

Beyond Austin City Limits

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Where do homeowners go when their neighborhoods become unaffordable? A growing number of urban communities within larger metropolitan areas are witnessing the dislocation of many of their most vulnerable residents. In Texas, East Austin is a prime example.

Demand factors driving this trend, including Austin’s strong population and employment growth, were discussed in the first article of this series titled “East Side Story.” A second article, “Change and Challenges,” primarily focused on local supply-side constraints. This article completes the series by examining possible location alternatives for homeowners exiting East Austin.

Obtaining housing a similar distance from downtown is an important consideration for East Austin’s lower-income homeowners who work in the urban core. For decades, Austin’s east side has provided easy access to employees in service jobs critical to businesses located there. Many of the displaced homeowners face

The Takeaway

Austin’s growing unaffordability problem has especially affected East Austin homeowners. As a result, they have moved farther from their neighborhoods to purchase more affordable housing.

significantly higher transportation costs and commuting times along with loss of neighborhood and family ties.

Housing options are limited if they attempt to relocate within Travis County. A surge in the county’s median home prices and apartment rents during the past several years resulted in adjoining counties becoming more affordable alternatives. As a result, all five counties (Bastrop, Caldwell, Hays, Travis, and Williamson) within the Austin Metropolitan Statistical Area (MSA) are included in this analysis.

Detailed tracking of where displaced homeowners have relocated is not possible using currently available data sources. As an alternative, housing affordability and income data across all Austin MSA ZIP codes act as a proxy to illustrate economic and demographic differences by geography.

Although not perfect predictors, affordability, demography, and proximity to East Austin and the urban core provide insight into more likely relocation choices for displaced East Austin homeowners.

Affordable Housing Within East Austin

For the purpose of this study, East Austin is defined as the area within the six ZIP codes listed in Table 1. The City of Austin, several nonprofit organizations, and private developers offer affordable housing to East Austin residents, either individuals or families, that meet the income qualifications.

Affordable units in East Austin belong to one of three programs: the Developer Incentive Program, the Rental Housing Development Assistance (RHDA) Program, or the Acquisition and Development (A&D) Homeownership Program.

The Developer Incentive Program allocates additional entitlements or privileges to developers, such as additional density or height, in exchange for community benefits, including affordable rental and ownership housing units. The RHDA Program includes only rental housing units, and the A&D Program only includes ownership housing units.

Depending on the eligibility requirements

of the program, residents must earn a certain percentage of the Austin MSA’s median family income (MFI) to qualify for an affordable unit. Unlike median “household” income (MHI), which is a single number, median “family” income varies by family size.

The U.S. Department of Housing and Urban Development (HUD) annually calculates MFI for program eligibility. Typically, the residents must fit within one of the four income categories shown in Table 2.

HUD calculated \$76,800 for the 2015 four-person family MFI for all five counties in the Austin MSA. To qualify for an affordable unit for incomes equal to or less than 80 percent and greater than 60 percent of the Austin MSA MFI, a family must have earned between \$46,080 ($\$76,800 \times 0.6$) and \$61,440 ($\$76,800 \times 0.8$). The 2015 four-person family MFI in ZIP 78723 was only \$39,360 and \$39,307 in ZIP 78752, the only two East Austin ZIP codes reporting income statistics.

The MFI for the two reported ZIP codes was about half that of Travis County. Since HUD uses the Austin MSA’s \$76,800 MFI to determine affordable housing qualification, a number of East Austin residents would likely not have sufficient income to qualify for many of East Austin’s affordable units.

According to the Affordable Housing Inventory database managed by the City of Austin, as of January 2017 more than 2,300 affordable units were located within East Austin. This number represents affordable rental and ownership units that have been completed. Almost three-quarters of the affordable units in

Table 1. Affordable Housing Units in East Austin

East Austin ZIP Code	Number of Affordable Units (Completed Rental and Ownership)	Total Affordable East Austin Units (Percent)
78702	572	24.0
78721	298	12.5
78722	174	7.3
78723	657	27.6
78741	525	22.0
78752	157	6.6
Total	2,383	100

Source: Affordable Housing Inventory, City of Austin

Table 2. Affordable Housing Units in East Austin by MFI

East Austin ZIP Code	Units for Incomes <= 30% of Austin MSA MFI	Units for Incomes <= 50% & >30% of Austin MSA MFI	Units for Incomes <= 60% & > 50% of Austin MSA MFI	Units for Incomes <= 80% & > 60% of Austin MSA MFI	Total Affordable Units (Completed, Rental and Ownership Units)
78702	20	410	62	80	572
78721	21	3	250	24	298
78722	28	83	51	12	174
78723	37	192	127	301	657
78741	7	134	74	310	525
78752	0	157	0	0	157
Total	113	979	564	727	2,383

Source: Affordable Housing Inventory, City of Austin

East Austin are located in three of the area’s six ZIP codes: 78702, 78723, and 78741 (Table 1).

Overall, the number of affordable units within East Austin is similar across the various income categories except for those residents whose income is equal to or less than 30 percent of MFI (Table 2). However, within each of the six individual ZIP codes, the number of housing units offered at each income level varies widely.

