2027
Austin Urban
Real Estate
Survival Guide



AGENT/BROKER/BUYER/INVESTOR
OWNER/PROP. MGMT/RENTER/SELLER

atx

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2027 Austin Urban Real Estate Survival Guide

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Less Than Zero

By James Hill

It was a damn good run — a twelve-year real estate season after the Countrywide days, with relatively smooth sailing right through the COVID days too, mostly. Easy days with good rates, really good rates, but now four fucking years of a ghost market — this wasn't the spectre dreamed in the Whole Foods parking lot, contemplating dwindling fortunes in the satin-black Rover. The broker-and-bikini party barge had run aground. Around fall 2022. Avicii music stop.

I've seen loan officers disappearing like cassette players in the oughts. I won't forget the sweet jams. Fast forward to the 2027 Austin real estate market—no more cheat codes.

Bad-at-media silverbacks, mid-tier grizzle agents, and even young or new agents that don't mind unbuttoning an extra button on pics — none have an automatic seat in the new 2027 real estate market, even if the hockey-stick AI hangover-depression doesn't happen, the new real estate market will need less bodies and blazers..

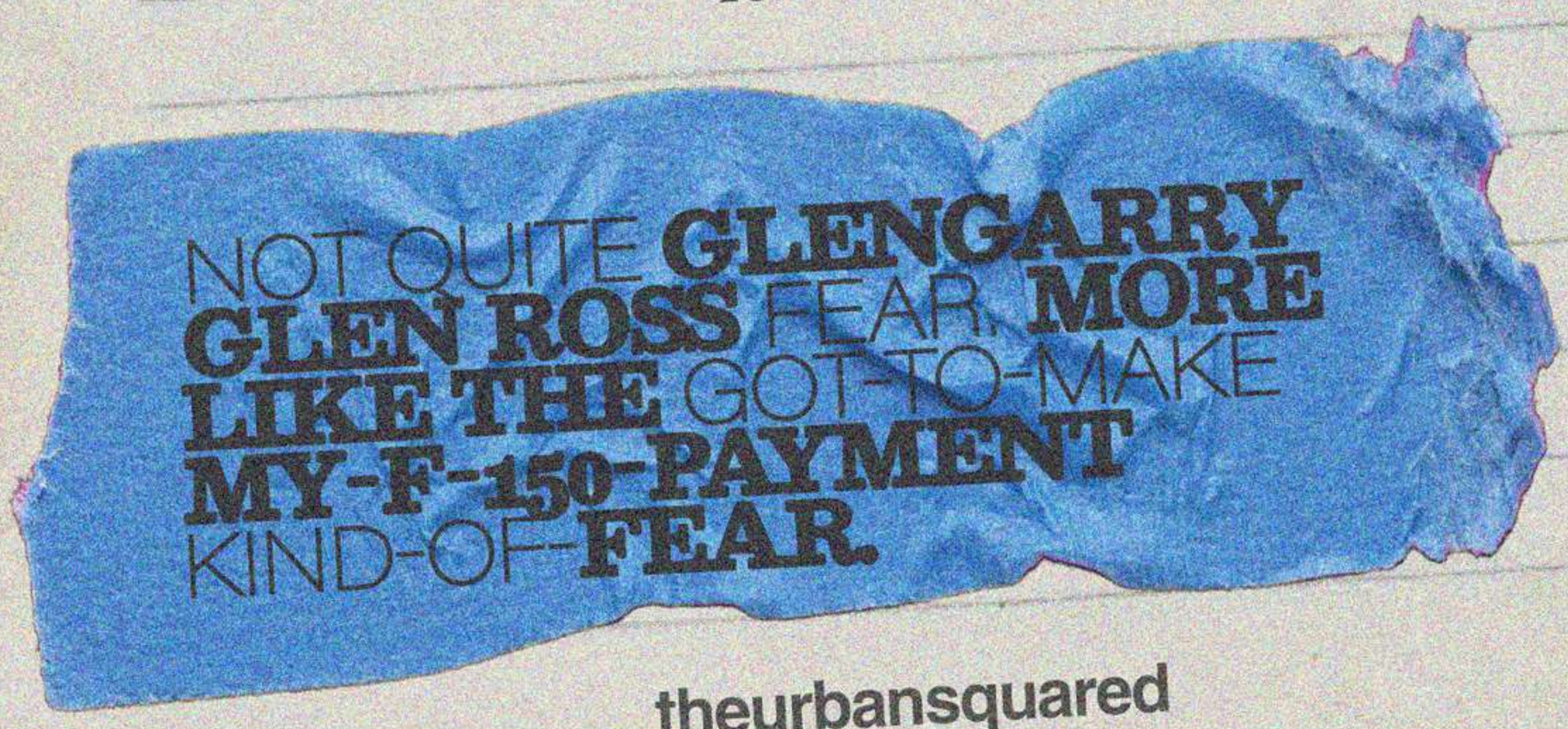
DEAD INVENTORY ISN'T **HORSEPOWER** IT'S **DRAG**

