity are shifting toward lower-cost destinations outside of the region's urban core. Most of that movement has stayed within the broader Central Texas region, which is a positive sign for our suburban counties but can present their own challenges for public school districts as those families bring their children with them. But the share relocating to other Texas metros entirely – particularly Dallas–Fort Worth and Houston – is a signal that cannot be ignored. Dallas–Fort Worth and Houston are each drawing 13–14% of their new arrivals from the Austin metro.

The good news is that meaningful solutions sit within local control. Recent land use reforms within the City of Austin like the HOME Initiative and proposed missing-middle zoning districts are exactly the right kind of intervention – they expand the region's housing supply and grow the tax base rather than increasing the burden on existing homeowners. This report's central finding, the Homeowner Affordability Threshold Index, quantifies the financial strain that each additional dollar of monthly carrying cost places on Central Texas families, and provides a framework to evaluate the impact on existing homeowners and measure progress toward addressing the region's affordability challenges.

Housing supply reform alone cannot carry the load. To meaningfully reduce the pressure on existing homeowners, it must be paired with complementary efforts:

- Budgeting decisions that weigh the cumulative household impact of taxes, fees, bonds, and utility rates;
- Utility weatherization and resiliency programs that directly lower monthly bills;
- Alignment between local strategic housing plans and economic development plans so that workforce attraction and housing absorption move in tandem;
- Deeper coordination between cities and counties to support workforce housing across jurisdictional lines; and
- Disciplined use of municipally-controlled land and assets in service of region-wide goals.

Taken together, these are the levers most likely to keep Central Texas the vibrant, inclusive community where people choose to put down roots – and stay.

KEY STATS AT A GLANCE

Affordability Impact on Existing Homeowners

- +60%: Growth in Texas homeowners insurance premiums since 2019, twice the national average.
- 60% → 32%: Share of Texas-metro homes affordable to a median-income household, pre-pandemic vs. Q4 2023.
- 44.6%: Share of U.S. households that are "equity-rich," underscoring how much wealth is locked into homes that owners can no longer afford to leave or trade.
- 39%: Share of all Travis County property appraisals that were protested in 2024.

Affordability Impact on the Central Texas Region

- –14.5%: Decline in Austin ISD enrollment over the past decade with a projected FY26–27 deficit of $181 million.
- 70%: Share of Austin EMS workers who live outside Austin city limits.
- Net –1.0%: Travis County's 2023–2024 population change, the first decline in over 20 years.
- 13.4% & 14.4%: Share of new arrivals to DFW and Houston, respectively, who came from the Austin metro area.

THE SQUEEZE ON EXISTING OWNERS

The Homeowner Affordability Index quantifies the financial strain that each additional dollar of monthly housing carrying cost places on Central Texas families. The index provides local communities and policymakers with a practical framework for evaluating the impact of proposals on existing homeowners, and for measuring progress toward addressing the region's affordability challenges. By tracking how proposed rate changes, utility adjustments, or tax decisions move households across the cost-burden threshold, leaders can weigh the real-world impact on existing homeowners before acting.

Every additional $100 in monthly housing carrying cost pushes approximately 9,800 Central Texas households, or about 1.7% of homeowners, into cost-burden territory. For homeowners, being cost-burdened means spending more than 30% of gross household income on housing costs. The table below breaks the index down by county.

~9,800

Every additional $100/month in housing carrying costs pushes approximately 9,800 Central Texas households – about 1.7% of all homeowners – across the HUD 30% cost-burden threshold.

Homeowner Affordability Index

COUNTY	EST. BASELINE MONTHLY CARRYING COST	EST. HOUSEHOLDS PUSHED INTO COST BURDEN TERRITORY PER $100 MONTHLY INCREASE	Share of Owner-Households
Travis	$2,516	4,500	1.5%
Williamson	$2,156	3,000	1.8%
Hays	$2,117	1,400	2.3%
Bastrop	$1,723	600	2.3%
Caldwell	$1,524	300	2.8%

Note: See the About the Data section for more information on the methodology and data sources for the Homeowner Affordability Index.

