



COMPREHENSIVE HOUSING MARKET ANALYSIS

# Nashville-Davidson-- Murfreesboro-- Franklin, Tennessee

**U.S. Department of Housing and Urban Development,**  
Office of Policy Development and Research

As of April 1, 2024



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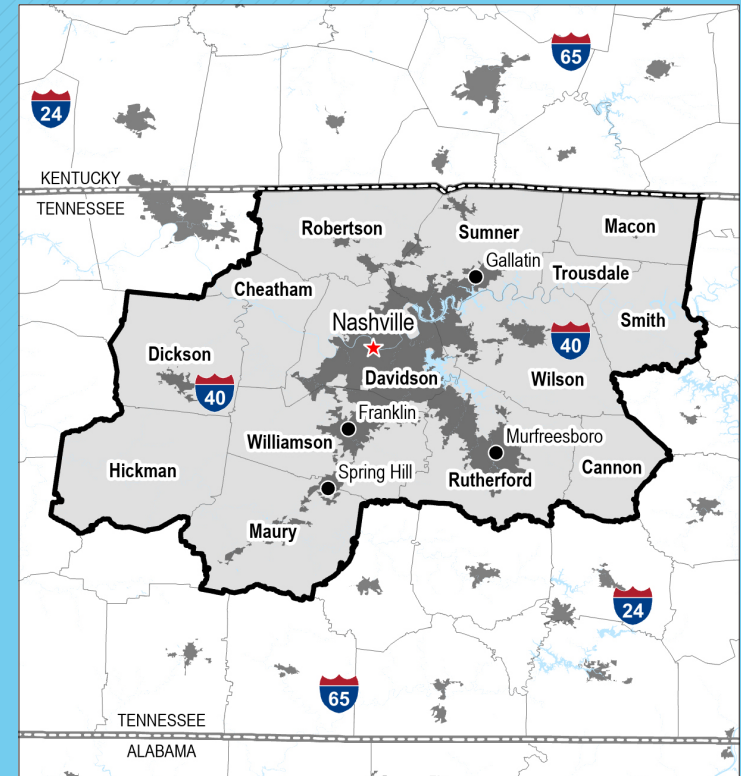
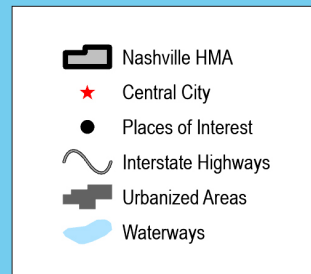
# Executive Summary

## Housing Market Area Description

The Nashville-Davidson--Murfreesboro--Franklin, TN Housing Market Area (hereafter, Nashville HMA) is coterminous with the metropolitan statistical area of the same name in north-central Tennessee, a region locally called Middle Tennessee. Davidson County, which includes the city of Nashville, is the economic and population center of the HMA. An additional 13 counties—Cannon, Cheatham, Dickson, Hickman, Macon, Maury, Robertson, Rutherford, Smith, Sumner, Trousdale, Williamson, and Wilson—are also in the HMA.

The current population of the HMA is estimated at 2.13 million. The Davidson County population is 717,200, or approximately one-third of the total HMA population.

Historically, the HMA has been a center for music production, drawing millions of visitors each year and supporting a large tourism industry. The healthcare management and the information technology industries have been significant contributors to economic growth since 2010.



### Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's [Market-at-a-Glance tool](#). Additional data for the HMA can be found in this report's [supplemental tables](#). For information on HUD-supported activity in this area, see the [Community Assessment Reporting Tool](#).



## Market Qualifiers

### Economy



**Strong but Moderating:** As of the 12 months ending March 2024, nonfarm payrolls increased 2.0 percent from a year ago, slowing from a 5.7-percent increase a year earlier.

The Nashville HMA economy recovered from job losses associated with the early 2020 recession in 2021, a year before the nation, and payrolls have increased faster than the nation most years since 2010. During the 12 months ending March 2024, the education and health services sector led job growth in the HMA, with the most jobs added. The leisure and hospitality sector also contributed to job growth in the HMA, partially because of an increase in tourism, evidenced by a rise in passenger counts at the Nashville International Airport and hotel stays in 2023. During the 3-year forecast period, job growth is expected to accelerate to an average of 2.7 percent annually, up from the gain during the most recent 12 months.

### Sales Market



**Slightly Soft:** Home prices averaged \$527,700 during the 12 months ending March 2024, up 3 percent from a year ago but slowing from a 13-percent increase the previous year (CoreLogic, Inc.).

Current conditions in the home sales market have eased since 2021, when conditions were tight. An increase in home mortgage interest rates since early 2022 contributed to reduced affordability for potential homebuyers and deterred existing homeowners with lower rates from selling, resulting in easing conditions. During the most recent 12 months, home sales price growth was the slowest in more than a decade, down from a 2-decade high of 20 percent in 2021. Total home sales peaked in 2021 at the highest level in more than 2 decades, but sales have since fallen and are currently at the lowest level in more than a decade. During the next 3 years, demand for an additional 31,300 sales housing units is expected. The 7,700 homes currently under construction will meet a portion of forecast demand.

### Rental Market



**Soft:** As of the first quarter of 2024, the average apartment rent was \$1,587, down 1 percent from a year ago, and the apartment vacancy rate was 10.6 percent, the highest rate in more than a decade.

Current rental market conditions have eased since early 2022, when conditions were tight. An elevated number of apartment units entered the market during the past 2 years, greatly exceeding the number of units absorbed. A slightly tight single-family rental market is partially offsetting the currently soft apartment market. The single-family rental market eased from 2 years ago, when single-family rents increased at the fastest rate in more than 9 years. During the forecast period, demand is expected for an additional 16,500 rental units. The 22,800 units currently under construction exceed the expected demand in the HMA. However, the units under construction are highly concentrated in Davidson County, and demand for additional new units is expected in some suburban counties.

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| 3-Year Housing Demand Forecast |                    |             |              |
|--------------------------------|--------------------|-------------|--------------|
|                                |                    | Sales Units | Rental Units |
| Nashville HMA                  | Total Demand       | 31,300      | 16,500       |
|                                | Under Construction | 7,700       | 22,800       |

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of April 1, 2024. The forecast period is April 1, 2024, to April 1, 2027.  
Source: Estimates by the analyst



## Economic Conditions

### Largest Sector: Professional and Business Services

As of the 12 months ending March 2024, nonfarm payrolls increased by 23,100 jobs, or 2.0 percent, from a year ago, supported by gains in the education and health services and the leisure and hospitality sectors, the second and third largest sectors in the Nashville HMA.

### Primary Local Economic Factors

The HMA is a center for music production and has a large tourism industry. Nashville is known as “Music City” and is home to more than 190 recording studios and more than 120 live performance venues. Music and entertainment associations headquartered in the HMA—such as the American Music Association, Academy of Country Music, and Country Music Association, and music businesses, including Capitol Records, Gibson Inc., and Live Nation Entertainment—contribute to the more than 43,000 music industry jobs and a \$15.6 billion annual industry economic impact (Music Industry Report 2020, Nashville Chamber of Commerce). Drawn to the area by the live entertainment and four professional sports teams, approximately 14.9 million tourists visited in 2022, exceeding the prepandemic high by nearly 750,000, or 5 percent (Nashville Chamber of Commerce).

The healthcare industry has the largest economic impact in the HMA—\$67.0 billion—with 362,600 direct jobs in the industry and indirect jobs generated by the industry (Nashville Chamber of Commerce). The two largest employers in the HMA are Vanderbilt University Medical Center, a healthcare provider, and HCA Healthcare, Inc., a healthcare management company (Table 1). Within the healthcare industry, companies that manage providers, but do not directly care for patients, are highly concentrated in the area. Companies in the HMA manage more than one-half of the beds at privately owned hospitals in the nation.

The high-tech industry has also contributed to economic growth. From 2015 to 2020, the number of high-tech jobs in the HMA increased 51 percent compared with a 32-percent increase nationwide (Nashville Chamber of

**Table 1. Major Employers in the Nashville HMA**

| Name of Employer                     | Nonfarm Payroll Sector      | Number of Employees |
|--------------------------------------|-----------------------------|---------------------|
| Vanderbilt University Medical Center | Education & Health Services | 28,300              |
| HCA Healthcare, Inc.                 | Education & Health Services | 10,600              |
| Nissan North America, Inc.           | Manufacturing               | 10,500              |
| Amazon.com, Inc.                     | Wholesale & Retail Trade    | 10,000              |
| Vanderbilt University                | Education & Health Services | 8,822               |
| Ascension St. Thomas                 | Education & Health Services | 8,335               |
| The Kroger Co.                       | Wholesale & Retail Trade    | 7,813               |
| Randstad NV                          | Other Services              | 4,550               |
| Community Health Systems             | Education & Health Services | 4,537               |
| Asurion, LLC                         | Financial Activities        | 4,260               |

Note: Excludes all government employers.

Source: Nashville Regional Economic Development Guide

Commerce). Many high-tech companies are in the professional and business services sector, which has been the largest sector in the HMA since 2015, but some companies may be counted in other nonfarm payroll sectors depending on the services provided. Amazon.com, Inc. and AT&T Inc. are the two largest high-tech employers, and companies such as Eventbrite, Inc., Lyft, Inc., and Postmates Inc. have offices in the HMA.

### Current Conditions—Nonfarm Payrolls

Nonfarm payrolls increased year over year during the past 12 months, but gains moderated compared with the two previous 12-month periods. As of the 12 months ending March 2024, nonfarm payrolls averaged 1.16 million jobs, up by 23,100 jobs, or 2.0 percent (Table 2), slowing from 5.7- and 8.0-percent increases during the corresponding periods ending in March 2023 and March 2022 (Figure 1). Nonfarm payrolls are currently 107,000 jobs, or 10.2 percent, above the average during the 12 months ending March 2020, the previous peak.

The education and health services sector, the second largest sector in the HMA (Figure 2), led job gains during the 12 months ending March 2024, with an addition of 7,900 jobs, or 4.8 percent. Healthcare facility expansions in the past 12 months include a new clinic operated by Mercy Community Healthcare in Franklin, with 150 employees, and a medical laboratory affiliated with Vanderbilt University Medical Center in the city of Nashville, with 350 employees.

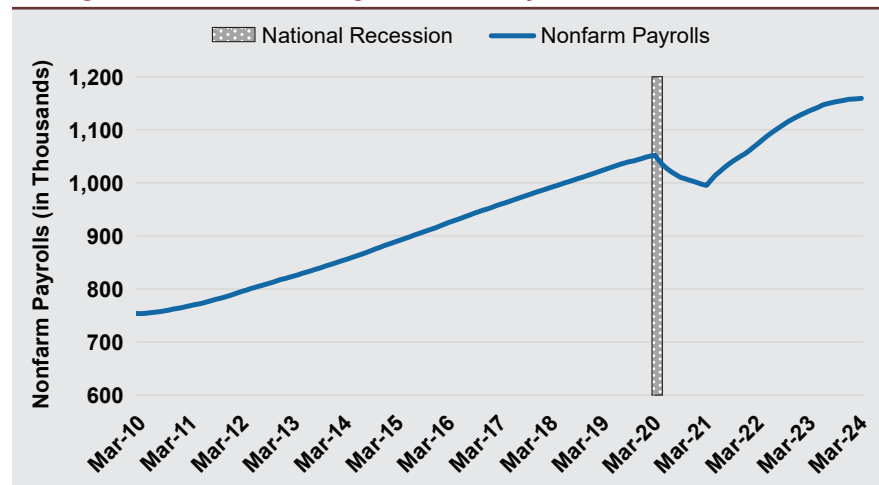


**Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Nashville HMA, by Sector**

|                                   | 12 Months Ending March 2023 | 12 Months Ending March 2024 | Absolute Change | Percentage Change |
|-----------------------------------|-----------------------------|-----------------------------|-----------------|-------------------|
| <b>Total Nonfarm Payroll Jobs</b> | <b>1,136.1</b>              | <b>1,159.2</b>              | <b>23.1</b>     | <b>2.0</b>        |
| <b>Goods-Producing Sectors</b>    | <b>144.9</b>                | <b>147.5</b>                | <b>2.6</b>      | <b>1.8</b>        |
| Mining, Logging, & Construction   | 58.7                        | 61.0                        | 2.3             | 3.9               |
| Manufacturing                     | 86.2                        | 86.4                        | 0.2             | 0.2               |
| <b>Service-Providing Sectors</b>  | <b>991.1</b>                | <b>1,011.8</b>              | <b>20.7</b>     | <b>2.1</b>        |
| Wholesale & Retail Trade          | 150.7                       | 153.4                       | 2.7             | 1.8               |
| Transportation & Utilities        | 70.8                        | 71.6                        | 0.8             | 1.1               |
| Information                       | 32.7                        | 31.5                        | -1.2            | -3.7              |
| Financial Activities              | 79.9                        | 78.6                        | -1.3            | -1.6              |
| Professional & Business Services  | 197.2                       | 196.8                       | -0.4            | -0.2              |
| Education & Health Services       | 166.2                       | 174.1                       | 7.9             | 4.8               |
| Leisure & Hospitality             | 125.4                       | 131.5                       | 6.1             | 4.9               |
| Other Services                    | 46.5                        | 48.1                        | 1.6             | 3.4               |
| Government                        | 121.9                       | 126.1                       | 4.2             | 3.4               |

