

## **Austin, Texas - When is affordable housing no longer affordable?**

From more than two decades, affordable housing rents in Texas have shown to be less than the rents charged by conventional market rate apartments. This always gave them a competitive advantage in the market, and gave income qualified residents a break on the cost of housing. In 2026, this advantage is quickly disappearing.

The affordable rental rates in the Austin area have already taken a hit. Many of the affordable rental communities that opened in 2025 saw an effective opening rent comparable to the program rents of 2023. These new lease-up properties often offered as much as two months free rent and cash incentives at move-in. These significant rent concessions continue in 2026.

At the same time, all is not doom and gloom for the Austin rental market. People continue to move to the Austin area at an average rate of 150+ people per day. The unemployment rate remains stable at 3.7%, with significant industrial investment led by the Samsung Taylor campus (\$40B). Employment growth in 2025 was 1.5% (+35,000 jobs) and is expected to increase as many of the industrial projects that are now under construction begin to employ these Austin newcomers.

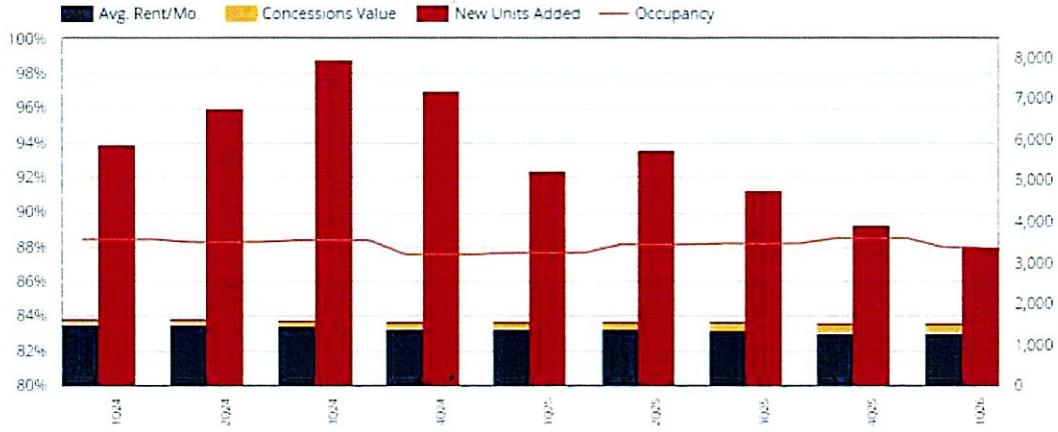
One segment of the Austin rental market that has been particularly hard hit is the affordable senior market. In 2025 we saw rental communities that had historically high occupancy rates drop by 10% or more. January 2026 recorded an average occupancy rate of 82.2% for communities previously stabilized. After a significant period of time, two senior projects in lease-up requested TDHCA remove the senior restriction from their LURA in order to hopefully stabilize.

So why have senior projects in Austin taken such a hit? And is Austin a bellwether for other Texas cities, and/or cities nationally?

These are difficult questions to answer. Since 2000, Austin, Texas has been one of the fastest growing cities in the nation. From 2010 to 2020, the Austin MSA grew at a rate of 248 people per day. Helping to drive this growth was the relocation of companies that included Oracle, Tesla, X, PEAK6 Investments, and the significant investment of many others. No state income tax, lower operating costs, access to talent, business-friendly regulation, and remote/hybrid work flexibility continue to attract both employers and employees to the Austin area.

At the same time, the post-pandemic rent surge (2021-2022) and continued building have led to nearly four years of market softness. Over this time period, occupancy rates have remained tightly range-bound between 87% and 89%, while rents have declined over the same time period.