Almost three-fourths of affordable units within ZIP code 78702, which is closest to downtown, are for residents with incomes equal to or less than 50 percent but more than 30 percent of MFI. Alternatively, the proportion of affordable units in ZIP codes 78723 and 78741 is highest for residents with incomes equal to or less than 80 percent but more than 60 percent of MFI.

Slightly more than 40 percent of all East Austin affordable units are for residents with incomes equal to or less than 50 percent but more than 30 percent of MFI. Less than 5 percent of all units are tailored to residents making 30 percent of MFI or less.

The bulk of East Austin’s affordable housing units—92.3%—are rentals (Table 3). Both single-family and multifamily properties are included. However, housing units offered for ownership are only available to residents with incomes greater than or equal to 80 percent of MFI.

In 2015, the Census Bureau’s American Community Survey (ACS) reported that 60,584 housing units were located within the six East Austin ZIP codes. The 2,383 affordable

units represent less than 4 percent of that total housing stock. Even more striking, the 184 affordable housing units for ownership comprise less than one-half of 1 percent of the total stock.

Owner-Occupied Housing

The number of potential ZIP codes affordable to East Austin homeowners looking to purchase another home in one of the six East Austin ZIP codes decreased significantly from 2011 to 2015.

To calculate affordability, this article uses the median multiple, a standardized method for measuring housing affordability developed by Demographia. The median multiple is a simple ratio of median sales price divided by MHI. The Real Estate Center’s median sales price data used in the analysis was restricted to existing single-family homes sold through multiple listing services.

MHI is used in the median multiple calculations rather than MFI to represent all households in East Austin rather than just families. For a more detailed discussion of the median multiple, refer to the methodology section in “Change and Challenges.”

The 2011 MHI for East Austin was calculated by multiplying the number of owner-occupied units by the owner-occupied MHI for each of the six ZIP codes. The sum was divided by the total number of owner-occupied units in all six East Austin ZIP codes. The result is a weighted average MHI for East Austin homeowners.

East Austin’s 2015 MHI was calculated using the growth rate in MHI for Travis County from 2011 to 2015 as opposed to East Austin’s MHI growth rate. Owner-occupied MHI for East Austin increased approximately 16 percent from 2011 to 2015 versus just over six percent for Travis County.

The larger percentage increase in owner-occupied MHI that occurred in East Austin is likely the result of higher-income homebuyers migrating into the area. For this reason, the lower Travis County MHI growth rate is considered more indicative of the income growth experienced by East Austin’s long-time legacy homeowners.

The 2011 owner-occupied MHI for East Austin was estimated at \$53,339. By 2015, it had increased to \$56,730 assuming the 6 percent growth rate in MHI for Travis County. As discussed in “Change and Challenges,” MHI in East Austin increased at different rates among the six ZIP codes. Using the Travis County owner-occupied MHI growth rate also controls for the effect of variations in income among the six ZIP codes.

Table 3: Affordable Housing Units in East Austin by Housing Type

East Austin ZIP Code	Number of Units (Ownership)	Number of Units (Rental)	Total Affordable Units
78702	20	552	572
78721	8	290	298
78722	0	174	174
78723	115	542	657
78741	41	484	525
78752	0	157	157
Total	184	2,199	2,383

Source: Affordable Housing Inventory, City of Austin

Table 4: Home Price Affordability Based on Owner-Occupied Income of East Austin Residents

Rating	Median Multiple	Sales Price Range (2011)	Sales Price Range (2015)
Affordable	3.0 & under	\$160,017 and Below	\$170,190 and Below
Moderately Unaffordable	>3.0 to 4.0	160,018–213,356	170,191–226,920
Seriously Unaffordable	>4.0 to 5.0	213,357–266,695	226,921–283,650
Severely Unaffordable	>5.0	266,696 and Over	283,651 and Over

Sources: Demographic International Housing Affordability Survey and Real Estate Center at Texas A&M University

The MHI for East Austin was multiplied by the median multiple to derive the range of home prices within each affordability category (Table 4). For a home in an East Austin ZIP code to be classified *affordable* in 2011, the median sales price had to have been \$160,017 or less ($\$53,339 \times 3.0$). In 2015, the median sales price had increased to \$170,190 or less ($\$65,730 \times 3.0$).

ZIP codes occasionally overlap county lines. This caused certain ZIP codes to be included in the calculations of more than one county in Table 5.

The East Austin MHI is held constant regardless of ZIP code. Additionally, the median sales price is the same within a particular ZIP code, even if it crosses county lines. As a result, the median multiple will remain the same for individual ZIP codes regardless of county.

The results for more rural ZIP codes are constrained by the limited number of home sales. Any one sale in a sparsely populated county will have a larger effect on the median multiple than it would in more densely populated ZIP codes where there tend to be more home sales.

The median multiple merely provides a benchmark for housing affordability. Due to a variety of individual circumstances, some East Austin residents might purchase a home within a ZIP code not classified as *affordable*. However, the increased housing costs that accompany owning a more expensive home, especially property taxes, would be a significant barrier to most displaced lower-income residents.

In 2011, 25 ZIP codes in Travis County were affordable to East Austin homeowners (Table 5). By 2015, the number had decreased by more than half to only 12. This assumes that the income for East Austin homeowners grew at the overall rate for Travis County.

By 2015, compared with Travis County, East Austin homeowners appeared more likely to purchase in Williamson, Caldwell, and Bastrop Counties and slightly less likely in Hays County. In Caldwell and Bastrop Counties, about half of ZIP codes were classified

affordable in 2015 compared with only 18 percent in Travis County.