talking heads

There's fear on Austin's fairways, not quite *Glengarry Glen Ross* fear. More like the got-to-make-my-F-150-payment kind-of-fear.

I'm not "on the green" per se, but my Westlake ex sometimes leaves her Austin Country Club YETI mugs in my car — so, maybe in the lapse of urgency on my part, there possibly are some people in east Austin — a very small amount — that may be under the impression that I'm a member of ACC because I have the mug in my car, and I hold it 3 inches from their face until they notice it.

Sometimes when you're on the fairway with other private club members you can lose street-level perspective. You can't forget about renters. It's easy to forget them until you've got an entire brand new apartment with a Soho House level lobby lounge entrance to fill. The reason? The former never-ending wave of high-paying tech jobs that has flooded Austin for the past 25+ years stopped.



RENTERS

1. SHOP EVERY CHANNEL

FBMP, APARTMENTS, PRIVATE OWNERS, GROUPS, MLS, STR, LTR, OFF-MARKET OPPS

2. ASK FOR ALL SPECIALS AND CONCESSIONS

LOOK FOR LEASE UP NEW APARTMENTS W/ FREE RENT, DISCOUNTS, SPECIALS, MOVE-IN OR LOOK & LEASE SPECIALS, AND REFERRALS.

3. RENT TO OWNERSHIP

LOOK FOR SELLER FINANCING, LEASE-OPTIONS AND RENT-TO-OWN. PREVIOUSLY UNAPPROVED BUYERS WILL FIND NON-CONFORMING OPPORTUNITIES IN THE 2027 RE MARKET. SELLERS HAVE GONE ON YEARS OF A SOFT MARKET; MORE WILLING TO DEAL. DP'S ARE TYPICALLY AROUND 10%.

4. URBAN COWBOY

SOME AUSTIN NEIGHBORHOODS MAKE CAR OWNERSHIP OPTIONAL. WITH EASY AND EVERYWHERE DELIVERIES RIDESHARES, AND WALKABILITY, ALTERNATIVE TRANSPORTATION CAN CHANGE YOUR HOUSING BUDGET QUALITY OF LIFE, TIME.

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5. MOVING COSTS MONEY

STAYING PUT IS A STRATEGY NOT A FAIL-URE. MOVING NOT ONLY COSTS MONEY BUT MOMENTUM AS WELL. SOMETIMES IT TAKE MONTHS TO FINALLY SETTLE INTO A NEW PLACE.

In real estate development you gotta get it full— at least 85%. Then the next guy buys it— but that part's not happening.

Three years ago, most planned on a real estate market where scale was largely a function of hours awake, some coaching fees possibly, and a better-focus-the-fuck-up *Lioness* attitude. More effort, more tech, and maybe a Provig-y or two for oversight. No one planned on AI. Not the evil-ass recursive part. Sure — we bought the Ferris Bueller *WarGames* lunch-box version of AI, not the Skynet world-ending GNR's "**You Could Be Mine**" version.