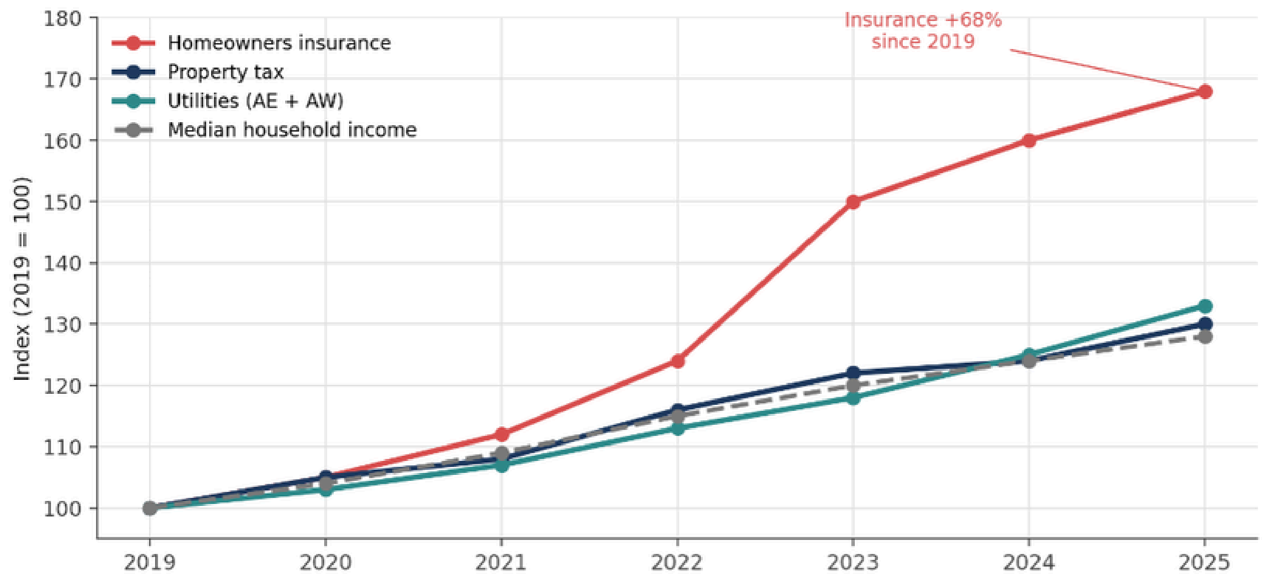
"Equity-rich, cash-poor" is the central feature of the existing-owner story. The phrase describes a household whose home value has appreciated well beyond what it owes on the mortgage, but whose monthly income has not kept pace with the cost of staying in that home. As of Q4 2025, median home equity nationally rose 45% from 2019 to 2022, leaving 44.6% of mortgaged U.S. properties equity-rich with a loan-to-value ratio of 50% or less, according to the ATTOM 2025 U.S. Home Equity & Underwater Report. But paper wealth does not pay an insurance premium or a utility bill. The behavioral response visible in the data is deferred maintenance and delayed moves, not equity cash-outs. Roughly 60% of U.S. homeowners actively delay needed repairs, with cost cited as the leading reason, according to the Joint Center for Housing Studies of Harvard University.

Existing owners are locked in but not fully insulated. As of mid-2024, approximately 56% of Texas mortgages carried interest rates below 4%, compared with roughly 62% of mortgages nationally, according to Cotality. The Federal Housing Finance Agency estimates that dynamic prevented about 1.72 million home sales nationally from mid-2022 through mid-2024 and inflated housing prices by approximately 7%. The statutory protections that do exist apply only to the property tax line – homestead caps shield long-tenured owners from full appraisal increases, and senior tax freezes hold the school portion steady for households 65 and older. Insurance and utilities sit entirely outside those statutory protections.