The portion of *affordable* ZIP codes in Williamson County (38 percent) was also higher than in Travis County. In Hays County, only 10 percent of ZIP codes were classified *affordable* in 2015, a significant decline from 2011.

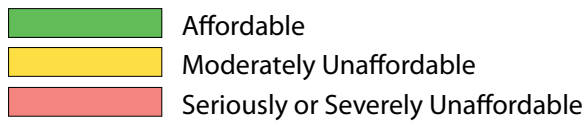
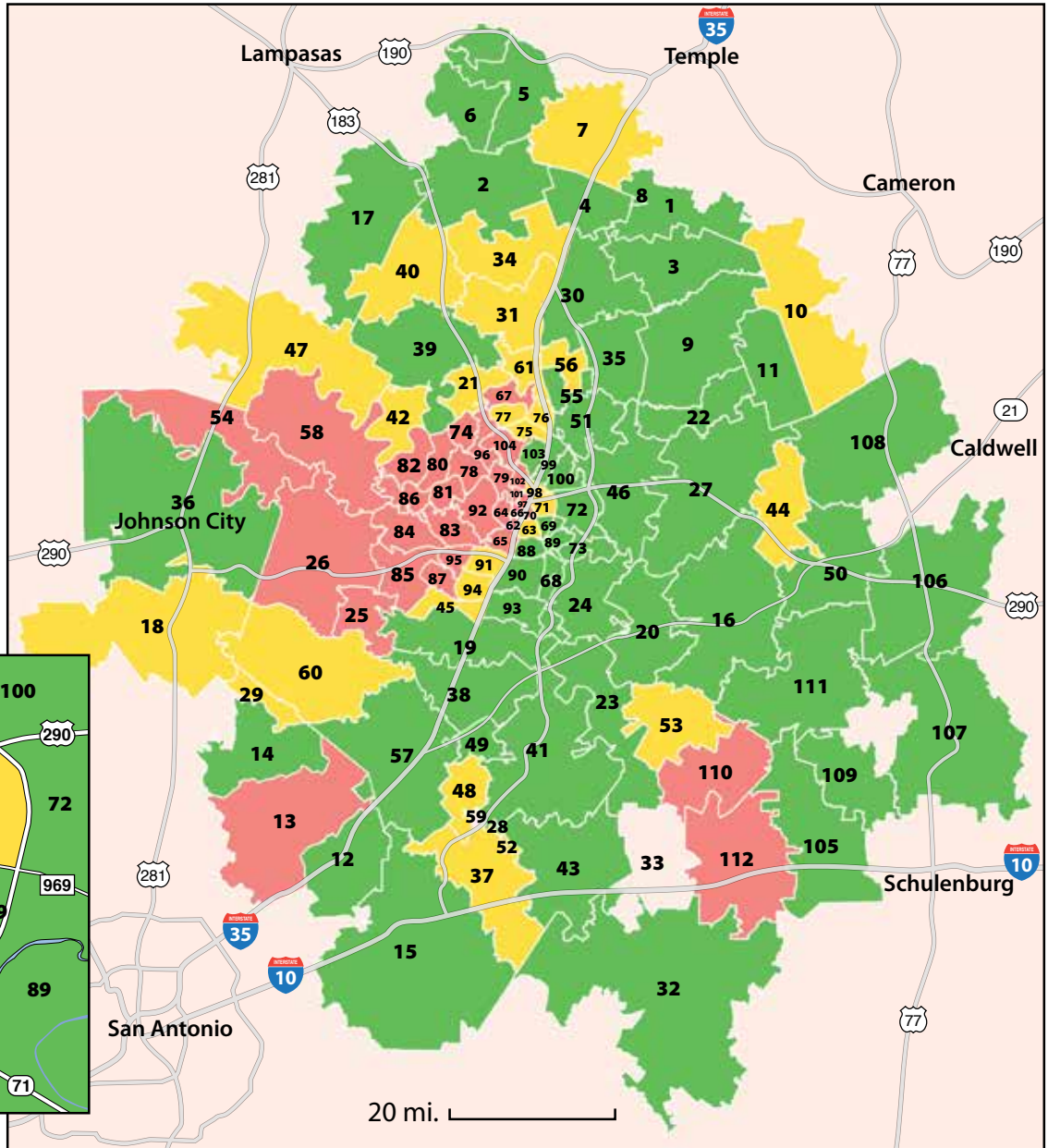
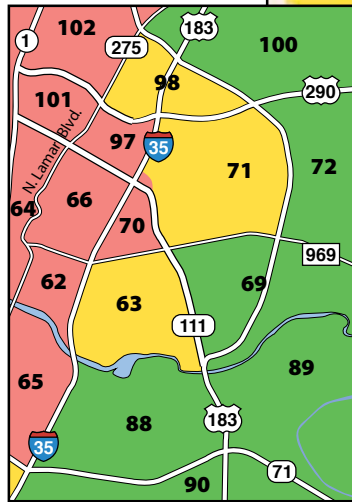
Owner-occupied housing affordability for East Austin residents is contrasted in two maps, one for 2011 and one for 2015 (Maps 1 and 2). Along with the *affordable* category, the maps depict the *moderately unaffordable* ZIP codes separately from the *seriously unaffordable* and *severely unaffordable* categories. The assumption is that some displaced East Austin residents would be financially able to purchase homes in *moderately unaffordable* ZIP codes as well.

