

Denton County Home Affordability Reviewed - 2023 <u>assumptions made to keep it simple:</u> ignored closing costs, PMI, MIP & HOA fees assumed 10% down payments used 1.8% combined property tax rate assumed mortgage interest rate of 7.50% estimated homeowner insurance at .097% (policygenius.com avg rate for Texas)		Household Income Required to Purchase Average Market Value Home \$189,500 Annual Income Required to meet lender's housing-income ratio must be ≤ 28%			Median Household Income cannot afford Average Market Value Home \$109,126 Median Household Income fails lender's housing-income ratio 48.62% is above 28%			Maximum Home Price a Median Household Income Can Afford \$296,000 is the maximum purchase price that meets lender's ratio test, housing cost to income must be ≤ 28%		
Home Market Value			514,082	note 1:		514,082	note 1:		296,000	
Down Payment	10.00%		(51,408)			(51,408)			(29,600)	
Mortgage Loan Amount			462,674			462,674			266,400	
Household Gross Income		<u>annual</u>	189,500	<u>monthly</u>	15,792	<u>% of income</u>	100.00%		<u>annual</u>	100.00%
Monthly Housing Payment	2023 rates									
Mortgage Pmt (30 yr loan princ + int)	7.50%				3,235					1,863
Property Tax	1.80%		9,253		771		9,253		5,328	444
Homeowners Insurance	0.97%		4,987		416		4,987		2,871	239
					4,422	28.00%				2,546
							48.62%			28.00%
note 1: Avg Market Value of Single Family Residential Property (prop code A) for Denton County (code G01) per DCAD 2023 Certified Totals Report, \$514,082.									<u>Avg Mkt Val</u>	514,082
note 2: Census.gov, 2021 median household income for Denton County (DC) was \$96,265. BLS.gov, DC wage growth was 9% 2021-2022, & 4% 2022-2023. Estimate 2023 median household income as \$96,265 x 1.09 x 1.04, or \$109,126.									<u>Max Price</u>	296,000
side note: Median Certified Market Value for Single Family Residential (prop code A) is \$450,832, per 8/3/23 data extract file downloaded from DCAD website.									<u>compared</u>	1.74
2021 Households by Income Bracket, Reviewed				2023 Households by Income Bracket, Estimated				% abv affordability 74%		
	<u>2021 Income Brackets</u>		<u>count</u>	<u>%</u>		<u>2023 Income Brackets</u>		<u>count</u>	<u>%</u>	
	\$0	\$24,999	29,599	9.21%		\$0	\$28,339	34,684	9.21%	
2021 Median Household Income \$96,265, in this bracket ----->	\$25,000	\$49,999	48,127	14.97%	2023 Median Household Income \$109,126 in this bracket ----->	\$28,340	\$56,679	56,394	14.97%	72.71%
	\$50,000	\$74,999	50,085	15.58%		\$56,680	\$85,019	58,689	15.58%	cannot
	\$75,000	\$99,999	41,001	12.76%		\$85,020	\$113,359	48,044	12.76%	afford
	\$100,000	\$124,999	37,071	11.53%		\$113,360	\$141,699	43,439	11.53%	avg mkt value
2021 Median Value Home \$321,000	\$125,000	\$149,999	27,838	8.66%		\$141,700	\$170,039	32,620	8.66%	home
	\$150,000	\$199,999	39,204	12.20%	\$189,500 -----> Income needed to buy Avg Mkt Value Home	\$170,040	\$226,719	45,939	12.20%	
	\$200,000	or more	48,522	15.09%		\$226,720	or more	56,857	15.09%	27.29%
65.10% of households owned home in 2021			321,447	100.00%				376,666	100.00%	
	2021 Total Population		943,857			1/1/2023 Total Population		1,006,942		
	65.10%	vs	27.29%	=	37.81%	the current potential % of households at risk of losing home/housing				