Is the Hill Country Market Cooling?

A surprising trend emerging from recent data

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THE DATA

7.00%

Median Price Growth

Year-over-year increase in median home price for Hill Country counties.

Despite the Federal Reserve's aggressive rate hikes, Hill Country home prices continue to rise at a robust 7% annually. This counterintuitive trend suggests strong underlying demand and limited inventory are driving price appreciation independent of interest rate fluctuations.



Source: Texas A&M TRERC · Published August 27, 2026

01

Demand Remains Strong

The Hill Country market's resilience reflects a unique combination of lifestyle appeal and geographic scarcity. Buyers are prioritizing long-term investment potential over short-term cost-of-capital concerns, indicating buyer confidence in sustained appreciation.



02

Inventory Constraints Drive Value

With limited land available for development and a growing population drawn to the area's natural beauty, supply constraints are acting as a buffer against broader economic headwinds. This scarcity effect is reinforcing price stability rather than causing decline.

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