In 2011, the median sales price for *affordable* ZIP codes was equal to or less than \$160,017 (based on a median multiple of 3.0). The median sales price for *moderately unaffordable* ZIP codes ranged from \$160,018 to \$213,356 (based on a median multiple of >3.0–4.0). The median sales price for *seriously* or *severely unaffordable* ZIP codes was \$213,357 or above (based on a median multiple >4.0).

In 2015, the median sales price for *affordable* ZIP codes was equal to or less than \$170,190. The median sales price for *moderately unaffordable* ZIP codes ranged from \$170,191 to \$226,920. The median sales price for *seriously* or *severely unaffordable* ZIP codes was \$226,921 or above.

In all, 52 ZIP codes in the five counties were classified as *affordable* to East Austin residents in 2011 while 27 were *moderately unaffordable*, and 31 were *seriously* or *severely unaffordable*. (Two ZIP codes were omitted in 2011 because of no home sales.) By 2015, only 31 ZIP codes were still classified *affordable* while 26 were *moderately unaffordable*, and 55 were *seriously* or *severely unaffordable*.

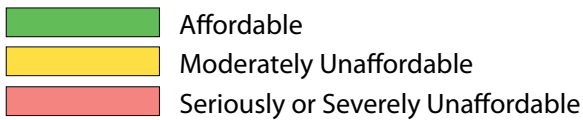
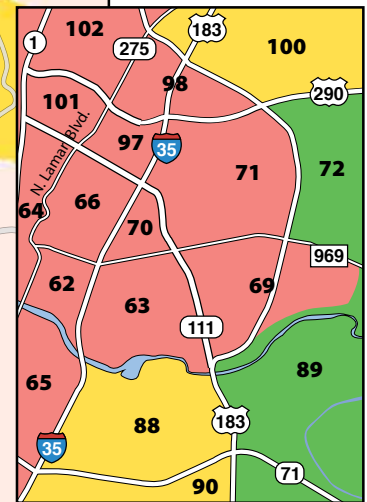
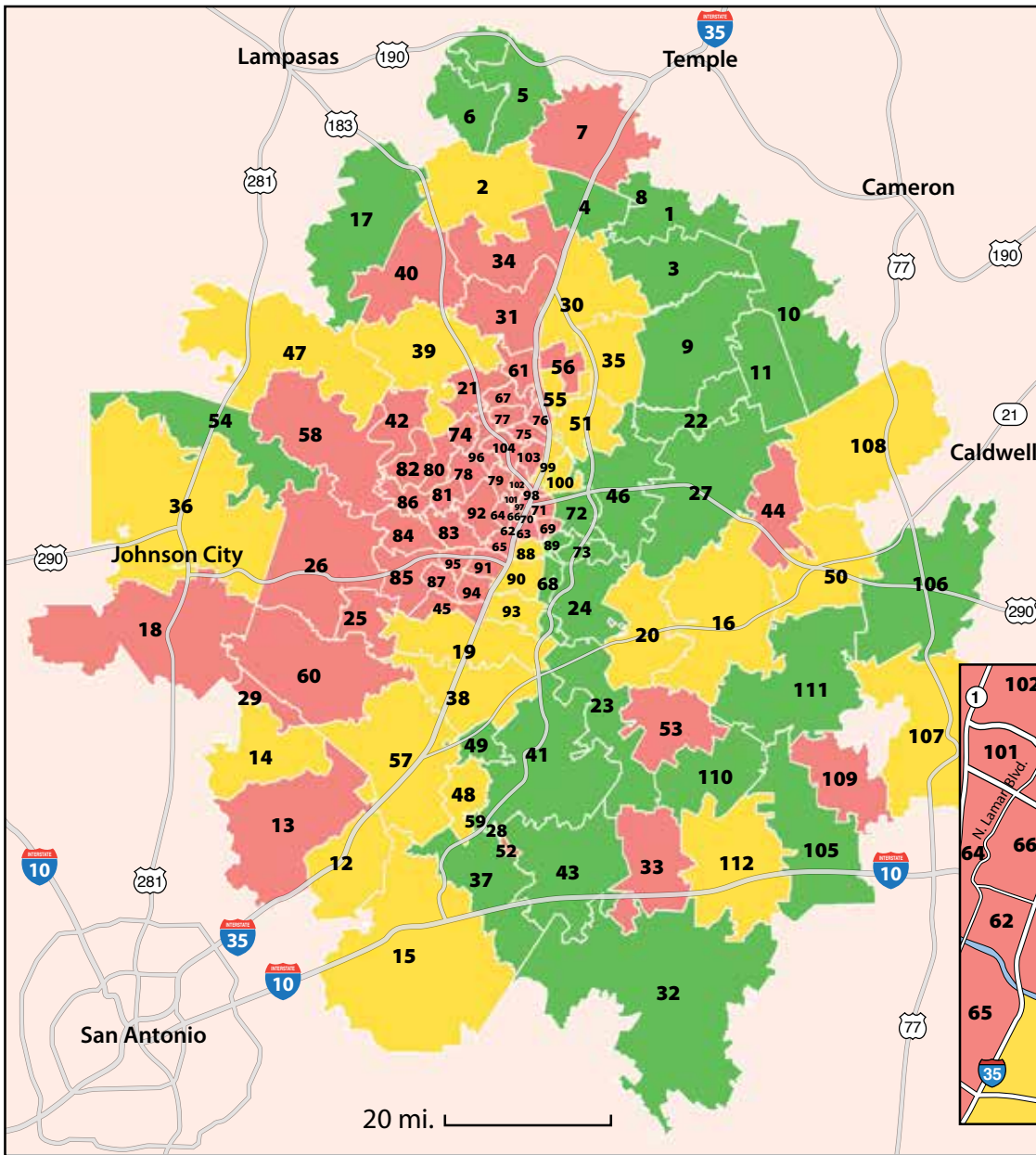
2011 Austin MSA Affordability Map by Zip Code