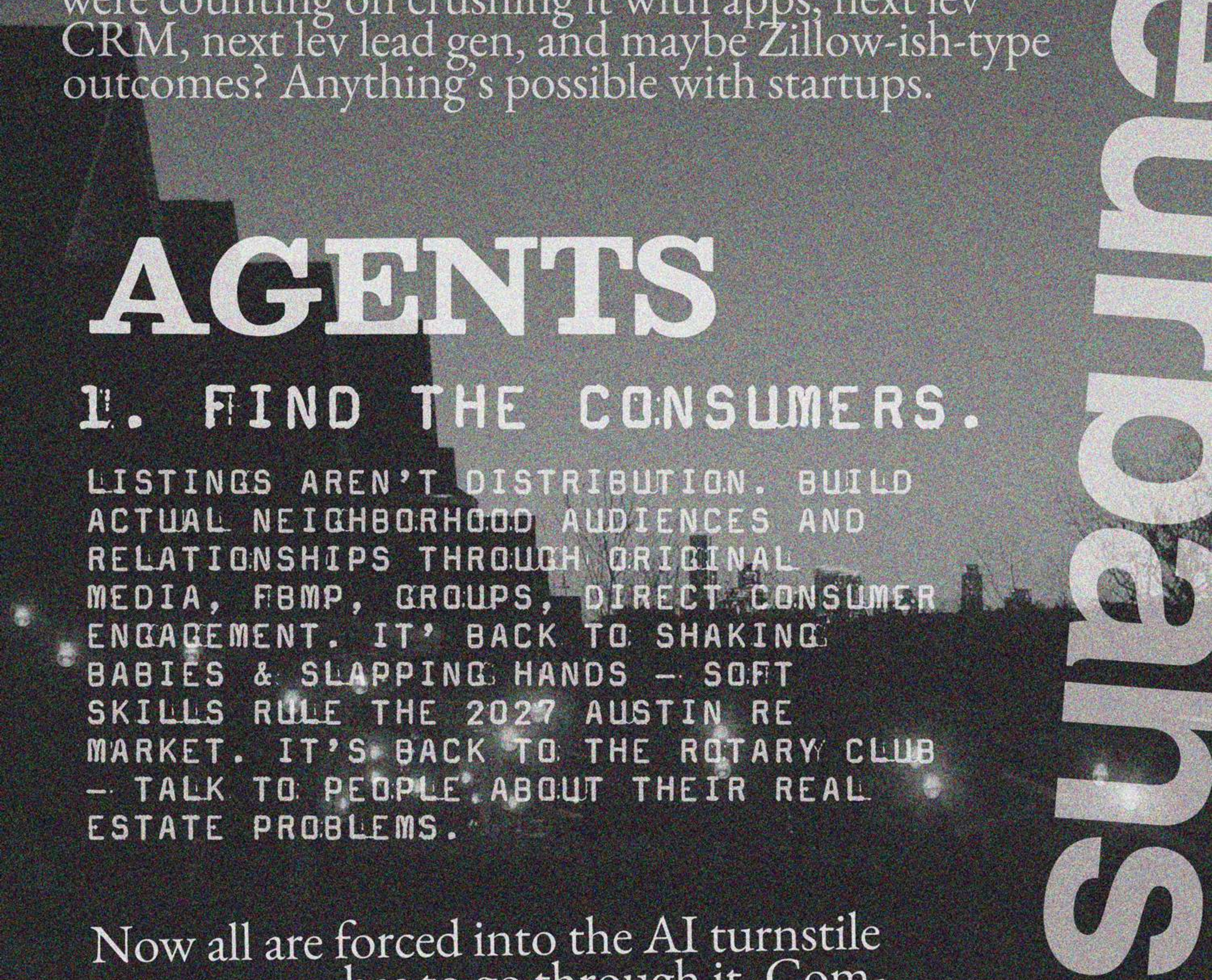
Now AI is set to fix real estate problems and it might be one of the ones it fixes.

