

# Austin home prices at an all time high, forcing families to move away towards cheaper areas

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From laid-back college town to destination city that tops the lists of hot places to relocate to, Austin has undergone a dramatic transformation in the last 15 years.

According to the U.S. Census Bureau, the population of Austin grew 37.4 percent from 2000 to 2010 and is considered the fastest growing big city in the country.

The lively arts scene, youthful energy and tech jobs the city is known for are often cited as reasons why the city is such a popular place to live right now. And it doesn't hurt that Austin calls itself the "Live Music Capital of the World."

But while young professionals flock to Austin from all over the country, growing pains are becoming evident. A common complaint among long-term Austinites is that all of the success the city appears to be experiencing is not enjoyed by everyone.

While luxury condo towers are sprouting up all over downtown, many lower income people find themselves looking to move away from Austin altogether.

Lack of affordable housing has become such an extreme problem that it was cited as one of the primary causes of a 3,000 decline in student enrollment in the Austin school district over the last three years. And the district recently released a demographics study, predicting the problem will only get worse within the next 10 years.

The study, performed by Davis Demographics and Planning, predicts that by 2025, the district's enrollment will drop to 76,400 from a high of 85,680 in 2011.

At the heart of the problem is the way that property tax bills increase when a large influx of wealthier individuals move to town. Property taxes are based off of property value appraisals, which means that when an area becomes more desirable to live in, property tax bills rise.

Austin's high desirability and explosive growth have driven housing costs to record levels.

According to the Austin Board of Realtors, the median price for an Austin-area single-family home increased 10 percent every year to \$255,000 in March 2015. The average price increased 13 percent to \$334,758 during the same time.

This puts home ownership out of reach for many lower income residents.

Between 2013 and 2014 the average price of a single

family home increased by 8 percent.

The average price in 2014 for a four bedroom, 2 bath house was \$369,510. A single-bedroom apartment's rent was averaged at \$853, two-bedroom apartment at \$1,074, and a three-bedroom apartment at \$1,454.

Frameworks CDC, a nonprofit community development corporation, opened in 2004 to combat these issues, and assist first time home buyers successfully obtain and afford a home.

Donald Degollado, director of operations and Co-Founder of Frameworks, said most of the people moving to Austin are ones who earn a higher income.

"People with higher incomes are moving into the urban core and changing the landscape from families to young professionals," Degollado said. "This pressure is causing prices for rentals and home ownership to squeeze out working families."

Families living in central Austin are moving into either South Austin, or surrounding suburbs such as Kyle, Buda, and Wimberly.

Austin school district teachers, who have an average yearly salary of \$47,400, are an example of people feeling the squeeze of rising housing costs.

One of these families is that of Akins math teacher, Natalie Peterson.

Peterson said she loved living just six minutes away from campus, and was disappointed when her family was forced to relocate to Kyle last summer because they couldn't afford the housing costs any more.

"There was no way to get ahead of it. We sold our house, and found another one that is bigger, on a bigger lot, and for less than what we sold ours for," Peterson said.

Peterson's family tried to stay in Austin; however, with the rapid increase of the taxes on their

home, the move became inevitable.

"We bought our house in South Austin 8 years ago," Peterson said. "Our property taxes went up 60 percent, while my salary had gone up 3 percent."

Peterson was able to keep her children in Austin schools because teachers are given that benefit if they choose it.

However, it wasn't an easy process. The transfer for her daughter, sophomore Abi Peterson, took longer to clear than it should have. Natalie Peterson said she wanted to keep Abi at Akins where she is a member of the band, instead of having to enroll her in the Hays school district.

"It was so incredibly stressful, and not a positive experience," Peterson said.

Many families are not as fortunate as Peterson's, and are forced to also remove their children from the school district.

In response, schools in central Austin are experiencing rapid enrollment declines, causing a "donut" effect, where

the center of the city is being drained of families with young children who are being pushed to the edges of the city.

Within the next few years however, the enrollment drop is expected to include every school in the district, including Akins.

To help combat these problems, the district held the Austin ISD Showcase. On January 9 at the Palmer Events Center. Representatives from each high school set up poster boards and demonstrations to show what they have to offer.

Ryan Poulos, director of communications at the Real Estate Council of Austin, said that despite attempts to boost the opportunities Austin ISD provides, enrollment rates are still declining.

"The school district's own records show that roughly half of the departures from AISD are due to middle-class families being priced out of the city," Poulos said.

Akins' attendance area hit 3,373 in the 2015 school year, however based off of demographic projections, that number is expected to peak at 3,418 in 2018 and drop to 3,000 by 2025.

Enrollment declines can be detrimental to the school district because less students enrolled, means less teachers hired, and thus revenue from the state declines. Revenue helps schools to pay for important teaching resources like lab equipment, sports equipment, and other teaching materials.

This decline will be especially difficult for Akins, due to being accustomed to the past trend of student growth in the past.

"It's awful. I hate it," Hosack said. "We are an Akins High School family, and we don't want to see anyone go. It's painful."

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**— Brandi Hosack**