1. 76511	17. 78605	33. 78632	49. 78656	65. 78704	81. 78733	97. 78751
2. 76527	18. 78606	34. 78633	50. 78659	66. 78705	82. 78734	98. 78752
3. 76530	19. 78610	35. 78634	51. 78660	67. 78717	83. 78735	99. 78753
4. 76537	20. 78612	36. 78636	52. 78661	68. 78719	84. 78736	100. 78754
5. 76542	21. 78613	37. 78638	53. 78662	69. 78721	85. 78737	101. 78756
6. 76549	22. 78615	38. 78640	54. 78663	70. 78722	86. 78738	102. 78757
7. 76571	23. 78616	39. 78641	55. 78664	71. 78723	87. 78739	103. 78758
8. 76573	24. 78617	40. 78642	56. 78665	72. 78724	88. 78741	104. 78759
9. 76574	25. 78619	41. 78644	57. 78666	73. 78725	89. 78742	105. 78941
10. 76577	26. 78620	42. 78645	58. 78669	74. 78726	90. 78744	106. 78942
11. 76578	27. 78621	43. 78648	59. 78670	75. 78727	91. 78745	107. 78945
12. 78130	28. 78622	44. 78650	60. 78676	76. 78728	92. 78746	108. 78947
13. 78132	29. 78623	45. 78652	61. 78681	77. 78729	93. 78747	109. 78949
14. 78133	30. 78626	46. 78653	62. 78701	78. 78730	94. 78748	110. 78953
15. 78155	31. 78628	47. 78654	63. 78702	79. 78731	95. 78749	111. 78957
16. 78602	32. 78629	48. 78655	64. 78703	80. 78732	96. 78750	112. 78959

Note: East Austin ZIP codes are bold.

2015 Austin MSA Affordability Map by Zip Code



1. 76511	17. 78605	33. 78632	49. 78656	65. 78704	81. 78733	97. 78751
2. 76527	18. 78606	34. 78633	50. 78659	66. 78705	82. 78734	98. 78752
3. 76530	19. 78610	35. 78634	51. 78660	67. 78717	83. 78735	99. 78753
4. 76537	20. 78612	36. 78636	52. 78661	68. 78719	84. 78736	100. 78754
5. 76542	21. 78613	37. 78638	53. 78662	69. 78721	85. 78737	101. 78756
6. 76549	22. 78615	38. 78640	54. 78663	70. 78722	86. 78738	102. 78757
7. 76571	23. 78616	39. 78641	55. 78664	71. 78723	87. 78739	103. 78758
8. 76573	24. 78617	40. 78642	56. 78665	72. 78724	88. 78741	104. 78759
9. 76574	25. 78619	41. 78644	57. 78666	73. 78725	89. 78742	105. 78941
10. 76577	26. 78620	42. 78645	58. 78669	74. 78726	90. 78744	106. 78942
11. 76578	27. 78621	43. 78648	59. 78670	75. 78727	91. 78745	107. 78945
12. 78130	28. 78622	44. 78650	60. 78676	76. 78728	92. 78746	108. 78947
13. 78132	29. 78623	45. 78652	61. 78681	77. 78729	93. 78747	109. 78949
14. 78133	30. 78626	46. 78653	62. 78701	78. 78730	94. 78748	110. 78953
15. 78155	31. 78628	47. 78654	63. 78702	79. 78731	95. 78749	111. 78957
16. 78602	32. 78629	48. 78655	64. 78703	80. 78732	96. 78750	112. 78959

Note: East Austin ZIP codes are bold.

Several ZIP codes overlap across county lines. Ignoring the overlap and summing the ZIP codes in individual counties listed in Table 5 yields a larger 76 ZIP codes that were classified *affordable* in 2011, dropping to only 46 that were *affordable* in 2015.

Using Demographics to Compare Across ZIP Codes

Tracking the exact movements of dislocated East Austin homeowners from one home to another is not possible.