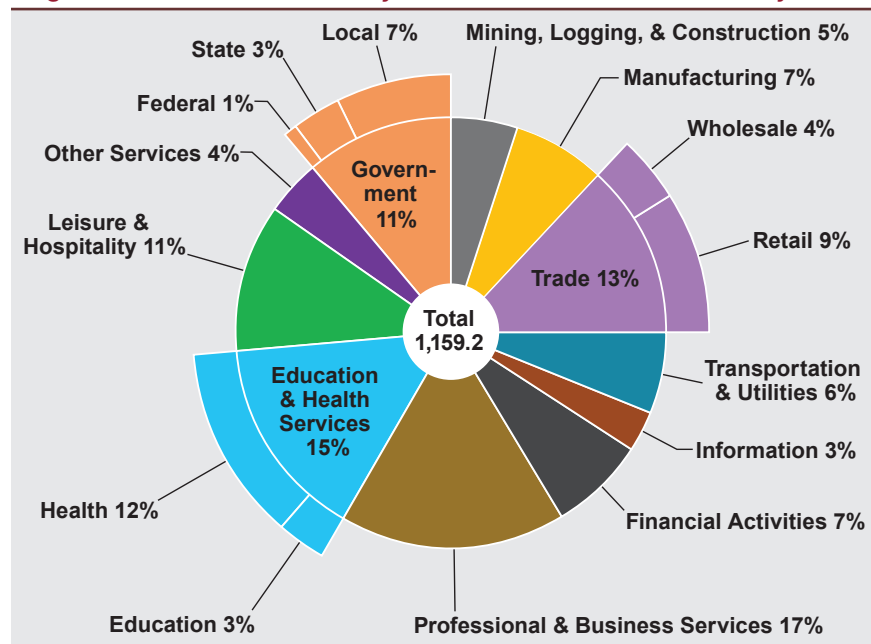
Notes: Based on 12-month averages through March 2023 and March 2024. Numbers may not add to totals due to rounding. Data are in thousands.  
Source: U.S. Bureau of Labor Statistics

**Figure 1. 12-Month Average Nonfarm Payrolls in the Nashville HMA**



Note: 12-month moving average.  
Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

**Figure 2. Share of Nonfarm Payroll Jobs in the Nashville HMA, by Sector**



Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through March 2024.  
Source: U.S. Bureau of Labor Statistics

The leisure and hospitality sector was slower to recover from the job losses associated with the early 2020 recession, only surpassing the prepandemic high in 2022, a year after overall nonfarm payrolls in the HMA. However, as of the most recent 12 months, the sector had the fastest growth in percentage terms and the second largest addition of jobs, rising 4.9 percent, or 6,100 jobs, from a year ago. In 2023, Nashville International Airport handled 21.9 million passengers, up nearly 10 percent from a year earlier (Nashville International Airport). The increase in visitors arriving by airplane contributed to a nearly 4-percent increase in hotel room nights sold in the HMA in 2023 compared with 2022 (CoStar Group).

Three sectors had declines in jobs as of the 12 months ending March 2024—the financial activities, the information, and the professional and business

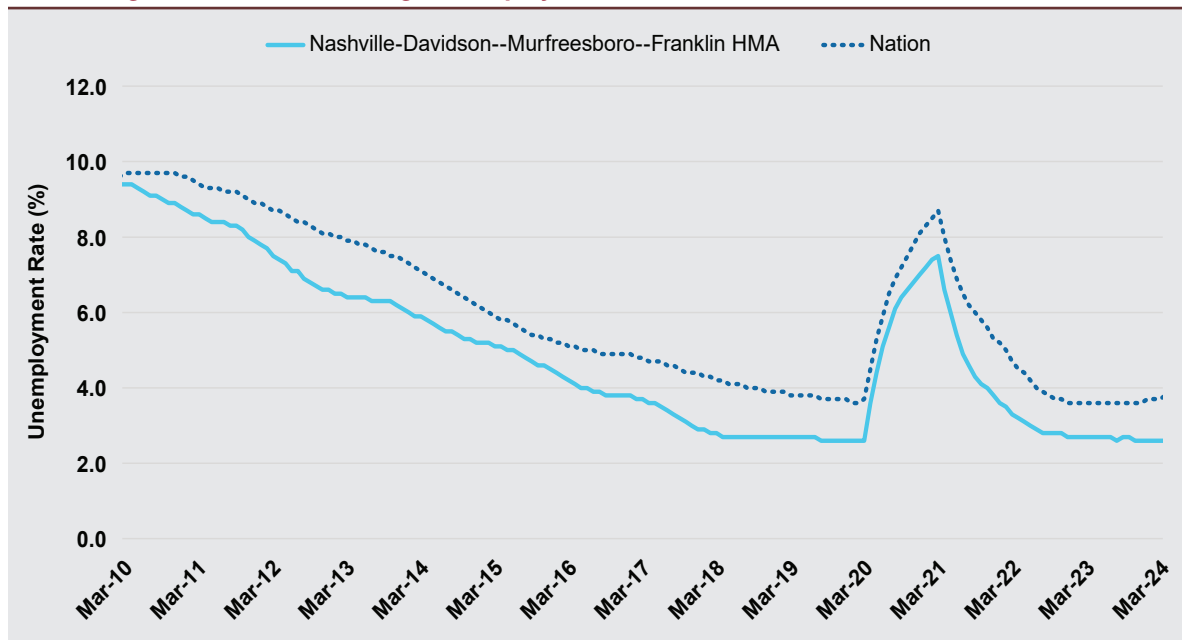


services sectors, down by 1,300, 1,200, and 400 jobs, or 1.6, 3.7, and 0.2 percent, respectively. The decline in the financial activities sector is partially attributed to the decline in home sales, resulting in fewer workers needed in the home finance and real estate industries. In 2023, layoffs at high-tech companies Amazon, Dell, Eventbrite, and Lyft also contributed to the declines.

### Current Conditions— Unemployment

The unemployment rate in the HMA has been below 3.0 percent during the past 24 months. As of the 12 months ending March 2024, the rate averaged 2.6 percent, down from 2.7 percent a year earlier and 3.3 percent during the 12 months ending March 2022 (Figure 3). Resident employment increased faster than the labor force, contributing to the recent decline. Affected by the job losses from the early-2020 recession, the unemployment rate peaked at an average of 7.5 percent during the 12 months ending March 2021. The rate for the HMA has consistently been below the national rate since 2010.

**Figure 3. 12-Month Average Unemployment Rate in the Nashville HMA and the Nation**



Note: Based on the 12-month moving average.  
Source: U.S. Bureau of Labor Statistics



## Economic Periods of Significance

### The 2010s: Job Growth

The Great Recession caused nonfarm payrolls in the HMA to reach a low of 756,000 jobs in 2009, but payrolls increased each year from 2010 through 2019. As of 2012, payrolls in the HMA had fully recovered, exceeding the prerecession high 2 years before the nation. From 2010 through 2012, job growth in the HMA averaged 20,100 jobs, or 2.6 percent, annually. As the economy expanded, job growth accelerated to an average gain of 32,700 jobs, or 3.6 percent, annually from 2013 through 2019. The rate of job growth in the HMA was faster than growth for the nation, which averaged 0.7 percent annually from 2010 through 2012 and 1.7 percent annually from 2013 through 2019.

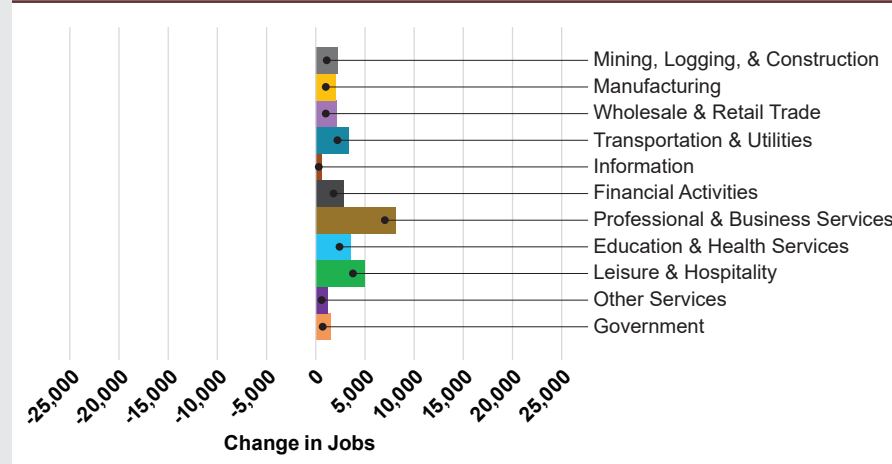
During the period of expansion from 2013 through 2019, all 11 nonfarm payroll sectors in the HMA added jobs (Figure 4a). The professional and business services sector led job growth, with an average annual addition of 8,200 jobs, or 5.8 percent, and the education and health services sector added the third most jobs, expanding by an average of 3,500 jobs, or 2.5 percent, annually. The companies contributing to these rapid gains were in the high-tech and healthcare

industries. Philips, a health technology company, opened its first office in the HMA in 2017 and hired 800 workers by the end of 2019. In 2018, Amazon announced plans to build an Operations Technology Center of Excellence in downtown Nashville, and the first 1,000 of an expected 5,000 employees had been hired by mid-2020. The leisure and hospitality sector added the second most jobs, with an average gain of 5,000 jobs, or 5.0 percent, annually from 2013 through 2019, accommodating the more than 10 million tourists that visited each year.

### The COVID-19 Recession: 2020

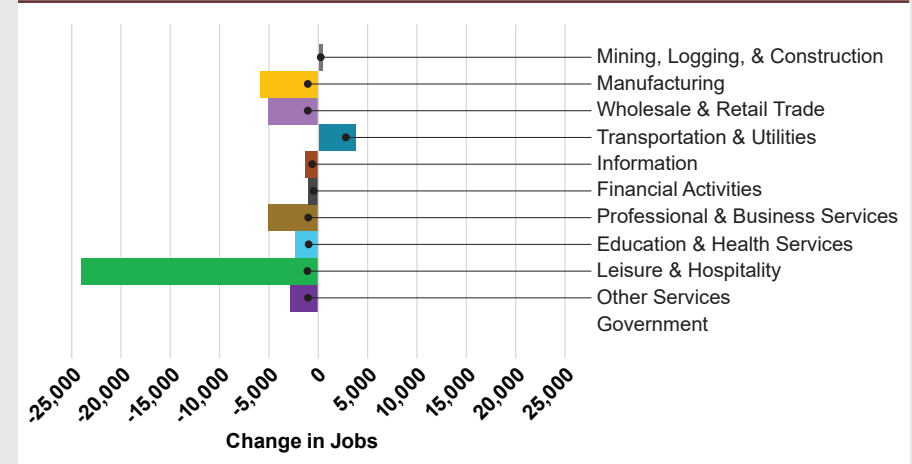
Nonfarm payrolls declined sharply in early 2020 because of the onset of the COVID-19 pandemic and associated public health measures to limit the spread of the virus. During 2020, nonfarm payrolls averaged 1 million jobs, a decline of 43,300 jobs, or 4.1 percent, compared with 2019. The decline in the HMA was less severe than the 5.8-percent decline for the nation. The leisure and hospitality sector was the sector with the most job losses, falling by 24,000 jobs, or 19.7 percent (Figure 4b). Public health restrictions on in-person gatherings, heavily affecting sector businesses, contributed to the decline.

Figure 4a. Average Annual Sector Growth in the Nashville HMA, 2013 to 2019



Source: U.S. Bureau of Labor Statistics

Figure 4b. Sector Growth in the Nashville HMA During 2020



Source: U.S. Bureau of Labor Statistics



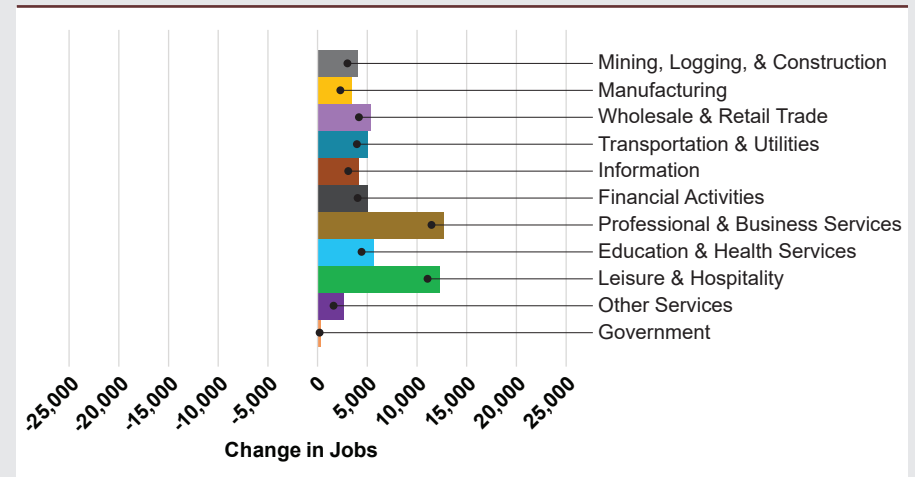
Shifting consumer preferences and employer policies that expanded telework contributed to two sectors adding jobs in 2020—the transportation and utilities and the mining, logging, and construction sectors. Public health concerns and the temporary closure of some in-person retail stores supported a gain of 3,800 jobs, or 6.7 percent, in the transportation and utilities sector, which includes companies that deliver goods purchased online. Increased telework contributed to the need for home remodeling to accommodate home offices and enabled some workers to move farther from their workplace and even purchase new homes, supporting the gain of 500 jobs, or 1.0 percent, in the mining, logging, and construction sector.

### Recovery and Expansion During 2021 and 2022

As public health measures to limit the spread of COVID-19 eased and consumer preferences for in-person interactions increased, nonfarm payrolls also increased. The number of jobs in the HMA in 2021 exceeded the number during 2019, and payrolls continued to grow in 2022. During 2021 and 2022, nonfarm payrolls increased by an average of 60,900 jobs, or 5.9 percent. By comparison, nationally, jobs increased 3.6 percent annually during the same period and surpassed 2019 levels during 2022, a year after the HMA.

