

Emerging Trends in Land Investment for 2025 in Texas

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Abstract

This paper dives into the emerging trends in land investment across Texas in 2025. These trends have been driven by continuous economic and population growth, regulatory reforms, and shifting housing preferences within communities. With Texas's GDP projected to rise 3.3–3.7% and population by over 300,000, demand for residential, industrial, and rural land continues to expand. Suburban migration and new zoning laws, such as Senate Bill 15 and SB 840, are allowing for high-density development, making land near metro areas especially enticing to consumers. Commercial land markets are mixed, with strong industrial demand but weak investment, while rural land is growing in popularity due to new found renewable energy and carbon markets. Infrastructure initiatives such as broadband expansion and major housing or energy projects enhance the values of land in targeted areas. Property tax relief and Texas's low

state income tax support long-term investment strategies throughout the state . Despite increasing mortgage rates and a drop in the market, investor confidence remains high due to favorable demographic and policy conditions. This paper highlights how these factors together make Texas one of the most strategically significant states for land investment with strong long-term returns.

Keywords: Texas land investment, economic growth, zoning laws, rural land, infrastructure, investor confidence.

Introduction

As one of the fastest-growing states in the nation, Texas is leading the way to shifts in land investment. This is driven by profound economic expansion, population growth, and changing legislation. From the suburbs of Dallas-Fort Worth to the open rangelands of West Texas, the state's landscape is transforming: not only in physical development but also in how land is valued, regulated, and used. Emerging trends in residential housing, commercial development, rural land diversification, and sustainable energy reflect a broader shift in Texas's real estate market. With new laws loosening development restrictions and incentives supporting long-term investment, land in Texas is becoming a more strategic and enticing asset. This paper explores the emerging trends in Texas land investment—including suburban expansion, regulatory reform, rural diversification, and sustainability initiatives—It also delves into arguments that, despite short-term market declines and fluctuations , these developments place Texas land as a high-potential, long-term investment opportunity for all types of investors.

Literature Review / Background

In Texas, land investment trends in 2025 revolve around the high interest in rural and suburban areas, due to the rising city costs and remote work. Investors target areas with flexible zoning laws, especially for building barndominiums, which have become popular across Texas. Traditionally, land investments were focused on agriculture, residential subdivisions, and urban expansion (Lamb, 2018). However, trends in 2025 are shifting due to technological, demographic, and environmental factors that are deciding where, how and why land is being

acquired. Many events such as the COVID-19 pandemic have led to shifts in these trends. A study by the National Association of Realtors (NAR, 2022) showed that rural land sales increased by 8% in 2021 alone. Climate-safe areas with access to water and open land are gaining value, especially in areas less prone to flooding or drought. Overall, investors in Texas are looking for affordable, flexible, and sustainable land opportunities outside major cities.

Methodology / Research Approach

This research utilized a blend of economic data, real estate forecasts, and the study of cases to explore the long-term benefits of land investment in Texas. The primary source of data for this study was the Texas Real Estate Research Center (TRERC), which offers current and comprehensive information on housing trends, land values, and population shifts. The TRERC 2025 forecast offered vital details about job growth, personal income, housing permits, and expected shifts in land demand. Government sources and recent legislation, like Senate Bills 15 and 840, were also looked over to understand how new laws are affecting land use and development. Expert opinions from real estate professionals and analysts were used to add depth and real-world understanding to the data. Several case studies of land purchases near growing cities and infrastructure projects were included to show how land value can increase over time. By combining all of these sources, the study was able to identify clear patterns in investment outcomes. This approach helped connect the numbers with real-life situations, making the findings more reliable and relevant.