Table 5. Housing Affordability by Number of ZIP Codes for East Austin Owner-Occupied Households

Categories	Median Multiple	Travis County			
		Number ZIPs in 2011	Percent of Total	Number ZIPs in 2015	Percent of Total
Affordable	3.0 and under	25	38	12	18
Moderately Unaffordable	>3.0 to 4.0	14	21	13	20
Seriously Unaffordable	>4.0 to 5.0	6	9	12	18
Severely Unaffordable	>5.0	21	32	29	44
Total		66	100	66	100
Categories	Median Multiple	Williamson County			
		Number ZIPs in 2011	Percent of Total	Number ZIPs in 2015	Percent of Total
Affordable	3.0 and under	19	56	13	38
Moderately Unaffordable	>3.0 to 4.0	11	32	7	21
Seriously Unaffordable	>4.0 to 5.0	1	3	9	26
Severely Unaffordable	>5.0	3	9	5	15
Total		34	100	34	100
Categories	Median Multiple	Hays County			
		Number ZIPs in 2011	Percent of Total	Number ZIPs in 2015	Percent of Total
Affordable	3.0 and under	8	40	2	10
Moderately Unaffordable	>3.0 to 4.0	5	25	8	40
Seriously Unaffordable	>4.0 to 5.0	3	15	4	20
Severely Unaffordable	>5.0	4	20	6	30
Total		20	100	20	100
Categories	Median Multiple	Caldwell County			
		Number ZIPs in 2011	Percent of Total	Number ZIPs in 2015	Percent of Total
Affordable	3.0 and under	10	63	10	56
Moderately Unaffordable	>3.0 to 4.0	4	25	5	28
Seriously Unaffordable	>4.0 to 5.0	1	6	1	6
Severely Unaffordable	>5.0	1	6	2	11
Total		16	100	18	100
Categories	Median Multiple	Bastrop County			
		Number ZIPs in 2011	Percent of Total	Number ZIPs in 2015	Percent of Total
Affordable	3.0 and under	14	78	9	50
Moderately Unaffordable	>3.0 to 4.0	2	11	6	33
Seriously Unaffordable	>4.0 to 5.0	1	6	1	6
Severely Unaffordable	>5.0	1	6	2	11
Total		18	100	18	100

Note: Two ZIP codes were omitted in 2011 due to no home sales.

Sources: Demographic International Housing Affordability Survey and Real Estate Center at Texas A&M University

**Table 6. Median Multiple and the Variables Used in Calculation
(ZIP Codes Classified “Affordable” in 2011)**

ZIP Code	Median Sales Price (Dollars)	East Austin Owner-Occupied MHI (3) (Dollars)	Median Multiple	Owner-Occupied MHI for ZIP Code (5) (Dollars)	Percentage Difference Between Column 3 and 5
76511	67,500	53,339	1.27	42,031	21.2
76527	67,600	53,339	1.27	62,045	-16.3
76530	72,500	53,339	1.36	51,991	2.5
76537	85,500	53,339	1.60	60,313	-13.1
76542	114,900	53,339	2.15	67,855	-27.2
76549	102,500	53,339	1.92	56,861	-6.6
76573	64,921	53,339	1.22	31,364	41.2
76574	87,500	53,339	1.64	54,502	-2.2
76578	69,075	53,339	1.30	67,209	-26.0
78130	147,000	53,339	2.76	67,001	-25.6
78133	159,400	53,339	2.99	65,327	-22.5
78155	139,750	53,339	2.62	60,587	-13.6
78602	135,675	53,339	2.54	69,096	-29.5
78605	104,500	53,339	1.96	47,841	10.3
78610	160,000	53,339	3.00	90,006	-68.7
78612	140,900	53,339	2.64	63,444	-18.9
78615	128,500	53,339	2.41	77,426	-45.2
78616	60,000	53,339	1.12	52,167	2.2
78617	82,300	53,339	1.54	49,427	7.3
78621	91,750	53,339	1.72	63,923	-19.8
78622	55,000	53,339	1.03	64,125	-20.2
78626	139,000	53,339	2.61	65,422	-22.7
78629	87,750	53,339	1.65	48,698	8.7
78634	108,500	53,339	2.03	72,119	-35.2
78636	132,500	53,339	2.48	58,646	-9.9
78640	125,250	53,339	2.35	67,280	-26.1
78641	139,975	53,339	2.62	75,008	-40.6
78644	110,000	53,339	2.06	62,481	-17.1
78648	108,500	53,339	2.03	42,630	20.1
78653	88,000	53,339	1.65	56,904	-6.7
78656	59,128	53,339	1.11	36,161	32.2
78659	125,000	53,339	2.34	63,324	-18.7
78660	141,000	53,339	2.64	84,962	-59.3
78664	130,000	53,339	2.44	80,278	-50.5
78666	151,000	53,339	2.83	60,401	-13.2
78719	110,000	53,339	2.06	40,476	24.1
78721	100,385	53,339	1.88	40,188	24.7
78724	75,000	53,339	1.41	50,701	4.9
78725	79,880	53,339	1.50	57,000	-6.9
78741	137,500	53,339	2.58	52,009	2.5
78742	121,495	53,339	2.28	25,563	52.1
78744	89,348	53,339	1.68	51,640	3.2
78747	146,875	53,339	2.75	63,949	-19.9
78753	122,100	53,339	2.29	60,364	-13.2
78754	142,900	53,339	2.68	70,807	-32.7
78758	145,000	53,339	2.72	64,083	-20.1
78941	44,000	53,339	0.82	51,648	3.2
78942	152,450	53,339	2.86	48,250	9.5
78945	129,500	53,339	2.43	48,853	8.4
78947	133,600	53,339	2.50	60,682	-13.8
78949	85,000	53,339	1.59	79,479	-49.0
78957	147,000	53,339	2.76	50,169	5.9

Sources: 2011 American Community Survey and Real Estate Center at Texas A&M University
Notes: Column 3 is the weighted average owner-occupied MHI of the six East Austin ZIP codes.
Column 5 is the owner-occupied MHI for individual ZIP codes.
East Austin ZIP codes are in bold.