All 11 sectors in the HMA added jobs during 2021 and 2022 (Figure 4c). The professional and business services sector led job growth, with an average increase of 12,800 jobs, or 7.2 percent, annually, and the information sector had the fastest increase in percentage terms, with a 16.5-percent average annual increase, or 4,200 jobs a year. Hiring by high-tech and scientific research companies in the HMA contributed to gains during 2021 and 2022. The Amazon Operations Technology Center of Excellence

**Figure 4c. Average Annual Sector Growth in the Nashville HMA During 2021 and 2022**



Source: U.S. Bureau of Labor Statistics

continued to add jobs, reaching 2,500 employees in late 2021, and Life Technologies, a biotechnology company, opened a production facility in the HMA, employing 300 workers in 2021, and is expected to employ up to 1,400 workers with planned future facility expansion.

Tourism also recovered during 2021 and 2022. In March 2021, the city of Nashville eased business capacity restrictions implemented in March 2020, and in 2022, the number of tourist visits exceeded the number of visits in 2019 by 5 percent. The leisure and hospitality sector added an average of 12,400 jobs, or 11.9 percent, annually in 2021 and 2022.

### Change in Jobs by County

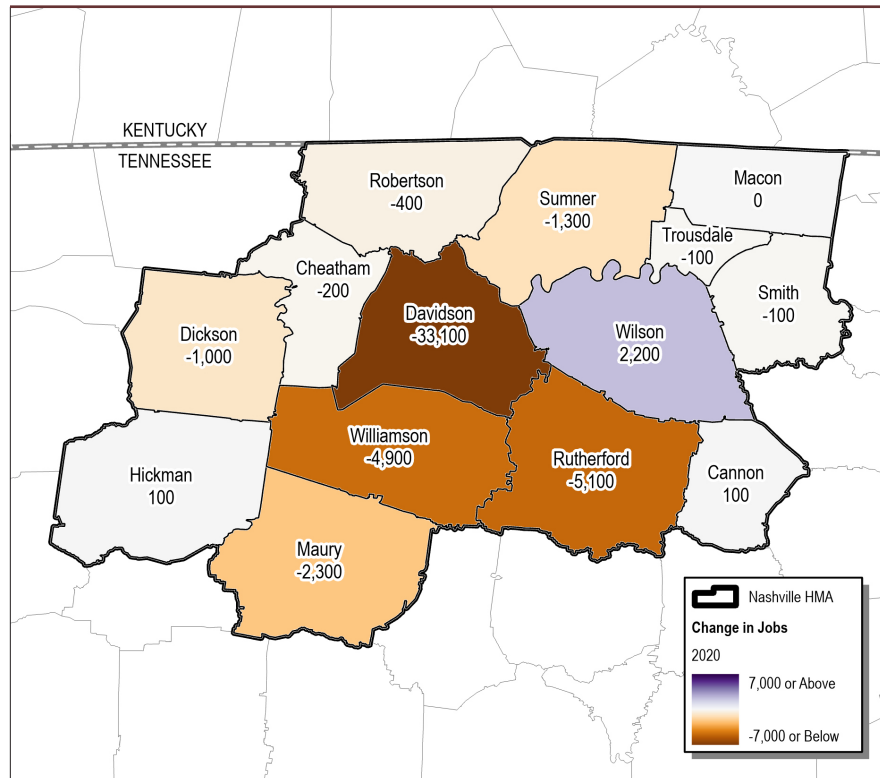
During 2020, job loss occurred in 11 of the 14 counties in the HMA, but as of 2023, all counties had fully recovered from the losses. Davidson County, which includes the city of Nashville and 51 percent of all jobs in the HMA in 2023, had both the largest job loss in 2020 and added the most jobs from 2021 through 2023 (Bureau of Labor and Statistics, Quarterly Census of Employment and

Wages; Maps 1a and 1b). Job losses in the county during 2020 were highest in the accommodation and food services industry, which is highly concentrated in the county. Job gains in the county from 2021 through 2023 included a full recovery in the accommodation and food services industry, as well as an increase in jobs in the information, the professional, scientific, and technical services, and the management of companies and enterprises industries.





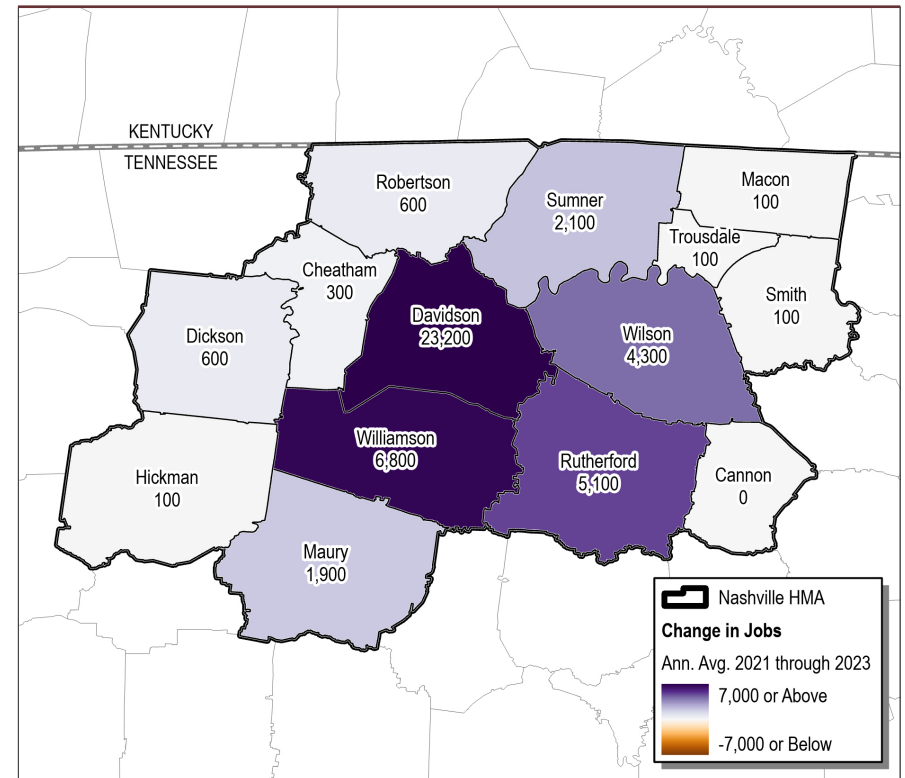
**Map 1a. Change in Jobs by County in the Nashville HMA, 2020**



Source: Bureau of Labor and Statistics, Quarterly Census of Employment and Wages (QCEW)

Trends in other counties with a high concentration of jobs were mixed. Rutherford and Williamson Counties each have more than 125,000 jobs. In Rutherford County, 2020 job losses were largest in the manufacturing sector, which is highly concentrated in the county. Manufacturing jobs in the county have since fully recovered, and significant increases have also occurred in the transportation and utilities sector and the professional, scientific, and technical services industry. In Williamson County, many jobs are in industries that were able to shift a relatively high portion of workers to telework in 2020, so 2020 job losses were less severe relative to Rutherford County, despite Williamson County

**Map 1b. Change in Jobs by County in the Nashville HMA, 2021 Through 2023**



Source: Bureau of Labor and Statistics, Quarterly Census of Employment and Wages (QCEW)

having 5 percent more jobs in 2019. In 2020, job losses in Williamson County were concentrated in the accommodation and food services industry, which has since fully recovered. Significant increases since 2020 in the county have also occurred in the information, scientific, and technical services and the healthcare and social assistance industries. Wilson County—with approximately 50,000 jobs in 2020, including a relatively high share of jobs in the transportation and warehousing industry—had the largest increase in jobs in 2020. A large gain in the transportation and warehousing industry offset losses in other industries in 2020, and the industry has continued to lead job growth in the county.

## Forecast

During the 3-year forecast period, job growth is expected to average 2.7 percent annually, which is faster than the growth rate during the past 12 months but slower than the average rate during the previous period of expansion from 2013 through 2019. The same industries that have contributed to growth since 2021—health care, high-tech, and leisure and hospitality—are

expected to continue to support gains during the forecast period. Notable job announcements include Oracle Corporation, which is planning to add 8,500 jobs and move its world headquarters to Nashville, and In-N-Out Burgers, which is building a corporate office for nearly 300 workers that is expected to open in 2025.



# Population and Households

Current Population: 2.13 Million

Population growth has averaged 1.6 percent annually since 2021. Average annual net in-migration since 2021 has been relatively similar compared with mid- to late-2010 levels, but net natural increase slowed compared with the 2010s.

## Population Trends

Population growth, like job growth, has been strong nearly every year since 2010 in the Nashville HMA. Rapid job growth, which has exceeded the national average most years since 2010, and a less severe job loss in 2020 contributed to net in-migration. In the HMA and the nation, net natural increase has been slowing since 2010 because the birthrate has been falling, and the number of seniors aged 65 and older has been rising at a faster rate than the population overall.

The current population in the HMA is estimated at 2.13 million, up by an average of 27,850, or 1.4 percent, annually since 2020, which is slower than the average gain of 34,350, or 1.9 percent, annually from 2010 to 2020 (Table 3). The slowdown in average annual population growth since 2020 primarily occurred from 2020 to 2021, when the economy was weak, international immigration was relatively low, and deaths attributed to the COVID-19 virus were highest. Since 2021, net in-migration has returned to similar levels before the pandemic, but net natural change has remained relatively subdued.

## 2010 to 2020

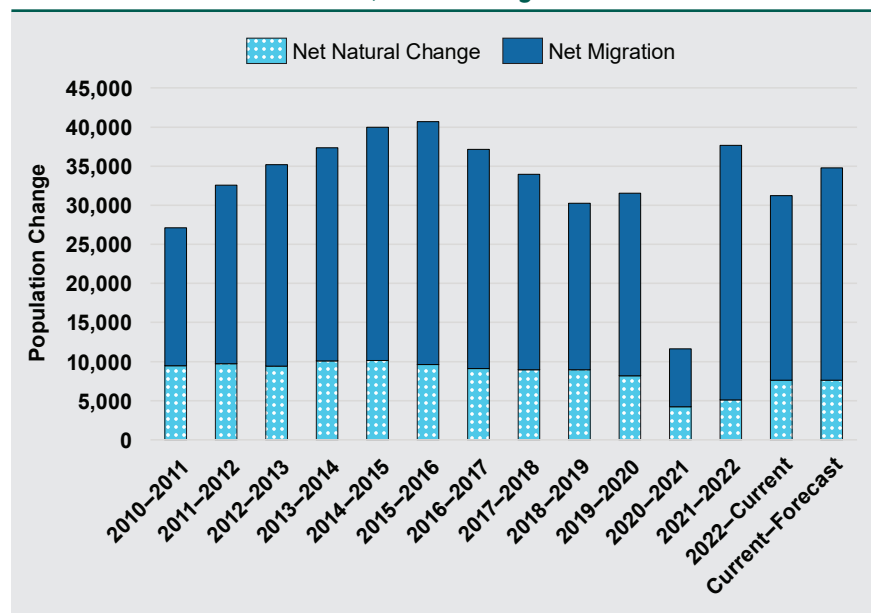
As the economy was recovering from the Great Recession in the early 2010s, population growth in the HMA was relatively slow but strengthened when job growth accelerated and outpaced the nation. From 2010 to 2012, population growth averaged 28,650 people, or 1.7 percent, annually and increased to an average of 36,000 people, or 1.9 percent, annually from 2012 to 2020 (Figure 5). During the earlier years from 2010 to 2012, net in-migration averaged 18,950

Table 3. Nashville HMA Population and Household Quick Facts

|                               | 2020                  | Current   | Forecast  |           |
|-------------------------------|-----------------------|-----------|-----------|-----------|
| <b>Population Quick Facts</b> | <b>Population</b>     | 2,014,444 | 2,126,200 | 2,229,900 |
|                               | Average Annual Change | 34,350    | 27,850    | 34,800    |
|                               | Percentage Change     | 1.9       | 1.4       | 1.6       |
| <b>Household Quick Facts</b>  | <b>Households</b>     | 781,767   | 865,900   | 911,200   |
|                               | Average Annual Change | 13,450    | 21,050    | 15,100    |
|                               | Percentage Change     | 1.9       | 2.6       | 1.7       |

Notes: Average annual changes and percentage changes are based on averages from 2010 to 2020, 2020 to current, and current to forecast. The forecast period is the current date (April 1, 2024) to April 1, 2027. Sources: 2010 and 2020—2010 Census and 2020 Census; current and forecast—estimates by the analyst

Figure 5. Components of Population Change in the Nashville HMA, 2010 Through the Forecast



Notes: Data displayed are average annual totals. The forecast period is the current date (April 1, 2024) to April 1, 2027. Sources: U.S. Census Bureau; current to forecast—estimates by the analyst



people annually and increased to an average of 26,600 people annually from 2012 to 2020 as job growth accelerated (U.S. Census Bureau Population Estimates Program). Net natural increase averaged 9,725 people annually from 2010 to 2012 and then moderated to an average of 9,425 people annually from 2012 to 2020 as the birthrate fell and the senior population increased faster than the overall population.

### 2020 to 2021

The COVID-19 pandemic and recession in early 2020 contributed to a sharp reduction in population growth. From April 2020 through mid-2021, the population increased by an average of 15,150, or 0.8 percent, annually, which was less than one-half of the average annual increase from 2012 to 2020. Net in-migration averaged 10,600 people annually, with the steep decline attributed to weak economic conditions and restrictions on international immigration. Net natural increase fell to an average of 4,575 people annually. During 2020 and 2021, an average of 3,000 deaths attributed to the COVID-19 virus occurred annually (Tennessee Department of Health), contributing to the lower rate of net natural increase.