## Historical Rents and Occupancy

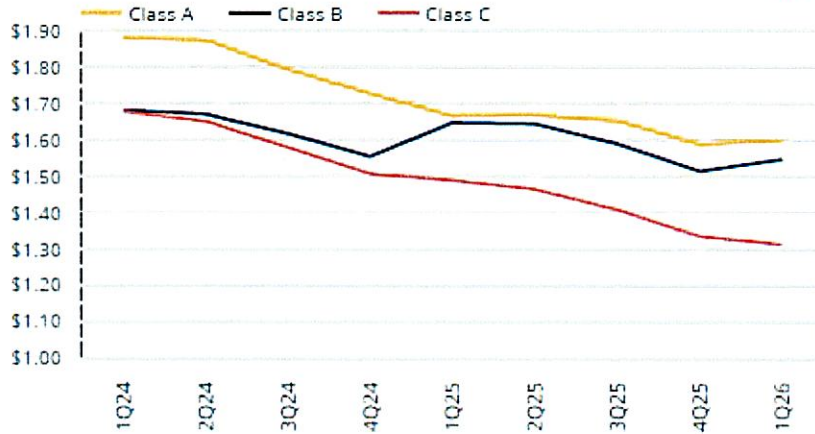


	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26
Avg. Rent/Mo	\$1,518	\$1,511	\$1,450	\$1,400	\$1,389	\$1,386	\$1,356	\$1,294	\$1,293
Concessions	\$81	\$87	\$105	\$130	\$139	\$144	\$152	\$178	\$180
New Units	5,904	6,738	7,972	7,201	5,241	5,741	4,735	3,935	3,390
Occupancy	88.4%	88.3%	88.4%	87.6%	87.6%	88.1%	88.2%	88.5%	87.9%
Avg. \$/SF	\$1.76	\$1.75	\$1.68	\$1.61	\$1.60	\$1.59	\$1.56	\$1.49	\$1.49

## Historical Occupancy by Class



## Historical Rental Rates by Class



And while conventional market rents have declined 15% (2024-2026), the program rents for affordable housing communities have increased 15% (~\$198/mo.). This increase is based on the AMGI increasing from \$122,300 (2023) to \$134,400 (2026). As a result, an affordable program rent in Austin can be greater than a comparable market rent in 2026. Meanwhile, the Social Security COLA increases have averaged 2.83% (\$55/mo.).

SSI	COLA %	\$ Increase
2020	1.60%	\$24
2021	1.30%	\$20
2022	5.90%	\$92
2023	8.70%	\$146
2024	3.20%	\$59
2025	2.50%	\$49
2026	2.80%	\$56

**TOTAL**

**\$446**

So what we have in the Austin area is increasing incomes and declining rents, creating an inverse correlation between market rents and affordable program rents. At the same time, the Social Security COLA increases have failed to cover a 35% increase in utilities and the corresponding increases in the program rents. The apparent result is fewer senior households on fixed incomes are finding affordable housing affordable.

AMGI	Austin	Dallas	Ft Worth	Houston	San Antonio
2020	\$97,600	\$86,200	\$81,500	\$78,800	\$72,000
2021	\$98,900	\$89,000	\$80,800	\$79,200	\$74,100
2022	\$110,300	\$97,400	\$92,300	\$90,100	\$83,500
2023	\$122,300	\$105,600	\$97,700	\$93,200	\$88,600
2024	\$126,000	\$110,300	\$101,900	\$94,600	\$88,500
2025	\$133,800	\$117,300	\$106,700	\$101,100	\$98,300
2026	\$134,400	\$121,100	\$110,300	\$104,000	\$100,600

% Change            37.7%            40.5%            35.3%            32.0%            39.7%

One Bdrm Rent - 60%	Austin	Dallas	Ft Worth	Houston	San Antonio
2020	\$1,098	\$970	\$917	\$887	\$810
2021	\$1,113	\$1,001	\$909	\$891	\$834
2022	\$1,242	\$1,096	\$1,017	\$997	\$933
2023	\$1,314	\$1,160	\$1,077	\$1,049	\$988
2024	\$1,417	\$1,242	\$1,147	\$1,065	\$996
2025	\$1,506	\$1,320	\$1,200	\$1,137	\$1,087
2026	\$1,512	\$1,362	\$1,242	\$1,170	\$1,132

\$ Change            \$414            \$392            \$325            \$283            \$322  
 COLA                \$446            \$446            \$446            \$446            \$446  
 Net \$                \$32            \$54            \$121            \$163            \$124