To provide further insight into alternative areas they might find attractive, Tables 6 and 7 portray the median multiple and components in its calculation by ZIP code in the *affordable* category for 2011 and 2015, respectively. Tables 8 and 9 analyze the *moderately unaffordable* ZIP codes for the same periods.

ZIP codes are sorted numerically. The owner-occupied MHI for each ZIP code in column 5 demonstrates that East Austin homebuyers could purchase in some higher-income ZIP codes, depending on home price.

Distance from East Austin and the urban core is helpful in identifying patterns of relocation. This analysis assumes it is more likely for a household to relocate to the more affordable ZIP codes that are closer to those areas.

The maps show that the number of affordable ZIP codes close to East Austin was higher in 2011 than in 2015. In 2011, the ZIP codes closest to East Austin indicate that East Austin homeowners could purchase homes north, east, or south of the area. Only two ZIP codes within East Austin, 78721 and 78741, were affordable to East Austin homeowners in 2011 but not in 2015. In essence, by 2015, an East Austin household earning the East Austin owner-occupied MHI could not afford a median-priced home in any East Austin ZIP code.

In 2015, the ZIP codes closest to East Austin—78719, 78724, 78725, 78742, and 78653—indicate that East Austin homeowners earning the East Austin owner-occupied MHI could purchase homes farther east and

**Table 7. Median Multiple and the Variables Used in Calculation
(ZIP Codes Classified “Affordable” in 2015)**

ZIP Code	Median Sales Price (Dollars)	East Austin Owner-Occupied MHI (3) (Dollars)	Median Multiple	Owner-Occupied MHI for ZIP Code (5) (Dollars)	Percentage Difference Between Column 3 and 5
76511	94,000	56,730	1.66	45,240	20.3
76530	165,000	56,730	2.91	62,019	-9.3
76537	143,750	56,730	2.53	60,147	-6.0
76542	130,950	56,730	2.31	67,277	-18.6
76549	106,000	56,730	1.87	63,158	-11.3
76573	134,600	56,730	2.37	Not Reported	
76574	145,250	56,730	2.56	60,842	-7.2
76577	150,000	56,730	2.64	60,781	-7.1
76578	95,000	56,730	1.67	Not Reported	
78605	137,000	56,730	2.41	69,560	-22.6
78615	168,250	56,730	2.97	Not Reported	
78616	150,000	56,730	2.64	54,440	4.0
78617	155,000	56,730	2.73	51,080	10.0
78621	148,000	56,730	2.61	64,534	-13.8
78622	137,000	56,730	2.41	55,455	2.2
78629	160,500	56,730	2.83	53,540	5.6
78638	164,450	56,730	2.90	49,055	13.5
78644	138,500	56,730	2.44	63,358	-11.7
78648	116,900	56,730	2.06	50,821	10.4
78653	164,500	56,730	2.90	68,058	-20.0
78656	135,000	56,730	2.38	45,982	18.9
78663	110,000	56,730	1.94	Not Reported	
78670	170,000	56,730	3.00	63,750	-12.4
78719	125,000	56,730	2.20	Not Reported	
78724	158,750	56,730	2.80	49,113	13.4
78725	148,500	56,730	2.62	61,657	-8.7
78742	120,000	56,730	2.12	56,023	1.2
78941	134,900	56,730	2.38	43,750	22.9
78942	121,100	56,730	2.13	62,083	-9.4
78953	160,000	56,730	2.82	44,410	21.7
78957	134,000	56,730	2.36	49,659	12.5

Sources: 2015 American Community Survey and Real Estate Center at Texas A&M University
Notes: Column 3 is the weighted average owner-occupied MHI of the six East Austin ZIP codes.
Column 5 is the owner-occupied MHI for individual ZIP codes.

south of the area (Table 7). The owner-occupied MHI for these ZIP codes is similar to the East Austin MHI, with the exception of 78719, posing a higher likelihood for relocation. In 2015, ZIP code 78724's MHI was 13 percent lower than East Austin's while 78725's was 9 percent higher, 78742's was 1 percent lower, and 78653's was 20 percent higher.

Overall, in 2011, homeowners likely moved north, east, and south (Map 1). In 2015, homeowners likely moved northeast and southeast (Map 2).

Assuming some East Austin homeowners could afford to purchase homes priced above the *affordable* range, tables 8 and 9 depict the demographic profiles for *moderately unaffordable* ZIP codes to East Austin homeowners in 2011 and 2015.

Three ZIP codes in East Austin—78702, 78723, and 78752 were *moderately unaffordable* to East Austin

homeowners in 2011. By 2015, only one ZIP 78741, was *moderately unaffordable*.

Wayne Gerami, vice president of client services at Austin Habitat for Humanity, lives in East Austin. According to Gerami, “for the price I sell my home at, I could get something nicer if I looked farther east, really far south, or out in Bastrop, Del Valle, Pflugerville, or Buda, but then I'd be in a new area, farther from where I work, away from my established support structure.”