### 2021 to Current

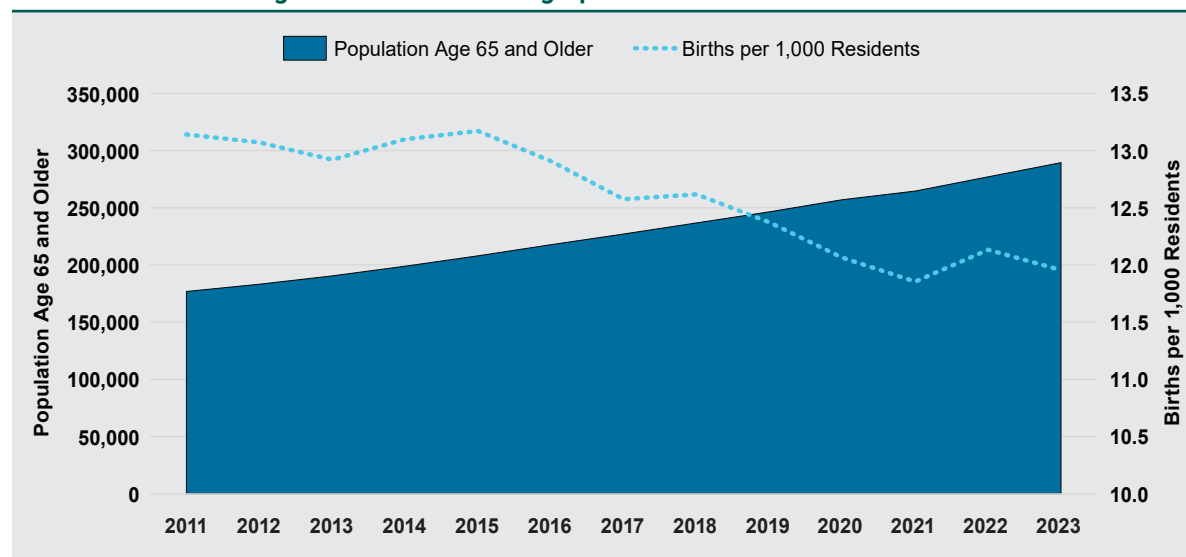
Population growth strengthened following recovery from the 2020 recession. From 2021 through the current date, population growth averaged 33,600 people, or 1.6 percent, annually. Net in-migration increased to a similar level

during the period from 2012 to 2020, averaging 26,900 people annually. Net natural increase was up compared with the previous period but remained subdued relative to the 2010s, averaging 6,700 people annually. Deaths attributed to the COVID-19 virus declined to 2,075 in 2022 and are estimated to have moderated further in more recent years, contributing to a higher level of net natural increase relative to the period from 2020 to 2021. However, the underlying factors that led to slowing net natural increase during the 2010s—a falling birthrate and an aging population—continued.

## Trends in the Birthrate and Senior Population

Since 2011, the birthrate in the HMA has been declining, and the senior population has been increasing. The HMA had 13.1 births per 1,000 residents in 2011 (Census Bureau population estimates as of July 1). The rate has fallen most years since 2012, decreasing to 12.4 in 2019 and less than 12.0 in 2023 (Figure 6). The population of seniors aged 65 and older has increased faster than the overall population. In 2010, the senior population was 171,000, or approximately 11 percent of the total population (American Community Survey [ACS] 5-year data). The senior population increased an average of 4 percent annually from 2011 to 2022, and the cohort accounted for 14 percent of the total population in 2022.

Figure 6. Selected Demographic Trends in the Nashville HMA



Sources: Population aged 65 and older—American Community Survey 5-year data and 2023 estimates by the analyst; births per 1,000 residents—U.S. Census Bureau population estimates as of July 1 and 2020 estimates by the analyst



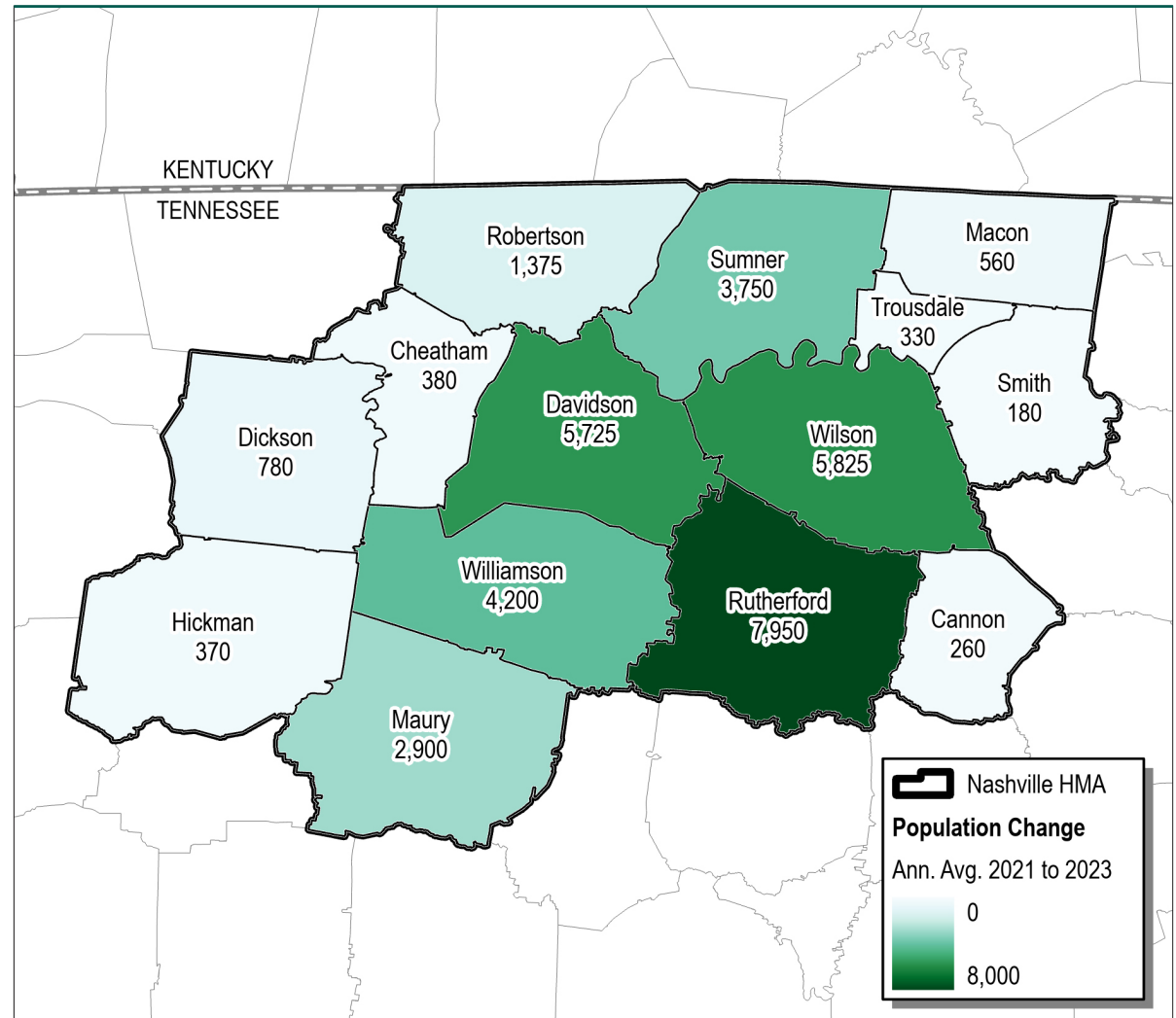
Compared with the nation, the birthrate is higher, and the share of seniors in the HMA is smaller. In 2023, the national birthrate was 10.9 births per 1,000 residents, and 17 percent of the population was aged 65 or older.

### Population Change by County

Population growth occurred in all counties in the HMA from 2021 to 2023. Counties with the largest gains were adjacent to Davidson County, and smaller population increases occurred in the outlying counties (Map 2). Davidson County increased by an average of 5,750 people annually. Two counties had larger gains than Davidson County—Rutherford and Wilson, with respective average increases of 7,900 and 5,825. These counties had the third and fourth largest increases in jobs during the same period. Williamson County also had a large increase in jobs from 2021 to 2023; however, with the highest average home sales price among all counties and the second highest average rent in the HMA, behind only the Downtown Nashville market area, the lower housing affordability contributed to slower population growth in the county.

Counties with the six largest population gains—Rutherford, Wilson, Davidson, Williamson, Sumner, and Maury—all had net natural increase from 2021 to 2023, and the eight outlying counties had net natural decline. All counties in the HMA had net in-migration each year from 2021 to 2023, except Davidson County, which had net out-migration during 2021.

Map 2. Average Annual Population Change by County in the Nashville HMA



Source: U.S. Census Bureau July 1 Population Estimates



## Migration Trends

Net in-migration into the HMA has occurred each year since 2010. The Chicago-Naperville-Elgin and the Miami-Fort Lauderdale-Pompano Beach Metropolitan Statistical Areas (MSAs) were the most common metropolitan areas of origin for people moving into the HMA, with net in-migration averaging 2,125 and 1,725 annually, respectively (2016–20 ACS). The Memphis, Tennessee MSA, the second largest MSA in Tennessee (Nashville is the largest), had effectively no net migration to the HMA, with a relatively similar number of people moving in each direction. The HMA had stronger economic growth relative to the Memphis MSA from 2016 to 2019 and a slightly less severe decline in 2020, but housing costs are lower in the Memphis MSA.

## Household Trends and Homeownership Rate

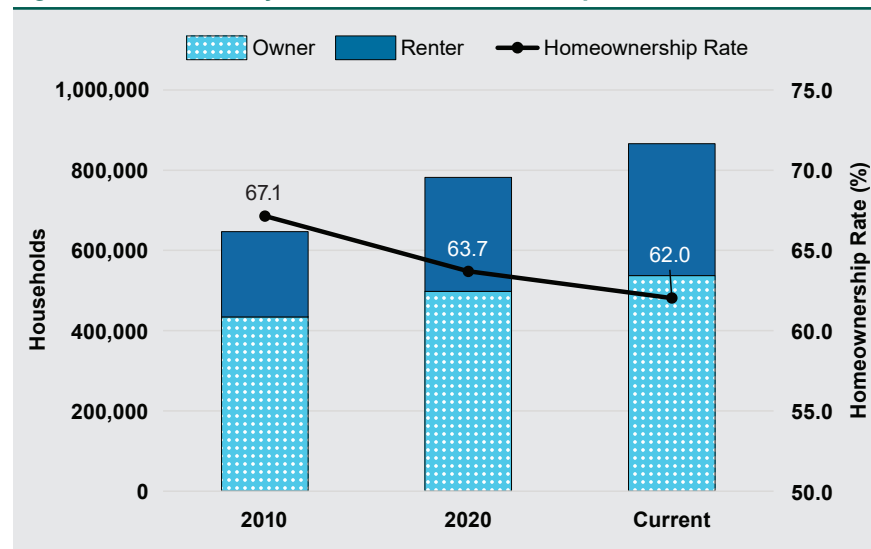
In contrast to the slower population growth since 2020 in the HMA, the number of households has increased at a faster rate since 2020 compared with the period from 2010 to 2020 because of an increase in the number of smaller households. Many multiperson households at the onset of the COVID-19 pandemic, which coincided with the April 1, 2020, Census, subsequently disbursed into smaller households. From 2020 to the current date, households have increased by an average of 21,050, or 2.6 percent, annually, accelerating from an average gain of 13,450, or 1.9 percent, annually from 2010 to 2020.

The homeownership rate has declined since 2010. During both periods from 2010 to 2020 and from 2020 to the current date, renter households accounted for 53 percent of household growth, bringing down the overall share of homeowner households in the HMA. Rapid home price growth since the mid-2010s has limited the number of households able to afford homeownership. In 2010, the homeownership rate was 67.1 percent, falling to 63.7 percent in 2020, and is currently estimated at 62.0 percent (Figure 7).

## Forecast

During the next 3 years, the population is expected to increase by an average of 34,800, or 1.6 percent, annually, reaching 2.23 million by the end of the 3-year forecast period. Both net in-migration and net natural increase

Figure 7. Households by Tenure and Homeownership Rate in the Nashville HMA



Note: The current date is April 1, 2024.

Sources: 2010 and 2020—2010 Census and 2020 Census; current—estimates by the analyst

are expected to rise compared with the average annual rates since 2021. Continued job growth is expected to attract new residents to the HMA. Deaths associated with COVID-19 are expected to continue to decline, contributing to a higher level of net natural increase compared with the period from 2021 to the current date, but the long-term trend of slower net natural change since 2010 is expected to continue into the next 3 years, resulting in net natural increase remaining subdued.

Household growth during the forecast is expected to slow compared with the 2020-to-current average. During the next 3 years, households are expected to increase by an average of 15,100, or 1.7 percent, annually, reaching 911,200 by the end of the forecast period. Household formation is expected to moderate, coinciding with slower forecasted economic growth compared with 2021 and 2022, when many multiperson households broke up into smaller households. In addition, housing affordability is expected to constrain new household formation.

