Austin's Housing Inventory Is Shrinking

A critical shift in supply and demand dynamics

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THE DATA

7.8%

Year-over-Year Inventory Decline

The Austin metro area has seen a significant drop in housing stock.

This sharp decline in inventory is pushing buyers to act quickly, often leading to bidding wars and competitive pricing. The reduced supply is also increasing the urgency for first-time homebuyers to secure financing before prices rise further. This trend reflects a shift from buyer to seller market dynamics in the region.



Source: Texas A&M Texas Real Estate Research Center (TRERC) · Published August 27, 2026

01

Buyer Urgency Drives Price Competition



With fewer homes available, buyers are increasingly willing to pay premium prices to secure properties. This has led to a rise in offers above asking price, particularly in desirable neighborhoods. The competitive landscape is altering how sellers list and price their homes, as they now anticipate higher bids.



02

Rising Mortgage Rates May Slow Demand

While inventory constraints are driving up prices, rising mortgage rates could eventually cool demand. This creates a potential tension between supply-side pressure and affordability challenges. Buyers may be forced to reevaluate their purchase timelines, especially in the mid-tier price range where many first-time buyers are concentrated.

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