What the Future Holds

Terry Mitchell, president of Momark Development, emphasized “the loss of community and family relationships is a primary challenge facing homeowners displaced from East Austin. In terms of the construction of affordable housing, most of the affordable products provided are studio apartments. Affordable housing serves few families.”

Table 8. Median Multiple and the Variables Used in Calculation (ZIP Codes Classified “Moderately Unaffordable” in 2011)

ZIP Code	Median Sales Price (Dollars)	East Austin Owner-Occupied MHI (3) (Dollars)	Median Multiple	Owner-Occupied MHI for ZIP Code (5) (Dollars)	Percentage Difference Between Column 3 and 5
76571	207,500	53,339	3.89	81,013	-51.9
76577	161,150	53,339	3.02	51,350	3.7
78606	178,000	53,339	3.34	49,840	6.6
78613	187,000	53,339	3.51	95,499	-79.0
78623	169,500	53,339	3.18	72,930	-36.7
78628	203,100	53,339	3.81	94,583	-77.3
78633	204,000	53,339	3.82	72,524	-36.0
78638	166,000	53,339	3.11	73,750	-38.3
78642	184,000	53,339	3.45	79,975	-49.9
78645	195,000	53,339	3.66	74,307	-39.3
78650	183,000	53,339	3.43	66,500	-24.7
78652	195,907	53,339	3.67	92,115	-72.7
78654	189,000	53,339	3.54	54,009	-1.3
78655	168,000	53,339	3.15	55,750	-4.5
78661	169,500	53,339	3.18	38,393	28.0
78662	186,725	53,339	3.50	59,861	-12.2
78665	163,175	53,339	3.06	102,463	-92.1
78676	196,500	53,339	3.68	68,912	-29.2
78681	199,900	53,339	3.75	104,011	-95.0
78702	171,000	53,339	3.21	42,688	20.0
78723	161,000	53,339	3.02	62,054	-16.3
78727	196,038	53,339	3.68	94,068	-76.4
78728	162,450	53,339	3.05	86,600	-62.4
78729	183,000	53,339	3.43	87,853	-64.7
78745	165,000	53,339	3.09	65,876	-23.5
78748	166,000	53,339	3.11	85,297	-59.9
78752	166,000	53,339	3.11	61,066	-14.5

Sources: 2011 American Community Survey and Real Estate Center at Texas A&M University
 Notes: Column 3 is the weighted average owner-occupied MHI of the six East Austin ZIP codes.
 Column 5 is the owner-occupied MHI for individual ZIP codes.
 East Austin ZIP codes are in bold.

**Table 9. Median Multiple and the Variables Used in Calculation
(ZIP Codes Classified “Moderately Unaffordable” in 2015)**

ZIP Code	Median Sales Price (Dollars)	East Austin Owner-Occupied MHI (3) (Dollars)	Median Multiple	Owner-Occupied MHI for ZIP Code (5) (Dollars)	Percentage Difference Between Column 3 and 5
76527	194,250	56,730	3.42	58,611	-3.3
78130	190,000	56,730	3.35	66,222	-16.7
78133	197,353	56,730	3.48	60,709	-7.0
78155	174,700	56,730	3.08	58,240	-2.7
78602	179,450	56,730	3.16	62,993	-11.0
78610	225,000	56,730	3.97	84,748	-49.4
78612	185,200	56,730	3.26	64,973	-14.5
78626	188,000	56,730	3.31	70,026	-23.4
78634	174,500	56,730	3.08	75,728	-33.5
78636	209,000	56,730	3.68	62,176	-9.6
78640	177,500	56,730	3.13	68,846	-21.4
78641	200,000	56,730	3.53	85,883	-51.4
78654	225,500	56,730	3.97	54,917	3.2
78655	199,900	56,730	3.52	60,000	-5.8
78659	209,000	56,730	3.68	Not Reported	
78660	209,900	56,730	3.70	86,322	-52.2
78664	189,000	56,730	3.33	81,308	-43.3
78666	189,000	56,730	3.33	61,954	-9.2
78741	225,000	56,730	3.97	44,400	21.7
78744	174,000	56,730	3.07	51,928	8.5
78747	215,000	56,730	3.79	75,825	-33.7
78753	192,500	56,730	3.39	66,300	-16.9
78754	205,000	56,730	3.61	63,526	-12.0
78945	218,500	56,730	3.85	52,530	7.4
78947	175,000	56,730	3.08	59,569	-5.0
78959	207,000	56,730	3.65	44,938	20.8

Sources: 2015 American Community Survey and Real Estate Center at Texas A&M University
 Notes: Column 3 is the weighted average owner-occupied MHI of the six East Austin ZIP codes.
 Column 5 is the owner-occupied MHI for individual ZIP codes.
 East Austin ZIP codes are in bold.

Mitchell also believes a major disconnect exists between the size of affordable units demanded and the size of affordable units supplied. “Developers are struggling to put affordable housing in the form needed,” says Mitchell. “Many of our citizens will be renters forever unless their income goes up.”

Mounting single-family housing unaffordability will cause long-term East Austin residents to relocate farther from downtown. These residents may face issues related to employment, transportation, schools, and social support systems.

The limited number of affordable housing units within East Austin poses a weak solution to relocation, particularly for those residents who desire homeownership. Ultimately, long-term East Austin residents who sell their homes face increasing separation from the city as they move farther away. 📍

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