# Home Sales Market

## Market Conditions: Slightly Soft

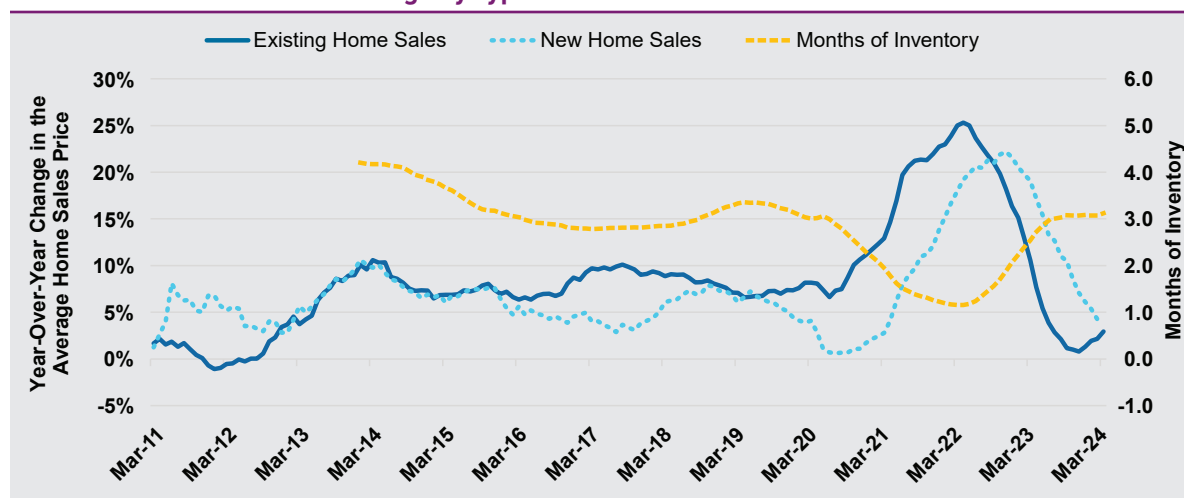
Market conditions eased when interest rates started to rise significantly in early 2022, which caused home sales to decline and home sales price growth to moderate.

## Current Conditions

The home sales market in the Nashville HMA is slightly soft, easing from very tight conditions in 2021, when historically low home mortgage interest rates increased sales demand. As of the 12 months ending March 2024, year-over-year price growth for new and existing homes had the slowest increase in more than a decade, down from the fastest year-over-year home price growth in more than 2 decades in 2021. Total home sales were at the lowest level in more than a decade as of the most recent 12 months, down from a 2021 peak at the highest level in more than 2 decades. The inventory of homes for sale, as measured by the ratio of homes listed for sale compared with home sales, has been rising since a December 2021 low of 1.2 months (Figure 8). The number of homes listed for sale has increased, and the number of homes sold has decreased since 2021, contributing to an increase in months of inventory, which is currently at 3.1 months as of March 2024 (Table 4).

A significant factor in the change in housing market conditions since 2021 is the increase in home mortgage interest rates. The average

**Figure 8. Months of Inventory and 12-Month Average Sales Price Change by Type of Sale in the Nashville HMA**



Note: Inventory data are not available before 2014.  
Sources: Home sales prices—CoreLogic, Inc., with adjustments by the analyst; months of inventory—Redfin, a national real estate brokerage, with adjustments by the analyst

**Table 4. Home Sales Quick Facts in the Nashville HMA**

| Home Sales Quick Facts    | Nashville HMA | Nation    |
|---------------------------|---------------|-----------|
|                           | Vacancy Rate  | 1.7%      |
| Months of Inventory       | 3.1           | 2.9       |
| Total Home Sales          | 40,050        | 5,050,000 |
| 1-Year Change             | -18%          | -17%      |
| Total Home Sales Price    | \$527,700     | \$401,800 |
| 1-Year Change             | 3%            | 2%        |
| Mortgage Delinquency Rate | 0.5%          | 1.0%      |

NA = data not available.  
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending March 2024; and months of inventory and mortgage delinquency data are as of March 2024. The current date is April 1, 2024.  
Sources: Vacancy rate—estimates by the analyst; months of inventory and mortgage delinquency rate—CoreLogic, Inc.; home sales and prices—Zonda

interest rate for a 30-year fixed-rate mortgage ranged from approximately 3.5 to 4.5 percent during the 2010s and fell below 3.5 percent in 2020 and 2021 in response to Federal Reserve interest rate reductions intended to stimulate the economy during and immediately following the early 2020 recession

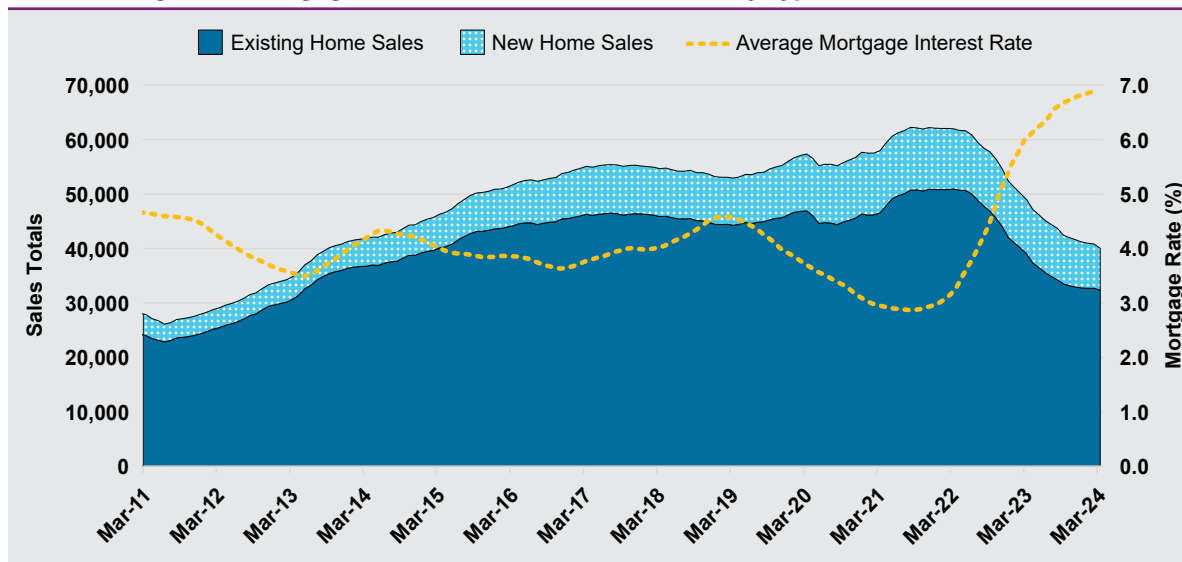


(Freddie Mac; Figure 9). The average mortgage interest rate began to increase in early 2022 in response to Federal Reserve policy changes. The higher interest rates since 2022 have resulted in higher monthly mortgage payments on new home loans, reducing the affordability of homebuying and disincentivizing existing homeowners from selling if they would need a new mortgage at a higher interest rate. As of the end of September 2021, the 52-week average interest rate for a 30-year fixed-rate mortgage was at a low of 2.87 percent and has steadily risen to 6.90 percent as of the 52 weeks ending the last week of March 2024.

## Home Sales

Home sales in the HMA were at a post-Great Recession low in 2011 and increased nearly every year through 2021. Economic conditions were weak during the Great Recession and early period of recovery, and home sales fell each year from 2007 through 2011 to a low of 27,950 in 2011 (CoreLogic, Inc.). Sales increased rapidly during the early years of economic expansion following the Great Recession, rising by an average of 5,725 homes, or 16 percent, annually from 2012 through 2015, and growth moderated to an average increase of 1,300 homes, or 2 percent, annually from 2016 through 2019. Record low mortgage interest rates in 2020 and 2021 contributed to an increase in home sales, rising by an average of 3,025 homes, or 5 percent, annually to a peak of 62,100 homes sold in 2021. Rising mortgage interest rates curbed home sales in 2022,

**Figure 9. Mortgage Interest Rates and Sales Totals by Type in the Nashville HMA**



Notes: Mortgage interest rates are 52-week averages for 30-year fixed-rate mortgages. Sales totals are 12 months ending.  
Sources: Home sales—CoreLogic, Inc., with adjustments by the analyst; mortgage interest rates—Freddie Mac

declining by 9,725 homes, or 16 percent, from the 2021 peak, and sales have continued to decline through the current date. As of the 12 months ending March 2024, home sales totaled 40,050, down by 8,900, or 18 percent, compared with the previous 12 months, the fewest sales since 2012.

## Home Sale Prices

Home price trends tend to reflect economic conditions. Coinciding with the Great Recession, the average price declined during 2008 and 2009 to a low of \$183,500 in 2009 and then increased slowly during the period of economic recovery, rising by an average of 1 percent annually from 2010 through 2012. As the economy in the HMA entered a period of expansion, home price growth accelerated, with prices rising by an average of 8 percent annually from 2013 through 2020. During 2021 and 2022, the low mortgage interest rates, low inventory of homes for sale, and strong economic growth put further upward pressure on prices, which increased an average of 19 percent annually. During the past 2 years, rising mortgage interest rates and slower economic growth eased demand for home sales and moderated price growth. As of the 12 months ending March 2024, the average home price was \$527,700, up 3 percent from the previous 12-month average and slowing from a 13-percent increase a year earlier.





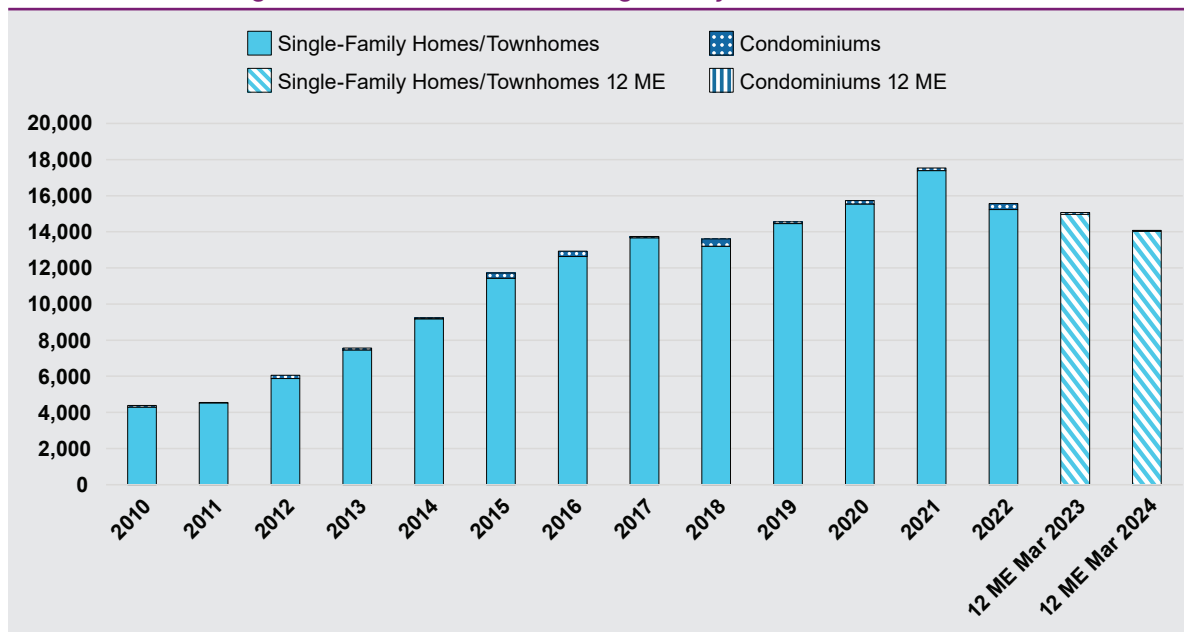
## Sales Construction

Construction of for-sale housing, as measured by building permits issued, increased most years from 2011 through 2021, rising in response to household and economic growth. In 2010, the first year of recovery after the Great Recession, 4,400 homes were permitted, and permitting increased by an average of 1,475 homes annually from 2011 through 2015 (Figure 10). As the increase in home sales moderated in the late 2010s, gains in permitting also moderated, rising by an average of 800 homes annually from 2016 through 2020. The large and rapid changes to the housing market in 2020, including low mortgage interest rates, the expansion of telework, and a low inventory of existing homes for sale, supported an increase in permitting, up by 1,800 homes to a peak of 17,550 in 2021. The rise in mortgage interest rates since 2022 and the consequent reduction in homebuying affordability have led to fewer homes permitted. During the 12 months ending March 2024, permitting declined to 14,050 homes, down by nearly 1,000 homes, or 7 percent, from a year earlier.

## Construction by Geography and Price

Single-family permitting, which accounted for 99 percent of for-sale home construction in 2023, tended to be concentrated in Davidson County and nearby counties to the north, east, and south. These counties have a high concentration of jobs,

Figure 10. Annual Sales Permitting Activity in the Nashville HMA



12 ME = 12 months ending.

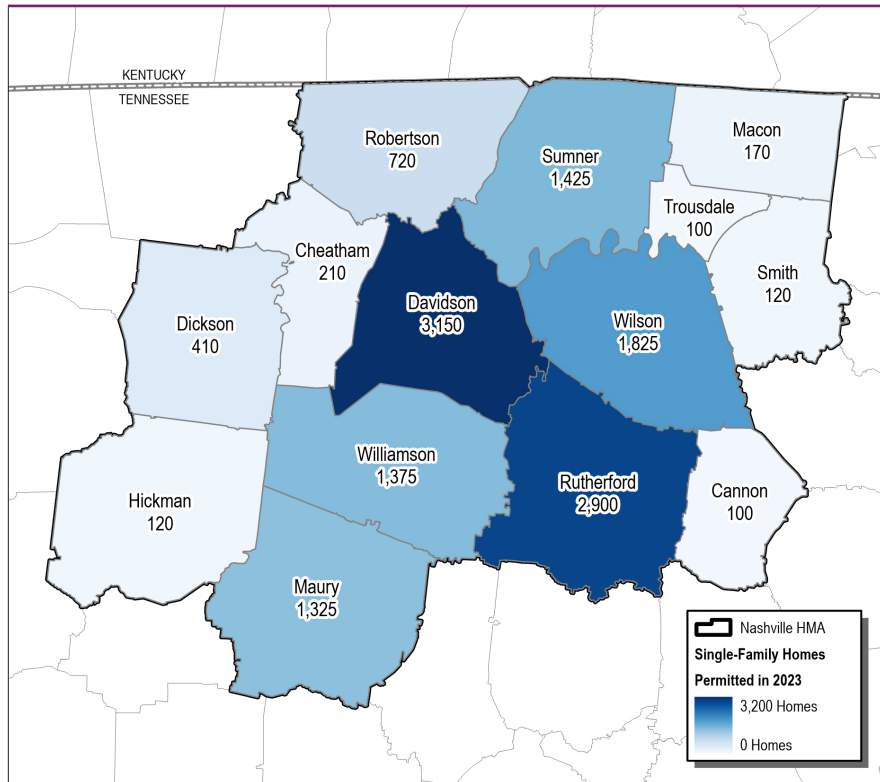
Sources: U.S. Census Bureau, Building Permits Survey; 2010–22—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

are centers for industries with strong job growth in recent years, and are crossed by interstate highways, enabling faster commuting within the HMA. Davidson County had the most homes permitted in 2023, 3,150 homes, accounting for 23 percent of the HMA total, and Rutherford County followed closely, with 2,900 homes permitted, or 21 percent of the HMA total (Map 3). Wilson, Sumner, Williamson, and Maury Counties each had more than 1,300 homes permitted. Counties to the west and outlying counties to the east had fewer homes permitted, with most having less than 500 homes permitted during 2023.