Monthly housing costs do not rise together – they compound on top of one another. Property taxes, insurance, utilities, and mortgage payments each carry their own escalation curve, and each is outpacing household income growth. Yet none of these pressures show up directly in median sale price charts, a metric often used to evaluate housing affordability. The drivers below explain how each component contributes to the Homeowner Affordability Threshold Index.

Note: *Deferred maintenance is an additional and growing cost for many Central Texas homeowners. Because it varies significantly by property, it falls outside the scope of this report's analysis — but its absence means the financial strain documented here is likely understated.*

Carrying-Cost Components Have Outpaced Income Growth



Sources: Dallas Fed Southwest Economy (2026); Harvard JCHS State of the Nation's Housing 2025; Texas Policy Research; Austin Energy and Austin Water rate filings; U.S. Census ACS.

Property Taxes

Texas's tax structure concentrates the squeeze on homeowners. With no state income tax, property taxes serve as the primary source of state and local revenue – and for households whose income does not rise with their appraisal or property tax rate, the tax bill grows faster than the ability to pay it. That pressure falls hardest on retirees and families with stable wages, but it is not limited to them. Statewide property tax levies rose roughly 22% from 2021 to 2025, according to the Texas Comptroller. In Travis County, 187,000 property owners formally protested their appraisals in 2024, equal to 39% of all parcels, the highest rate of any major Texas county. When nearly four in ten property owners challenge their assessments, rising appraisals and property tax rates are no longer an exception affecting a narrow group of homeowners. They are a material burden on the average Central Texas household, and protesting has become one of the few tools available to slow the growth of a tax bill.

Voter-approved bonds add another layer to the property tax burden. Because bond debt is repaid through local property taxes, each new authorization compounds on top of the carrying costs existing homeowners are already absorbing. Bonds can be proposed by several overlapping jurisdictions simultaneously, including the City of Austin, Travis County, Austin ISD, and Austin Community College, with each authorization adding its own increment to the same homeowner's tax bill. Using the City of Austin as an example, $1 billion of voter-approved general obligation bonds translates to roughly $9.04 per month for a Travis County homeowner living in the City of Austin with the median taxable value of $384,747, approximately $108 per year, or $2,710 over the 25-year life of the bonds. As Central Texas weighs additional bond proposals in the coming years, that cumulative debt service deserves to be considered in the context of the carrying-cost increases existing homeowners are already absorbing. The merits of individual proposals are not the subject of this report.

Home Insurance

Insurance is no longer a secondary cost. Texas's catastrophe exposure, compounded by national reinsurance pressure, has produced the steepest premium trajectory in the country, up 60% from 2019 to 2024, twice the national rate, according to the Federal Reserve Bank of Dallas. For an owner without a mortgage, insurance now accounts for approximately 14.2% of total monthly carrying cost. The trajectory serves as a warning as much as a data point. Tampa, Florida homeowners have seen premiums roughly triple since 2019 – a reminder of how quickly catastrophe risk can reprice coverage and what is possible if Texas's exposure continues to grow.

Utilities

Utilities round out the monthly stack. Several utility providers, like Austin Energy, Austin Water, and Texas Gas Services, are mid-stream in multi-year rate increases, meaning the utility line on a Central Texas household's bill is expected to continue climbing. Water costs in particular deserve attention, and the pressure is not unique to this region. Water rates in Phoenix, Arizona have risen roughly 26% over the last 18 months, with further increases projected as Colorado River supplies tighten. For a water-constrained region like Central Texas, that trajectory is a cautionary tale of what may lie ahead.

PUBLIC SERVANTS AND THE COST OF STAYING TO SERVE

The squeeze on existing homeowners does not fall evenly. For Central Texas's public servants – the teachers, first responders, and essential workers who make our communities run – the gap between what they earn and what it costs to stay in the communities they serve is particularly acute. The table below illustrates that reality, modeling how four representative Travis County public-servant households are affected as combined monthly carrying costs increase from the county's estimated baseline of $2,516 per month, inclusive of mortgage, property taxes, insurance, and utilities.

