# 2016-2017 BUDGET QUESTION

## *Response to Request for Information*

**DEPARTMENT:** Financial Services – Budget

**REQUEST NO.:** 71

**REQUESTED BY:** Garza

**DATE REQUESTED:** 6/17/16

**DATE POSTED:** 8/11/16

**REQUEST:** Presentations during the Budget Work Sessions on May 3 and May 25 calculated the average percentage of income that families spend on their mortgages (21.1% for a family at 100% MFI; 30.8% for a family at 70% FMI; and 69.1% for a family at 30% MFI). Please provide an annual breakdown of the proportion of income Austin families spent on their mortgages in the last 10 years.

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**RESPONSE:** In the table below, Budget Office staff have calculated a monthly mortgage payment, including principal & interest, homeowners insurance, and mortgage insurance, for a 30 year mortgage with a 10% down payment and the average interest rate for each year, based on the median home price for the Austin local market area. While Austin-Round Rock Metropolitan Statistical Area (MSA) data is available for the last 10 years, the Budget Office generally utilizes median home price data for the Austin local market area, which is only available for the last five years. Additionally, the 2015 value varies slightly from that presented in May, due to an adjustment for data consistency with the prior year data. This will, however, offer a comparable viewpoint for the proportion of income Austin families spent on their mortgages, described below.

| Year | Median Family Income * (Annual) | Median Family Income (Monthly) | Median Home Price ** | Monthly Mortgage Payment | Mortgage as a % of MFI |
|---|---|---|---|---|---|
| 2015 | $ 77,800 | $ 6,483 | $ 301,500 | $ 1,501 | 23.2% |
| 2014 | $ 76,800 | $ 6,400 | $ 275,000 | $ 1,415 | 22.1% |
| 2013 | $ 73,200 | $ 6,100 | $ 250,000 | $ 1,262 | 20.7% |
| 2012 | $ 75,900 | $ 6,325 | $ 230,000 | $ 1,123 | 17.8% |
| 2011 | $ 74,900 | $ 6,242 | $ 215,000 | $ 1,139 | 18.2% |

* Median Family Income: U.S. Department of Housing & Urban Development
** Median Home Price: Texas A&M University Real Estate Center