



Record-Breaking Spike in Income Limits Expands Eligibility to Higher-Earning Homebuyers

Denser projects also mean non-profit has more homes in the pipeline than ever before

AUSTIN, Texas – Oct. 2, 2023 – A new analysis by [Austin Habitat for Humanity](#) (Austin Habitat), a non-profit with a long history of building affordable housing alongside hardworking families, shows the region’s federally generated income limits skyrocketed at unprecedented levels in the past five years.

Those limits escalated 37% since 2018, the highest jump ever recorded in the greater Austin area’s history. This means people making substantially higher incomes now qualify to purchase one of the organization’s homes.

Additionally, the organization’s shift to building more dense communities means it has more homes in the pipeline than ever before.

Incomes Not Keeping Pace with Housing Costs

Austin-area Median Family Income (MFI) limits are reaching new highs, with MFI for a family of four increasing 10.9% from 2022 to 2023, just after increasing 11.5% from 2021 to 2022. These, and an 11.5% rise in 2019 are the three greatest MFI increases recorded in the past two decades. By comparison, the average increase in MFI for a family of four was just 1.9% a year for the 15-year period of 2003 and 2018.

While MFI has increased rapidly, the cost to own and rent a home climbed even more dramatically. The average price of a home in the Austin and Round Rock region has increased 65% from 2018 to 2022, according to the Texas Real Estate Research Center (TRERC). Across the Central Texas region, monthly rents for all apartment unit sizes (1, 2, and 3 bedrooms combined) averaged \$1,683 as of December, up 10.4% from December 2021’s \$1,525, according to Capitol Market Research.

Michele Anderson, CEO, says: “We’ve always played an important safety net role, but now we’re playing that role for different types of earners... folks in the medical system and even some tech workers, who didn’t fit our historical mold, now qualify for Habitat homes.”

Given Austin's extreme housing cost increases in the past few years, Austin Habitat Chief Operating Officer Wayne Gerami says Austin Habitat knows many people need the non-profit's program to help ensure their financial stability. Renters, he says, have been hit particularly hard. Habitat homeownership allows for increased stability in that once you lock in a mortgage rate, your monthly principal and interest rate will never increase as long as a person or family owns the home.

"This means people who recently made too much money now qualify to purchase a Habitat home, along with all the incredible advantages our program offers," Gerami said, noting such benefits include below-market mortgage rates, low down payments, and energy-efficient new homes with a low cost to maintain.

In exchange for the benefits of Habitat homeownership, two hundred "sweat equity" hours are required of the homebuyers, which can be performed over the course of one to two years.

Who Now Qualifies

In addition to tech workers, Anderson notes other professions known for making a solidly middle-class wage, such as teachers and first responders, may also now qualify. Qualifying for an affordable home ultimately depends on where a person's income stands in relation to the five-county region's MFI. Austin Habitat serves people making 60% to 80% of that regional MFI.

For 2023, here is who qualifies:

- A single-person household must earn \$49,080 to \$65,450.
- A two-person household must earn \$56,100 to \$74,800.
- A three-person household must earn \$63,120 to \$84,150.
- A four-person household must earn \$70,080 to \$93,450.
- A complete [qualifying chart can be found here](#) on the Austin Habitat website.

The regional MFI for a four-person household is presently \$122,300. The U.S. Department of Housing and Urban Development determines the MFI limits. MFI is defined by household earnings and adjusted for family size.

"I started working at Austin Habitat in 2007. I never thought I'd see the day when a three-person household could earn more than \$80,000 a year and a four-person household could earn more than \$90,000 a year and still qualify for one of our homes," says Gerami. "These are milestone thresholds. We urge people who might otherwise think they make too much money to qualify to give us a serious look because we are far and away the best, most affordable home on the market."

Austin Habitat Evolves

Another key change in the past few years is the number of homes Austin Habitat is building. Soaring land prices forced the non-profit to begin building townhomes and condominiums in addition to the single-family homes they have historically built.

Now, nearly 50 homes are anticipated to be available for purchase this year, and more than 100 additional homes will be built in the next five years. Previously, the non-profit could only build 10 to 15 homes annually. Future homes are a mix of townhomes, condominiums, and single-family homes, offering buyers a range of options based on lifestyle and location preferences. Homes range in size from 900 to 1,500 square feet and feature anywhere from two to four bedrooms. Most homes are within the City of Austin and about 10 miles of downtown.

Austin Habitat for Humanity homes presently range in price from \$150,000 to \$250,000. That's in stark contrast to the region's average home price of \$625,553 in 2022, according to the TRERC. People interested in the program can begin the application process by visiting this website: austinhabitat.org/programs/apply.

"As housing dynamics shift and economies evolve, it's imperative we do the same," Anderson says. "Buying a home in the greater Austin area has been an uphill battle for too many families for too long. We also know that homeownership is one of the most important things people can do to ensure financial stability for themselves and their families. More doors are opening wider than ever to make the dream of homeownership a reality."

About Austin Habitat for Humanity

Founded in 1985, the local non-profit organization is part of the global mission dedicated to helping families build and improve places to call home. With more than 550 homes built and over 400 homes repaired in five counties, Austin Habitat for Humanity works alongside partners and thousands of volunteers each year to construct communities and build hope. By offering comprehensive programs and services designed to achieve and maintain affordable homeownership, the non-profit empowers Central Texans to transform their lives and those of future generations. For more information, visit: <https://austinhabitat.org/>.

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