Public Servant Housing Costs as a Percentage of Household Income

TWO-EARNER HOUSEHOLD	ANNUAL HOUSEHOLD INCOME	BASELINE ($2,516/mo)	+$100/mo	+$200/mo	+$300/mo	+$400/mo
Austin-Travis County EMS Field Medics (2)	$113,437	26.6%	27.7%	28.7%	29.8%	30.9%
AISD Teachers (2)	$116,138	26.0%	27.0%	28.1%	29.1%	30.1%
Austin Firefighters (2)	$132,038	22.9%	23.8%	24.7%	25.6%	26.5%

Note: See the About the Data section for more information on the methodology used.

It is also worth noting that the analysis for the public servant table above assumes two full-time earners per household. That doesn't reflect every Central Texas household facing the same rising costs. For the household types below, the same monthly increases hit even harder:

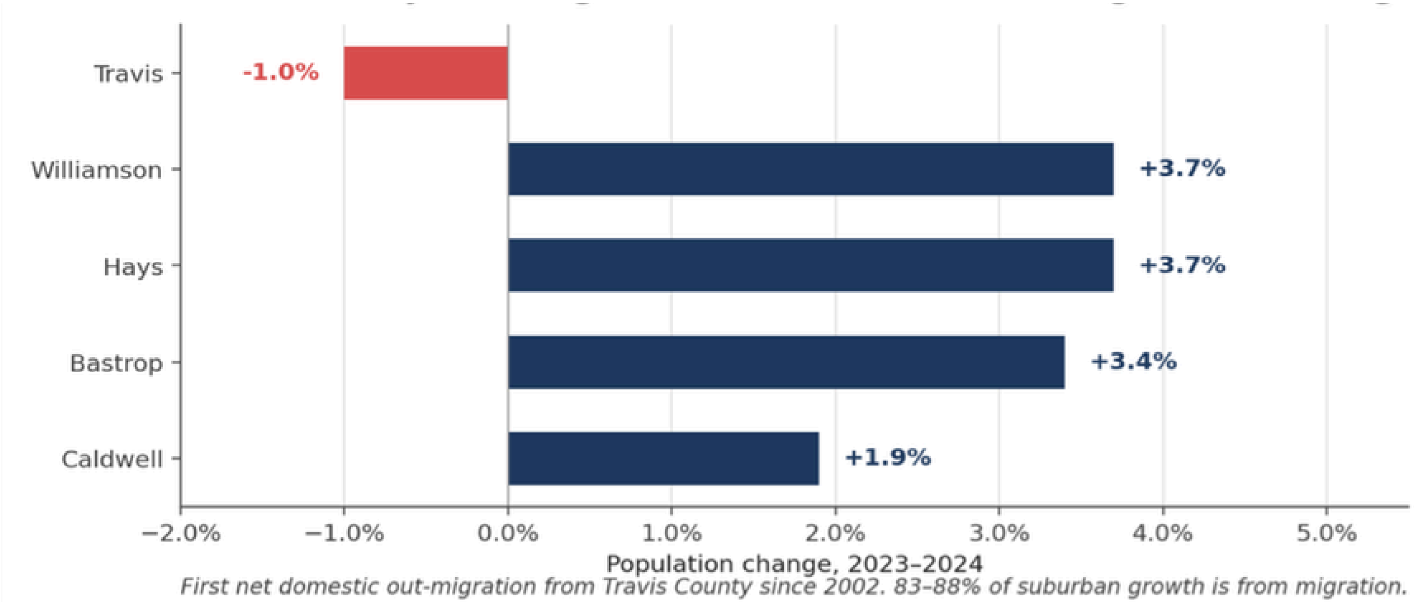
- Single-earner households with a stay-at-home parent raising children
- Retired and fixed-income households reliant on Social Security or pension payments
- Surviving spouses of veterans raising children on fixed military benefits
- Households with a member on long-term disability
- Self-employed and gig-economy households without employer-subsidized benefits
- Multigenerational households supporting aging parents or adult children

In other words, the cost-burden thresholds shown above are a floor, not a ceiling. The real strain on many Central Texas homeowners is likely even greater.