<b>Two Bdrm Rent - 60%</b>	<b>Austin</b>	<b>Dallas</b>	<b>Ft Worth</b>	<b>Houston</b>	<b>San Antonio</b>
2020	\$1,318	\$1,164	\$1,101	\$1,065	\$972
2021	\$1,336	\$1,201	\$1,092	\$1,069	\$1,000
2022	\$1,489	\$1,315	\$1,221	\$1,197	\$1,120
2023	\$1,578	\$1,392	\$1,293	\$1,258	\$1,186
2024	\$1,701	\$1,489	\$1,377	\$1,278	\$1,195
2025	\$1,807	\$1,584	\$1,441	\$1,365	\$1,305
2026	\$1,815	\$1,635	\$1,489	\$1,404	\$1,359
<b>\$ Change</b>	<b>\$497</b>	<b>\$471</b>	<b>\$388</b>	<b>\$339</b>	<b>\$387</b>
<b>COLA x1.5</b>	<b>\$669</b>	<b>\$669</b>	<b>\$669</b>	<b>\$669</b>	<b>\$669</b>
<b>Net \$</b>	<b>\$172</b>	<b>\$198</b>	<b>\$281</b>	<b>\$330</b>	<b>\$282</b>

From the tables below, the demographic data shows a 30% increase in the number of households earning over \$100,000, with only a 12.2% increase in households earning less than \$100,000 (2020 - 2025). For the same income bands, forecast estimates to 2030 predict a 32% increase in households earning over \$100,000, while households earning less than \$100,000 are expected to decline by 9.1%.

**This Space Intentionally Left Blank**

Austin MSA – HH Income	2020	2025	% Change	2030	% Change
Less than \$10,000	38,472	43,203	12.3%	42,965	-0.6%
\$10,000 to \$14,999	20,245	21,077	4.1%	18,551	-12.0%
\$15,000 to \$19,999	18,727	18,984	1.4%	19,633	3.4%
\$20,000 to \$24,999	20,818	21,263	2.1%	19,349	-9.0%
\$25,000 to \$29,999	25,037	21,783	-13.0%	20,497	-5.9%
\$30,000 to \$34,999	23,377	26,368	12.8%	20,664	-21.6%
\$35,000 to \$39,999	23,517	25,155	7.0%	25,526	1.5%
\$40,000 to \$44,999	26,630	27,123	1.9%	21,052	-22.4%
\$45,000 to \$49,999	27,605	27,586	-0.1%	27,501	-0.3%
\$50,000 to \$59,999	59,661	59,337	-0.5%	54,032	-8.9%
\$60,000 to \$74,999	79,281	86,629	9.3%	86,904	0.3%
\$75,000 to \$99,999	112,607	130,061	15.5%	134,242	3.2%
\$100,000 to \$124,999	93,930	109,478	16.6%	116,901	6.8%
\$125,000 to \$149,999	75,061	87,832	17.0%	101,373	15.4%
\$150,000 to \$199,999	100,524	129,858	29.2%	159,780	23.0%
\$200,000 or more	141,810	210,043	48.1%	331,501	57.8%
<b>TOTAL</b>	<b>887,302</b>	<b>1,045,780</b>	<b>17.9%</b>	<b>1,200,471</b>	<b>14.8%</b>

#### 60% Income Band

Austin MSA – HH Income	2020	2025	% Change	2030	% Change
Under \$35,000	146,676	152,678	4.1%	141,659	-7.2%
\$35,000 to \$99,999	329,301	355,891	8.1%	349,257	-1.9%
Over \$100,000	411,325	537,211	30.6%	709,555	32.1%

Studying the median household incomes by age, households age 55+ did not see the same type of increases that younger households saw (2020 to 2025).