Let's apply AI to problems

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Digital Bath

Tech "pioneers" like Compass didn't think the messy *T2* version was a top-ranking possibility either, they were counting on crushing it with apps, next lev CRM, next lev lead gen, and maybe Zillow-ish-type outcomes? Anything's possible with startups.



Now all are forced into the AI turnstile — everyone has to go through it, Compass just has millions of dollars when they do it — Compass buying up brokerages, brands, and consumer data — attempting just like everyone else too — to wring out every last piece of warm human behavioral data from the industry's current members and use that to build an AI real estate tesseract to control the industry.

You can run a brokerage off Google Drive. I put my company on it in December 2012, before my tech bro friends did. The cloud cleared out the hardware and software problems, saved hours, and connected team members. Now AI is set to fix real estate problems and you might be one of

Do you understand why this is important?

I'm partial to Facebook Marketplace because I'm partial to Craigslist — pretty much the same ride, but the MLS is fine too. Sure, ABoR asked me to help redesign the MLS after I put the entire Austin portfolio of Greystar, the world's largest property management company, on a private MLS in one day in 2015. This was a big no-no, and the board thought perhaps they may have something to learn about leasing and asked for a presentation. You have to know where the consumer is consuming, and how they're consuming. I had to explain home and real estate to supposedly the most sophisticated urban Realtor-GRI professionals in the country—with baby blocks. Do you know that "finding people homes" includes renters too? Renters think they are real people too, and that their homes are real homes. You know how we say we're all about helping people find home?Do you understand why this is important?

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Just like Hungry Hungry Hippos, you feed and grow renters and when they come out of their horrible-to-you renter cocoons, then they're known as these new creatures called buyers. Those things that buy houses — do you understand?

2. LEARN LEASING OR GET LEFT BEHIND

UNDERSTAND CONVENTIONAL RENTALS, LOCATING, FURNISHED HOUSING, PROPERTY MANAGEMENT, PRIVATE MLS HOUSE, CONDO AND DUPLEX LEASING.

3. MAKE TECHNOLOGY EARN ITS KEEP.

AI, CRM SYSTEMS, AND BROKERAGE PLATFORMS SHOULD REDUCE COSTS, IMPROVE SERVICE, OR GENERATE MEASURABLE BUSINESS. DON'T PAY FOR PUMP AND DUMP FAIR-WEATHER MARKET SYSTEMS A BROKERAGE MAY BE OBLIGATED TO PAY.

4. FIND A HYPER-LOCAL MENTOR/BROKERAGE.

YOU NEED TRAINING, SUPPORT, AND MENTORING — ALL THREE ARE DIFFERENT OR YOU WON'T MAKE IT IN THE 2027 URBAN REAL ESTATE MARKET. IF YOUR BROKERAGE ISN'T EXTREMELY LOCAL OR YOUR SALES MANAGER OR BROKER HASN'T BEEN IN AUSTIN FOR MORE THAN 8 YEARS, KEEP LOOKING.

5. MEDIA & TECH ARE EVERYTHING

IF YOUR BROKERAGE ISN'T ADEQUATE AT MEDIA AND TECH YOU PROBABLY KNOW IT. THE NEW MARKET IS EVEN MORE NARROW AND SET ON THE RIGHT AMOUNT AND KIND OF MEDIA WITH ALL THE ADMIN AND PRE AND POST PRODUCTION RESPONSIBILITIES. IF YOU ALREADY DO THIS YOURSELF, FINE, BUT UNDERSTAND WHAT YOUR BROKERAGE IS PROVIDING AND THE TOTAL COST OF EVERYTHING.

Starting an MLS membership with leasing will add members to your base, start that membership earlier with a longer membership lifespan. Plus, it catches the buyer lead and starts the client/agent relationship at its earliest point. Do you understand?