WHAT EXISTING OWNERS LEAVING MEANS FOR EVERYONE ELSE

The public-servant examples above illustrate a household-level reality. But when that pressure scales across tens of thousands of families, the consequences reach well beyond any individual budget. When existing households are priced out, future residents inherit a different region, one with fewer public servants that live in the communities they serve and a shrinking tax base asked to fund the same level of services.

Travis County Is Losing Residents While Surrounding Counties Surge



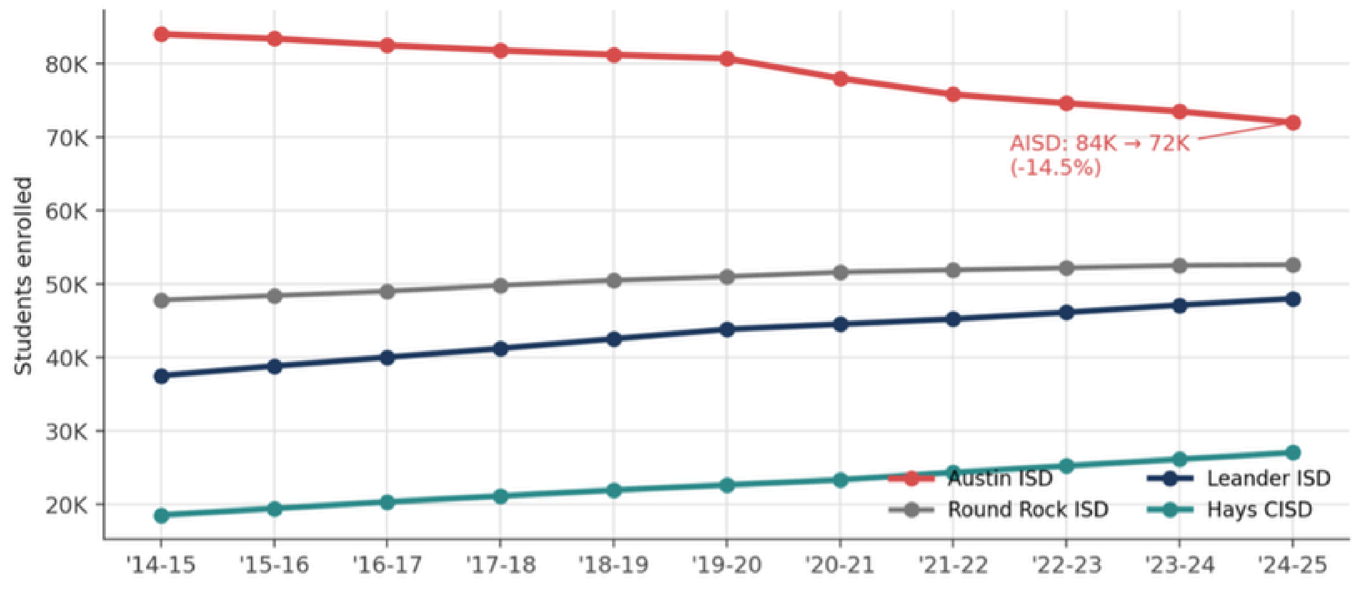
Source: U.S. Census Bureau, Vintage 2024 Population Estimates (March 2025).

The regional leakage is already underway, and it is unfolding on several fronts at once. Travis County recorded its first net domestic out-migration since 2002 in 2022–2023, a trend that accelerated into 2023–2024, according to the U.S. Census Bureau. Surrounding counties absorbed nearly all of the metropolitan area's growth during that period. Within-Texas migration is often overlooked in this conversation, but the numbers are significant — 13.4% of new Dallas-Fort Worth arrivals and 14.4% of new Houston arrivals come from the Austin metropolitan area, according to the Texas Real Estate Research Center. Regional leakage has a broader impact on the economic stability of the Central Texas communities.