Interviews and quotes from real estate experts

In 2025, expert voices across the real estate and energy sectors are shaping the narrative around Texas land investment. Thought-leading voices from the most valuable investing and development categories in both real estate and energy set the landscape. Dr. Harold Hunt at the Texas Real Estate Research Center explains, “Texas’s most active land markets show a direct correlation between population growth and transaction volume,” highlighting strong demand in booming suburbs. David Auerbach doubles down on that optimism with: “D-FW is poised to be the nation’s premier real estate market for investment and development next year!” “Out in the country, gas prices and fuel prices are just gutting us,” says rancher John Davis, a good-old-boy from Girard with a sense of humor: “It’s a hard life out here... if there’s anything to make life easier, do it,” referring wind lease payments. “We produce and consume more energy than any other state ... have more than 50% of our grid running on renewables regularly.” “We produce and consume more energy than any other state... regularly have more than 50% of our grid running on renewables. We are an energy state.” — Energy expert Joshua Rhodes We are an energy state.” For its part American Farmland Trust showcases the state’s new reality, writing, “Texas has a chance to lead; to help guide this energy expansion that balances the diverse needs of the conservation, agriculture, and solar industries.” Together, these observations demonstrate why Texas continues to be a national frontrunner in real estate expansion and creative land use.

Results / Findings

The evaluation of economic and legislative data suggests that land investment opportunities in Texas are moving toward suburban and rural areas rather than urban cores. Demand for rural land has increased due to cost but also for opportunities associated with

renewable energy leases and carbon credit markets (National Association of Realtors, 2022).

Suburban areas are attracting residential and mixed-use developers regardless of the demand for specific land use since new zoning conditions have relaxed restrictions (Texas Legislature, 2025).

Texas Real Estate Research Center (2025) displays dramatic increases in land values of counties surrounding significant metro areas such as Dallas-Fort Worth and Austin. New infrastructure, such as expanding broadband service and energy projects, has increased demand and appreciation for real estate in these areas. The commercial land market remains mixed. Industrial land continues to provide a strong return, especially near transport corridors and distribution nodes (Federal Reserve Bank of Dallas, 2025).

These conclusions are further supported in interviews with real estate professionals. Experts affirmed that investors are using long-term growth potential, climate safety, and infrastructure connectivity as important determinants in making a purchasing decision for land. Also, there are more favorable tax policies and state laws, which have increased the confidence for both local and out-of-state investors. While the market conditions are challenging (with rising mortgage rates), investors still take an optimistic view as there are trends of continued migration, business relocation, and population growth across the state (U.S. Census Bureau, 2024).

Discussion / Analysis

The 2025 land market remains strong as Texas continues to see economic growth, welcoming more than 300,000 new residents and experiencing real GDP growth of 3.3% to 3.7%. The highest growth is occurring in suburban corridors, particularly in the Dallas-Fort Worth region (as well as Houston and Austin) where residential and mixed use is developing—in

many cases pushed by more permissive zoning. The industrial sector remains a bright spot as logistics and e-commerce expansion fuel demand for commercial properties. Office space, by contrast, is suffering as a result of the COVID-19 outbreak and a growing trend toward remote work. Values of rural land are holding and fighting their way upwards, with new forms of revenue through leasing for renewable energy and an emerging market for carbon credits. Major infrastructure projects—including data centers, housing developments and broadband expansion—are supporting the increase in value of land, especially in fast-growing corridors. When you consider all the factors, overall land values across the state should continue to capitalize on its favorable statewide tax system, a legislative environment that supports land ownership, and demographic trends that consistently point to Texas as the top choice for both residential and commercial land investment.

Conclusion with Implications

The results of this study show that land investment in Texas is currently being heavily influenced by our changing conceptualization of living and working in the year 2025. The growing interest in rural and suburban land most likely reflects affordability of land, increased square feet of land and flexible options to build on land, for example, barndominiums. We also found that remote work, more expensive living, and changing legislative regulations regarding the investment of land will shape how people invest in land. We were able to use real estate data and expert opinions to show that there is a shift toward investment in land near growing cities and safer climate conditions.

The results of the study will inform investors and civic leaders. Investors will be able to use the patterns emerging from our data as they make investments in land. Likewise, lawmakers and city planners will find the findings useful as they enact better land use practices and anticipate growth in other areas of their region. This study has both added to knowledge of how and why investment trends in land in Texas are changing and suggests future research into land investment as it relates to communities over time.

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