The floodgates will start to open across Texas in 2027

Office, hotels and apartments in Texas have repriced. Deals are still held back today because lenders keep extending loans. In 2027 that room runs out: maturing loans meet buyers who are ready, and deals start to move, first in Dallas-Fort Worth and Houston.

What this means for you in 2027.

If you are raising a fund. Raise for recapitalizations, note purchases and discounted office, hotels and apartments, with capital ready by mid-2027. National fundraising hit a nine-year low this year, so ready money wins the deals. Give investors an easier way in alongside the fund, such as a deal-by-deal co-investment or a tax-friendly 1031 option.

If you own and operate assets. Solve any loan due in 2027 before your lender does. A preferred-equity partner or partial sale in early 2027 beats a forced sale late in the year. In industrial, retail and data centers, values sit near records: a window to sell or recapitalize. Rate swings have frozen deals. Higher bond yields raise the debt yields lenders need, so cap rates rise and stay up. In 2027, as loan extensions run out, sellers accept the new prices and deals start to move. Stress test your underwriting with interest rates above 7%, the 10-year Treasury above 5% and elevated cap rates for the long run.

If you are a lender. Lenders extended half as many maturing loans in 2026 as in 2025, so in my view working out loans early in 2027 with strong operators, through recaps or note sales, recovers more than waiting.

EXHIBIT A

Where the gates open first

Texas commercial real estate by property type

Property	Where it stands today	2027
Office	Commodity towers trade 27% to 64% below prior sales; Houston office distress is 31.5%	**Opens first**
Hotels	Austin and San Antonio hotels going back to lenders; extensions ending	**Opens first**
Apartments	Prices 11% to 20% below peak; 2021-22 floating-rate loans 11% delinquent; new supply down about 60%	**Opens**
Land	Bid and ask resetting; sellers carrying notes to close deals	**Opens**
Industrial	DFW at record prices; Austin vacancy above 14%	**Austin buyers' window**
Retail	3% to 5% vacancy and a new building cycle; few forced sellers	**Fundamentals hold**
Data centers	DFW 2.8% vacancy and 95% preleased; power is the limit	**Fundamentals hold**

Cap rates are rising. Q3 2026 Texas sales: apartments 5.7% to 6.2%, industrial 6.0% to 8.1%, retail 6.5% to 7.3%, Houston office 9.5%, mostly before the 10-year passed 5%. CBRE expects at least 40 to 60 bp more (Oct 28, 2026).

$13.3B
DFW commercial loans maturing in the next 12 months, plus $12.5B already past due

41% to 21%
Share of maturing US loans that lenders extended, start of 2025 vs 2026

31.5%
Houston office CMBS loans in distress, up from 21.9%

15.7%
Texas share of new US private real estate offerings this fall, a series high

Three calls for 2027

1. The floodgates start to open
Not open today: lenders are still extending and deals are held back. In 2027 they open, selectively: office, hotels and 2021-22 apartment loans first, in DFW and Houston.

2. The programmatic raise
Fundraising is at a nine-year low nationally, yet Texas sponsors filed a record share of new US offerings this fall. Capital is reaching sponsors with a program.

3. Austin, for patient buyers
Austin has reset furthest across property types: apartments, industrial, office and downtown hotels. The best entry for buyers with a long-term perspective.



The full report is free on my website.

It adds details by market and property type, the 2027 rate and credit outlook, who is raising capital and how, and the full case for each call.

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Full report, free

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Source: Chirag Hathiramani Real Estate Consulting analysis of various data sources, including SEC filings, Circlemark, CRED iQ, Trepp, MBA, Matthews, Yardi Matrix, CBRE, PERE and the Texas A&M Real Estate Research Center. For information only; not investment advice.