Impact on Public Schools

Public schools are an early-warning system. Austin ISD enrollment has fallen from approximately 84,000 students in 2014 to roughly 72,000 in 2024 – a decline of 14.5% – while surrounding districts continue to add roughly 1,000 students per year each. Because state per-pupil funding follows attendance, declining enrollment combined with rising fixed costs produces structural deficits. Austin ISD currently projects a $181 million FY26–27 deficit. The families leaving the Central Texas urban core are not just statistics. They are taking their children – and the funding those children represent – with them. Meanwhile, the suburban counties absorbing that growth face their own set of pressures: finding enough classrooms, hiring enough teachers, and building enough capacity to serve rapidly expanding student populations, often under the same financial constraints that make housing unaffordable in the first place.

Austin ISD Enrollment Has Fallen 14% While Suburban Districts Grow



Sources: Austin ISD board materials; KXAN Central Texas district enrollment reporting; Texas Education Agency snapshot data.

Impact on Workforce Commute

Workforce and economic activity follow housing. The teachers, EMS medics, nurses, and service workers who keep Central Texas running increasingly cannot afford to live near where they work. Approximately 22.1% of Austin metropolitan area workers commute 50 miles or more – the highest super-commuter share among major Texas metros, according to the Texas A&M Transportation Institute. Roughly 70% of Austin EMS Association members are reported to live outside Austin city limits. A region cannot sustain that gap indefinitely.

Impact on Economic Development

Affordability is also a site-selection variable, not just a housing-policy issue. Corporate location consultants formally weight skilled-labor availability and housing affordability when evaluating potential markets. The affordability advantage that helped Texas capture roughly 114 corporate headquarters from California between 2018 and 2021 – including Charles Schwab, Hewlett Packard Enterprise, and Palantir, according to the Hoover Institution – was real and consequential. But it is narrowing. The Federal Reserve Bank of Dallas reports that the share of Texas-metro homes affordable to a median-income household fell from roughly 60% before the pandemic to 32% by Q4 2023. Our affordability advantage was earned, but under current trends, it is not guaranteed. Keeping that edge means keeping Central Texas affordable for the workers who drive it.

LEVERS WITHIN LOCAL CONTROL: WHAT LOCAL LEADERS CAN DO

Central Texas's affordability challenge did not develop overnight, and it will not be solved overnight – but the following recommendations identify practical levers within local control that can be used to keep Central Texas the vibrant, inclusive community where people who choose to put down roots can afford to stay.

It is important to acknowledge and celebrate that Austin and its regional partners have done meaningful work on housing reform over the past three years. The City of Austin's HOME Initiative, missing-middle zoning districts, and improvements to the Site Plan Lite process represent exactly the kind of structural intervention this report calls for – tools that grow the tax base, ease pressure on existing households, and expand the supply of attainable housing. ABoR has supported each of these reforms and will continue to do so. The work, however, is not finished.

It is also worth being clear about what local leaders cannot control. Mortgage rates that lock existing owners in place, a homeowners insurance market repricing Texas risk faster than incomes can absorb, and the federal interest rate environment all sit outside the control of local jurisdictions. What local leaders can control is how their own decisions – on taxes, fees, bonds, utility rates, land use, and permitting – compound or ease the pressure that those external forces are already placing on Central Texas households.

KEY TAKEAWAY

Growing the local tax base is more important than ever – it is the most direct path to easing pressure on existing property owners and sustaining the fiscal health of the region without pricing out the residents and businesses that drive it.

The recommendations below are levers available to local jurisdictions to support homeowners and the Central Texas workforce, the people who fuel our region's economic engine. These are critical to sustaining the momentum Central Texas has built on affordability and economic development. Unlock MLS and ABoR will continue to publish data and analysis to support this work.