New home sales were concentrated in the \$400,000 to \$599,999 price range, with 9 percent of total home sales during the most recent 12 months (Figure 11). New homes priced below \$400,000 accounted for approximately 7 percent of total sales, and new homes priced above \$600,000 accounted for 5 percent of home sales. Average new home prices were highest in Williamson County at \$1.12 million, followed by Davidson County at \$573,700. The average new home price in Rutherford County was \$482,000.



**Map 3. Single-Family Permitting by County in the Nashville HMA**

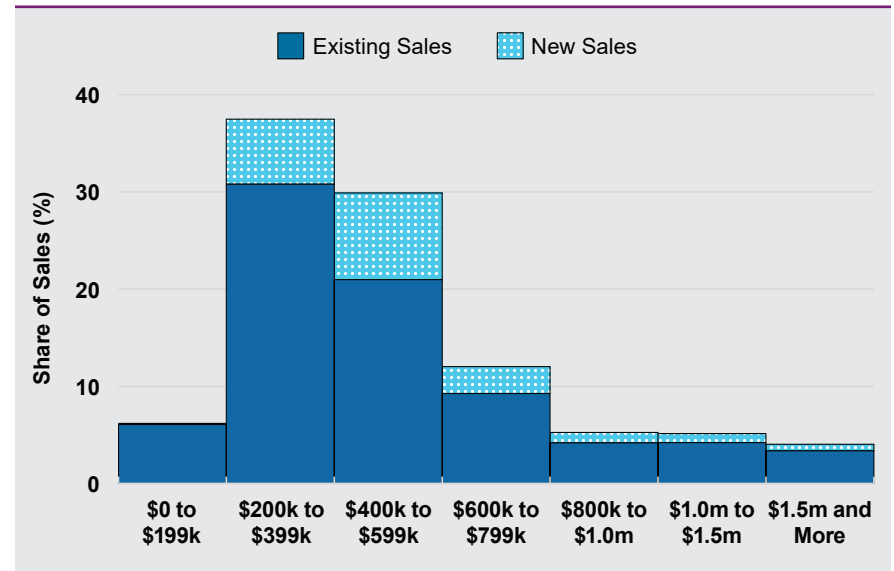


Source: U.S. Census Bureau Building Permits Survey 2023, with adjustments by the analyst

## Housing Affordability: Sales

Compared with the nation, homebuying in the HMA is more affordable as of the first quarter of 2024. Nationally, a family earning the median family income would need to spend 36 percent of their income for a mortgage payment on a median-priced home (National Association of Home Builders/ Wells Fargo Cost of Housing Index [NAHB/CHI]). By comparison, a family earning the median family income in the HMA would only need to spend 32 percent of their income on a mortgage payment for a median-priced home.

**Figure 11. Share of Overall Sales by Price Range During the 12 Months Ending March 2024 in the Nashville HMA**



Note: New and existing sales include single-family homes, townhomes, and condominiums.  
Source: Zonda

Based on the 176 metropolitan areas in the NAHB/CHI, 71 areas have higher indexes, indicating a higher share of income is needed for a mortgage payment; 99 areas have lower indexes, indicating a lower share of income needed; and 5 areas have the same index. Compared with the first quarter of 2023, the portion of income needed for a mortgage payment increased 2 percentage points in the nation and 1 percentage point in the HMA.

## Forecast

During the next 3 years, demand for an additional 31,300 for-sale housing units is expected (Table 5). The 7,700 homes currently under construction will meet a portion of demand. Demand for additional homes is expected to moderate during the 3-year forecast period. Mortgage interest rates are

expected to remain relatively high and household formation is expected to slow compared with the period from 2020 to the current date, contributing to further reduction in demand for additional for-sale housing compared with permitting during the most recent 12 months. Most of the demand is expected to be for single-family homes, with demand concentrated in Davidson County and nearby counties to the north, east, and south, similar to the distribution of permitting in 2023.

**Table 5. Demand for New Sales Units in the Nashville HMA During the Forecast Period**

| Sales Units               |              |
|---------------------------|--------------|
| <b>Demand</b>             | 31,300 Units |
| <b>Under Construction</b> | 7,700 Units  |

Note: The forecast period is April 1, 2024, to April 1, 2027.  
Source: Estimates by the analyst



# Rental Market

## Market Conditions: Soft

Apartment deliveries exceeded apartment absorption during the past 3 years, resulting in a shift from tight conditions in early 2022 to currently soft conditions.

## Current Conditions and Recent Trends

Rental market conditions are currently soft, easing from tight conditions in early 2022. Supply chain disruptions in 2020 and 2021 slowed construction of new apartments, delaying delivery of new units. Rapid household growth immediately following the easing of public health measures in 2021 and relatively few apartment completions contributed to tightening conditions. Rental unit permitting increased strongly in 2020 and 2021, and a record-high number of rental units were permitted in 2022, financed with relatively low interest rate construction loans. The completion of delayed projects resulted in more units entering the market than were absorbed during the past 36 months, contributing to easing conditions. In response to the large wave of rental units entering the market and slower household growth, rent growth moderated in the single-family home market, and the average apartment rent declined during the past year. The overall rental market vacancy rate is currently estimated at 9.5 percent, up from 7.4 percent in 2020 (Table 6).

**Table 6. Rental and Apartment Market Quick Facts in the Nashville HMA**

| Rental Market Quick Facts          | 2020 (%)                   | Current (%) |     |
|------------------------------------|----------------------------|-------------|-----|
|                                    | <b>Rental Vacancy Rate</b> | 7.4         | 9.5 |
|                                    | 2006–10 (%)                | 2018–22 (%) |     |
| Occupied Rental Units by Structure |                            |             |     |
| Single-Family Attached & Detached  | 32                         | 32          |     |
| Multifamily (2–4 Units)            | 15                         | 12          |     |
| Multifamily (5+ Units)             | 47                         | 51          |     |
| Other (Including Mobile Homes)     | 6                          | 5           |     |

| Apartment Market Quick Facts | 2024 1Q                       | YoY Change |     |
|------------------------------|-------------------------------|------------|-----|
|                              | <b>Apartment Vacancy Rate</b> | 10.6       | 1.3 |
|                              | <b>Average Rent</b>           | \$1,587    | -1% |
|                              | Studio                        | \$1,381    | -2% |
|                              | One-Bedroom                   | \$1,443    | -2% |
|                              | Two-Bedroom                   | \$1,680    | -1% |
| Three-Bedroom                | \$1,886                       | 1%         |     |

1Q = first quarter. YoY= year-over-year.  
 Notes: The current date is April 1, 2024. Percentages may not add to 100 due to rounding.  
 Sources: 2020 vacancy rate—2020 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2022 American Community Survey 5-year data; apartment data—CoStar Group

## Single-Family Rental Market

Single-family homes represent approximately one-third of all renter-occupied units in the Nashville HMA (2022 ACS 5-year data). Most homes in this category were initially built for owner occupancy but have shifted to renter occupancy over time as owners moved out and offered the units for rent, or investors purchased homes as rental properties. An emerging trend in the single-family home rental market is constructing whole subdivisions of homes for rent. Since 2010, at least 18 subdivisions with approximately 1,650 homes for rent have been constructed in the HMA.

The single-family rental market is currently slightly tight. Rising home mortgage interest rates since 2022 have contributed to more renter households delaying purchases of homes and renting single-family homes instead. The vacancy rate for professionally managed single-family homes for rent, which is only a portion of all single-family homes for rent in the HMA, was 1.6 percent as of March 2024, down from 1.7 percent a year earlier and 2.1 percent 2 years earlier (Figure 12). By comparison, the March vacancy rate



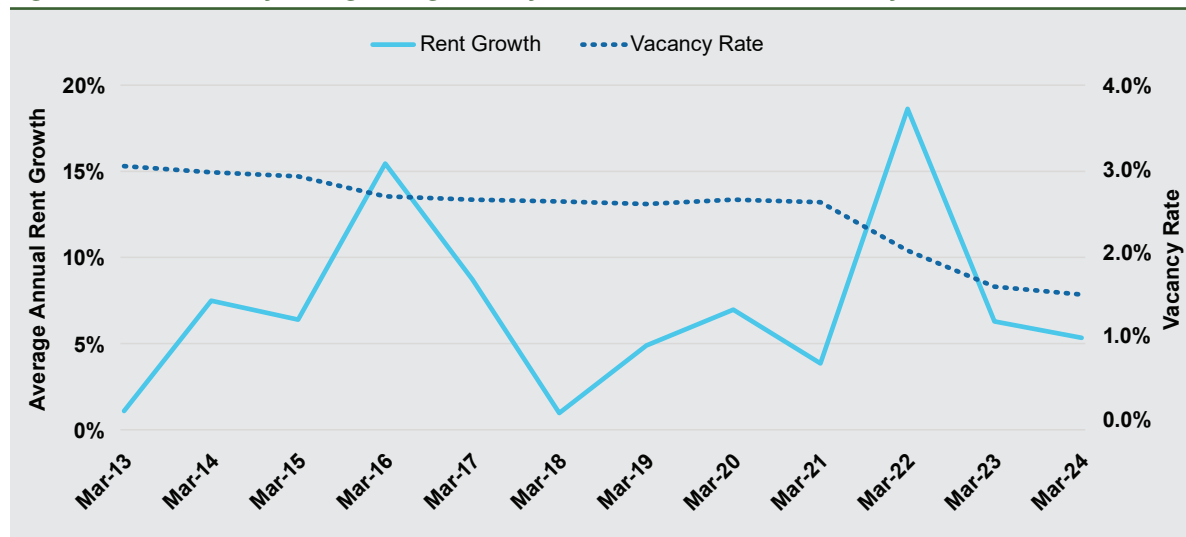
had been relatively stable from 2016 through 2021, ranging from 2.6 to 2.7 percent. The average rent per square foot increased to \$1.93 in March 2024, up 5 percent from a year ago, slowing from a 6-percent gain a year earlier and a 19-percent gain 2 years earlier. Year-over-year rent growth averaged 7 percent from March 2015 through March 2021.

### Apartment Market Conditions

Apartment market conditions are currently soft as of the first quarter of 2024, easing from tight conditions as of the first quarter of 2022. Rapid apartment absorption during the 12 months ending March 2021 and March 2022, followed by an elevated number of apartment completions and lower levels of absorption during the 12 months ending March 2023 and March 2024, led to easing conditions (Figure 13). As of the first quarter of 2024, the vacancy rate was at the highest level since before 2010, and the average rent was down from the same quarter a year ago. By contrast, during the first quarter of 2022, conditions were tight, with the fastest year-over-year increase in rent since 2010 and a relatively low vacancy rate.

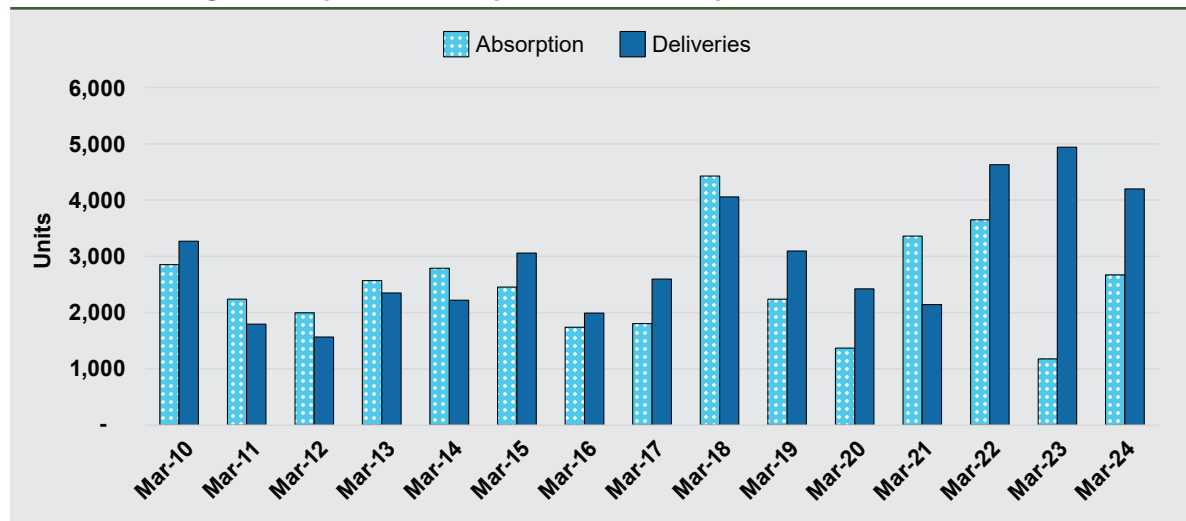
The average rent in the HMA was \$1,587 as of the first quarter of 2024, down more than 1 percent from a year ago, a reversal from 3- and 14-percent gains during the previous 2 years (Figure 14). By comparison, rent growth was relatively steady from 2012 through 2020, averaging 3 percent annually as measured in the first quarter each year.