I took my members-only mug and left.

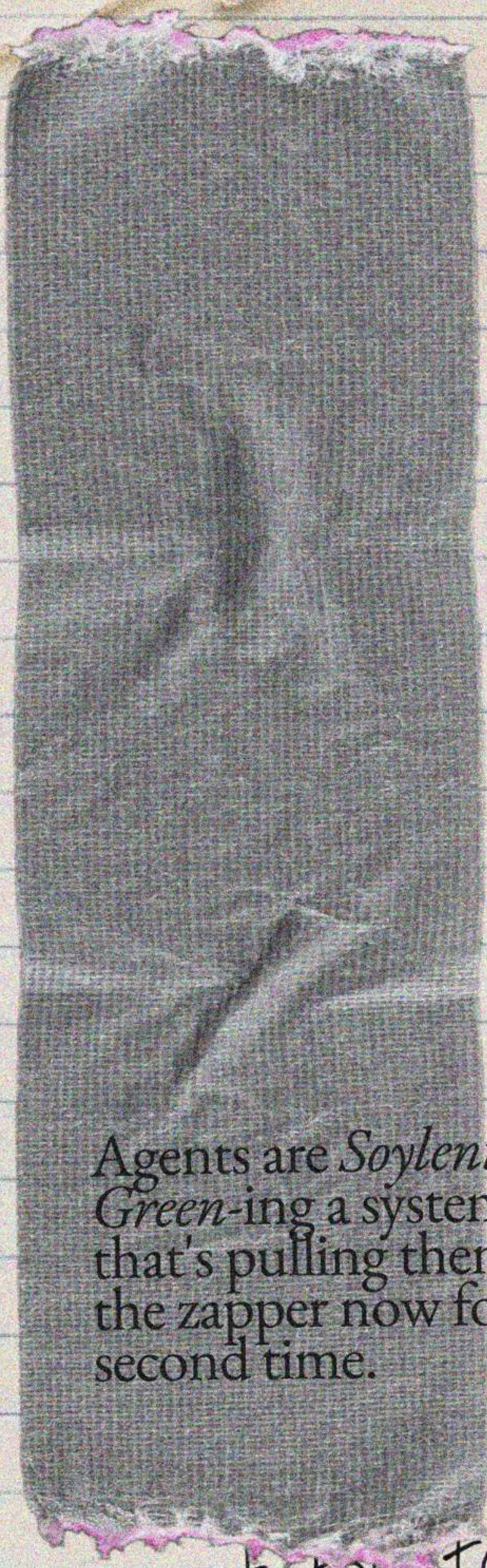
AGENTS ARE SOYLENT GREEN-ING **A SYSTEM** THAT'S PULLING THEM INTO THE **ZAPPER** NOW **FOR THE SECOND TIME.**

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BUYER

There's macabre evidence — blood on the tracks — er fairway — inventory that sits isn't horsepower, it's drag. That used to be an upriver commercial real estate problem.

And yes, it's exactly the way Realtors handed MLS access to Zillow. The 2010 real estate chuckleheads sold out the Realtor community once before, creating a lead business agents would eventually have to pay for, on top of their membership dues. That original sin and toothpaste is never going back into the tube. Now that same establishment lends its name to Realtor.com, selling agents leads generated around their own listings. Agents supply the clients, property, and content, pay their board and MLS dues, and in addition, pay for the leads that their own work created.



Agents are *Soylent Green*-ing a system that's pulling them into the zapper now for the second time.

get tow tag

1. WAR TIMES EQUAL QUICKER PROMOTIONS

BUYERS CAN FIND BETTER DEALS NOW, AND SO CAN NON-CONVENTIONAL BUYERS - RENT-TO-OWN, SELLER FINANCING, AND WRAP LOANS ARE ALL DIFFERENT TERMS AND WAYS TO DO NON-CONVENTIONAL LOANS.