1. **Carefully weigh the cumulative household impact of taxes, fees, bonds, and utility rates.** Property taxes, fees, voter-approved bond debt, and utility rates each climb independently – but households experience them as a single monthly bill. Local taxing jurisdictions, including cities, counties, school districts, and special districts, should weigh the collective impact of these increases on households before adopting them, with particular attention to how each new bond authorization layers additional debt service onto the same property tax bill. Local jurisdictions should also recommit to delivering core services through disciplined budgeting to ensure taxpayer dollars are used effectively and aligned with long-term community goals.

2. Advance streamlined permitting, subdivision, and missing-middle zoning reforms. Housing supply reforms are the production tools most directly aimed at creating attainable housing and the most efficient mechanism to grow the tax base without raising tax rates. For the City of Austin, this means continued improvements to Site Plan Lite and the Residential Infill Subdivision process. Communities should also pair housing reforms with stronger incentives for preservation – preserving an existing affordable home is faster and cheaper than building a new one, and it protects the long-tenured owners most exposed to monthly carrying-cost increases.

3. Expand weatherization and resource-efficiency programs. Durable monthly bill reductions for individual homeowners and lower peak load for local utilities strengthen utility resiliency, defer long-run system costs, and directly address one of the fastest-growing components of a household's monthly carrying costs. These voluntary programs offer a strong return on investment for both the homeowner and the utilities that serve communities throughout the region.

4. Align local strategic housing plans with the economic development plans. Workforce attraction and housing absorption belong in one document with reconciled targets, geography, and metrics – not in separate plans operating on different timelines. A region cannot successfully recruit employers and workers while leaving the housing side of that equation to a separate planning process.

5. Continue multi-jurisdictional coordination to support workforce housing development. Regional leakage cannot be solved unilaterally. The workforce being priced out of Central Texas's urban cores is increasingly landing in Pflugerville, Manor, Del Valle, and unincorporated parts of the region. Partnerships allow cities and counties throughout Central Texas to leverage land, infrastructure, and public services across jurisdictional boundaries rather than duplicating them. In Travis County, one concrete step would be expanding the City of Austin's Affordable Housing Online Search Tool into a true regional clearinghouse – a single, real-time portal where income-restricted units across the county are visible to both families and housing navigators. Massachusetts' Housing Navigator MA is a working model for exactly this kind of multi-jurisdictional platform.

6. Use publicly controlled land and assets in service of community-wide goals. Land and assets originally acquired by a single municipal department – a utility, watershed authority, or transit entity – should be evaluated against broader community priorities like workforce housing, economic development, and affordability. The originating department's narrower objectives should not be the ceiling for what those assets can achieve.

ABOUT

The Data

Homeowner Affordability Index Methodology: The Homeowner Affordability Index translates a $100 monthly carrying-cost increase into a count of Central Texas owner-occupied households newly crossing the HUD 30% cost-burden threshold. The calculation has four inputs, each grounded in published data.

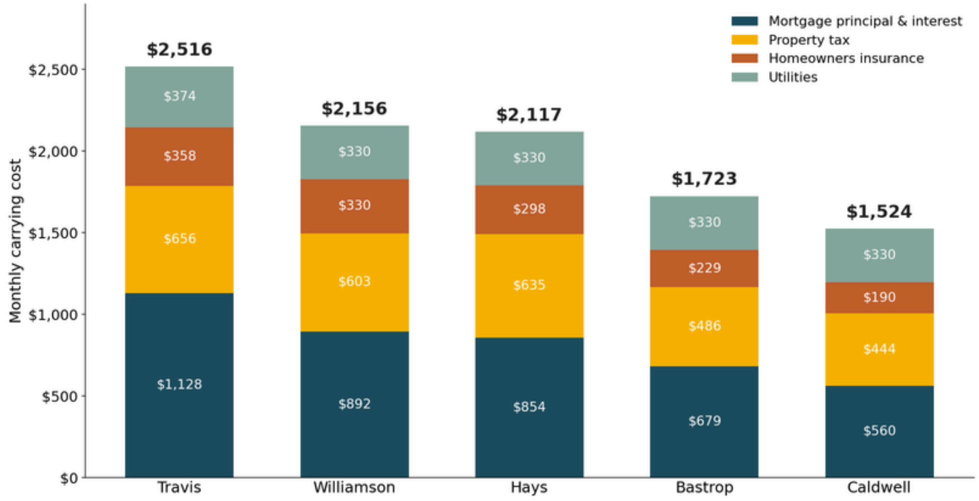
- **Universe of owner-occupied households.** The approximated owner-occupied households in Central Texas Counties reported by the U.S. Census Bureau, American Community Survey (Table B25118, Tenure by Household Income).
- **Income distribution at the threshold.** The income brackets adjacent to a $2,516/month carrying cost (which equates to a household income of roughly $100,640 at the HUD 30%-of-gross-income standard) were drawn from the owner-occupied household income distribution in American Community Survey Table B25118 (Tenure by Household Income), with the $100,000–$149,999 owner-occupied bracket apportioned across narrower income bands using the finer sub-brackets reported in Table B19001 for each county.
- **Resulting household count and percentage.** Applied to the owner-occupied income distribution above, each $100 monthly increment crosses a varying number of owner-occupied households in each county over the HUD 30% threshold. The figure should be read as a directional estimate of the population exposed at each increment, not a precise count of individually identified households.