**Figure 12. Professionally Managed Single-Family Home Rent Growth and Vacancy Rates in the Nashville HMA**



Source: CoreLogic, Inc.

**Figure 13. Apartment Completions and Absorption in the Nashville HMA**



Note: Data are for the 12 months ending March.  
Source: CoStar Group

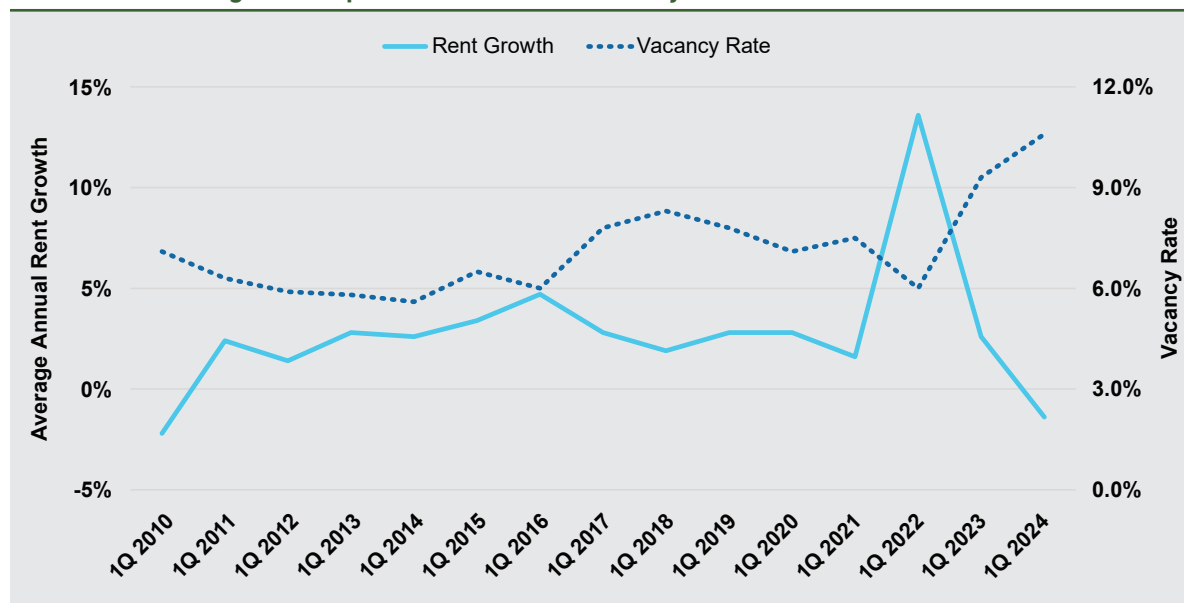


The apartment vacancy rate in the HMA, including units in lease up, was 10.6 percent as of the first quarter of 2024, up from 9.3 percent a year earlier and a recent low of 6.0 percent during the first quarter of 2022. From the first quarters of 2012 through 2020, the period between Great Recession recovery and the onset of the early 2020 recession, the vacancy rate fluctuated between 5.6 and 8.3 percent. The current vacancy rate is the highest rate in more than 2 decades.

## Market Conditions by Geography

Market conditions in most of the 16 CoStar Group-defined market areas have followed trends similar to the HMA overall, with declining rents and increasing vacancy rates as of the first quarter of 2024 compared with a year ago. The average rent declined in 11 of the 16 areas. The largest declines were in market areas in Davidson County, with reductions of 3 percent or more in the Donelson/Hermitage, Downtown Nashville, and West Nashville areas (Map 4). Many of the apartments completed in the HMA in recent years have been in Davidson County, and the properties have lowered rents and offered other financial incentives to encourage absorption, contributing to the decline in rent growth. In Rutherford

Figure 14. Apartment Rents and Vacancy Rates in the Nashville HMA



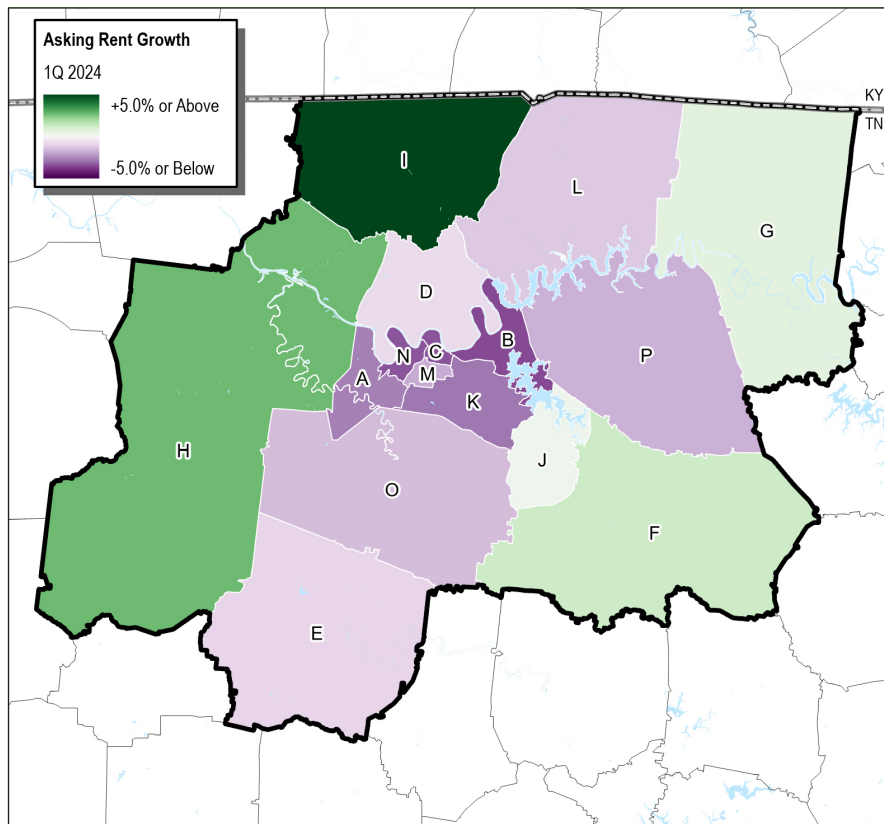
1Q = first quarter.  
Source: CoStar Group

County, which had relatively strong population growth and more limited apartment construction, rents increased modestly in the two market areas within the county—Murfreesboro and Smyrna/La Vergne. Other areas with rent growth tended to be farther away from Davidson County, with relatively limited apartment inventories.

The vacancy rate is above 10.0 percent in 11 of the 16 market areas and increased in 13 as of the first quarter of 2024 compared with the rate a year earlier. The Downtown Nashville market area, which had the most units delivered during the past 12 months, has the second highest vacancy rate at 15.7 percent. However, the current rate is down 3.7 percentage points from a year ago because of relatively strong absorption (Map 5).



**Map 4. Year-Over-Year Change in the Apartment Rent by Submarket in the Nashville HMA, First Quarter of 2024**



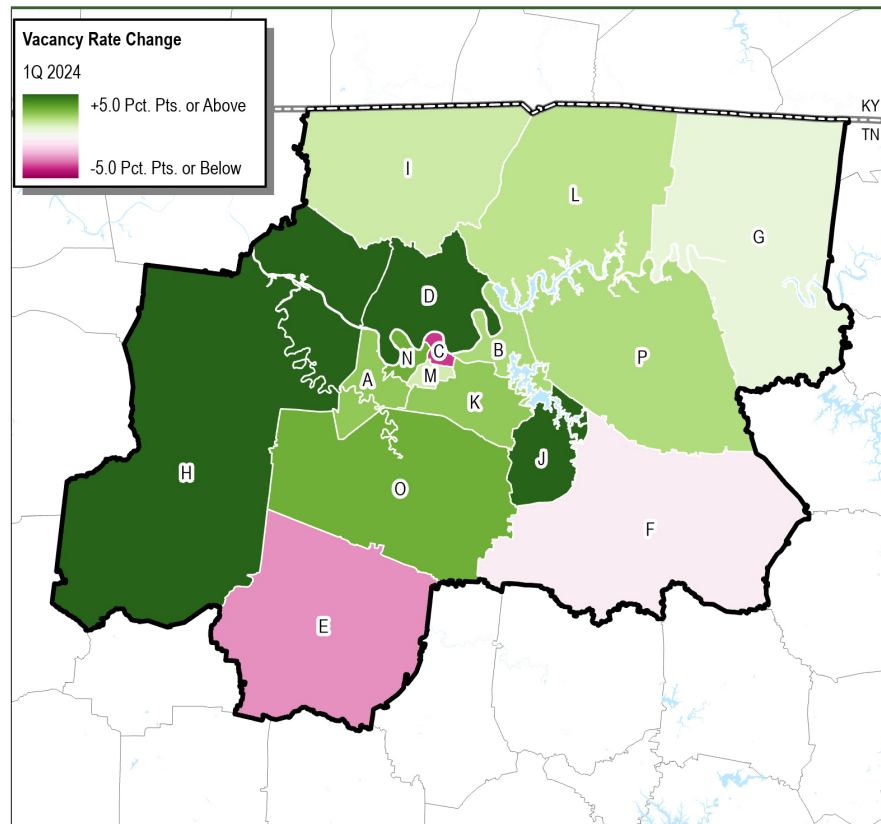
| Market Area           | Avg. Rent | YoY Rent Change | Vacancy Rate | Vacancy Rate Change |
|-----------------------|-----------|-----------------|--------------|---------------------|
| A Bellevue            | \$1,648   | -2.7%           | 9.2%         | 2.7                 |
| B Donelson/Hermitage  | \$1,449   | -3.5%           | 12.1%        | 2.2                 |
| C Downtown Nashville  | \$2,148   | -3.4%           | 15.7%        | -3.7                |
| D Madison/Rivergate   | \$1,479   | -0.8%           | 14.1%        | 6.3                 |
| E Maury County        | \$1,585   | -1.0%           | 13.3%        | -2.6                |
| F Murfreesboro        | \$1,470   | 1.2%            | 7.5%         | -0.5                |
| G Outlying Northeast* | \$654     | 0.7%            | 4.0%         | 0.8                 |
| H Outlying West*      | \$1,357   | 2.7%            | 17.0%        | 12.5                |

YoY = year-over-year.

\*Includes less than 1 percent of total apartment inventory in HMA.

Source: CoStar Group

**Map 5. Year-Over-Year Change in the Apartment Vacancy Rate by Submarket in the Nashville HMA, First Quarter of 2024**



| Market Area           | Avg. Rent | YoY Rent Change | Vacancy Rate | Vacancy Rate Change |
|-----------------------|-----------|-----------------|--------------|---------------------|
| I Robertson County*   | \$1,592   | 6.6%            | 3.4%         | 1.5                 |
| J Smyrna/La Vergne    | \$1,535   | 0.3%            | 12.9%        | 7.3                 |
| K Southeast Nashville | \$1,420   | -2.9%           | 12.2%        | 2.7                 |
| L Sumner County       | \$1,494   | -1.2%           | 7.5%         | 1.9                 |
| M West End Nashville  | \$1,912   | -1.9%           | 12.0%        | 1.5                 |
| N West Nashville      | \$1,649   | -3.4%           | 11.0%        | 3.3                 |
| O Williamson County   | \$1,978   | -1.5%           | 11.1%        | 3.3                 |
| P Wilson County       | \$1,632   | -1.7%           | 15.3%        | 2.1                 |

YoY = year-over-year.

\*Includes less than 1 percent of total apartment inventory in HMA.

Source: CoStar Group

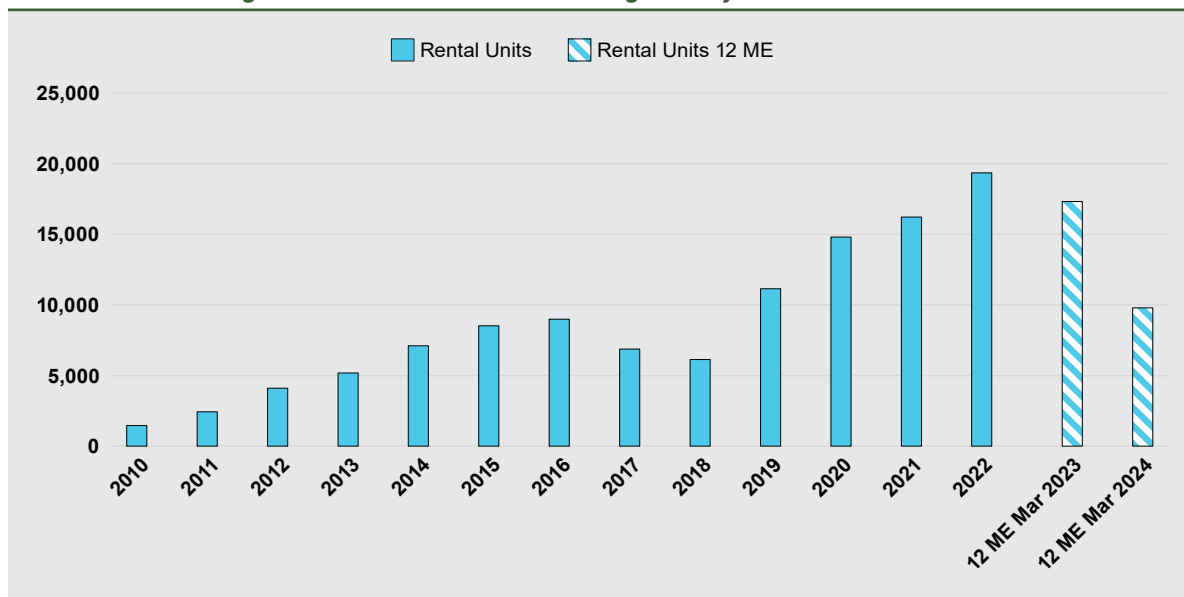


## Rental Construction

Rental construction, as measured by the number of rental units permitted, was elevated during the early 2020s compared with the 2010s but moderated during the past 2 years. During 2010 and 2011, when the economy was recovering from the Great Recession, rental permitting averaged 1,950 units annually before sharply increasing to an average of 7,275 units annually from 2012 through 2019 (Figure 15). Low interest rates on all types of loans, including construction loans, and rapid household growth, especially in 2021, supported an increase in rental unit construction, which rose each year from 2020 through 2022 to a peak of 19,350 units in 2022. Higher interest rates on construction loans combined with a softening apartment market contributed to a reduction in construction during the past 2 years, falling to 17,300 units permitted during the 12 months ending March 2023 and 9,800 units permitted during the 12 months ending March 2024.

