Fredericksburg — #1 of 8: Home Value to Income Ratio

Fredericksburg Leads in Home Affordability Stress

7.1x Home Value to Income Ratio — Source: ALEX Intelligence, 2026

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THE DATA

7.1x

Home Value to Income Ratio (2024)

Fredericksburg has the highest ratio in the Texas Hill Country, meaning homes cost 7.1 times the median household income.

This ratio reflects a deepening affordability crisis in one of Texas's most sought-after regions. Despite strong demand and low inventory, median incomes have not kept pace with home values, creating a structural barrier to entry for first-time buyers. The gap suggests that only high-income households or those with substantial savings can afford to purchase in Fredericksburg.



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Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2024 · ALEX Intelligence computation
https://alex-companies.com/data/2026-11-03-hill-country-tx-value-to-income-place-mkt

01

Affordability Is a Market Filter

Fredericksburg’s 7.1x ratio isn’t just a number—it’s a market signal. The data reveals that the local housing market is increasingly accessible only to those with high or stable incomes, effectively filtering out middle-income households. This dynamic reinforces a trend of income-based segregation, where homeownership becomes a privilege of wealth rather than a milestone of achievement. Over time, this could limit population growth and reduce long-term economic mobility in the region.

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02

The Cost of Prestige

Fredericksburg's leadership in affordability stress correlates with its status as a cultural and historical hub in the Hill Country. Its reputation as a desirable place to live—driven by heritage, outdoor recreation, and tourism—fuels demand that outpaces supply. This creates a self-reinforcing cycle: higher demand → rising prices → greater affordability stress → fewer buyers → even lower inventory → further price increases. The city's prestige is now a direct driver of exclusion.

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