2. LOW TIDE LATITUDES

THE BUFFETT (WARREN) TYPE INVESTORS OR BIGGEST PLAYERS IN THE MARKET WAKE BACK UP AND BUY IN LOW-TIDE HIGH-SUPPLY BUYER'S MARKETS AS THAT'S THE WAY TO CONNECT TO THE PROVERBIAL "PENNIES ON THE DOLLAR" OR EVEN A LOST SHAKER OF SALT.

3. NEGOTIATE THE ENTIRE TRANSACTION.

PRICE, SELLER CONCESSIONS, REPAIRS, FINANCING TERMS, AND BUYER-AGENT COMPENSATION ARE SEPARATE OPPORTUNITIES TO IMPROVE THE ECONOMICS

4. OFF MARKET

FACEBOOK MARKETPLACE, GROUPS DIRECT-OWNER LISTINGS, AND NEIGHBORHOOD CONNECTIONS CAN UNCOVER OPPORTUNITIES OUTSIDE THE TRADITIONAL SEARCH FUNNEL.

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5. BUY THE BLOCK.

EVALUATE MICRO-LOCATION, COMMUNITY AND NEIGHBORHOOD VIBES DAY AND NIGHT. MANY SPOTS IN DENSE URBAN AREAS LIKE THE EAST SIDE ARE WILDLY DIFFERENT BLOCK BY BLOCK AND REQUIRE

In Austin, 53%
of MLS members sold zero or one home in 2025.
Meanwhile, the industry is still selling old magic
to a new market — overstuffed antediluvian back
offices with bad/goofy media and marketing are
the first to go in the 2027 Austin urban real estate

53% OF MLS MEMBERS SOLD **ZERO** OR **ONE** HOME IN **2025**

A lot of the real estate service army have already blipped away. And now the Realtor riverboat putts north. Not quite *Heart of Darkness* fear, just the got-to-make-my-Porsche-payment-kind-of-fear.

Tides have turned with FBMP — a street-level housing juggernaut of loose data and market flow, add the right FB Groups and you've got an ad hoc small-business marketing machine with neighborhood-level distribution that can sell or lease property same day. This sneaky Pontiac bargain technology is punching well above its weight, and even Grandpa can operate

SELLERS

Renters win in 2027. Austin rents finally have fallen from their proud 2022 peaks — a rogue wave big enough that it drove many locals out of the city.

Entry-level one-bedroom apartments in Austin's urban core that were pushing $1,400 are back around $999, while some lease-up apartment new builds are offering "the developer's how" — a "10 weeks free" triage concession that has been the norm in apartment leasing for the past 2 years.

STR is old hat in Austin. This is a city that has college pre-leasing. No other city in America has had a more articulated and profound relationship with leasing than Austin, Texas.

Austin's IKEA-cosplay days of easy Airbnb'n and urban leasing are gone, battered by competition, operating costs, turnover, materials, fees, and city oversight, while visitors and part-time transient renters have rejected ridiculous Airbnb situations that are 5x normal rent just because some race cars are in town.

speed pizza bitch

1. HIRE HYPERLOCAL. VERIFY PRODUCTION.

LOOK FOR A CONNECTED AGENT WITH A MINIMUM OF 20 COMPLETED SALES AND AT LEAST FIVE IN THE PRECEDING 12 MONTHS. BEING LOCAL AND EXPERIENCE MATTERS ABOVE ALL IN THE 2027 AUSTIN REAL

2. PRICE FROM THE DOWN MARKET.

THERE ARE NOW ENOUGH POST-2022 TRANSACTIONS TO UNDERSTAND PRICING THAT ACTUALLY MOVES PROPERTY. CURRENT CLOSED COMPS, CONCESSIONS, $/SF, AND ACTIVES ARE EASY TO GAUGE - 100$ MARKET VISIBILITY.