Rental construction is concentrated in Davidson County, which has nearly 85 percent of all units currently under construction in the HMA. Within the county, construction is concentrated along

Figure 15. Annual Rental Permitting Activity in the Nashville HMA



12 ME = 12 months ending.

Note: Includes apartments and units intended for rental occupancy.

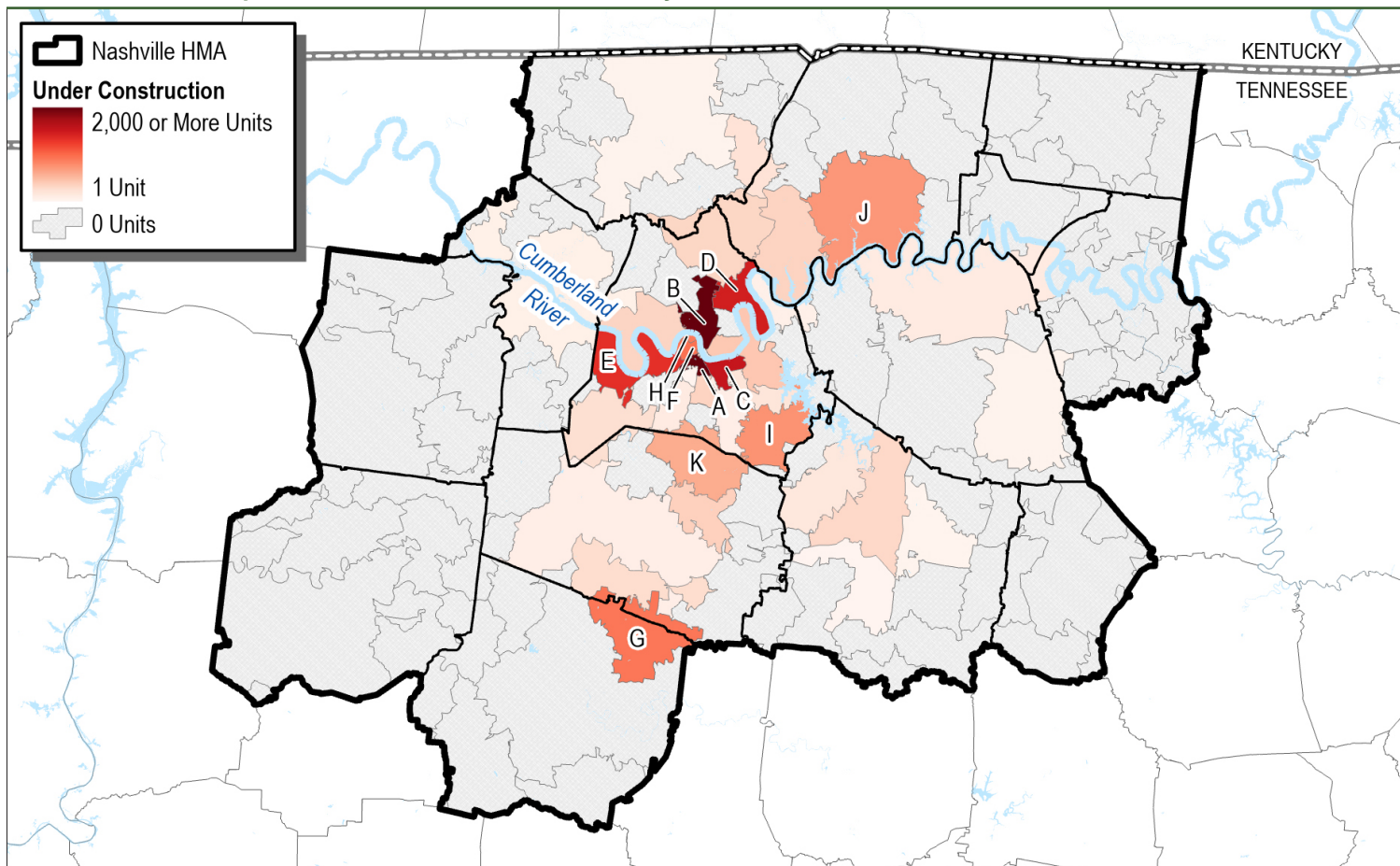
Sources: U.S. Census Bureau, Building Permits Survey; 2010–22—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

the Cumberland River. The 37203 ZIP Code, which includes the western portion of downtown Nashville had the most units under construction, with 5,900 units. Six additional ZIP Codes along the river each have 900 or more units underway (Map 6). The highest concentrations of units underway outside Davidson County are in the 37174 ZIP Code, which includes the city of Spring Hill in Maury and Williamson Counties, with 920 units, and the 37066 ZIP Code, which includes the city of Gallatin in Sumner County, with 710 units. The average asking rent for an apartment entering the market during the first quarter of 2024 was \$2,057.





**Map 6. Rental Units Under Construction by ZIP Code as of March 2024 in the Nashville HMA**



| Zip Code | Units | Zip Code | Units |
|----------|-------|----------|-------|
| A 37203  | 5,900 | F 37208  | 940   |
| B 37207  | 2,750 | G 37174  | 920   |
| C 37210  | 1,550 | H 37228  | 900   |
| D 37115  | 1,450 | I 37013  | 740   |
| E 37209  | 1,325 | J 37066  | 710   |
|          |       | K 37027  | 590   |

Notes: The following zip codes have more than one, but less than 500 rental units under construction; 37128, 37212, 37130, 37172, 37184, 37138, 37015, 37064, 37211, 37087, 37215, 37167, 37217, 37188, 37221, 37179, 37129, 37072, 37218, 37204, 37075, 37067, 37219, 37206, 37214. All other zip codes have 0 units under construction.

Source: CoStar Group



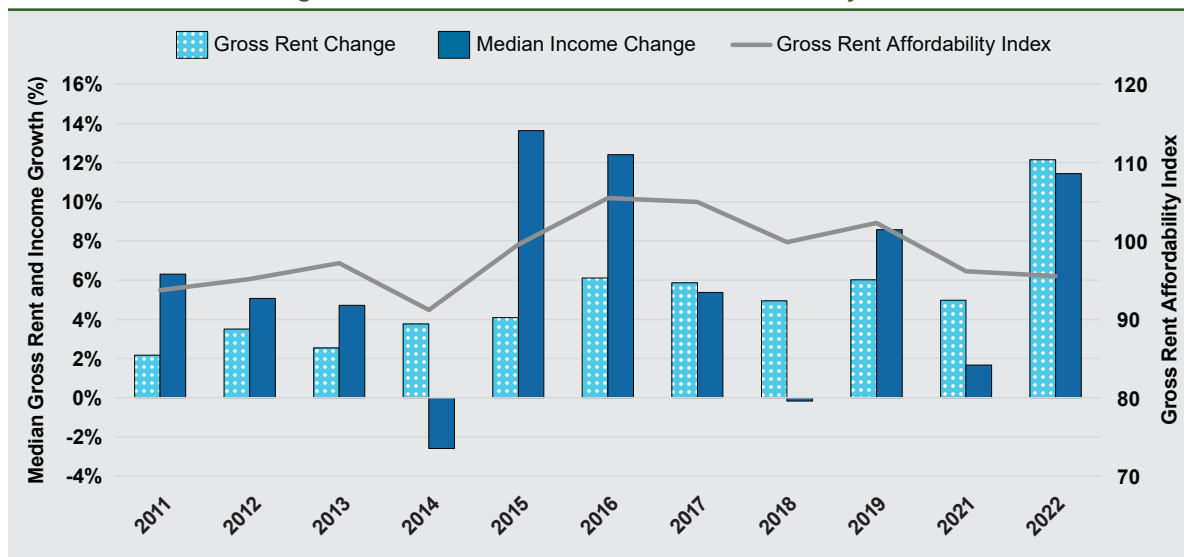
## Housing Affordability: Rental

Rental housing affordability has been declining in the HMA during most years since 2017. The gross rent affordability index, a measure of median renter household income relative to income required to afford a median-priced rental unit without being cost burdened, peaked in 2016 at 105.5 (Figure 16), indicating that the median renter household income exceeded the income required for a median-priced rental unit. From 2017 through 2022, the median gross rent increased faster than the median renter household income during most years, resulting in declining affordability. As of 2022, the index was 95.5, indicating that the median renter household income was less than the required income for a median-priced rental unit.

## Forecast

During the 3-year forecast period, demand is expected for an additional 16,500 rental units (Table 7). Slower household growth during the next 3 years compared with 2020 through the current date is expected to reduce demand for additional rental housing. The 22,800 units currently under construction are expected to exceed overall demand in the HMA. However, the units under construction are mostly concentrated in Davidson County, and some demand is expected in other counties of the HMA.

Figure 16. Nashville HMA Gross Rent Affordability Index



Notes: Rental affordability is for the Nashville-Davidson--Murfreesboro--Franklin Metropolitan Statistical Area as defined by the American Community Survey (ACS) during the year of data collection. Data for outlying counties are excluded in some years—Maury County in 2011–12 and Hickman County in 2021–22. The Gross Rent Affordability Index differs from the HUD Rental Affordability Index published on the U.S. Housing Market Conditions website in that it is based on combined rent and utilities expenditure. Data for 2020 are not available. Source: ACS 1-year data

Table 7. Demand for New Rental Units in the Nashville HMA During the Forecast Period

| Rental Units              |              |
|---------------------------|--------------|
| <b>Demand</b>             | 16,500 Units |
| <b>Under Construction</b> | 22,800 Units |

Note: The forecast period is April 1, 2024, to April 1, 2027.  
Source: Estimates by the analyst



# Terminology Definitions and Notes

## A. Definitions

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| <b>Absorption</b>  | The net change, positive or negative, in the number of occupied units in a given geographic range.   |
| <b>Apartment Market/<br/>Apartment Vacancy<br/>Rate/Average<br/>Monthly Rent</b> | Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.   |
| <b>Building Permits</b>  | Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.  |
| <b>Demand</b>  | The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.  |
| <b>Direct and Indirect<br/>Impact/Direct and<br/>Indirect Jobs</b>               | Direct impacts are jobs, wages, or economic output, attributable to the industry referenced. Indirect impacts are defined in economic impact studies as effects that result from firms or workers in the direct industry purchasing goods and services from other industries.  |
| <b>Existing Home Sales</b>   | <i>Data cited from Zonda</i> include regular resales and real estate owned (REO) sales. Regular resales are home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party and include short sales.<br><i>Data cited from CoreLogic, Inc.</i> include resales, short sales, and REO sales. Resales are home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party. |
| <b>Family/Family<br/>Income</b>  | A family is all persons living in the same household who are related by birth, marriage or adoption. Family income is reported income from all sources for the householder and other household members related to the householder. The median family income in the Nashville Housing Market Area (HMA) and nation are higher than the median household income.   |



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| <b>Forecast Period</b>                   | <b>April 1, 2024–April 1, 2027—Estimates by the analyst.</b>   |
| <b>Home Sales/Home Sales Prices</b>      | <b>Includes new and existing single-family home, townhome, and condominium sales.</b>  |
| <b>Net Natural Change</b>                | <b>Resident births minus resident deaths.</b>  |
| <b>Net Natural Decline</b>               | <b>Resident deaths are greater than resident births.</b>   |
| <b>Net Natural Increase</b>              | <b>Resident births are greater than resident deaths.</b>   |
| <b>Rental Market/Rental Vacancy Rate</b> | <b>Includes apartments and other rental units such as single-family, multifamily, and mobile homes.</b>  |
| <b>Stabilized</b>                        | <b>A property is stabilized once a 90 percent or above occupancy rate is reached, or at least 18 months pass since the property was changed from under construction to existing on the CoStar Group website.</b> |

**B. Notes on Geography**

|           |  |
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| <b>1.</b> | <b>The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.</b> |
| <b>2.</b> | <b>Urbanized areas are defined using the U.S. Census Bureau’s 2020 Census Urban and Rural Classification and the Urban Area Criteria.</b>  |
| <b>3.</b> | <b>The census tracts referenced in this report are from the 2020 Census.</b>   |

**C. Additional Notes**

|           |  |
|-----------|--|
| <b>1.</b> | <b>The NAHB Housing Opportunity Index represents the share of homes sold in the HMA that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria.</b> |
|-----------|--|



|    |  |
|----|--|
| 2. | <p>This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.</p>  |
| 3. | <p>The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.</p> |

**D. Photo/Map Credits**

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