<b>Austin MSA – Median HH Income by Age</b>	<b>2020</b>	<b>2025</b>	<b>% Change</b>
<b>HH under 25 years</b>	<b>\$ 39,283</b>	<b>\$ 43,564</b>	<b>10.9%</b>
<b>HH 25 to 34 years</b>	<b>\$ 94,093</b>	<b>\$ 99,644</b>	<b>5.9%</b>
<b>HH 35 to 44 years</b>	<b>\$ 109,212</b>	<b>\$ 131,435</b>	<b>20.3%</b>
<b>HH 45 to 54 years</b>	<b>\$ 111,452</b>	<b>\$ 133,129</b>	<b>19.4%</b>
<b>HH 55 to 64 years</b>	<b>\$ 109,047</b>	<b>\$ 107,772</b>	<b>-1.2%</b>
<b>HH 65 to 74 years</b>	<b>\$ 72,378</b>	<b>\$ 87,370</b>	<b>20.7%</b>
<b>HH 75 years +</b>	<b>\$ 70,264</b>	<b>\$ 66,830</b>	<b>-4.9%</b>

So the end question is, “Where is the Austin affordable senior rental market headed?”

The forecast here is not so positive. As the Austin AMGI continues to increase over time, many of the existing residents will be priced out of the affordable rental market. Then the question becomes, “Can these communities attract a higher income senior”? Only time can give us this answer.

Authored by:

Darrell G Jack  
President  
Apartment MarketData, LLC  
Djack@apmtktdata.com

# January 2026

TDHCA	Property Name	Built	30%	40%	50%	60%	70%	80%	Mkt	Assist.	Total	Vacant	Occupancy	Concessions
	<b>LEASING</b>													
20701	Ekos City Heights	2024	10		110				59		179	58	67.6%	starting at \$998 (50% 1BR), 60% \$1,255 / \$1,506) two months free
20416	Heritage Estates at Wells Branch	2023			17	148	9				174	30	82.8%	Up to \$3,000 in free rent (\$849 / \$1,600)
20486	The Heights at 8721	2024				207					207	54	79.9%	3 months free (\$999 / \$1,299)
	<b>TOTAL UNITS</b>		10	0	127	355	9	59	0	0	560	142	74.6%	
	<b>PREVIOUSLY STABILIZED</b>													
22454	Sunday Village (fix Arbors at Creekside)	2002			88	87			1		176	41	76.7%	\$2k Gift Card + 2 months free, starting at \$899 / \$999
05207	City View at the Park Seniors	2008	7			61			2		70	8	88.6%	none (\$1,352, \$1,615)
15403	Harris Branch Senior	2017				216					216	44	79.6%	reduced rents (\$899/\$1,050) & 1/2 off for 3 months
24415	Heritage Pointe Senior	2005	20	77	77	19		47			240	23	90.4%	reduced rents (\$1,380 60% 1BR / \$2,237 80% 2BR) & 2 months free
19434	Limestone Ridge	2021				223			2		225	33	85.3%	reduced rents (\$999-\$1,099/\$1,299) and 8 weeks 1BR, 6 weeks 2BR
98174	Lodge at Merrittown	1999			62	142					204	22	89.2%	significantly reduced rents (\$799/\$899-\$950) and \$69 move-in
17445	Nightingale at Goodnight Ranch	2019	11		36	94		19	14		174	34	80.5%	reduced rents (\$999/\$1,299)
24417	Village at Collinwood	2001				174					174	13	92.5%	reduced rents (\$895/\$995) & 2 months free
14401	Villages at Ben White Seniors	2016				183					183	35	80.9%	reduced rents (\$1,099/\$1,299) & \$200 off
16443	Villages at Fiskville	2018				172					172	47	72.7%	reduced rents (\$890/\$990)
09268	Wildflower Terrace	2011	26		60	85			30		201	14	93.0%	none (\$1,422, \$1,701) 1 month free
18448	The Rebekah	2022	4		69	14				137	224	70	68.8%	
23425	The Ladybird	1972	18		72	156		27			279	69	75.3%	
	<b>TOTAL UNITS</b>		86	77	464	1,626	0	93	49	137	2,538	453	82.2%	
	<b>TOTAL ALL SENIOR UNITS</b>		96	77	591	1,981	9	152	49	137	3,098	595	80.8%	

TDHCA	100% SUBSIDIZED	Built	30%	40%	50%	60%	70%	80%	Mkt	Assist.	Total	Vacant	Occupancy
17412	Pathways at Gaston Place	1978								100	100	2	98.0%
16420	Pathways at North Loop	1975								130	130	2	98.5%