3. NEGOTIATE THE COMMISSION.

UNDERSTAND EXACTLY WHAT REPRESENTATION, MARKETING, TRANSACTION MANAGEMENT, AND DISTRIBUTION YOU'RE BUYING

4. DISTRIBUTION ISN'T INVENTORY.

AN MLS LISTING ALONE ISN'T A COMPLETE MARKETING STRATEGY. ASK WHERE THE AGENT'S REAL BUYERS COME FROM, INCLUDING NEIGHBORHOOD AUDIENCES AND DIRECT CONSUMER CHANNELS.

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5. CHANGE THE TERMS BEFORE

CONSIDER SELLER FINANCING, LEASE-OPTIONS, RENTING, OR HOLDING WHEN THE ECONOMICS JUSTIFY IT. THE NEXT BUYER MAY NEED A DIFFERENT PATH TO OWNERSHIP.

Meanwhile, the furnished-room urban operator is overflowing. Room-by-room furnished leasing generates more revenue, but demands more management and oversight. But that tradeoff has created a new field and property class type — *Yield Leasing:* the embedded operator — rental offset for on-site manager serving property and its residents with a partner-level stake in the property itself. This also eliminates the historical dynamics and pain points between owner, MGMT, and residents.

#1 COMPLAINT: 3500 **CLIENTS** LOST & CONFUSED **IN THE REAL ESTATE PROCESS.**

Not knowing how to list a property, not knowing how to price it, and not knowing how to manage it are three different ways to fail at real estate. You only need one.

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The emerging human-hybrid market isn't entirely digital or analog. Soft skills will become valuable while you adopt and adapt AI. People want convenience, but not at the utter expense of meaningful human contact.

After 3,500-plus transactions across leasing, residential sales, and commercial real estate, the #1 complaint I heard from renters, buyers, sellers, and property owners was remarkably consistent: they felt lost and confused in the real estate process.

They simply didn't know what was happening throughout the whole process — what the next move was, much less the one after that. Their agent hadn't explained it or didn't know themselves. That's why doctors confuse appraisals with inspections. Sure, they're smart. But it's not their job to know the event stages and hinge points of a real estate transaction.

When the market's flowing and outcomes are good, that experience was sufferable. But now the more sophisticated Austinite is self-directed — ready to do anything: handyman work, set up their own LLC, or initiate a mortgage loan on their phone at a traffic light.

Austin heads into the 2027 real estate market — riverboat North — with waves to Big Bertha's, Wheatsville, and nearly the Chili's on 45th and Lamar.

Much movement ahead.

written & designed by James Hill

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AUSTIN LOCALS

FOUNDED: 1839
POPULATION: APPROXIMATELY 1 MILLION
GREATER AUSTIN POPULATION: APPROXIMATELY 2.6 MILLION
UNIVERSITY OF TEXAS FOUNDED: 1883
TEXAS CAPITOL COMPLETED: 1888

UT FOOTBALL NATIONAL CHAMPIONSHIPS OFFICIALLY CLAIMED:
1963
1969
1970
2005

COMPANIES FROM AUSTIN

DELL
KELLER WILLIAMS
SCHLOTZSKY'S
P. TERRY'S
VRBO / HOMEAWAY
BUMBLE
SILICON LABS
KENDRA SCOTT
ALAMO DRAFTHOUSE

OLD AUSTIN

SCHOLZ GARTEN - 1866
DIRTY MARTIN'S - 1926
SANDY'S HAMBURGERS - 1946
CISCO'S - 1950
MATT'S EL RANCHO - 1952
TOP NOTCH - 1971

AUSTIN DRINKS

POPPI
TITO'S
DEEP EDDY
C4 ENERGY
HIGH BREW
COFFEE

BIGGEST (REVENUE)

DELL
TESLA
ORACLE
FLEX
CROWDSTRIKE

NOTABLE FILMS SHOT IN AUSTIN

THE TEXAS CHAIN SAW MASSACRE (1974);
SLACKER (1990);
DAZED AND CONFUSED (1993);
OFFICE SPACE (1999);
DEATH PROOF (2007);

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AUSTIN, TEJAS