

Rural Land | Winter 2026

A quarterly analysis of Texas land market activity and trends.

BY LYNN D. KREBS



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The Texas rural land market dynamics through third quarter 2025 (3Q2025) reflect a period of stabilization characterized by slow sales volume but sustained price strength. This is largely driven by macroeconomic factors and the lingering effects of the post-pandemic surge.

Context and Macroeconomic Drivers

Following a period of unprecedented price appreciation between late 2020 and mid-2022—fueled primarily by strong population growth with high net in-migration, a surging desire for rural havens, and favorable investment factors like low interest rates—market activity began decelerating. By 3Q2025, the market seems increasingly constrained by historically steep price growth and, in the smaller tract segments, by higher interest rates. Economic uncertainty regarding future prices, inflation, and federal policy also contributed to weaker demand.

Statewide Market Status

As of 3Q2025, the statewide market activity remained well below pre-pandemic levels seen in 2019. However, prices exhibited remarkable resilience, defying earlier forecasts of a slight decline.

- **Price per Acre:** The statewide nominal price reached \$5,158 per acre, reflecting a year-over-year (YoY) increase of 5.9 percent. This price growth rate marked the third consecutive quarterly improvement. The five-year Compound Annual Growth Rate (CAGR) through 3Q2025 stood at 11.2 percent.
- **Sales Volume and Acreage:** The total number of sales declined slightly YoY, down 2 percent, while total acres sold fell by 3.6 percent.
- **Total Dollar Volume:** Despite the drop in acres sold, total dollar volume rose 2.1 percent YoY due to the higher prevailing prices.
- **Tract Size:** The typical size of tracts sold contracted to 1,818 acres (down 7.3 percent YoY), influenced by fewer large tract sales, especially in regions like Far West Texas and West Texas.

Price Stickiness and Seller Expectations

Prices are demonstrating long memory in the market, meaning responses of land prices to shocks, such as those related to income or monetary policy, persist for a long time. This psychological factor contributes directly to current market friction. Market professionals report that the market sentiment has softened substantially from the peak prices seen in 2022–23. Despite this softening, many current listings are still priced at those levels. As one appraiser noted recently, sellers often have “unrealistic expectations.” Many sellers, having anchored their expectations to these peaks and facing minimal impetus to sell, are often unwilling to lower asking prices or withdraw their land entirely rather than accept low offers. This results in few buyers, fewer sales, and unsold properties remaining on the shelf.

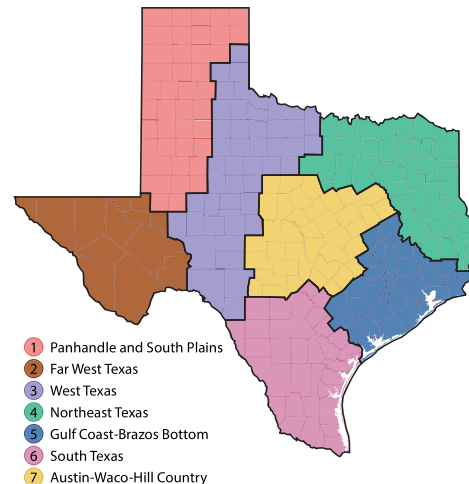
Regional Dynamics

Regional market performance varied significantly through 3Q2025:

- **West Texas (Region 3):** This region, along with Far West Texas (Region 1) saw the largest percentage price increase, jumping 15.8 percent YoY to a new high of \$2,787 per acre. However, this price strength was coupled with a steep decline in total acres sold (down 18.1 percent) and a reduction in the typical tract size, causing the total dollar volume to slip by 5.2 percent. There were substantially fewer sales of tracts over 500 acres in the third quarter than in recent periods.
- **Gulf Coast–Brazos Bottom (Region 5):** This market continued to show strong momentum, with price climbing 13.6 percent YoY to \$11,423 per acre and total dollar volume increasing by 8.4 percent. Sales volume remained steady.
- **Austin–Waco–Hill Country (Region 7):** Price grew 3.4 percent YoY to a new high of \$7,704 per acre. The number of sales rose 5.7 percent YoY, marking the highest level in two and a half years and indicating a welcome improvement.
- **Northeast Texas (Region 4):** Sales volume continued to decline (down 18.3 percent YoY), reaching the lowest level since 2013. Despite this low activity, price appreciated 4.4 percent YoY to \$9,313 per acre, maintaining a high five-year CAGR.

- **Panhandle–South Plains (Region 1):** This market trended sideways, experiencing a slight price loss of 1.6 percent YoY to \$1,844 and declining sales volume (down 10.5 percent), despite high inventory of listings. This suggests high prices encountered resistance.

Texas Land Market Regions



Outlook Beyond 3Q2025

Looking forward, the baseline forecast predicts statewide nominal price per acre will rise about 2 percent over the next four quarters (through 3Q2026). Total acres sold are expected to slightly and steadily rise starting in the second half of 2026. Despite the current low volumes and elevated interest rates, a significant retracement in statewide price, like the busts seen in the mid-to-late 1980s or 2009–11 periods, is unlikely. The market is expected to remain stable, with continued variation in performance across different regions and size segments. Good, well-located properties with superior features (fences, water, etc.) continue to garner strong interest and sell quickly, helping to prop up overall median prices. However, if the listing price is too high, the phone might not ring. **TG**

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For more insights and analysis, view the latest *Texas Rural Land Markets* report.