

DFW Affordability: Mortgage Rates Squeeze Buyers?

Latest data reveals a sharper decline in housing accessibility for the region.

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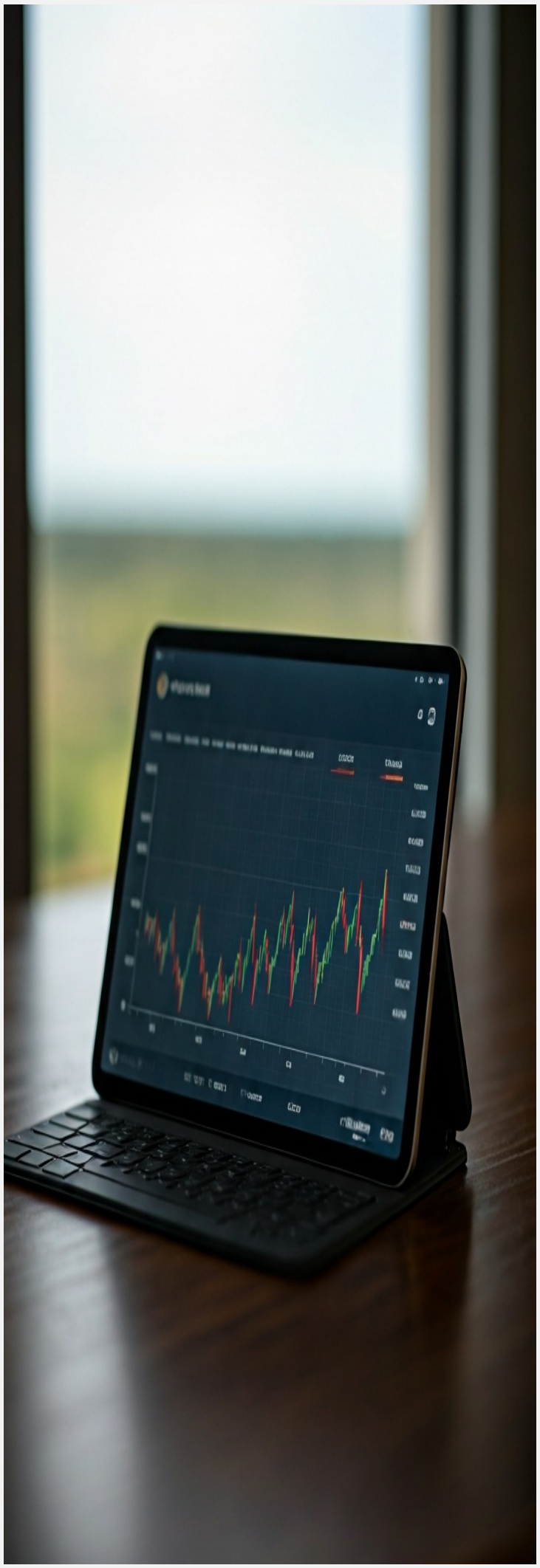
THE DATA

7.15%

Average 30-Year Fixed Mortgage Rate

This rate contributed to DFW's housing affordability index reaching a two-year low in Q2 2026.

The Dallas Fed reports that rising mortgage rates, now averaging 7.15% by the end of Q2 2026, have significantly impacted housing affordability across the Dallas-Fort Worth-Arlington MSA. This increase, combined with persistent home price growth, has made homeownership more challenging for many prospective buyers.



Source: Dallas Fed · Published August 12, 2026

01

First-Time Homebuyers Face Stiffer Headwinds



The widening gap between median household income and the income required to afford a median-priced home is disproportionately affecting first-time buyers in DFW. This segment often relies more heavily on financing, making them highly sensitive to interest rate fluctuations. Their entry into the market becomes increasingly difficult as rates climb.



02

Rate Hikes Outpace Wage Growth, Intensifying Pressure

While DFW has experienced robust wage growth, the pace of mortgage rate increases and home price appreciation has outstripped it. This creates a challenging environment where even steady income gains are insufficient to offset the rising costs of homeownership, leading to a sustained erosion of purchasing power for many.

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