Baseline Composition Methodology: The $2,516/month baseline approximates the all-in monthly carrying cost for a long-tenured Travis County homesteaded owner of a median-value single-family home, anchored to the 2026 median market value of $493,449 and a decade-representative mortgage. The components below sum to approximately $2,516/month. Households with lower utility usage, larger down payments, or a senior tax freeze could be lower, while those carrying PMI, HOA dues, or older HVAC systems could be higher. The same methodology was applied for each county unless otherwise noted.

- **Property tax (~$656/mo.):** Based on the 2026 median taxable value of $384,747 for a Travis County residential homestead (the $493,449 median market value net of homestead exemptions and the appraisal cap), applied at the combined 2025 tax rate of roughly 2.05% (City of Austin, Travis County, AISD, Austin Community College, and Central Health).
- **Homeowners insurance (~$358/mo.):** An Austin / Travis County premium for a single-family home valued near $493,449, scaled from the local average rate of roughly $8.70 per $1,000 of coverage.
- **Utilities (~$374/mo.):** The average City of Austin combined utility bill (Austin Energy electric, Austin Water and wastewater, drainage, and Resource Recovery), plus a typical Texas Gas Service natural-gas bill, for a single-family home, weighted across summer-peak and shoulder months.

- **Mortgage principal and interest (~$1,128/mo):** Based on the average of the last ten years of Travis County median sale prices (2010–2020), each financed with 20% down on a 30-year fixed mortgage at that year's average rate and then averaged across the ten years. This is representative of a long-tenured owner who bought before the recent price-and-rate run-up. Escrowed taxes and insurance are not double-counted here.
- **County-specific variations:** Williamson, Hays, Bastrop, and Caldwell use the identical four-component baseline methodology. See below for the limited deviations from the methodology used for Travis County:
    - **Utilities.** Utilities use a regional estimate of about $330 per month, modestly below the City of Austin figure, given fewer types of charges.

Baseline Monthly Carrying Cost by Component, Central Texas Counties



The Austin Board of REALTORS®

The Austin Board of REALTORS® is a nonprofit organization and the largest professional trade association in Central Texas, representing more than 18,000 real estate professionals. As the organized voice for Central Texas REALTORS® and homeowners, we work with local, state, and national policymakers to implement policies that champion housing equity and accessibility for all. Locally, our advocacy efforts are concentrated around property rights, strategic land use, and business issues and practices. Learn more at **UnlockMLS.com/advocacy**.

Unlock MLS Research

Unlock MLS Research is the economic research and publication arm of Unlock MLS. Unlock MLS Research delivers timely market intelligence that helps Central Texas real estate professionals, consumers, and policymakers understand trends and economic factors impacting the region's housing market. Find more research at **UnlockMLS.com/research**.

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